



Annual Performance Report 2021-22



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Contents

Introduction.....	2
Risk and compliance statement	5
Regulatory accounts introduction	8
Accounting disclosures	9
Transactions with associates and the non-appointed business	18
Section 1: Regulatory financial reporting.....	20
Section 2: Price review and other segmental reporting	28
Section 3: Performance summary	46
Section 4: Additional regulatory information – service level.....	70
Section 5: Additional regulatory information – water resources.....	91
Section 6: Additional regulatory information – water network plus.....	93
Section 7: Additional regulatory information – waste water network plus.....	99
Section 8: Additional regulatory information – bioresources	106
Section 9: Additional regulatory information – innovation competition.....	111
Section 10: Green recovery	113
Section 11: Greenhouse gas emissions	114
Assurance reports	115
Appendix A: Change log	124

Introduction

Board statement on accuracy and completeness of data and information

Wessex Water's Board is accountable for the accuracy and completeness of the information we report and publish. This annual performance report provides information on progress in delivery of customer outcomes, service levels, cost information and financial performance for the year ended 31 March 2022.

We have prepared the report in accordance with Ofwat's requirements (principally from RAG3.13), including the required accounting and narrative disclosures. The table on pages 3 and 4 sets out the requirements and where they may be found in this and other published reports.

The Board confirms it is satisfied that the data and information which the Company has provided to Ofwat in the reporting year and/or which the Company has published in its role as a water and sewerage undertaker was accurate and complete.

Francis Yeoh

Chairman

Colin Skellett

**Chief
Executive**

Jim McKenna

**Senior
Independent
Non-Executive
Director**

Kate Mingay

**Chair of Audit
and Risk
Committee**

6 July 2022

Information assurance activities

To allow itself to make this statement, the Board carries out a wide range of activities. We have a well-established assurance framework, which is led by our Board. Being honest and ethical in the way we conduct our business is one of our core values. The following groups and processes are in place as part of our approach to information assurance:

Wessex Water Services Limited (WWSL) Board

It is the responsibility of the Board to ensure the Company meets its regulatory and legal obligations. Board ownership is key to providing a strong assurance process. The WWSL Board has overall responsibility for the accuracy and completeness of the data and information which we provide or publish in our role as a water company.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in monitoring the Company's obligations in relation to financial reporting, internal control and audit, and compliance and risk management systems. Part of the Committee's role is to review the company's financial statements and Annual Review documents, including the Annual Performance Report.

On an annual basis, the Company carries out a risk assessment exercise to help identify any issues with data and information that need to be addressed. Following this, the Company develops an assurance plan outlining the risks, strengths and weaknesses of the data and information and any target areas. These target areas are each assigned a plan to manage and mitigate the data and information risks associated with them.

The Audit and Risk Committee reviews the assurance plan and challenges the assurance approaches. The Committee also assesses the governance processes that underpin the approach, including the business risk assurance map and the regulatory assurance manual. The Committee receives further assurance from independent financial and technical auditors. The Board then approves the assurance plan. Full details can be found in the relevant documents on the Company's website.

This process, alongside the other assurance activities as required in RAG3.13, satisfies the Board that the Company has appropriately identified and addressed risks to the provision of accurate and complete data and information in particular areas.

Ofwat requirements

Requirement	Location
General	
In-period adjustment model	Separate submission to Ofwat
Ring-fencing certificate	Page 11 and published on our website here
Long-term viability statement	Annual Report and Accounts
Risk and Compliance statement	Page 5
Accounting methodology statement	Published on our website as part of the APR
Bioresources market monitoring information	Published on our website as part of the APR
Accounting disclosures	
Statement on executive pay and performance	Annual Report and Accounts
Statement as to disclosure of information to auditors	Page 9
Statement on dividend policy for the appointed business	Page 9
Accounting policy note for price control units	Page 9
Revenue recognition	Page 10
Capitalisation policy	Page 10
Bad debt policy	Page 11
Ring-fencing certificate	Page 11
Tax strategy for appointed business	Page 13
Differences between non-statutory and RAG definitions	Page 14
Long-term viability statement	Annual Report and Accounts
Statement explaining out/under performance of the return on regulatory equity	Page 21 (Financial flows)
Variance on Infrastructure network reinforcement charges	Page 16
Innovation competition	Page 111
Transactions with associates and the non-appointed business	
Transactions to be disclosed	Page 18

Introduction

Requirement	Location
Narrative disclosures on performance	
Outcomes	Page 47
Totex	Page 71
Retail	Page 29
Wholesale revenues	Page 30
Current tax analysis	Page 20
Current tax reconciliation	Page 20
Interest	Page 20
Financial flows	Page 21
Narrative on costs	Pages 75, 94, 100 and 106
Supply-demand balance and metering	Page 73
Analysis of debt	Page 21
Common performance measures	Page 58
Board statement on accuracy and completeness of data and information	Page 2
Return on regulatory equity	Page 74
Financial derivatives	Page 21
Social tariffs	Page 31

We have prepared all tables we are required to complete in accordance with the Regulatory Accounting Guidelines and submitted them to Ofwat.

Risk and compliance statement

Introduction

The Water Services Regulation Authority (Ofwat) requires the Board to provide an annual Risk and Compliance Statement (the Compliance Statement). The Compliance Statement confirms that the Company has complied with all its relevant statutory, operating licence and regulatory obligations; that it has processes and systems of internal control in place; that it is taking appropriate steps to manage its risks; and that it demonstrates clear leadership, transparency and good governance. The Company is required to report by exception any instances where a regulatory output has not been met and to detail decisions and actions that demonstrate our governance processes.

Our Annual Review, including our annual performance report, details progress on performance commitments, outputs and financial information, including where these have not been met. This information is for our customers, investors and regulators. Our Annual Review is supported by fact but occasional reliance is placed on estimates. These estimates have been made in good faith, based on reasonable assumptions and are clearly stated as an estimate.

Compliance statement

The Board confirms that it has appropriate and effective assurance process in place and:

- the Board has a full understanding of and is meeting, in all material respects, its statutory, licence and regulatory obligations
- the Company has met, in all material respects, relevant regulator and customer expectations as demonstrated by those outputs and service standards set out in its business plan and funded through the Final Determination
- the Board is satisfied that the Company has sufficient processes and internal systems of control to fully meet its obligations, or has disclosed any modification or failure to meet such obligations
- the Company has appropriate systems and processes in place to allow the Board to identify, manage and review risks. Principal risks and the appropriate management of them are set out in the Strategic Report and in the relevant section of the annual review summary
- the Company follows the Wates principles and meets the requirements outlined in Ofwat's Better Leadership, Transparency and Governance principles
- the Company has sufficient financial and management resources for the 12 months from the date of this report
- the Company has sufficient rights and assets available to enable a special administrator to run the business
- any trade with associate companies was at arm's length and no cross subsidy arose
- directors' pay is linked to standards of performance as disclosed in the Annual Report and Accounts
- any failure to deliver outputs agreed at the Final Determination has been disclosed within our Annual Performance Review
- the Company is compliant with its licence condition on credit ratings
- the Board considered and approved the proposed charges for 2021 and the associated assurance statement confirming that the Company had met Ofwat's charging expectations and all regulatory and statutory obligations
- greenhouse gas and carbon reporting complies with Defra and Ofwat reporting requirements.

Output review

The Company has 500 individual regulatory outputs and 46 performance commitments of which 41 have targets for 2021-22. In 2021-22, all the regulatory outputs and 28 performance commitments were delivered, as well as strong performance on C-Mex and D-Mex measures. We are on track to deliver all statutory outputs for the AMP. Further detail on our performance commitments is given in the outcomes narrative (page 46).

Risk and compliance statement

The Board keeps all outputs and commitments under constant review. Some of the performance commitments in our Final Determination are stretch targets with the potential that the target could not be met in year (or subsequent years). Regular progress reports are prepared for Directors and senior management on progress and mitigation strategies are in place to manage any risk of slow progress or failing to deliver. The Company engages with its regulators (Environment Agency and Drinking Water Inspectorate) where it is foreseen that an output cannot be met. This includes agreeing a future course of action including potential advancement of other outputs. Performance commitments are externally audited each year by the Company's technical auditor.

The Customer Challenge Group (CCG previously known as the Wessex Water Partnership) represents our key stakeholder groups. It has met three times this year and is chaired by an independent chairman. The CCG reviews our progress towards our performance commitments each year and formally reports this to our Board. The CCG have produced a final report for the Board recommending their support for the performance commitment information that is provided in our Annual Review and Annual Performance Report. This is published on our website.

Customer experience

The Company regularly monitors its customers' experience by:

- surveying customers after work has been completed at a property to check that they are satisfied; that the problem has been resolved and the work area left clean and tidy. This feedback is displayed in real-time visual dashboards and shared across the business to drive continuous improvement. Our customer care team contact any customer who has given a lower satisfaction score to address their concerns
- inviting customers to leave Trustpilot reviews and all ratings and comments are published on our website
- leaving information cards with all customers we have visited, which include an option to return a hardcopy feedback survey if they haven't been able to give their view through any of the channels above
- using a continuous independent image tracker to gather customers' views through telephone interviews on our service now and in the future, including satisfaction; value for money; awareness of services; and other general feedback
- gathering customers' views on different aspects of our service through our online customer panel 'Have your Say'. In 2021-22 we have been particularly interested in customers' views on how we manage our water supplies; how we can meet customer needs in the future; and opinions on the information to new customers in our welcome packs and how it can be improved
- the CCG represents the views of our customers and key stakeholder groups and takes an ongoing interest in customer engagement and customer experience. The group provided independent challenge throughout the development of our business plan for 2020-2025.

Customer information

The Company satisfies Licence Condition G on providing customer information by regular review of its core customer information. This takes the form of detailed information on our website, complimented by a suite of leaflets covering all key aspects of our work. It includes information on the services we provide, our customer guarantees, how to make enquiries and explains our complaints procedure.

Our communication process is customer-led and continues to meet Ofwat's requirements for the provision of customer information as detailed in Information Notice 13/04. All information provided to customers and stakeholders is validated to ensure it is accurate, transparent, clear, current and easily accessible. The Company's Assurance Plan (available on our website) supports this, providing details of how we propose to make further improvements.

We consult with the Consumer Council for Water (CCW) to ensure that the information provided meets customer requirements. CCW review the nature of the information provided and the way we provide it on an annual basis when our customer charges are revised as well as on an ad-hoc basis when updating any customer information.

Risk review

The management of risk is of fundamental importance to the Company, to guard against both financial loss and customer dissatisfaction. The Company's risk identification and management framework is subject to annual review by the Board. The Board reviews its principal risks twice a year. The Company's processes are flexible to respond to changes in risk and ensure that the necessary controls and mitigation measures are put in place and any significant changes in risk, risk impact and mitigation effectiveness are brought to the Board's attention as they arise. The Audit and Risk Committee approves the annual audit plan that includes audits around the principal risks.

Risk process

Risk is identified and managed through a tiered system of groups drawn from operational staff, senior management, Executive Directors and the Board. The Board reviews and is ultimately responsible for risk and setting the risk appetite and tolerance. Risks have been identified evaluated and managed in line with our processes throughout the year and up to the approval of the Annual Report and Accounts. Full details of our risk management are available in our Annual Report and Accounts.

Operational staff and senior management review, assess and record asset and operational risks monthly. Risks are scored by assessing probability and impact on a 'five-by-five' scoring mechanism. Risk mitigation plans are recorded and implemented where appropriate and pre-and post-mitigation scores are monitored.

Any identified risk acts as a foundation for the separate corporate risk register. The Risk Management Group maintains and reviews all business risks; the corporate risk register includes strategic, compliance, operational and financial risks, specifically including health and safety and climate change related risks. The Risk Management Group comprises senior managers from across the business. The risks are assessed by subject matter experts and subject to independent challenge from our risk experts. We assess risks based on a range of criteria including their financial, social, and environmental impacts. Risks above our tolerance levels will have additional measures to manage and mitigate the risk exposure.

The Board reviews risk as a matter of course and undertakes an in-depth review every six months. This sets out the risk review process and identifies current and emergent principal risks to the business and the relevant mitigation measures.

Assurance and Board endorsement of the Risk and Compliance Statement

The Company has a clear focus on its performance reporting and verification procedures. The Risk and Compliance Statement is assured by:

- a clear governance process over output and performance commitments
- data collation and reporting process that are externally audited and verified
- an annual process of self-certification confirming compliance to our internal controls
- a programme of internal audits
- governance and scrutiny over the risk management framework
- validation of information being provided to customers and feedback and improvement processes
- Audit and Risk Committee and Board approval of the methodology and content of the Compliance Statement.

The Board confirms it is satisfied it has the appropriate assurance processes in place and based on these processes endorses this compliance statement and states that, to the best of its knowledge and belief, the information produced is accurate, reliable and complete in all material respects.

Francis Yeoh

Chairman

Colin Skellett

**Chief
Executive**

Jim McKenna

**Senior
Independent
Non-Executive
Director**

Kate Mingay

**Chair of Audit
and Risk
Committee**

6 July 2022

Regulatory accounts introduction

The Company was appointed by the Secretary of State for the Environment as a water and sewerage undertaker under the Water Act 1989 and is required to comply with the Conditions set out in the Instrument of Appointment (the Licence) issued thereunder.

Under the conditions of its Licence, the Company is obliged to provide the Water Services Regulation Authority (WSRA) with additional information to that contained in the non-statutory financial statements, in order to comply with Licence Condition F. This information is presented on pages 20 to 114.

The differences between the treatment of items in the non-statutory financial statements and these regulatory accounting statements are shown in the disclosure, 'Differences between non-statutory and RAG definitions' on pages 15 to 16.

Transactions with associates

In the opinion of the Directors, the Company has complied with the objectives and principles of RAG 5.07, in that transactions with associated companies are at arms-length and that cross subsidy is not occurring.

Accounting methodology statement

We have published the accounting methodology statement for the year to March 2022 on our website [here](#).

Directors

The Directors are listed in the **Annual Report and Accounts**.

Statement of Directors' responsibilities

Further to the requirements of company law, the Directors are required to prepare accounting statements that comply with the requirements of Condition F of the Instrument of Appointment of the Company as a water and sewerage undertaker under the Water Industry Act 1991 and Regulatory Accounting Guidelines issued by Ofwat. This requires the Directors to:

- confirm that, in their opinion, the Company has sufficient financial resources and facilities, non-financial resources and methods of planning and internal control for the next 12 months;
- confirm that, in their opinion, the Company has sufficient rights and assets to enable a special administrator to manage the affairs, business and property of the Company;
- confirm that, in their opinion, the Company has contracts with any associate company with the necessary provisions and requirements concerning the standard of service to be supplied to ensure compliance with the Company's obligations as a water and sewerage undertaker;
- report to Ofwat changes in the Company's activities, which may be material in relation to the Company's ability to finance its regulated activities;
- undertake transactions entered into by the appointed business, with or for the benefit of associated companies or other businesses or activities of the appointed business, at arm's length; and
- keep proper accounting records, which comply with Condition F and RAG 5.07.

These responsibilities are additional to those already set out in the **Annual Report and Accounts**.

Directorships

The following Directors of the Company are also Directors of the following parent companies in the Group:

Colin Skellett and David Barclay are Directors of Wessex Water Ltd. Colin Skellett is a Director of YTL Utilities (UK) Ltd.

Francis Yeoh, Hong Yeoh and Mark Yeoh are Directors of Wessex Water Ltd, YTL Utilities (UK) Ltd, YTL Utilities Ltd, YTL Power International Berhad and YTL Corporation Berhad. Hann Yeoh is a Director of YTL Utilities Holdings Ltd.

Accounting disclosures

Statement on executive pay and performance

Details of Directors' remuneration is fully disclosed in the Remuneration Committee report in the Annual Report and Accounts. This includes disclosure of the link between pay and performance. To avoid duplication this information has not been replicated in the Annual Performance Report.

Statement as to disclosure of information to auditors

The Directors who held office at the date of approval of the annual performance report confirm that, so far as they are each aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement on dividend policy for the appointed business

The dividend policy is to declare dividends consistent with the Company's performance and prudent management of the economic risk of the business.

Dividend payments are reviewed and approved on a quarterly basis by the Board after taking into account both current and projected business performance.

In particular the Board takes into account:

- the Company's current and projected performance in delivering the level of service customers expect from an efficient water and sewerage company and that where that level of service has not been delivered, that customers have been adequately compensated
- that the Company is delivering the required quality and environmental outputs and making sufficient investment in its infrastructure to maintain and, where necessary, increase resilience
- that the correct amount of tax has been paid
- that the Company has met any unexpected additional expenditure needs that may have arisen during the year to date, as new operational risks emerge
- the level of regulatory gearing and its comparison with Ofwat's expectations pertaining at the time
- the sufficiency of distributable reserves.

The Company will maintain a solid investment grade credit rating at all times.

The Company declared dividends of £63.5m (2021 - £50.0m) to its immediate parent company during the year.

In March 2022, the Board approved the payment of a final dividend in respect of the year 2021-22. In reaching this decision, the Board took account of the Company's projected financial position at 31 March 2022 and its medium term plan projections, which remained compatible with solid investment grade credit ratings. The Board also took into account the principal risks facing the business; good performance against most performance commitments; positive ongoing employee engagement and payments made under the schedule of contributions for the Company's pension scheme.

Accounting policy note for price control units

Cost allocations have been prepared in accordance with RAG 2.09 and RAG 4.10 for the definitions for the regulatory accounting tables. All costs are recorded in the accounting records by cost centre. Cost centres are defined either as a direct department, comprising operational and customer functions, or a support department. Direct departments are mostly directly allocated to service activities based on the nature of the function, although some costs require apportionment on an appropriate basis. Support departments are apportioned across the price controls either based upon a specific analysis of the costs or by apportionment by an appropriate cost driver. Once allocated to the appropriate price control the costs are then allocated to service activities using an appropriate method.

Fixed assets directly involved in the activities within each business unit are recorded against that business

unit using direct allocation per the location or asset type. Where an asset is utilised in more than one business unit, the asset is allocated to the business unit of principal use and costs are recharged to other different business units on the same basis used to allocate operating expenditure.

Further detail is provided in the accounting separation methodology statement published on our website [here](#).

Revenue recognition

Turnover represents income receivable in the ordinary course of business, excluding VAT, for services provided. Turnover from contracts with customers is recognised when control of these goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In accordance with RAG 3.13, there is one difference in turnover recognition between the statutory and regulatory accounts. This relates to the adoption of IFRS15 whereby turnover has been de-recognised where the occupier has consistently not settled their account for a period of four years or more. There are no further adjustments between amounts billed (as adjusted by opening and closing accruals) and amounts recorded as turnover.

Income related to water and sewerage services is receivable from occupiers of the premises to which services are supplied except where a third party has agreed liability for the charges. Where premises are unoccupied or where no services are supplied, charges are not raised, income is not receivable and no turnover is recognised. Premises that are furnished are considered to be occupied except in exceptional circumstances such as death or long-term hospitalisation of the customer. We consider premises undergoing refurbishment or being used for storage to be occupied by the owners of the premises.

If details of the occupier of the premises are unknown, the premises are considered to be unoccupied, no charges are raised and no turnover is recognised except where a third party has agreed liability for the charges. We do not bill properties speculatively in the name of the occupier. We have processes that seek to determine whether properties are occupied that include, but are not limited to, written correspondence, data matching and visits.

Charges that do not represent income receivable in the ordinary course of business are not recognised as turnover. This includes charges for the recovery of costs related to court action to recover charges overdue.

The principles laid out above apply to both new and existing premises.

Capitalisation policy

Our capitalisation policy is unchanged from previous years. The capitalisation policy document is owned and published internally by the Group Financial Controller and forms part of our governance process and procedures. The policy is applied consistently between the statutory and regulatory accounts, in accordance with IAS16 Property, Plant and Equipment and IAS38 Intangible Assets. It includes a significant level of detail and includes the following principles:

Assets are taken to be fixed assets if they are intended for use on a continuing basis over at least three years (or two years in the case of internal software developments). Any assets not intended for such use are to be charged to the Income Statement.

Capital expenditure shall be determined as follows:

- the price paid for the asset together with any costs incidental to the acquisition, eg, identification of options and appraisal costs. This may include site preparation, which could encompass demolition work
- the cost of raw materials, consumables, salaries and wages (together with other costs) directly attributable to the creation of that asset
- in addition, the cost of an asset may include a reasonable proportion of costs indirectly attributable to the creation of the asset
- interest paid, for example on contractors' claims or delayed payment of certificates, may be capitalised.

Bad debt policy

Expected credit loss policy

There have been no changes in expected credit loss policy. The value of debt written off in the year was £10.1m compared with £19.5m in the previous year.

Debt is written off for one of four reasons:

- it is considered or known to be uncollectible
- it is considered uneconomic to collect
- older debt is written off by agreement with the customer in return for the receipt of monthly payments to pay off current year debt as part of our 'Restart' and 'Restart Plus' policies
- write off is ordered by the County Court. In these cases, the court may set payment at a proportion of the outstanding debt. When this level of payment is reached the court will instruct that the rest is to be written off.

Expected credit loss provision policy

The expected credit loss provision for tariff income at 31 March 2022 was £41.7m compared with £36.8m the previous year-end, the increase being due to the reduction in debt written off in the year combined with the Company's assessment of the current and future economic climate.

Under IFRS9, expected credit loss provision is forward looking. To estimate expected credit loss various categories are selected, such as are direct debit, instalments and standing orders and other. Long-term historical collectability profile is used to assess an appropriate level of provision based on these factors and any expected general economic effects.

Trade debtor balance

There has been a reduction in the trade debtor balance from the prior year. The trade debtor at 31 March 2022 was £86.9m, compared with £91.6m the previous year.

Ring-fencing certificate

Licence conditions I (ring-fencing) and K (ring-fencing and disposals of land) require the Company, at all times, to ensure that if a special administrator were appointed to manage the regulated activities, that administrator would have sufficient rights and assets (other than financial resources) to enable the administrator to manage the affairs, business and property of the Company. The Company is required to confirm on an annual basis that it is in compliance with these conditions and, in a certificate of adequacy, make suitable sufficiency statements to that effect.

The Company should also include a statement of the main factors that the Board has taken into account when approving the certificate of adequacy. The certificate should also be accompanied by a report prepared by the Company's auditors stating whether they are aware of any inconsistencies between the certificate and either the regulatory accounting statements or any information which they have obtained in the course of their work and, if so, what they are. The Company's auditors, Ernst & Young, have conducted their audit and prepared a separate report as required by paragraph I24, which confirms that no inconsistencies were identified between the ring-fencing certificate and either the regulatory accounting statements or any information which the Auditors obtained in the course of their work as the Company's Auditors.

In accordance with the requirements, this is to certify that on 6 July 2022, the Board of Wessex Water Services Limited unanimously resolved that, in their opinion, for at least the next 12 months:

- (a) The Appointee will have available to it sufficient:
 - a. financial resources and facilities to enable it to carry out the Regulated Activities (including the investment programme necessary to fulfil the Appointee's obligations under the Appointment); and
 - b. management resources and systems of planning and internal control enabling it to carry out its functions under the Appointment.

- (b) All contracts entered into with any Associated Company include all necessary provisions and requirements concerning the standard of service to be supplied to the Appointee, to ensure that it is able to carry out the Regulated Activities.

The Board has considered a wide range of factors to satisfy themselves that the evidence detailed here is sufficient for them to draw the conclusions they have. This includes the Auditors' statement regarding the Company's accounts, going concern statement, long-term viability statement, risk and compliance statement, and the inputs and assurance processes associated with each. Each of these has been considered in detail by the Audit and Risk Committee, with the appropriate challenge to directors and senior managers, before being recommended to the Board for approval.

The main factors the Board has taken into account, in compliance with the requirements are:

- (a) **Financial resources and facilities** and in particular consideration of:
 - a. the Company's detailed budget for the year to March 2023;
 - b. the Company's Final Determination for AMP7 accepted in February 2020;
 - c. the Company's long-term viability statement to March 2030;
 - d. the Company's credit arrangements including its existing borrowing facilities, which include significant undrawn bank facilities of £180m;
 - e. the Company's available cash resources and financing strategy including re-financing bonds maturing in July 2023;
 - f. the Company's investment grade ratings and compliance with financial covenants; and
 - g. the Company's dividend policy that does not impair the Company's ability to finance the Company.
- (b) **Management resources** and in particular consideration of:
 - a. the management skills, experience and relevant qualifications of key directors and managers, including succession planning for key management and staff;
 - b. the Company's recruitment and reward processes and staff engagement including the results and learning from the Company's staff-wide survey and the People's Council;
 - c. the quality of management and staff induction, including training and development;
 - d. the work of the Company's diversity and inclusion working group and Environmental and Public Value Committee;
 - e. Board reports, including the regular business performance updates; and
 - f. the independence and functionality of the Board and its Committees.
- (c) **Systems of planning and internal control** and in particular consideration of:
 - a. the governance framework, delegated authority processes and procedures;
 - b. the risk management framework as detailed in the annual report and accounts and associated reporting mechanisms;
 - c. the internal and external audit policies, processes, activities, and reports;
 - d. the systems for maintaining supply, security, incident management and business continuity, including relevant action plans;
 - e. the restated business ethics and raising a concern policy;
 - f. supply chain reviews for compliance with the Utilities Contracts Regulations, Modern Slavery Act and Bribery Act;
 - g. risk, compliance and other assurance statements;
 - h. performance against performance commitments as reported in the annual performance summary;
 - i. the systems for information assurance and information quality; and

- j. the Company's ability to meet its legal obligations. The ongoing investigations by the HSE, Police, Ofwat and the Environment Agency are provided under material issues and circumstances below.

(d) Rights and resources other than financial resources and in particular consideration of:

- a. the Company's social purpose and BEST values;
- b. the resources available from the Company's in-house engineering and sustainable delivery department who deliver the capital programme;
- c. technology and other systems for ensuring appropriate information security and access control, reconciliation, other checks, and verifications such as within the Company's Bravo procurement system or the updated regulatory assurance manual;
- d. policies to encourage an integrated approach and 'systems thinking' including the Wessex Water Marketplace, business continuity, and resilience action plans; and
- e. planning and asset maintenance systems.

(e) Contracting and in particular consideration of:

- a. the legal ownership of the Company's assets;
- b. the status of key contracts in place;
- c. the billing and revenue collecting capability of the Company's Associated Company, Bristol Wessex Billing Services Limited, which provides such services under contract;
- d. transactions between the Company and any Associated Company including the Company's annual RAG5 report;
- e. compliance with licence provisions on cross-subsidies between the Company and any Associated Company; and
- f. compliance with licence provisions on Guarantees and Cross-Default obligations requiring Ofwat's written consent.

(f) Material issues or circumstances and in particular consideration of:

- a. the Company's continued co-operation with the ongoing investigations into (a) the December 2020 incident at Avonmouth and (b) flow to full treatment compliance at waste water treatment works.

Tax strategy for appointed business

Wessex Water Services Limited is one of the leading water and sewerage companies in England and Wales. The Company ensures that all its activities meet the highest legal and ethical standards.

Attitude towards UK tax planning

The Company's approach to tax is fully aligned with the Company's overall objectives. The Company seeks to comply with the spirit and letter of UK tax legislation and claims all tax reliefs and allowances to which it is entitled. The Company will consider reasonable tax planning opportunities which are in line with its risk appetite. As a general rule, the Company does not enter into complicated structures nor engage in any aggressive or artificial tax planning, as it does not believe it is the correct thing to do.

Due to the size and complexity of the UK tax system, tax is a complicated area and uncertainties will arise. Consistent with other business areas, the Company will seek external advice when required.

Approach to risk management and governance arrangements in relation to UK tax

The Executive Director of Finance and Regulation is ultimately responsible for the tax strategy and engages with relevant individuals within the Company to ensure the tax strategy is implemented and monitored. The Board reviews and approves all significant decisions relating to tax and is regularly updated regarding any significant matters relating to tax. The Audit and Risk Committee considers significant tax related matters as part of its review of the financial reports of the Company.

As a UK regulated business with a significant capital programme, the Company considers obtaining tax relief on capital expenditure as a key factor affecting its tax liability. Other factors, such as changes in tax legislation or changes in interpretations, may also affect the amount of tax due, compared with what has

Accounting disclosures

been allowed as part of the regulatory final determination.

The level of risk in relation to UK tax the company is prepared to accept

As documented in the Company's finance policy, the Company adopts a risk averse and cautious approach to tax. In addition, tax is included as part of the Company's risk assessment framework. The overall risk framework is monitored by the Company with regular updates provided to the Board.

Approach towards its dealing with HMRC

The Company has an open, regular and professional dialogue with HMRC. As part of its Business Risk Reviews, HMRC have always regarded the Company as being low risk. The Company is committed to maintaining this low-risk status in the long term. The Company believes that its approach to tax and early engagement with HMRC on any area of uncertainty are significant factors in maintaining this low risk rating. The Company will also engage with HMRC on industry-wide matters through its membership of Water UK.

This tax strategy is provided in compliance with the requirements of paragraphs 16(2) and 19(2), Schedule 19 Finance Act 2016.

The Company's tax contribution

The corporation tax credit on profits arising in the year was £4.2m, split between a £4.1m prior year credit and a £0.1m current year credit. The current year credit is lower than the statutory rate of corporation tax of 19% due to the availability of tax relief on capital expenditure and the introduction of the 'Super-Deduction'.

The Company paid £2.6m in corporation tax in the period, relating to prior years. In addition to corporation tax paid, the Company is also liable to several other taxes which represent a cost to the business. These taxes include employer's National Insurance contributions of £11.5m, business rates of £24.9m, environmental permitting of £6.5m, energy levies and taxes of £8.4m and fuel duty of £2.4m.

Differences between non-statutory and RAG definitions

The differences between the non-statutory accounts and the regulatory accounting statements are detailed below.

Table 1A – Income Statement**Explanation of differences between Statutory and Regulatory accounts**

	£m
Positive numbers represent increased profit in the Regulatory Accounts	
Revenue	
Revenue to be re-classified as Other Income in the Regulatory Accounts	(4.957)
Biosolids treated as negative expenditure	(0.668)
Non-payers excluded from Revenue in accordance with IFRS 15	0.284
Rental income from appointed assets included with Other Income	(0.399)
	(5.740)
Operating costs	
Depreciation of previously capitalised customer leakage repairs are excluded in the Regulatory Accounts and are capitalised in the Non-Statutory Accounts	0.670
Customer leakage expenditure capitalised in the non-statutory accounts treated as opex in the Regulatory Accounts	(0.261)
Biosolids treated as negative expenditure	0.668
Bad-debt provision on revenue treated as non-payers under IFRS 15 excluded from operating costs	(0.318)
Capitalised interest on completed assets is depreciated in the Non-Statutory Accounts. In the Regulatory Accounts capitalisation of interest is not allowed	0.471
Other operating income shown separately in the Regulatory accounts	(3.642)
Other income shown separately in the Regulatory accounts	(3.270)
Depreciation arising on conversion to IFRS on the revaluation of infrastructure assets has been dis-applied in the Regulatory Accounts	7.677
	(1.995)
Other operating income	
Other operating income shown separately in the Regulatory Accounts	3.642
	3.642
Other income	
Revenue to be re-classified as Other Income in the Regulatory Accounts	4.957
Rental income from appointed assets included with Other Income	0.399
Other income shown separately in the Regulatory accounts	3.270
	8.626
Interest expense	
Capitalisation of interest: excluded from Regulatory accounts	(4.860)
	(4.860)
Deferred tax	
Deferred tax at 25% on the net adjustments described above	2.329
	2.329
Total differences	5.992

Table 1C – Statement of Financial Position**Explanation of differences between Statutory and Regulatory accounts**

	£m
Fixed assets	
Infrastructure asset revaluation on adoption of IFRS accounting, after depreciation. This amount is excluded from the Regulatory accounts.	(645.872)
Customer pipe repairs, after depreciation, are excluded from the Regulatory accounts	(35.057)
Interest capitalised on asset construction, after depreciation on completed assets. This amount is excluded from the Regulatory accounts.	(21.012)
	(701.941)
Trade and other receivables	
Non-payers adjustment which is excluded from the Regulatory accounts.	0.641
	0.641
Trade and other payables	
To be shown under Capex Creditor	45.445
	45.445
Capex creditor	
From trade and other payables	(45.445)
	(45.445)
Deferred income – G&Cs	
Deferred income on adopted assets to be shown separately	107.063
	107.063
Deferred income – adopted assets	
Deferred income on adopted assets to be shown separately	(107.063)
	(107.063)
Deferred tax	
Deferred tax at 25% on fixed asset and other differences described above	175.406
	175.406
Total differences	(525.894)

Long-term viability statement

The Directors' have made a long-term viability statement in the Annual Report and Accounts, which covers the period to 31 March 2030.

The Company undertook analysis to 31 March 2030 by reference to a number of scenarios developed from the company Corporate Risk Register, company financial projections and the impact of the regulatory regime. The Company's analysis included scenarios incorporating the published Principal Risks. It also considered the impact of low probability and high impact events as well as the impact of adverse scenarios occurring concurrently.

Following these assessments, together with feedback from our financial auditors and subject to the appropriate performance of Ofwat's statutory duties, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due up to 31 March 2030.

Infrastructure network reinforcement charges

This year we recovered £2.3m in infrastructure charges compared to expenditure on offsite reinforcement of £3.4m (supply and waste). This is an in-year under recovery of £1.1m, which combined with the brought forward under recovery of £8.4m, gives us a cumulative under recovery of £9.5m.

However, this variance is skewed significantly to wastewater. For water supply, we in fact over recovered by £0.5m whereas we showed further under recovery on wastewater.

The variance on water supply is driven by the greater number of connections this year. We have seen 6.9k

connections (incumbent & SLP) this year compared 4.3k last year, this is discussed in our commentary to table 4Q. With a backdrop of reducing leakage and more water efficient new homes, these connections are not resulting in additional network reinforcement. In light of this we have reduced our published water supply infrastructure charges for next year to reflect the growing number of connections and the limited network reinforcement required.

The variance on wastewater is much larger at £11.8m under recovery to date. This is driven by three large factors:

- With significant investment in our North Bristol catchment (Trym Tunnel & Frome Valley Relief Sewer) already complete we have seen all the costs (c£6m allocated to network reinforcement), however we had planned to smooth this impact on customers' charges, and so had not planned to fully recover these costs yet.
- We have seen an increase in the amount of network reinforcement required to facilitate the delivery of the local authority housing plans.
- We are seeing an increasing take up of our lower tier of infrastructure charges. This is good news, as over the long term it will reduce the amount of surface water in our foul system, and ultimately result in lower network reinforcement costs, however there will be a lag effect to see this reduction.

Where we need to invest, we will be investing not only to enable immediate development, but also to enable future planned development. This investment will continue to deliver benefits over the coming years. Therefore, we do not think that the short timescales that this information has been collected over is the most appropriate comparison.

However, when we compare the gross charges to the costs in the year excluding the Trym tunnel the variance is negligible, both c£1.5m.

With the clarifications around setting infrastructure charges, that they should be set exclusively on a forward-looking basis, this variance will remain. However, with the increase in our published wastewater infrastructure charges and the decrease in our water supply infrastructure charges next year we expect the in-year gross income and costs to converge.

Transactions with associates and the non-appointed business

Transactions to be disclosed

Services provided by appointee to associated companies

Associate company	Service provided	Turnover of associate £m	Terms of supply	2021-22 Value £m
Wessex Water Enterprises Ltd	Transport, accommodation, insurance, laboratory, central services (no individual transaction more than 0.5% of turnover)	32.8	Actual costs plus margin	2.064
Wessex Water Enterprises Ltd	Treatment of imported organic waste	32.8	Negotiated price	4.176
Wessex Water Enterprises Ltd	Sale of bio gas	32.8	Negotiated price	3.276
GENeco Ltd	Access to sludge digestion process	2.9	Negotiated price	0.226
Enterprise Laundry Services Ltd ¹	Accounting, legal and information systems	-	Actual costs plus margin	0.027
Bristol Wessex Billing Services Ltd	Information systems, transport, insurance, staff costs	15.8	Actual costs plus margin	1.074
Bristol Wessex Billing Services Ltd	Senior management team	15.8	Actual costs plus margin	0.196
Wessex Water Ltd	Corporate charges	49.9	Costs allocated by time allocation	2.621
Gainsborough Hotel (Bath) Ltd	Information systems, equipment maintenance, bottled water	2.5	Actual costs plus margin	0.059
Turnbull Infrastructure & Utilities Ltd	Project management and engineering support	0.2	Costs allocated by time allocation	2.851
Wessex Utility Solutions Ltd	Project management	0.4	Actual costs	0.002
Albion Water Ltd ²	Accounting, legal and information systems services	1.2	Actual costs plus margin	0.132
Flipper Ltd ¹	Accounting, legal and information systems services	-	Actual costs plus margin	0.008
Water 2 Business Ltd	Legal, insurance, transport and information systems services	155.1	Actual costs plus margin	0.187
Water 2 Business Ltd	Wholesale water & sewerage for non-household market	155.1	Market price	70.578
YTL Developments (UK) Ltd	Project management, environmental investigations, management and engineering and back office support	15.1	Actual costs plus margin	0.624

Services provided to appointee by associated companies

Associate company	Service provided	Turnover of associate £m	Terms of supply	2021-22 Value £m
Bristol Wessex Billing Services Ltd	Billing services	15.8	Competitive letting	10.804
Bristol Wessex Billing Services Ltd	Project support	15.8	Actual costs plus margin	1.298
Wessex Water Enterprises Ltd	Supply of electricity	32.8	Other market testing	3.216
Wessex Water Ltd	Directors' services	49.9	Actual costs plus margin	0.725
Wessex Water Enterprises Ltd	Project management and other staffing costs	32.8	Other market testing	0.918
Xchanging Malaysia Sdn Bhd	IT services from an offshore development centre	MYR ~800m	Competitive letting and market testing	1.056
YTL Communications Sdn Bhd	IT services from an offshore development centre	MYR ~40m	Competitive letting and market testing	0.314

¹ Enterprise Laundry Services Ltd and Flipper Ltd ceased trading during 2021.

² Albion Water Ltd ceased being an associate company on 8 March 2022.

Financial transactions

Dividends declared by the appointee to Wessex Water Ltd are disclosed in note 10 to the Annual Report and Accounts.

The appointee paid £78.5m (2021 - £80.4m) of interest to its subsidiary company Wessex Water Services Finance Plc in relation to the proceeds of the Bonds issued by that company, that were lent to the appointee under the same terms as the Bonds. The Bonds are shown in note 18 to the Annual Report and Accounts.

The appointee acquired assets of £0.2m (2021 - £0.9m) on behalf of Wessex Water Enterprises Ltd and transferred those assets to that company.

Section 1: Regulatory financial reporting

Current tax analysis

The UK corporation tax on Table 1A is a credit of £4.2m.

Profit before tax and fair value movements was £71.9m which at the standard tax rate of 19% derives an expected tax charge of £13.7m. The actual tax credit of £4.2m is £17.9m different £13.7m. The main reconciling items are explained as follows:

-10.7m capital allowances in excess of depreciation
-2.8m pension tax relief in excess of accounting charge
+0.4m permanent disallowable expenditure
-4.1m prior year adjustment
-0.7m other items

-17.9m

The Company does not expect to benefit from any group relief. On the basis that no fair value gains or losses are reported, there are no corresponding tax adjustments.

Current tax reconciliation

The corporation tax credit of £4.2m comprises a current year current tax credit of £0.1m and a prior year credit of £4.1m. The current year current tax credit of £0.1m is £9.7m lower than the £9.6m tax charge allowed in price limits. The main reconciling items are explained as follows:

-14.0m lower profit before tax of £73.9m at 19%
+10.4m lower add back for depreciation
-3.7m higher tax relief on pension payments
+2.3m no debt gearing adjustment
-5.9m lower capital allowances deduction
+0.6m additional non-deductible expenses
-0.8m other adjustments

-£9.7m

Future tax charges will be significantly affected by the availability of the “Super Deduction”, as introduced in the 2021 Finance Act.

Interest

The overall interest charge of £87.199m comprises interest expense in Table 1A.7 of £85.499m and Interest on net defined benefit assets/liabilities in Table 1A.8 of £1.700m.

	£m
Interest charged on external borrowings	83.458
Interest payable in relation to leases under IFRS16	0.031
Amortisation of debt premiums/discounts	0.404
Interest on net defined benefit assets/liabilities	1.700
Other financing costs	1.606
Total	87.199

Analysis of debt

Total borrowings of £2,423.2m are consistent across both Tables 1E and 4B. A summary breakdown is shown in 1E and a detailed breakdown in 4B.

Net debt is arrived at by reducing total borrowings by the value of the cash held on short and medium term deposit. Cash held at 31 March 2021 was £4.1m, giving an overall net debt of £2,419.1m.

Financial derivatives

Not applicable.

Financial flows

The purpose of Table 1F is to provide full transparency of the financial flows to investors. It looks at how the actual performance of the Company supports the financial flows and compares it to what was assumed by Ofwat under the notional structure at the last price review.

All financial values are stated at 2017-18 prices for comparison with the last price review.

We have used the base returns, RCV and equity figures published by Ofwat and made no amendments.

Financial Performance

Our gearing remains above that assumed in the notional structure at 67%, however it is a reduction from last year. It is currently under the threshold that triggers the gearing outperformance sharing mechanism (GOSM) and we expect this to be the case throughout the price control period.

This year with high inflation we are seeing substantial outperformance on the cost of debt. This is due to our limited exposure to index linked debt and no use of hedging instruments. We expect this to continue during 2022-23 as inflation is forecast to remain high.

We discuss our tax performance in our tax narrative on page 19.

We have no hedging instruments and no group relief to report.

Operational Performance

We discuss our performance over these areas in detail in the individual narrative sections.

Whilst we recorded a totex underperformance in year of £1.5m after sharing, we are confident that over the coming years we will be able to declare totex savings. However, at this stage in our programme, with few capital projects complete and increased uncertainty on how the supply chain and input price pressures will evolve, we are unable to commit to more with any certainty.

Our ODI impact includes the impact of per capita consumption (PCC) as published, even though any adjustment will be reviewed at PR24. We strongly believe that this is inconsistent with the overall picture of water consumption and not in the best interest of customers. We will continue to deliver improvements that are in the best interests of our customers and present this at PR24.

We have included the impact of C-MeX and D-MeX as published for 2020-21, we expect to be industry leading in both these measures for 2021-22 however, no allowance is currently made for this. We continue to expect both of these to provide substantial rewards over AMP7.

On retail we are showing a continued underperformance this year that we discuss in the retail narrative on page 29. However, this performance is an improvement on last year and we expect performance to continue to improve as we move past the Covid-19 and cost of living shocks.

We have included the company share of land sales as disclosed in table 2L and calculated as per the PRR24 reconciliation model, within the exceptional items. This is the only contributing factor to this value.

Dividends and retained value

This year we have paid dividends of £57.1m (2017-18 prices), a yield of 5.55% on actual equity. We have a flexible dividend policy that ensures that we are paying dividends that are sustainable and supported by our overall financial performance. This is reviewed annually to ensure that we are paying the appropriate dividends, that these relate to our performance, and that we remain financially viable.

Section 1: Regulatory financial reporting

Pro forma 1A
Wessex Water

Income statement for the 12 months ended 31 March 2022

Line description	Units	DPs	Statutory	Adjustments		Total appointed activities	RAG 4 reference	
				Differences between statutory and RAG definitions	Non-appointed			Total adjustments
Revenue	£m	3	515.533	-5.740	9.095	-14.835	500.698	1A.1
Operating costs	£m	3	-364.837	1.995	-8.846	10.841	-353.996	1A.2
Other operating income	£m	3	0.000	3.642	0.000	3.642	3.642	1A.3
Operating profit	£m	3	150.696	-0.103	0.249	-0.352	150.344	1A.4
Other income	£m	3	0.000	8.626	0.000	8.626	8.626	1A.5
Interest income	£m	3	0.158	0.000	0.000	0.000	0.158	1A.6
Interest expense	£m	3	-80.639	-4.860	0.000	-4.860	-85.499	1A.7
Other interest expense	£m	3	-1.700	0.000	0.000	0.000	-1.700	1A.8
Profit before tax and fair value	£m	3	68.515	3.663	0.249	3.414	71.929	1A.9
Fair value gains/(losses) on financial	£m	3	0.000	0.000	0.000	0.000	0.000	1A.10
Profit before tax	£m	3	68.515	3.663	0.249	3.414	71.929	1A.11
UK Corporation tax	£m	3	4.143	0.000	-0.047	0.047	4.190	1A.12
Deferred tax	£m	3	-116.971	2.329	0.000	2.329	-114.642	1A.13
Profit for the year	£m	3	-44.313	5.992	0.202	5.790	-38.523	1A.14
Dividends	£m	3	-63.500	0.000	0.000	0.000	-63.500	1A.15
Tax analysis								
Current year	£m	3	0.000	0.000	0.047	-0.047	-0.047	1A.16
Adjustment in respect of prior years	£m	3	-4.143	0.000	0.000	0.000	-4.143	1A.17
UK Corporation tax	£m	3	-4.143	0.000	0.047	-0.047	-4.190	1A.18
Analysis of non-appointed revenue								
Imported sludge	£m	3			0.000			1A.19
Tankered waste	£m	3			0.000			1A.20
Other non-appointed revenue	£m	3			9.095			1A.21
Revenue	£m	3			9.095			1A.22

Section 1: Regulatory financial reporting

Pro forma 1B
Wessex Water

Statement of comprehensive income for the 12 months ended 31 March 2022

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Profit for the year	£m	3	-44.313	5.992	0.202	5.790	-38.523	1B.1
Actuarial gains/(losses) on post-employment plans	£m	3	44.885	0.000	0.000	0.000	44.885	1B.2
Other comprehensive income	£m	3	-48.776	39.214	0.000	39.214	-9.562	1B.3
Total Comprehensive income for the year	£m	3	-48.204	45.206	0.202	45.004	-3.200	1B.4

Section 1: Regulatory financial reporting

Pro forma 1C
Wessex Water

Statement of financial position for the 12 months ended 31 March 2022

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Non-current assets								
Fixed assets	£m	3	4,018.207	-701.941	0.000	-701.941	3,316.266	1C.1
Intangible assets	£m	3	49.189	0.000	0.000	0.000	49.189	1C.2
Investments - loans to group companies	£m	3	0.000	0.000	0.000	0.000	0.000	1C.3
Investments - other	£m	3	0.013	0.000	0.000	0.000	0.013	1C.4
Financial instruments	£m	3	0.000	0.000	0.000	0.000	0.000	1C.5
Retirement benefit assets	£m	3	0.000	0.000	0.000	0.000	0.000	1C.6
Total non-current assets	£m	3	4,067.409	-701.941	0.000	-701.941	3,365.468	1C.7
Current assets								
Inventories	£m	3	4.757	0.000	0.000	0.000	4.757	1C.8
Trade & other receivables	£m	3	175.098	0.641	0.301	0.340	175.438	1C.9
Financial instruments	£m	3	0.000	0.000	0.000	0.000	0.000	1C.10
Cash & cash equivalents	£m	3	4.108	0.000	0.000	0.000	4.108	1C.11
Total current assets	£m	3	183.963	0.641	0.301	0.340	184.303	1C.12
Current liabilities								
Trade & other payables	£m	3	-183.748	45.445	0.000	45.445	-138.303	1C.13
Capex creditor	£m	3	0.000	-45.445	0.000	-45.445	-45.445	1C.14
Borrowings	£m	3	-16.100	0.000	0.000	0.000	-16.100	1C.15
Financial instruments	£m	3	0.000	0.000	0.000	0.000	0.000	1C.16
Current tax liabilities	£m	3	10.835	0.000	-0.047	0.047	10.882	1C.17
Provisions	£m	3	-1.190	0.000	0.000	0.000	-1.190	1C.18
Total current liabilities	£m	3	-190.203	0.000	-0.047	0.047	-190.156	1C.19
Net Current assets/(liabilities)	£m	3	-6.240	0.641	0.254	0.387	-5.853	1C.20
Non-current liabilities								
Trade & other payables	£m	3	-5.495	0.000	0.000	0.000	-5.495	1C.21
Borrowings	£m	3	-2,407.150	0.000	0.000	0.000	-2,407.150	1C.22
Financial instruments	£m	3	0.000	0.000	0.000	0.000	0.000	1C.23
Retirement benefit obligations	£m	3	-33.361	0.000	0.000	0.000	-33.361	1C.24
Provisions	£m	3	0.000	0.000	0.000	0.000	0.000	1C.25
Deferred income – grants & contributions	£m	3	-307.297	107.063	0.000	107.063	-200.234	1C.26
Deferred income - adopted assets	£m	3	0.000	-107.063	0.000	-107.063	-107.063	1C.27
Preference share capital	£m	3	0.000	0.000	0.000	0.000	0.000	1C.28
Deferred tax	£m	3	-589.234	175.406	0.009	175.397	-413.837	1C.29
Total non-current liabilities	£m	3	-3,342.537	175.406	0.009	175.397	-3,167.140	1C.30
Net assets	£m	3	718.632	-525.894	0.263	-526.157	192.475	1C.31
Equity								
Called up share capital	£m	3	0.000	0.000	0.000	0.000	0.000	1C.32
Retained earnings & other reserves	£m	3	718.632	-525.894	0.263	-526.157	192.475	1C.33
Total Equity	£m	3	718.632	-525.894	0.263	-526.157	192.475	1C.34

Section 1: Regulatory financial reporting

Pro forma 1D
Wessex Water

Statement of cashflows for the 12 months ended 31 March 2022

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Operating activities								
Operating profit	£m	3	150.696	-0.103	0.249	-0.352	150.344	1D.1
Other income	£m	3	0.000	8.626	0.000	8.626	8.626	1D.2
Depreciation	£m	3	129.221	-1.645	0.000	-1.645	127.576	1D.3
Amortisation – Grants & contributions	£m	3	0.000	-3.270	0.000	-3.270	-3.270	1D.4
Changes in working capital	£m	3	12.522	0.034	-0.249	0.283	12.805	1D.5
Pension contributions	£m	3	0.000	-14.800	0.000	-14.800	-14.800	1D.6
Movement in provisions	£m	3	-14.168	14.800	0.000	14.800	0.632	1D.7
Profit on sale of fixed assets	£m	3	0.000	-3.642	0.000	-3.642	-3.642	1D.8
Cash generated from operations	£m	3	278.271	0.000	0.000	0.000	278.271	1D.9
Net interest paid	£m	3	-66.827	-4.860	0.000	-4.860	-71.687	1D.10
Tax paid	£m	3	-2.563	0.000	0.000	0.000	-2.563	1D.11
Net cash generated from operating	£m	3	208.881	-4.860	0.000	-4.860	204.021	1D.12
Investing activities								
Capital expenditure	£m	3	-242.588	4.860	0.000	4.860	-237.728	1D.13
Grants & Contributions	£m	3	7.368	0.000	0.000	0.000	7.368	1D.14
Disposal of fixed assets	£m	3	4.676	0.000	0.000	0.000	4.676	1D.15
Other	£m	3	290.000	0.000	0.000	0.000	290.000	1D.16
Net cash used in investing activities	£m	3	59.456	4.860	0.000	4.860	64.316	1D.17
Net cash generated before financing activities	£m	3	268.337	0.000	0.000	0.000	268.337	1D.18
Cashflows from financing activities								
Equity dividends paid	£m	3	-62.000	0.000	0.000	0.000	-62.000	1D.19
Net loans received	£m	3	-271.315	0.000	0.000	0.000	-271.315	1D.20
Cash inflow from equity financing	£m	3	0.000	0.000	0.000	0.000	0.000	1D.21
Net cash generated from financing	£m	3	-333.315	0.000	0.000	0.000	-333.315	1D.22
Increase (decrease) in net cash	£m	3	-64.978	0.000	0.000	0.000	-64.978	1D.23

Section 1: Regulatory financial reporting

Pro forma 1E
Wessex Water

Net debt analysis (appointed activities) at 31 March 2022

Line description	Units	DPs	Fixed rate	Floating rate	Index linked		Total	RAG 4 reference
					RPI	CPI/CPIH		
Interest rate risk profile								
Borrowings (excluding preference shares)	£m	3	1,191.460	394.848	836.942	0.000	2,423.250	1E.1
Preference share capital	£m	3					0.000	1E.2
Total borrowings	£m	3					2,423.250	1E.3
Cash	£m	3					-4.121	1E.4
Short term deposits	£m	3					0.000	1E.5
Net Debt	£m	3					2,419.129	1E.6
Gearing								
Gearing	%	3					66.916%	1E.7
Adjusted Gearing	%	3					66.916%	1E.8
Interest								
Full year equivalent nominal interest cost	£m	3	40.679	5.687	66.381	0.000	112.747	1E.9
Full year equivalent cash interest payment	£m	3	40.679	5.687	15.695	0.000	62.061	1E.10
Indicative interest rates								
Indicative weighted average nominal interest rate	%	3	3.387%	1.440%	7.931%	0.000%	4.653%	1E.11
Indicative weighted average cash interest rate	%	3	3.387%	1.440%	1.875%	0.000%	2.561%	1E.12
Time to maturity								
Weighted average years to maturity	nr	3	9.565	3.316	28.264	0.000	15.016	1E.13

Section 1: Regulatory financial reporting

Pro forma 1F Wessex Water

Financial flows for the 12 months ended 31 March 2022 and for the price review to date

Line description	Units DPs	12 months ended 31 March 2022						Average 2020-25						RAG 4 reference	
		Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity		
		%			£m			%			£m				
			2			3		2			3				
Regulatory equity	£m	3	1282.347	1282.347	1028.924			1261.926	1261.926	1014.224				1F.1	
Return on regulatory equity															
Return on regulatory equity	See Column Heading		3.89%	3.12%	3.89%	49.883	40.025	40.025	3.88%	3.10%	3.88%	48.710	39.149	39.149	1F.2
Financing															
Impact of movement from notional gearing	See Column Heading		0.77%	0.44%		9.858	4.462		0.76%	0.39%		9.561	4.007	4.007	1F.3
Gearing benefits sharing	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	0.000	1F.4
Variance in corporation tax	See Column Heading		0.78%	0.97%		9.952	9.952		0.48%	0.60%		8.170	6.170	6.170	1F.5
Group relief	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	0.000	1F.6
Cost of debt	See Column Heading		3.77%	5.24%		48.349	53.922		1.63%	2.26%		20.962	23.220	23.220	1F.7
Hedging instruments	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	0.000	1F.8
Return on regulatory equity including Financing adjustments	See Column Heading		3.89%	8.44%	10.53%	49.883	108.184	108.391	3.88%	5.98%	7.11%	48.710	75.842	72.546	1F.9
Operational Performance															
Totex out / (under) performance	See Column Heading		-0.12%	-0.15%		-1.544	-1.544		0.02%	0.03%		0.313	0.313	0.313	1F.10
ODI out / (under) performance	See Column Heading		0.10%	0.13%		1.331	1.331		0.02%	0.02%		0.218	0.218	0.218	1F.11
C-Mex out / (under) performance	See Column Heading		0.16%	0.20%		2.022	2.022		0.08%	0.10%		1.011	1.011	1.011	1F.12
D-Mex out / (under) performance	See Column Heading		0.05%	0.07%		0.698	0.698		0.03%	0.03%		0.349	0.349	0.349	1F.13
Retail out / (under) performance	See Column Heading		-0.45%	-0.57%		-5.815	-5.815		-0.55%	-0.69%		-7.071	-7.071	-7.071	1F.14
Other exceptional items	See Column Heading		0.08%	0.10%		1.064	1.064		0.04%	0.05%		0.532	0.532	0.532	1F.15
Operational performance total	See Column Heading		-0.17%	-0.22%		-2.244	-2.244		-0.36%	-0.45%		-4.648	-4.648	-4.648	1F.16
RoRE (return on regulatory equity)	See Column Heading		3.89%	8.26%	10.32%	49.883	105.940	106.147	3.88%	5.61%	6.65%	48.710	71.194	67.898	1F.17
RCV growth	See Column Heading		7.19%	7.19%	7.19%	92.201	92.201	73.980	4.12%	4.12%	4.12%	51.991	51.991	41.786	1F.18
Voluntary sharing arrangements	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	0.000	1F.19
Total shareholder return	See Column Heading		11.08%	15.45%	17.51%	142.084	198.141	180.127	7.98%	9.73%	10.77%	100.702	123.186	109.684	1F.20
Dividends															
Gross Dividend	See Column Heading		2.01%	4.46%	5.55%	25.775	57.130	57.130	2.01%	4.52%	5.82%	25.385	56.982	56.982	1F.21
Interest Receivable on Intercompany loans	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	0.000	1F.22
Retained Value	See Column Heading		9.07%	11.00%	11.95%	116.309	141.011	122.997	5.97%	5.22%	5.16%	75.337	66.204	52.702	1F.23
Cash impact of 2015-20 performance adjustments															
Totex out / (under) performance	See Column Heading		0.00%	0.00%		0.000	0.000		-0.38%	-0.47%		-4.747	-4.747	-4.747	1F.24
ODI out / (under) performance	See Column Heading		0.00%	0.00%		0.000	0.000		1.12%	1.39%		14.091	14.091	14.091	1F.25
Total out / (under) performance	See Column Heading		0.00%	0.00%		0.000	0.000		0.74%	0.92%		9.344	9.344	9.344	1F.25

Section 2: Price review and other segmental reporting

We have not included Table 2G (Non-household water – revenues by tariff type) or Table 2H (Non-household waste water – revenues by tariff type) as these apply to Welsh companies only.

Retail

The table below shows actual retail operating costs as detailed in Table 2C, against those assumed in Ofwat's Final Determination in 2019.

	Actual (£m)	Allowed (£m)
Household retail	33.6	28.0

Retail: household

This year our retail operating costs were higher than those set at the PR19 final determination. This is a reduction of £1.8m when compared to last year's result of £35.4m. This is the net effect of:

- a £1.2m increase in doubtful debt and debt management costs to reflect the ongoing economic uncertainty surrounding the impact of high inflation and unemployment rates on household disposable incomes
- a reduction of £1.2m in expenditure on customer side leaks allocated to Retail. This year we evolved our classification of customer side leakage expenditure. We have booked some of our customer-side leak repair expenditure to wholesale Water Distribution (2C.28) where there is a clear link to a wholesale outcome, in this case leakage. The expenditure relates to activities comprising pipe repairs and replacement for customers who have received a leakage rebate on their bills. Once a leakage rebate has been given, that volume is accounted for within the top-down leakage calculation and when the pipe is repaired, we can see a clear benefit to the wholesale outcome. We will continue to review the benefits capture of customer-side leak repair expenditure
- a reduction of £0.9m in customer service costs reflecting the removal of the inefficiencies of operating during the pandemic.
- a £0.9m reduction in other operating expenditure resulting from efficiencies and improvements in internal processes.

We expect to realise further efficiencies, in both debt collection and customer service expenditure as a result of implementing a new billing system over the coming years.

Alongside this our service continues to be amongst the best in the industry.

- The Consumer Council for Water (CCW) published data showing that we continue to receive the lowest number of written complaints (per 10,000 connected properties) of any water and sewerage company.
- We are the top performing water and sewerage company on C-MeX.

Retail: non-household

We no longer operate in the retail non-household market.

Wholesale revenues

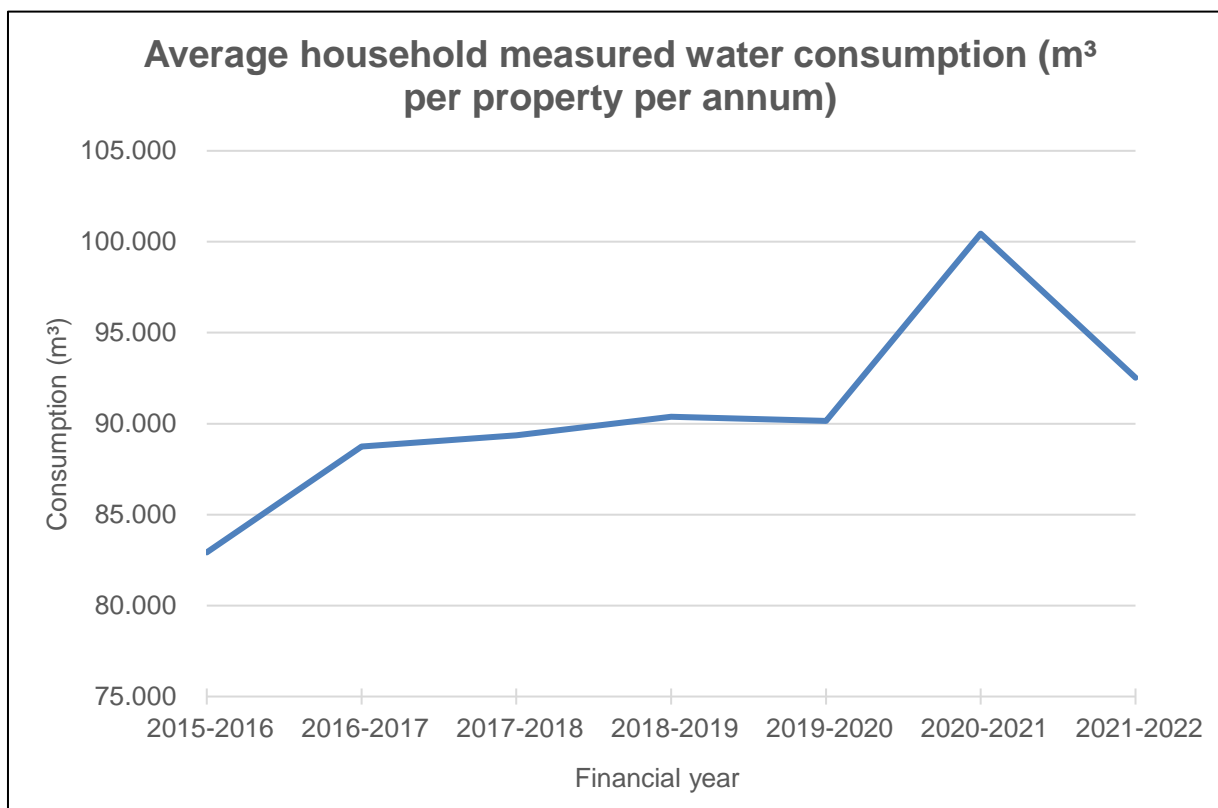
In 2021-22 we recovered £476.5m wholesale revenue against a final determination allowance of £477.3m; within 0.2%. A breakdown of the variance against the final determination is shown in the table below:

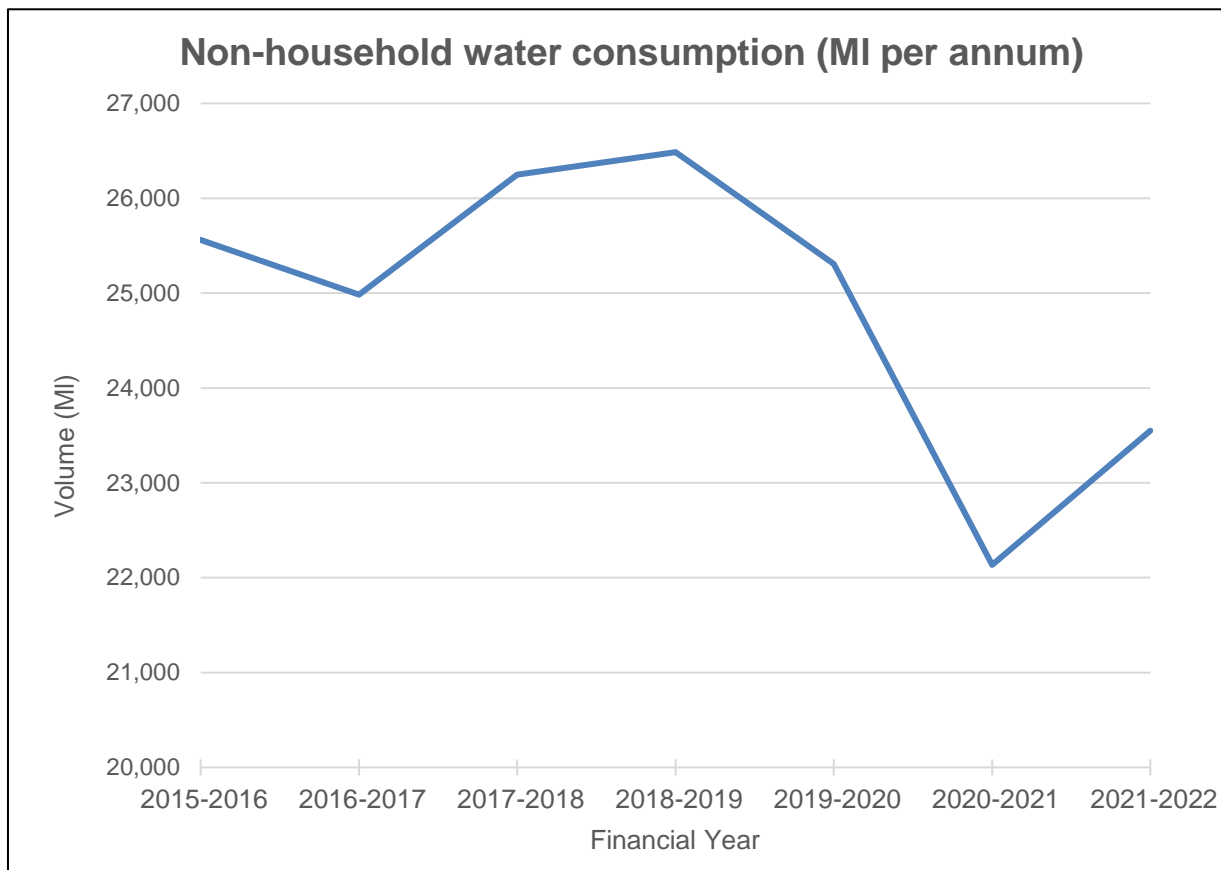
Element	Unit	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Total
Total allowed revenue	£m	19.5	155.6	271.1	31.2	477.3
Total recovered revenue	£m	19.2	153.7	270.6	32.9	476.5
Variance in recovered revenue	£m	-0.3	-1.8	-0.5	1.8	-0.9

Overall, we recovered close to our Final Determination allowed revenue.

We saw a reversion towards pre Covid-19 consumption habits with decreased household consumption and increased non-household consumption when compared to 2020-21. However, we did still see higher household and lower non-household consumption than expected due to the impact of national lockdowns early in 2021-22 and the apprehension around the Omicron outbreak in early 2022. We expect this transfer of consumption back to non-household customers to continue, however with more accepted flexible working arrangements we do not expect a return to pre-2020 levels.

This can be seen in the following graphs showing household and non-household consumption over time.





Overall, this has resulted in a slight under recovery of what we expected for water resources, and the network plus controls.

However, we have over-recovered against our bioresources revenue allowance. This is due to a continuation of reduction in the volume of sludge we are treating. We had forecast a recovery in the volume of sludge treated, which we have not seen this year. We discuss our sludge volumes in our commentary to table 8A. We will continue to monitor these trends and gather more information to better understand this impact and ensure that up to date forecasts inform our future charges.

Our other price control revenue has remained in line with last year (£12.5m). We set these charges to be reflective of the costs we incur.

We have seen a slight under-recovery on infrastructure charges which is discussed in our Infrastructure network reinforcement charges narrative on page 16.

Additionally, we see an under recovery on the other areas. This is not unexpected as there is often a lag between the income and the costs. Where we have recently made improvements to our charging methodology it will take a little while to level out as old, complex, expensive jobs unwind.

We are continually improving our charges and expect to see a continued convergence between our costs and revenue in this area.

Social tariffs

We have not seen the uptake in numbers on social tariffs in 2021-22 that we initially forecast. This is primarily because we had anticipated having the Department for Work and Pensions (DWP) data matching available to us and this has significantly reduced numbers on our Discount for Low Income Pensioners tariff versus forecast. Although we are slightly behind where we would like to be on numbers of social tariff customers overall, we feel that the combination of the DWP data matching, upturn of applications expected due to the impact of Covid-19, cost of living rises and delivery of the initiatives in our vulnerability strategy will lead to us catching up to and potentially surpassing our forecast volumes for future years.

The Company continues to offer a range of social tariffs at varying levels of support to ensure that those in need receive the assistance that they require. A breakdown is given below.

Section 2: Price review and other segmental reporting

Customer numbers	Unit	Assist	WaterSure Plus	Discount for low-income pensioners	Total
Business plan forecast	number	14,713	9,716	36,177	60,606
Actual	number	16,603	8,528	22,653	46,026
Difference	number	1,890	-1,188	-13,524	-14,580

Assist

On Assist we remain ahead of the levels assumed in our business plan, mainly through delivery of the initiatives set out in our vulnerability strategy, Every Customer Matters.

Although we may have expected the financial impact of Covid-19 to drive up volumes on the tariff in 2020-21 and 2021-22 this has not been the case:

- furlough and other government support have been effective in supporting customers, avoiding the need for them to apply for tariffs such as Assist. There continues to be a lack of enforcement action from creditors such as councils.

Customers need to seek support from a debt advice agency (face to face, telephone or online) and complete a standard financial statement to access the tariff but:

- our funded debt advice partners have struggled to meet capacity and are operating a changed model of debt advice provision; face to face agencies who switched to online and telephone services last year have only started to offer a hybrid service in Q3 and Q4 of this year, including some face-to-face services. However, for the majority this is by appointment only rather than via drop-in services, limiting the number of customers that can be seen.
- customers have been more reluctant to seek advice face-to-face due to the risk of catching Covid-19 or wider changes in their behaviour
- the lack of face-to-face advice or face to face contact generally for customers in everyday life has meant it has been harder for those that are engaging to either get hold of or take in evidence of their financial circumstances eg, unable to go to a bank to get a statement and then take it to their debt advice agency appointment.
- those who do manage to get face-to-face advice are often very complex cases taking agencies longer to process
- For many customers dealing with debt is the last thing on their mind and they have more short-term issues.

Our debt advice partners have also found that they have fewer resources and new volunteers need to be recruited and trained.

Agencies have flagged that the national Money and Pensions Service funding model and procedures have made it more difficult to apply for help for customers with ongoing charges if they have any debt. We have raised this with MAPS who are amending their procedures moving forward.

There has also been more focus on providing advice to customers on energy bills and debt than water in recent months.

To counteract some of these challenges and to recognise there are groups of customers who may need more short-term bill reductions due to Covid-19, we launched Covid Assist. This fast tracks the bill discounts to customer directly affected by Covid-19 for a period of six months without the need to seek debt advice.

This version of the tariff was launched in 2020-21 and remains in place but we are yet to see any real volume of customer applications.

We have seen an upturn in the general volume of applications from our advice partners towards the end of this financial year and consequently a rise in the numbers of customers being added to Assist.

Future forecasts

We expect to see an increase in numbers as all the government support fully unwinds and the cost of living

Section 2: Price review and other segmental reporting

increases start to affect household finances. We will continue to engage closely with our partners and expert advisers and are ready to adjust our suite of support as and when required.

We have also completed a pilot to inform CCW's affordability review on behalf of Defra and Welsh Government. The pilot has explored a single, simple application process for all support schemes. We will implement any of the recommendations in relation to our support schemes over the coming months which should improve accessibility for our schemes and increase uptake for Assist and our other social tariffs discussed below.

Recommendations from the pilot have also been shared with other water companies and with Defra to inform the design of the onboarding process for the proposed national single social tariff.

WaterSure Plus

We are behind our forecast for WaterSure Plus this year. During 2020-21 we were more generous in the time given to customers to renew. A return to our normal renewals process has had a knock-on impact into 2021-22 as more customers have been removed from the scheme than we would expect in one year. This has settled down now as we have caught up with the backlog.

Future forecasts

We have introduced a new online form that makes it easier for customers to renew each year including giving a simpler way to return their evidence. We are already seeing a positive impact as a result. We are exploring how we can improve our renewals process further to make it even easier for customers who need to remain on the scheme to do so.

Discount for low-income pensioners

The greater shortfall on discount for low-income pensioners this year versus forecast is partly because the pandemic has prevented us and our partners from actively engaging with our older customers to promote the discount. Many pensioners have been shielding or unable to speak to anyone face-to-face.

We were also anticipating that data matching with the DWP would have been available to us this year allowing us to directly passport customers in receipt of pension credit onto the scheme. Although our contract has been drafted with the DWP, data matching has been delayed which is very disappointing. It has contributed considerably to us being under forecast.

Future forecasts

We continue to push with the DWP and through our contacts at Defra and are hoping to have data matching live within the next six months. If this is the case then volumes should start to increase significantly and we should reach our target for this social tariff.

However, while we await the DWP data share we are planning to run an email campaign to increase uptake. We have identified those customers of pensionable age in deprived areas who have an email address. We are hoping this will be more successful than our current letter campaign, which has only seen a 2% success rate.

CCW provided the following comment regarding our efforts to target financial support in October 2021.

“Wessex Water has continued to demonstrate its commitment to providing excellent service for all its customers and to helping those in vulnerable circumstances through 2021/22. We particularly recognise and welcome the additional support it has given throughout the Covid-19 pandemic with some industry leading initiatives, and its work with other organisations. The company made a valuable contribution to CCW's recent review of affordability in the water industry, and in helping to share best practice to benefit consumers.”

Section 2: Price review and other segmental reporting

Pro forma 2A

Wessex Water

Segmental income statement for the 12 months ended 31 March 2022

Line description	Units	DPs	Residential retail	Business retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total	RAG 4 reference
Revenue - price control	£m	3	33.086	0.000	19.207	147.499	264.307	32.930	0.000	497.029	2A.1
Revenue - non price control	£m	3	0.000	0.000	0.037	1.772	1.814	0.046	0.000	3.669	2A.2
Operating expenditure - excluding PU recharge impact	£m	3	-32.764	0.000	-9.542	-72.550	-92.434	-18.836	0.000	-226.126	2A.3
PU opex recharge	£m	3	-0.376	0.000	-0.241	-1.336	2.361	-0.408	0.000	0.000	2A.4
Operating expenditure - including PU recharge impact	£m	3	-33.140	0.000	-9.783	-73.886	-90.073	-19.244	0.000	-226.126	2A.5
Depreciation - tangible fixed assets	£m	3	-0.475	0.000	-3.017	-36.757	-67.017	-10.757	0.000	-118.023	2A.6
Amortisation - intangible fixed assets	£m	3	-0.642	0.000	-0.454	-3.128	-4.407	-0.661	0.000	-9.292	2A.7
Other operating income	£m	3	-0.009	0.000	1.613	0.712	1.023	0.303	0.000	3.642	2A.8
Operating profit	£m	3	-1.180	0.000	7.603	36.212	105.647	2.617	0.000	150.899	2A.9
Surface water drainage rebates											
Surface water drainage rebates	£m	3								0.143	2A.10

Section 2: Price review and other segmental reporting

Pro forma 2B Wessex Water

Totex analysis for the 12 months ended 31 March 2022 - wholesale

Line description	Units	DPs	Water resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total	RAG 4 reference
Base operating expenditure									
Power	£m	3	2.570	6.633	19.083	0.121	0.000	28.407	2B.1
Income treated as negative expenditure	£m	3	-0.003	-0.044	-0.127	-4.103	0.000	-4.278	2B.2
Service charges/ discharge consents	£m	3	2.584	0.143	4.147	0.023	0.000	6.896	2B.3
Bulk Supply/Bulk discharge	£m	3	0.000	1.539	0.067	0.013	0.000	1.619	2B.4
Renewals expensed in year (Infrastructure)	£m	3	0.224	5.177	10.979	0.000	0.000	16.380	2B.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.6
Other operating expenditure (including Location specific costs & obligations)	£m	3	2.432	39.534	43.047	21.072	0.000	106.085	2B.7
Local authority and Cumulo rates	£m	3	0.961	14.930	7.148	1.619	0.000	24.657	2B.8
Total base operating expenditure	£m	3	8.768	67.912	84.344	18.744	0.000	179.767	2B.9
Other operating expenditure									
Enhancement operating expenditure	£m	3	0.395	1.420	4.155	0.500	0.000	6.470	2B.10
Developer services operating expenditure	£m	3	0.000	3.977	0.267	0.000	0.000	4.244	2B.11
Total operating expenditure excluding third party services	£m	3	9.163	73.309	88.765	19.244	0.000	190.481	2B.12
Third party services	£m	3	0.620	0.577	1.308	0.000	0.000	2.505	2B.13
Total operating expenditure	£m	3	9.783	73.886	90.073	19.244	0.000	192.986	2B.14
Grants and contributions									
Grants and contributions - operating expenditure	£m	3	0.000	3.636	1.321	0.000	0.000	4.957	2B.15
Capital expenditure									
Base capital expenditure	£m	3	2.843	54.393	72.516	11.190	0.000	140.942	2B.16
Enhancement capital expenditure	£m	3	2.286	8.162	79.805	0.551	0.000	90.804	2B.17
Developer services capital expenditure	£m	3	0.000	4.011	8.405	0.000	0.000	12.416	2B.18
Total gross capital expenditure excluding third party services	£m	3	5.130	66.566	160.726	11.740	0.000	244.162	2B.19
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.20
Total gross capital expenditure	£m	3	5.130	66.566	160.726	11.740	0.000	244.162	2B.21
Grants and contributions									
Grants and contributions - capital expenditure	£m	3	0.000	2.393	4.974	0.000	0.000	7.367	2B.22
Net totex	£m	3	14.912	134.423	244.504	30.985	0.000	424.824	2B.23
Cash expenditure									
Pension deficit recovery payments	£m	3	0.767	5.743	6.368	1.923	0.000	14.801	2B.24
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2B.25
Totex including cash items	£m	3	15.679	140.166	250.872	32.908	0.000	439.625	2B.26

Section 2: Price review and other segmental reporting

Pro forma 2C Wessex Water

Cost analysis for the 12 months ended 31 March 2022 - retail

Line description	Units	DPs	Residential	Business	Total	RAG 4 reference
Operating expenditure						
Customer services	£m	3	7.079	0.000	7.079	2C.1
Debt management	£m	3	2.248	0.000	2.248	2C.2
Doubtful debts	£m	3	16.318	0.000	16.318	2C.3
Meter reading	£m	3	1.253	0.000	1.253	2C.4
Services to developers	£m	3		0.000	0.000	2C.5
Other operating expenditure	£m	3	5.128	0.000	5.128	2C.6
Local authority and Cumulo rates	£m	3	0.077	0.000	0.077	2C.7
Total operating expenditure excluding third party services	£m	3	32.103	0.000	32.103	2C.8
Depreciation						
Depreciation (tangible fixed assets) on assets existing at 31 March 2015	£m	3	0.154	0.000	0.154	2C.9
Depreciation (tangible fixed assets) on assets acquired after 1 April 2015	£m	3	0.321	0.000	0.321	2C.10
Amortisation (intangible fixed assets) on assets existing at 31 March 2015	£m	3	0.114	0.000	0.114	2C.11
Amortisation (intangible fixed assets) on assets acquired after 1 April 2015	£m	3	0.528	0.000	0.528	2C.12
Recharges						
Recharge from wholesale for legacy assets principally used by wholesale (assets existing at 31 March 2015)	£m	3	0.047	0.000	0.047	2C.13
Income from wholesale for legacy assets principally used by retail (assets existing at 31 March 2015)	£m	3	0.000	0.000	0.000	2C.14
Recharge from wholesale assets acquired after 1 April 2015 principally used by wholesale	£m	3	0.329	0.000	0.329	2C.15
Income from wholesale assets acquired after 1 April 2015 principally used by retail	£m	3	0.000	0.000	0.000	2C.16
Net recharges costs	£m	3	0.376	0.000	0.376	2C.17
Total retail costs excluding third party and pension deficit repair costs	£m	3	33.596	0.000	33.596	2C.18
Third party services operating expenditure	£m	3	0.000	0.000	0.000	2C.19
Pension deficit repair costs	£m	3	0.661	0.000	0.661	2C.20
Total retail costs including third party and pension deficit repair costs	£m	3	34.257	0.000	34.257	2C.21
Debt written off						
Debt written off	£m	3	10.084	0.000	10.084	2C.22
Capital expenditure						
Capital expenditure	£m	3	3.906	0.000	3.906	2C.23
Other operating expenditure includes the net retail expenditure for the following household retail activities which are part funded by wholesale						
Demand-side water efficiency - gross expenditure	£m	3	0.197			2C.24
Demand-side water efficiency - expenditure funded by wholesale	£m	3	0.197			2C.25
Demand-side water efficiency - net retail expenditure	£m	3	0.000			2C.26
Customer-side leak repairs - gross expenditure	£m	3	3.306			2C.27
Customer-side leak repairs - expenditure funded by wholesale	£m	3	1.431			2C.28
Customer-side leak repairs - net retail expenditure	£m	3	1.875			2C.29
Comparison of actual and allowed expenditure						
Cumulative actual retail expenditure to reporting year end	£m	3	68.994			2C.30
Cumulative allowed expenditure to reporting year end	£m	3	54.731			2C.31
Total allowed expenditure 2020-25	£m	3	141.825			2C.32

Section 2: Price review and other segmental reporting

Pro forma 2D

Wessex Water

Historic cost analysis of tangible fixed assets at 31 March 2022

Line description	Units	DPs	Residential Retail	Business Retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total	RAG 4 reference
Cost											
At 1 April 2021	£m	3	24.936	0.000	106.357	1,439.264	2,832.353	279.672	0.000	4,682.582	2D.1
Disposals	£m	3	-0.778	0.000	-1.479	-4.656	-12.183	-3.440	0.000	-22.536	2D.2
Additions	£m	3	0.105	0.000	4.949	66.722	149.443	11.804	0.000	233.023	2D.3
Adjustments	£m	3	0.321	0.000	-0.185	1.154	-0.945	-0.345	0.000	0.000	2D.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	6.554	0.000	0.000	6.554	2D.5
At 31 March 2022	£m	3	24.584	0.000	109.642	1,502.484	2,975.222	287.691	0.000	4,899.623	2D.6
Depreciation											
At 1 April 2021	£m	3	-14.389	0.000	-48.408	-368.386	-927.721	-127.931	0.000	-1,486.835	2D.7
Disposals	£m	3	0.767	0.000	1.363	4.579	11.689	3.103	0.000	21.501	2D.8
Adjustments	£m	3	-0.067	0.000	0.040	-0.286	0.236	0.077	0.000	0.000	2D.9
Charge for year	£m	3	-0.475	0.000	-3.017	-36.757	-67.017	-10.757	0.000	-118.023	2D.10
At 31 March 2022	£m	3	-14.164	0.000	-50.022	-400.850	-982.813	-135.508	0.000	-1,583.357	2D.11
Net book amount at 31 March 2022	£m	3	10.420	0.000	59.620	1,101.634	1,992.409	152.183	0.000	3,316.266	2D.12
Net book amount at 1 April 2021	£m	3	10.547	0.000	57.949	1,070.878	1,904.632	151.741	0.000	3,195.747	2D.13
Depreciation charge for year											
Principal services	£m	3	-0.475	0.000	-3.017	-36.757	-67.017	-10.757	0.000	-118.023	2D.14
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2D.15
Total	£m	3	-0.475	0.000	-3.017	-36.757	-67.017	-10.757	0.000	-118.023	2D.16

Section 2: Price review and other segmental reporting

Pro forma 2E
Wessex Water

Analysis of 'grants and contributions' for the 12 months ended 31 March 2022 - water resources, water network+ and

Line description	Units	DPs	Fully recognised in income statement	Capitalised and amortised (in income statement)	Fully netted off capex	Total	RAG 4 reference
Grants and contributions - water resources							
Diversions - s185	£m	3	0.000	0.000	0.000	0.000	2E.1
Other contributions (price control)	£m	3	0.000	0.000	0.000	0.000	2E.2
Price control grants and contributions	£m	3	0.000	0.000	0.000	0.000	2E.3
Diversions - NRSWA	£m	3	0.000	0.000	0.000	0.000	2E.4
Diversions - other non-price control	£m	3	0.000	0.000	0.000	0.000	2E.5
Other contributions (non-price control)	£m	3	0.000	0.000	0.000	0.000	2E.6
Total grants and contributions	£m	3	0.000	0.000	0.000	0.000	2E.7
Value of adopted assets	£m	3	0.000	0.000		0.000	2E.8
Grants and contributions - water network+							
Connection charges	£m	3	2.027	0.000	0.000	2.027	2E.9
Infrastructure charge receipts – new connections	£m	3	0.000	0.999	0.000	0.999	2E.10
Requisitioned mains	£m	3	0.000	1.340	0.000	1.340	2E.11
Diversions - s185	£m	3	1.591	0.000	0.000	1.591	2E.12
Other contributions (price control)	£m	3	0.000	0.268	0.000	0.268	2E.13
Price control grants and contributions before deduction of income offset	£m	3	3.618	2.607	0.000	6.225	2E.14
Income offset	£m	3	0.000	0.000	0.000	0.000	2E.15
Price control grants and contributions after deduction of income offset	£m	3	3.618	2.607	0.000	6.225	2E.16
Diversions - NRSWA	£m	3	0.018	0.000	0.000	0.018	2E.17
Diversions - other non-price control	£m	3	0.000	0.000	0.000	0.000	2E.18
Other contributions (non-price control)	£m	3	0.000	-0.214	0.000	-0.214	2E.19
Total grants and contributions	£m	3	3.636	2.393	0.000	6.029	2E.20
Value of adopted assets	£m	3	0.000	0.000		0.000	2E.21
Grants and contributions - wastewater network+							
Receipts for on-site work	£m	3	1.215	0.489	0.000	1.704	2E.22
Infrastructure charge receipts – new connections	£m	3	0.000	1.322	0.000	1.322	2E.23
Diversions - s185	£m	3	0.106	0.000	0.000	0.106	2E.24
Other contributions (price control)	£m	3	0.000	3.163	0.000	3.163	2E.25
Price control grants and contributions before deduction of income offset	£m	3	1.321	4.974	0.000	6.295	2E.26
Income offset	£m	3	0.000	0.000	0.000	0.000	2E.27
Price control grants and contributions after deduction of income offset	£m	3	1.321	4.974	0.000	6.295	2E.28
Diversions - NRSWA	£m	3	0.000	0.000	0.000	0.000	2E.29
Diversions - other non-price control	£m	3	0.000	0.000	0.000	0.000	2E.30
Other Contributions (non-price control)	£m	3	0.000	0.000	0.000	0.000	2E.31
Total grants and contributions	£m	3	1.321	4.974	0.000	6.295	2E.32
Value of adopted assets	£m	3	0.000	6.554		6.554	2E.33
Movements in capitalised grants and contributions							
b/f	£m	3	0.000	68.221	126.864	195.085	2E.34
Capitalised in year	£m	3	0.000	2.393	4.974	7.367	2E.35
Amortisation (in income statement)	£m	3	0.000	-0.687	-1.532	-2.219	2E.36
c/f	£m	3	0.000	69.927	130.306	200.233	2E.37

Pro forma 2F

Wessex Water

Residential retail for the 12 months ended 31 March 2022

Line description	Revenue	Number of customers	Average residential revenues	RAG 4 reference
Units	£m	000s	£	
DPs	3	3	3	
Residential revenue				
Wholesale revenue	366.987			2F.1
Retail revenue	33.086			2F.2
Total residential revenue	400.073			2F.3
Retail revenue				
Revenue Recovered ("RR")	33.086			2F.4
Revenue sacrifice	0.000			2F.5
Actual revenue (net)	33.086			2F.6
Customer information				
Actual customers ("AC")		1,234.945		2F.7
Reforecast customers		1,247.187		2F.8
Adjustment				
Allowed revenue ("R")	32.215			2F.9
Net adjustment	-0.871			2F.10
Other residential information				
Average household retail revenue per customer			26.791	2F.11

Section 2: Price review and other segmental reporting

Pro forma 2I
Wessex Water

Revenue analysis for the 12 months ended 31 March 2022

Line description	Units	DPs	Household	Non-household	Total	Water resources	Water network+	Total	RAG 4 reference
Wholesale charge - water									
Unmeasured	£m	3	45.621	1.477	47.098	5.439	41.659	47.098	2I.1
Measured	£m	3	76.242	42.981	119.223	13.768	105.455	119.223	2I.2
Third party revenue	£m	3	0.000	0.385	0.385	0.000	0.385	0.385	2I.3
Total wholesale water revenue	£m	3	121.863	44.843	166.706	19.207	147.499	166.706	2I.4
Wholesale charge - wastewater									
Unmeasured - foul charges	£m	3	77.548	1.728	79.276	70.468	8.808	79.276	2I.5
Unmeasured - surface water charges	£m	3	8.089	0.179	8.268	7.349	0.919	8.268	2I.6
Unmeasured - highway drainage charges	£m	3	7.632	0.176	7.808	6.940	0.868	7.808	2I.7
Measured - foul charges	£m	3	119.139	43.803	162.942	144.838	18.104	162.942	2I.8
Measured - surface water charges	£m	3	17.236	2.744	19.980	17.760	2.220	19.980	2I.9
Measured - highway drainage charges	£m	3	15.480	2.617	18.097	16.086	2.011	18.097	2I.10
Third party revenue	£m	3	0.000	0.866	0.866	0.866	0.000	0.866	2I.11
Total wholesale wastewater revenue	£m	3	245.124	52.113	297.237	264.307	32.930	297.237	2I.12
Wholesale charge - Additional Control									
Unmeasured	£m	3	0.000	0.000	0.000				2I.13
Measured	£m	3	0.000	0.000	0.000				2I.14
Total wholesale additional control revenue	£m	3	0.000	0.000	0.000				2I.15
Wholesale Total	£m	3	366.987	96.956	463.943				2I.16
Retail revenue									
Unmeasured	£m	3	8.612	0.000	8.612				2I.17
Measured	£m	3	24.474	0.000	24.474				2I.18
Retail third party revenue	£m	3	0.000	0.000	0.000				2I.19
Total retail revenue	£m	3	33.086	0.000	33.086				2I.20
Third party revenue - non-price control									
Bulk supplies - water	£m	3			0.333				2I.21
Bulk supplies - wastewater	£m	3			0.554				2I.22
Other third-party revenue - non price control	£m	3			2.052				2I.23
Principal services - non-price control									
Other appointed revenue	£m	3			0.730				2I.24
Total appointed revenue	£m	3			500.698				2I.25

Pro forma 2J

Wessex Water

Infrastructure network reinforcement costs for the 12 months ended 31 March 2022

Line description	Units	DPs	Network reinforcement capex	On site / site specific capex (memo only)	RAG 4 reference
Wholesale water network+ (treated water distribution)					
Distribution and trunk mains	£m	3	0.490	3.501	2J.1
Pumping and storage facilities	£m	3	0.000	0.020	2J.2
Other	£m	3	0.000	0.000	2J.3
Total	£m	3	0.491	3.521	2J.4
Wholesale wastewater network+ (sewage collection)					
Foul and combined systems	£m	3	2.784	6.147	2J.5
Surface water only systems	£m	3	0.001	0.438	2J.6
Pumping and storage facilities	£m	3	0.137	0.282	2J.7
Other	£m	3	0.000	0.000	2J.8
Total	£m	3	2.922	6.867	2J.9

Pro forma 2K

Wessex Water

Infrastructure charges reconciliation for the 12 months ended 31 March 2022

Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
Impact of infrastructure charge discounts						
Infrastructure charges	£m	3	0.999	1.322	2.321	2K.1
Discounts applied to infrastructure charges	£m	3	0.150	0.171	0.321	2K.2
Gross Infrastructure charges	£m	3	1.149	1.493	2.642	2K.3
Comparison of revenue and costs						
Variance brought forward	£m	3	1.808	-10.187	-8.379	2K.4
Revenue	£m	3	0.999	1.322	2.321	2K.5
Costs	£m	3	-0.491	-2.922	-3.412	2K.6
Variance carried forward	£m	3	2.316	-11.787	-9.470	2K.7

Section 2: Price review and other segmental reporting

Pro forma 2L

Wessex Water

Analysis of land sales for the 12 months ended 31 March 2022

Line description	Units	DPs	Water resources	Water Network+	Wastewater Network+	Additional control	Total	RAG 4 reference
Land sales – proceeds from disposals of protected land	£m	3	0.594	1.945	0.000	0.000	2.539	2L.1

Section 2: Price review and other segmental reporting

Pro forma 2M

Wessex Water

Revenue reconciliation for the 12 months ended 31 March 2022 - wholesale

Line description	Units	DPs	Water resources	Water network+	Wastewater network+	Bioresources	Additional Control	Total	RAG 4 reference
Revenue recognised									
Wholesale revenue governed by price control	£m	3	19.207	147.499	264.307	32.930	0.000	463.943	2M.1
Grants & contributions (price control)	£m	3	0.000	6.225	6.295	0.000	0.000	12.520	2M.2
Total revenue governed by wholesale price control	£m	3	19.207	153.724	270.602	32.930	0.000	476.463	2M.3
Calculation of the revenue cap									
Allowed wholesale revenue before adjustments (or modified by CMA)	£m	3	19.479	150.918	258.628	31.162	0.000	460.187	2M.4
Allowed grants & contributions before adjustments (or modified by CMA)	£m	3	0.000	5.423	10.588	0.000	0.000	16.011	2M.5
Revenue adjustment	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2M.6
Other adjustments	£m	3	0.000	-0.772	1.908	0.000	0.000	1.136	2M.7
Revenue cap	£m	3	19.479	155.569	271.124	31.162	0.000	477.334	2M.8
Calculation of the revenue imbalance									
Revenue cap	£m	3	19.479	155.569	271.124	31.162	0.000	477.334	2M.9
Revenue Recovered	£m	3	19.207	153.724	270.602	32.930	0.000	476.463	2M.10
Revenue imbalance	£m	3	0.272	1.845	0.522	-1.768	0.000	0.871	2M.11

Section 2: Price review and other segmental reporting

Pro forma 2N

Wessex Water

Residential retail - social tariffs

Line description	Revenue	Number of customers	Average amount per customer	RAG 4 reference
Units	£m	000s	£	
DPs	3	3	3	
Number of residential customers on social tariffs				
Residential water only social tariffs customers		0.579		2N.1
Residential wastewater only social tariffs customers		24.856		2N.2
Residential dual service social tariffs customers		21.295		2N.3
Number of residential customers not on social tariffs				
Residential water only no social tariffs customers		40.815		2N.4
Residential wastewater only no social tariffs customers		636.469		2N.5
Residential dual service no social tariffs customers		510.931		2N.6
Social tariff discount				
Average discount per water only social tariffs customer			94.991	2N.7
Average discount per wastewater only social tariffs customer			118.603	2N.8
Average discount per dual service social tariffs customer			213.477	2N.9
Social tariff cross-subsidy - residential customers				
Total customer funded cross-subsidies for water only social tariffs customers	0.055			2N.10
Total customer funded cross-subsidies for wastewater only social tariffs customers	2.948			2N.11
Total customer funded cross-subsidies for dual service social tariffs customers	4.546			2N.12
Average customer funded cross-subsidy per water only social tariffs customer			1.329	2N.13
Average customer funded cross-subsidy per wastewater only social tariffs customer			4.458	2N.14
Average customer funded cross-subsidy per dual service social tariffs customer			8.541	2N.15
Social tariff cross-subsidy - company				
Total revenue forgone by company to fund cross-subsidies for water only social tariffs	0.000			2N.16
Total revenue forgone by company to fund cross-subsidies for wastewater only social tariffs customers	0.000			2N.17
Total revenue forgone by company to fund cross-subsidies for dual service social tariffs	0.000			2N.18
Average revenue forgone by company to fund cross-subsidy per water only social tariffs			0.000	2N.19
Average revenue forgone by company to fund cross-subsidy per wastewater only social tariffs customer			0.000	2N.20
Average revenue forgone by company to fund cross-subsidy per dual service social tariffs customer			0.000	2N.21
Social tariff support - willingness to pay				
Level of support for social tariff customers reflected in business plan			7.170	2N.22
Maximum contribution to social tariffs supported by customer engagement			7.090	2N.23

Section 2: Price review and other segmental reporting

Pro forma 20

Wessex Water

Historic cost analysis of intangible fixed assets

Line description	Units	DPs	Residential Retail	Business Retail	Water Resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total	RAG 4 reference
Cost											
At 1 April 2021	£m	3	5.200	0.000	3.458	22.783	33.840	4.601	0.000	69.882	20.1
Disposals	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.2
Additions	£m	3	10.675	0.000	0.194	2.395	2.597	0.313	0.000	16.174	20.3
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.5
At 31 March 2022	£m	3	15.875	0.000	3.652	25.178	36.437	4.914	0.000	86.056	20.6
Amortisation											
At 1 April 2021	£m	3	-2.080	0.000	-1.213	-8.797	-13.611	-1.874	0.000	-27.575	20.7
Disposals	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.8
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.9
Charge for year	£m	3	-0.642	0.000	-0.454	-3.128	-4.407	-0.661	0.000	-9.292	20.10
At 31 March 2022	£m	3	-2.722	0.000	-1.667	-11.925	-18.018	-2.535	0.000	-36.867	20.11
Net book amount at 31 March	£m	3	13.153	0.000	1.985	13.253	18.419	2.379	0.000	49.189	20.12
Net book amount at 1 April 2021	£m	3	3.120	0.000	2.245	13.986	20.229	2.727	0.000	42.307	20.13
Amortisation for year											
Principal services	£m	3	-0.642	0.000	-0.454	-3.128	-4.407	-0.661	0.000	-9.292	20.14
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.15
Total	£m	3	-0.642	0.000	-0.454	-3.128	-4.407	-0.661	0.000	-9.292	20.16

Section 3: Performance summary

Outcomes

The year has seen the continued impact of the Covid-19 pandemic, including changing social norms that continue to affect delivery of certain activities. While we have not seen significant temperature variations, we have experienced extreme localised rainfall events as well as the unprecedented three named storms within a week in early 2022 which demonstrated our resilience under such extreme conditions. Like the wider economy we have experienced further failures in the supply chain; the recent conflict in Ukraine will further affect the wider economy into 2022-23 and potentially onward.

The summary of performance in terms of performance commitments is as follows.

Category	Target met/exceeded	Target not met (miss or deadband)	No target or not company reported	Totals
Common PCs	11	2	2	15
Bespoke PCs	17	11	3	31
Totals	28	13	5	46

Over the year we have continued to discuss the definition of certain PCs with Ofwat to reconcile with the impact of Covid-19 and/or to reflect agreements with other regulators/stakeholders. Please see separate section at the end of this narrative.

While Covid-19 continues to affect the delivery of certain performance commitments, the overall performance of the business has improved with only two of the 15 common PCs not meeting or exceeding their target.

- Compliance risk Index (CRI): The target of 0 is extremely challenging and is reflected by the deadband of two agreed with regulators. Our performance of 0.37 is our best performance since the measure was introduced.
- Per capita consumption (PCC): 2021-22 has seen a reduction in the in-year PCC in comparison to 2020-21 but it is still higher than before the Covid-19 pandemic. More people have continued to work from home this year, although the numbers have dropped since the first half of the year.

Notable successes include:

- leakage – a second year of significant reduction relative to target
- supply interruptions – a second year of improvements implemented in previous year resulting in significant outperformance
- mains repairs - considerably lower numbers due to benign weather conditions and a reduction in the level of active leakage control
- treatment works compliance - our 100% waste water treatment compliance.
- pollution incidents – overall improvement, potentially reflecting the benefit of risk mitigation actions being implemented, including the Stormharvester AI network monitoring
- internal sewer flooding – despite periods of intense localised storms, the target was still met.

The following review of our performance over the year focuses on the long-term outcomes we identified with our customers and stakeholders as priorities for 2020-25. We continue to discuss the priorities that we should focus on with our customers and stakeholders and report on progress. After two years of performance, and despite the impacts of Covid-19, we can in some cases see how the process improvements and totex investments are resulting in an improving trend in performance. We are also obtaining a better understanding of the cost of improvement versus the performance benefit and how cost effective this may or may not be.

In relation to our performance, we have used the colour coding:

- Target not met
- Within deadband (specified range of performance where the under- or out-performance payment is zero)
- Target met



Outcome: Affordable bills

Reducing water bills and ensuring no customer must ration their water use based on ability to pay were key drivers of our affordable bills outcome. While efficient investment and delivery is fundamental to lowering bills, there are four specific performance commitments that measure our activity in this area.

Covid-19 has had a significant impact on customer finances, not just related to their water bills. We have continued to deliver a range of services to customers to ensure they can afford their water bills through our tailored assistance programme (TAP). However, due to the change in the way customers have sought financial support (eg, mortgage payment breaks) and the third-party provision of debt advice (eg, a reduction in face-to-face provision of services, which is imperative to some of our customers in vulnerable circumstances) we have failed to meet two of the commitments in this area - applications for assistance and bill reduction to customers on social tariffs.

However, our two commitments focused on effectively billing properties have been met - void and gap sites. These two commitments mean that we are more accurately billing a wider range of properties in our region, reducing the overall bill per customer and ensuring all are billed fairly. This is despite the impact of Covid-19, which meant we could not do physical void inspections for several months. We have implemented changes in use of Land Registry searches, sharing of data with Bournemouth Water, use of a void tracing tool, and use of meter readers to conduct inspections.

PC <i>Unit</i>	Actual performance	Target	Out / under performance total £m	2024-25 target
Successful applications for assistance received by the independent advice sector/third parties' <i>Number of applications</i>	● 1977	2,300 per year	Reputational	2,300 per year
Total bill reduction to customers on social tariffs per 10,000 <i>£ reduction per 10,000 customers</i>	● 61,133	68,246	£0.092m	87,029
Void sites <i>%age of households classed as voids</i>	● 1.70	2.00	£0.579m	2
Gap sites <i>Number of sites</i>	● 113	112	£0.000m	112

Summary of reasons for under performance

- Applications for assistance – closure of agencies and inability to deliver face-to-face advice and the reluctance of customers to have face-to-face meetings, customers offered wider financial support (all byproducts of Covid-19).
- Total bill reduction to customers on social tariffs – target does not reflect final business plan bill reduction; we continue to seek an adjustment to this target with Ofwat.



Outcome: Excellent service for customers

We aspire to match the best organisations for customer service. We want to ensure our customers can access the services they require, when they need them, while continuing to deliver value for money.

For our household customers, C-MeX (customer measure of experience) is the leading indicator in this area, and 2021-22 has seen us score 84.82, placing us 1st out of all 17 water companies. While the total score has reduced, our relative performance has improved. We are incredibly proud of this result, and it is a testament to the hard work of staff who regularly go the extra mile to deliver excellent service.

This result has been achieved through the hard work of colleagues throughout Wessex Water who regularly go above and beyond to make sure we give the best customer experience and service. We are particularly proud our leading performance has been maintained throughout the Covid-19 pandemic.

The wider coverage of storm overflows and inland bathing is expected to have affected the value for money CCW Water Matters survey results. Once we receive the details we will review and identify what further actions can be taken to improve customers assessment of our value for money. .

For our developer customers, be they single properties or large new developments, D-MeX (developer measure of experience) is the leading indicator. Our score of 89.65 is very good and is marginally higher than the previous year.

PC Unit	Actual performance	Target	Out / under performance total £m	2024-25 target
C-MeX (common)	84.82	No target. Ofwat determine out / under £m from comparative performance post APR		
D-MeX (common)	89.65	No target. Ofwat determine out / under £m from comparative performance post APR		
Value for money %age score	● 76	79	Reputational	84

Summary of reasons for under performance

- Value for money – detailed information is not yet available from CCW of their Water Matters survey. The survey outcome is consistent with the industry average but falls short of our target. The negative press coverage of the sector is highly likely to have affected the survey outcome.



Outcome: Better relationships with customers and communities

Developing better relationships with our customers and communities will ensure we are engaging with them and delivering the services that they need, now and in the future. We know that customers' needs can change over time, be that due to a change in finances, household or health. While finance is covered in our affordability outcome, changes to a customer's physical needs are just as crucial. A better relationship allows us to adapt to these changes.

Our annual targets for Priority Services - Reach assumed that the national data share between water and energy would be in place early in the business plan period. While that has been further delayed, we are pleased to say that we have still met our target this year.

We have increased the number of households on our Priority Services Register by 60% largely through the delivery of the various initiatives set out in Every Customer Matters, our vulnerability strategy, the data share we have with energy DNOs and streamlining processes for sign-ups by our colleagues over the phone and while out visiting customers' homes.

We have exceeded the target for attempted and actual contacts through outbound contact primarily via SMS, email and letter, combined with reviewing the needs of Priority Services customers who have contacted us proactively with other queries.

A key area of activity for several years has been working with children and students, our customers of the future, to increase their knowledge and awareness of their actions on the environment and the water and sewerage networks. Covid-19 has had a significant impact on our ability to deliver face-to-face engagement, and while we have hugely expanded our online provision this year, we have been unable to deliver the same programme as we did pre-Covid.

PC		Actual performance	Target	Out / under performance total £m	2024-25 target
Priority services for customers in vulnerable circumstances (common) <i>% of all applicable household customers</i>	%age of customer base on the PSR	● 4.0	3.9	Reputational	7.0
	%age attempted contact in the last 2 years	● 91.6	90.0		90.0
	%age with actual contact in the last 2 years	● 55.0	35.0		35.0
Delivering for customers in vulnerable circumstances <i>Compliance statement</i>		● Maintained	Maintain	Reputational	Maintain
Number of children/students engaged <i>Number of children/students</i>		● 5,726	24,370	£0.075m	24,370

Summary of reasons for under performance

- Students and children engaged – while Ofwat have agreed to include digital learning within the definition, we have accepted that class sizes must be limited to 30. However, this means that under post-Covid arrangements it is not possible to meet this target.



Outcome: Efficient use of water

Reducing the volume of water abstracted from the environment, whether through our own network leakage or working with customers to reduce consumption, is crucial to the long-term sustainability of the environment.

As expected, in 2021-22 we have continued to see a significant larger proportion of people working from home, but the total water into supply is lower than last year and has not seen an increase over the historical trends, reflecting a simple transfer of water use from non-household to household rather than an increase in consumption overall. Water into supply is a more accurate measure of the outcome we are aiming to achieve.

We have continued to invest heavily in reducing leakage and with a second mild winter our performance has further improved. This performance has been a result of increasing our acoustic logger programme, increased leakage detection resource, pressure reduction and asset optimisation. The strong first two years of performance means we are well on our way to our five-year target of 12.8%.

We continue to perform well on customer reported leaks fixed within a day.

PC Units	Actual performance	Target	Out / under performance total £m	2024-25 target
Leakage (common) <i>% reduction from baseline</i>	● 10.8	3.9	£1.100m	12.8
Per capita consumption (common) <i>% reduction from baseline</i>	● -5.2	0.2	Ofwat to determine	0.9
Customer reported leaks fixed within a day <i>%age</i>	● 93	90	£0.189m	90
Volume of water saved by water efficiency engagement <i>MI/d</i>	● 1.4	2.0	Reputational	5.0

Summary of reasons for under performance

- Per capita consumption – household consumption increased due to a rise in home working.
- Volume of water saved – unable to deliver in home audit programme due to Covid-19, we have reprofiled our activities and with enhanced promotion we are seeking to catch up during 2022-23 as reported last year.



Outcome: Excellent drinking water quality

Providing safe quality drinking water to our customers underpins everything our water business does. We take our responsibility seriously and through a near miss management approach we have a culture of continuous improvement. Our performance commitments in this area ensure that we provide clean, safe water to our customers and work with them where necessary to improve their own properties where needed.

We set the bar very high for our targeted performance and are consistently an upper quartile performer. Our Quality First continuous improvement programme focuses on excellent drinking water quality. Indeed, the targets for both compliance and event risk indices are sufficiently tight that individual, minor issues can affect the score. Every issue, no matter how small, is reported to senior management with any learnings and mitigation confirmed with a focus on sample quality from site to laboratory.

CRI, water quality customer contacts and lead communication service pipes replaced have all seen significant improvement from 2020-21. However, Covid-19 and customers' general unwillingness to interact face to face has affected performance in tackling water quality at home and in the workplace.

Last year we reported on the focus on reducing customer contacts for drinking water quality. We are seeing improved performance resulting from the programme of improvements, including optimisation of silicate dosing and flushing programmes, improvements to outlet pipework arrangements and use of mains conditioning to create calm networks.

PC Units	Actual performance	Target	Out / under performance total £m	2024-25 target
Water quality compliance CRI (common) Score	● 0.37	0.00	In deadband	0.00
Water quality customer contacts No. of contacts per 1,000 population	● 1.17	1.22	£0.025m	0.93
Tackling water quality at home and in the workplace Score	● 14,181	18,297	-£0.054m	18,297
Lead communication service pipes replaced No. of pipes replaced	● 1,809	1,410	£0.279m	2,210
Event risk index (ERI) Score	● 86.278	12.800	Reputational	12.800

Summary of reasons for under performance

- CRI – our best performance since the measure was introduced and remains within the deadband.
- Tackling water quality – unable to conduct 'in-property' audits and provide the full range of services due to Covid-19.
- ERI – this is a provisional score and the DWI are still to confirm certain event assessments. While the number of events has reduced the score has increased, although none of the events were major and only six required referral to the DWI.



Outcome: Minimise sewer flooding

Reducing sewer flooding, internal and external, were the two highest priorities mentioned by our customers when we contacted them during the compilation of our business plan. Thankfully these incidents are rare. This outcome focuses on reducing them further.

In the year we have experienced localised extreme rainfall events, in particular the three named storms in a week, as well as an increase in the number of incidents during periods of lockdown / increased homeworking during the year. The impact is reflected in an increase in the number of external sewer flooding incidents despite a reduction in the internal issues.

Our sewer flooding risk position has improved although it remains in the deadband.

The higher risk tunnelling work for the North Bristol Trym sewer scheme has been completed, and the remaining construction works are timetabled to complete by the target date of March 2023.

PC Units	Actual performance	Target	Out / under performance total £m	2024-25 target
Internal sewer flooding (common) <i>No. of incidents per 10,000 sewer connections</i>	● 1.43	1.63	£1.138m	1.34
External sewer flooding <i>No. of incidents per 10,000 sewer connections</i>	● 19.27	16.73	-£2.032m	15.68
Sewer flooding risk <i>Score</i>	● 53,737	50,651	In deadband	50,651
North Bristol sewer scheme – Trym <i>Months delay</i>	● 0	0	N/A	0

Summary of reasons for under performance

- External sewer flooding – short periods of localised intense rainfall, the period of three named storms in a week, and an increase in flooding due to blockages during periods of Covid-19 lockdown and increased home working.
- Sewer flooding risk - there is quite a volatility in performance dependent on high intensity rainfall events, which is why the deadband was agreed with Ofwat.



Outcome: Resilient services

Providing secure and reliable services to our customers, whether we experience sudden shocks or gradual stresses, underpins this outcome with commitments in both waste and supply. 2021-22 has continued to see significant company, sector and wider socio-economic challenges. The impact of Covid-19 and changing social norms, the unprecedented experience of three named storms within a week, the increasing supply chain issues exacerbated further by the conflict in Ukraine, cost of living increases all reflect an increasingly challenging environment to maintain let alone improve our excellent performance record.

Overall, despite these challenges, we have met or exceeded all of the resilient services targets for the year, an excellent performance and our thanks go to all of our people as well as customers and stakeholders in managing such a combination of shocks and stresses.

The improvement in the number of mains repairs reflects a lower level of active leakage control in the year as our five-year leakage strategy progresses during a year of benign winter weather conditions. The strategy involved focusing maximum effort and cost on reducing leakage as early as possible in the AMP in order to have the best chance of meeting the stretching target, then prioritising our finite resources and costs on other targets later in the AMP. We will continue to implement schemes such as pressure reduction to reduce the likelihood of bursts in the future, but this higher number of repairs is likely to continue. There still remains considerable uncertainty about the cost effective delivery of future leakage improvements without further technological improvements being identified in the sector.

We have also continued to reduce the impact water events have on our customers by reducing our water supply interruptions even further, although continued improvements are not cost effective.

The resilience of our water supply systems continues to be strong with no hosepipe bans and 0% of our population at risk of severe restrictions in a drought. Our unplanned outage (demonstrating our treatment works asset health) continues to be better than target.

On the waste water side, we are on track to deliver our drainage and waste water management plans by June and have continued to meet our sewer collapses and risk of sewer flooding in a storm targets.

PC Units	Actual performance	Target	Out / under performance total £m	2024-25 target
Water supply interruptions (common) <i>mm:ss per property per year</i>	● 04:12	06:08	£0.271m	05:00
Risk of severe restrictions in a drought (common) <i>Score</i>	● 0.0	0.0	Reputational	0.0
Mains repairs (common) <i>No. of repairs per 1,000km of mains</i>	● 147.1	159.1	-	152.4
Unplanned outage (common) <i>%age</i>	● 1.59	2.34	-	2.34
Restrictions on water use <i>No. of hosepipe bans</i>	● 0	0	-	0
Security non-SEMD outputs <i>Months delay</i>	● 0	0	-	0
Sewer collapses (common) <i>No. per 1,000km of sewer network</i>	● 5.91	6.33	-	6.33
Drainage and waste water management plans (DWMPs) <i>%age</i>	● 0	0	Reputational	100
Risk of sewer flooding in a storm (common) <i>%age population at risk</i>	● 9.84	11.93	Reputational	8.37



Outcome: Protecting and enhancing the environment

We seek to protect and enhance the rivers and coastlines that make up our region and this outcome measures our performance across a range of measures to ensure we achieve this. It is particularly pleasing to see that following the challenges of 2020-21 that we achieved 100% permit compliance at our water treatment and water recycling centres (WRC).

To ensure we continue to improve our performance and meet new discharge permits at our WRCs, in particular to meet tighter phosphorus standards, we have three performance commitments that focus on the Water Industry National Environment Programme (WINEP). We are currently discussing with the EA and Ofwat the benefits of re-aligning the Bristol WRC, Avonmouth project to combine with other regulatory outputs required by 2028 at the site.

At present there is misalignment between Ofwat's performance commitment target and the EA WINEP programme, as explained later in the section. This means regulatory output dates agreed for reprofiling due to the impact of Covid-19 have not been accepted as a change to the Ofwat PC target.

However, works on our own WRCs and assets are not the only way in which we improve our region's rivers and coastlines; we work closely with local farmers, landowners and communities to reduce nutrient impact and improve the catchments in which we operate. This work forms part of the WINEP commitments, but of particular note is our 'length of rivers improved non-WINEP' commitment, in which we are extending our work in Poole Harbour, working with farmers and EnTrade, the environmental trading platform, to reduce their nitrogen input. We have saved 58.7 tonnes of nitrogen in Poole Harbour.

Overall, our gross greenhouse emissions fell, due to a decrease in use of fossil fuels, benign weather conditions reducing energy consumption and the on-going decarbonisation of grid electricity.

Our bathing waters and catchment partners commitments have seen us partner with local community groups to deliver environmental improvements. We have delivered improvements at the following four bathing waters, two designated coastal bathing waters: Portland Castle Cove and Minehead, and two undesignated potential inland (river) bathing waters: Warleigh Weir and Farleigh Hungerford. However, we have not met the cumulative target, so further actions have been identified during 2022 to catch up and achieve the cumulative target by the end of 2022.

Finally, our Abstraction Incentive Mechanism (AIM) commitments at Mere and Stubhampton have seen us continue to reduce the amount of water we take from those sources, meeting our commitments.

PC <i>Units</i>	Actual performance	Target	Out / under performance total £m	2024-25 target
Treatment works compliance (common) <i>%age</i>	● 100.00	100.00	-	100.00
Waste water pollution incidents (common) <i>No. of incidents per 10,000km of sewer</i>	● 20.60	23.74	£0.816m	19.50
Satisfactory sludge disposal <i>%age</i>	● 100.00	100.00	-	100.00
Reduce FSOs (non WINEP) <i>Number</i>	● 0	0	N/A	0
Delivery of WINEP <i>Statement</i>	● Met	Met	Reputational	Met
Length of rivers with improved water quality through WINEP delivery <i>Km of river</i>	● 149.8	159.4	-£0.163m	399.9

Section 3: Performance summary

PC Units	Actual performance	Target	Out / under performance total £m	2024-25 target
Length of rivers improved non-WINEP <i>Km of river</i>	● 29.9	0	£0.299m	0
WINEP requirements (Bristol (Avonmouth) STW) <i>Months delay</i>	● 0	0	N/A	0
Natural capital – improve SSSI <i>%age delivered</i>	● 52	40	£0.002m	100
GHG emissions <i>Kilotonnes of carbon equivalent</i>	● 106	110	-	101
Working with communities to improve bathing water experience <i>No. of beaches</i>	● 24	26	-£0.002m	47
Working with catchment partners to improve natural capital <i>No. of projects</i>	● 42	37	£0.017m	37
AIM – Mere <i>MI</i>	● -251*	-100	£0.004m	-100
AIM Stubhampton <i>MI</i>	● -231*	-45	£0.004m	-45

*lower is better

Summary of reasons for under performance

- Length of rivers with improved water quality through WINEP delivery – see Ofwat definition section below. One project will not meet the Ofwat target date as it was agreed for profiling in the WINEP with the EA by two years.
- Working with communities to improve bathing water experience – insufficient actions delivered to meet the target, further beaches targeted for 2022 to catch up with the cumulative target.

Impact of Covid-19

While our response to the impact of Covid-19 has been very good and we have been resilient to much of the effect on our services, there continues to be an impact on our ability to deliver this year and it will continue to affect our plans. Our overall performance on common performance commitments in particular has been excellent, but the constraints set by PC definitions have not always reflected the service that our teams on the ground have continued to deliver.

The table below highlights the performance commitments that have continued to be affected by Covid-19 either directly or as a result of changes in social norms in terms of performance in 2021-22.

- Successful applications for assistance – closure of agencies and inability to deliver face-to-face advice, the reluctance of customers to have face-to-face meetings and customers being offered wider financial support (all byproducts of Covid-19).
- Number of children/students engaged – while Ofwat have agreed to include digital learning within the definition, we have accepted that class sizes have to be limited to 30. However, this means that under post-Covid schooling arrangements it is not possible to reflect our activities fully through the PC.
- Per capita consumption – a continuing, elevated level of household consumption due to lockdown and increased working from home, although the total water into supply has not increased.
- Volume of water saved through water efficiency engagement – inability to deliver our in-home audits for our water efficiency programme – we hope to catch up on this commitment over the next three years.
- Tackling water quality at home and in the workplace – inability to conduct in-property inspections for tackling water quality at home and in the workplace.
- Length of rivers with improved water quality through WINEP delivery – see PC definition section below.

PC <i>Unit</i>	Actual performance	Target	Out / under performance total £m	2024-25 target
Successful applications for assistance received by the independent advice sector/third parties' <i>Number of applications</i>	● 1,977	2,300 per year	Reputational	2,300 per year
Number of children/students engaged <i>Number of children/students</i>	● 5,726	24,370	£0.075m	24,370
Per capita consumption (common) <i>% reduction from baseline</i>	● -5.2	0.2	Ofwat to determine	0.9
Volume of water saved by water efficiency engagement <i>MI/d</i>	● 1.4	2.0	Reputational	5.0
Tackling water quality at home and in the workplace <i>Score</i>	● 14,181	18,297	£0.054m	18,297
Length of rivers with improved water quality through WINEP delivery <i>Km of river</i>	● 149.8	159.4	£0.163m	399.9

Section 3: Performance summary

Ofwat PC definition changes

In APR21 last year we reported that we were seeking amendments to a number of performance commitments to reflect the impact of Covid-19 or changing requirements of regulators / stakeholders. Most of these issues have now been addressed, with two still under discussion

- Total bill reduction – following the final determination and the increased bill reduction the target for this commitment was not reduced to take into account the lower total bills. We are seeking this reduction to reflect the bill change – these discussions continue with Ofwat and as a result the 2021-22 performance shows an underperformance against target.
- In our APR21 report last year we identified that Covid-19 had and would continue to have knock on implications on the delivery and programming of our capital projects both now and for delivery of future outputs. As a result, our internal management of the programme has allowed us to minimise these impacts, and also highlight specific WINEP output dates that needed to be amended. We had anticipated that having agreed these changes with the EA/DEFRA, that the changes would also be reflected in the PC target profile changing, but this was not the view of Ofwat. As a result, with short notice we had to accelerate the completion of these projects to match the PC target, in order to minimise the impact of an underperformance penalty, putting site compliance at risk as a result. The impact is that while the 'Delivery of WINEP' target has been met, there remains an underperformance payment for 2021-22 for the 'length of rivers with improved water quality through WINEP delivery'.

PC <i>Unit</i>	Actual performance	Target	Out / under performance total £m	2024-25 target
Total bill reduction to customers on social tariffs per 10,000* <i>£ reduction per 10,000 customers</i>	● 61,133	68,246	-£0.092m	87,029
Length of rivers with improved water quality through WINEP delivery <i>Km of river</i>	● 149.8	159.4	-£0.163m	399.9

Common performance measures

We have been able to implement the reporting guidance for common performance commitments and are green in all respects except for leakage and sewer collapses as detailed below.

W1: Leakage

We are green on all sub-components except for two where we are amber (see below).

One minor non-conformity has been identified concerning the drop testing of reservoirs. We are unable to evidence that our related Maintenance of Service Reservoirs NTKSP266 procedure is robustly followed. This will be addressed and appropriate measures put in place within the 2022-23 reporting year. 10c is recorded as amber as a result.

Section 3: Performance summary

	Component / Element	Component R/A/G	Element R/A/G	Reason for any non-compliant components / comments	Confidence grade
10	Service reservoir losses (only applicable if DMA level leakage assessment used)	Green			B2
10a	Company-specific data is used to assess the value of service reservoir losses;		Green		B2
10b	Reservoirs with known high leakage, structural deficiencies or at risk of water quality failures are investigated on an individual basis		Green		B2
10c	Drop tests (12-hour duration depending on size) carried out every five or 10 years. All valves checked for tight close; and losses through overflows investigated. Appropriate monitoring arrangements in place to control and minimise overflow events.		Amber	Need to tighten the procedure for reservoir drop testing to ensure it happens with each standard survey, as per the procedure NTKSP266	B2

Following an internal review, the subcomponent 11f has been classified as amber until a detailed review has been completed. This primarily relates to the flow checking requirements.

Section 3: Performance summary

	Component / Element	Component R/A/G	Element R/A/G	Reason for any non-compliant components / comments	Confidence grade
11	Distribution input	Green			A2
11a	Distribution input to the system is metered with at least daily readings at all defined locations		Green		
11b	Meters are appropriate size for the flow to be measured and located at appropriate inputs to the network confirmed by record plans. Any treatment works take-off downstream of a meter are excluded from the DI calculations		Green		A2
11c	Data validity checks are carried out at least monthly		Green		A2
11d	Missing data is infilled using both pre- and post-data for the location over at least one month, extrapolated from pump hours or use of upstream or downstream meters		Green		A2
11e	The data transfer systems from meter output to central database is checked and validated on a risk-based frequency from one up to two years		Green		A2
11f	Flow checks are carried out on DI meters consistent with the principles of the document 'EA Abstraction Good Metering Guide' and in particular the frequency of flow checking defined in Table 6.2 of the EA guide		Amber	See details in the commentary above	A2

Most of our distribution input meters are electromagnetic and subject to verification every two years. These meters do not require calibration as they have been shown not to lose accuracy provided the verification is satisfactory. However, a number of our meters are mechanical meters. There is an ongoing project to review the extent of mechanical meters used for compliance and then provide recommendations on a risk-based approach. This is a very small component and will not alter the PC.

R6: Sewer collapses

The number of collapses is based on information from the original job cards that are raised by the sewerage customer service technicians (CSTs) with additional supplementary questions. Where there is any element

Section 3: Performance summary

of doubt to the underlying reason regarding why works on the sewerage system have been raised, the CSTs are asked for clarification. If there is still an element of doubt, these are recorded as unknowns and are included in the reportable number.

An IT project will transfer this process to Microsoft Dynamics; once completed this component will become Green.

	Component / Element	Element R/A/G	Reason for any non-compliant components / comments	Confidence grade
1	Number of collapses	Amber	See commentary above	B3
2	Sewer length			
a)	Length excluding transferred sewers	Green		B2
b)	Length of sewers transferred under the Private Sewer Regs 2011	Green		C4

Section 3: Performance summary

Pro forma 3A

Outcome performance - Water performance commitments (financial) Wessex Water

Line description	Unique reference	Unit	Decimal places	Performance level - actual	PCL met?	Forecast of total 2020-25 outperformance or underperformance payment		RAG 4 reference
						6	7	
						£m	£m	
Common PCs - Water (Financial)								
Water quality compliance (CRI)	PR19WSX_Q1	number	2	0.37	No	0.000	0.000	3A.1
Water supply interruptions	PR19WSX_R1	hh:mm:ss		00:04:12	Yes	0.271	0.961	3A.2
Leakage	PR19WSX_W1	%	1	10.8	Yes	1.100	3.080	3A.3
<i>[For use by NES and SSC only]</i>								3A.3
Per capita consumption	PR19WSX_W2	%	1	-5.2	No	0.000	-1.677	3A.4
<i>[For use by SSC only]</i>								3A.4
Mains repairs	PR19WSX_R4	number	1	147.1	Yes	0.000	-1.375	3A.5
Unplanned outage	PR19WSX_R5	%	2	1.59	Yes	0.000	0.000	3A.6
Bespoke PCs - Water and Retail (Financial)								
Total bill reduction to customers on social tariffs per 10,000 households	PR19WSX_A1	nr		61,133	No	-0.092	0.000	3A.7
Void sites	PR19WSX_A3	%	2	1.70	Yes	0.579	2.268	3A.8
Gap sites	PR19WSX_A4	nr		113	Yes	0.000	0.000	3A.9
Number of children/students engaged	PR19WSX_C3	nr		5,726	No	-0.075	-0.317	3A.10
Customer reported leaks fixed within a day	PR19WSX_W3	%		93	Yes	0.189	0.788	3A.11
Water quality customer contacts (appearance, taste and odour)	PR19WSX_Q2	nr	2	1.17	Yes	0.025	-0.312	3A.12
Tackling water quality at home and in the work place	PR19WSX_Q3	score		14,181	No	-0.054	-0.327	3A.13
Lead communication service pipes replaced (Wessex Water assets)	PR19WSX_Q4	nr		1,809	Yes	0.279	0.149	3A.14
Restrictions on water use (hosepipe bans)	PR19WSX_R7	nr		0	Yes	0.000	0.000	3A.15
Abstraction Incentive Mechanism (Mere)	PR19WSX_E3	nr		-251	Yes	0.004	0.023	3A.16
Natural capital: improve Sites of Special Scientific Interest (SSSI sites)	PR19WSX_E4	%		52	Yes	0.002	0.002	3A.17
Abstraction Incentive Mechanism (Stubhampton)	PR19WSX_E12	MI/a		-231	Yes	0.004	0.015	3A.18
Delivery of security (non-SEMD)	PR19WSX_SEC	months		0	Yes	0.000	0.000	3A.19
								3A.20
								3A.21
								3A.22
								3A.23
								3A.24
								3A.25
								3A.26
Financial water performance commitments achieved		%				74		3A.27
Overall performance commitments achieved (excluding C-MEX and D-MEX)		%				72		3A.28

Section 3: Performance summary

Pro forma 3B

Outcome performance - Wastewater performance commitments (financial) Wessex Water

Line description	1	2	2a	4	5	6	7	RAG 4 reference
	Unique reference	Unit	Decimal places	Performance level - actual	PCL met?	Outperformance or underperformance payment	Forecast of total 2020-25 outperformance or underperformance payment	
						£m	£m	
Common PCs - Wastewater (Financial)								
Internal sewer flooding	PR19WSX_F1	Number of internal sewer flooding incidents per 10,000 sewer connection	2	1.43	Yes	1.138	5.011	3B.1
Pollution incidents	PR19WSX_E2	Pollution incidents per 10,000 km of sewer length	2	20.60	Yes	0.816	0.635	3B.2
Sewer collapses	PR19WSX_R6	Number of sewer collapses per 1,000 km of all sewers	2	5.91	Yes	0.000	0.000	3B.3
Treatment works compliance	PR19WSX_E1	%	2	100.00	Yes	0.000	0.000	3B.4
Bespoke PCs - Wastewater (Financial)								
Customer property sewer flooding (external)	PR19WSX_F2	nr	2	19.27	No	-2.032	-3.361	3B.5
Sewer flooding risk	PR19WSX_F3	score		53,737	No	0.000	0.000	3B.6
North Bristol Sewer Scheme - Trym catchment	PR19WSX_F4	nr		0	Yes	0.000	0.000	3B.7
Greenhouse gas emissions	PR19WSX_E5	nr		106	Yes	0.000	0.000	3B.8
Working with communities to improve bathing water experience	PR19WSX_E6	nr		24	No	-0.002	-0.017	3B.9
Working with catchment partners to improve natural capital	PR19WSX_E7	nr		42	Yes	0.017	0.096	3B.10
Satisfactory sludge disposal	PR19WSX_E8	%	2	100.00	Yes	0.000	-0.045	3B.11
Reduce frequent spilling overflows (non-WINEP)	PR19WSX_E9	nr		0	Yes	0.000	10.855	3B.12
Length of river with improved water quality through WINEP delivery	PR19WSX_E10	km	1	149.8	No	-0.163	-0.326	3B.13
Km of river improved (non-WINEP)	PR19WSX_E11	km	1	29.9	Yes	0.299	0.529	3B.14
WINEP requirements (Bristol (Avonmouth) STW)	PR19WSX_E13	months		0	Yes	0.000	0.000	3B.15
								3B.16
								3B.17
								3B.18
Financial wastewater performance commitments achieved		%			73			3B.19

Pro forma 3C

Customer measure of experience (C-MeX) table

Wessex Water

Item	Unit	Value	RAG 4 reference
Annual customer satisfaction score for the customer service survey	Number	86.76658432	3C.1
Annual customer satisfaction score for the customer experience survey	Number	82.8789632	3C.2
Annual C-MeX score	Number	84.82	3C.3
Annual net promoter score	Number	41.5	3C.4
Total household complaints	Number	3815	3C.5
Total connected household properties	Number	1,261,912	3C.6
Total household complaints per 10,000 connections	Number	30.232	3C.7
Confirmation of communication channels offered	TRUE or FALSE	TRUE	3C.8

Section 3: Performance summary

Pro forma 3D

Developer services measure of experience (D-MeX) table Wessex Water

Item	Unit	Value	RAG 4 reference
Qualitative component annual results	Number	80.18	3D.1
Quantitative component annual results	Number	99.12	3D.2
D-MeX score	Number	89.65	3D.3
Developer services revenue (water)	£m	6.375	3D.4
Developer services revenue (wastewater)	£m	6.466	3D.5

Calculating the D-MeX quantitative component				RAG 4 reference
Water UK performance metric	Unit	Reporting period (1 April to 31 March)	Quantitative score (annual)	
W1.1	%	100.00%		3D.W1
W3.1	%	99.67%		3D.W2
W4.1	%	99.92%		3D.W3
W6.1	%	100.00%		3D.W4
W7.1	%	100.00%		3D.W5
W8.1	%	100.00%		3D.W6
W17.1	%	95.83%		3D.W7
W18.1	%	100.00%		3D.W8
W26.1	%	100.00%		3D.W9
W30.1	%	100.00%		3D.W10
S1.1	%	99.11%		3D.W11
S3.1	%	100.00%		3D.W12
S4.1	%	100.00%		3D.W13
S7.1	%	100.00%		3D.W14
WN1.1	%	100.00%		3D.W15
WN2.2	%	100.00%		3D.W16
SN2.2	%	100.00%		3D.W17
SAM - 3/1	%	100.00%		3D.W18
SLPM - S1/2	%	92.59%		3D.W19
SLPM - S7/1	%	100.00%		3D.W20
SLPM - S3	%	100.00%		3D.W21
SLPM - S2/2a	%	100.00%		3D.W22
SLPM - S2/2b	%	100.00%		3D.W23
SLPM - S4/1	%	90.91%		3D.W24
WN4.2	%	100.00%		3D.W25
	%			3D.W26
	%			3D.W27
	%			3D.W28
	%			3D.W29
	%			3D.W30
	%			3D.W31
	%			3D.W32
	%			3D.W33
	%			3D.W34
	%			3D.W35
	%			3D.W36
	%			3D.W37
	%			3D.W38
	%			3D.W39
	%			3D.W40
	%			3D.W41
	%			3D.W42
	%			3D.W43
	%			3D.W44
	%			3D.W45
	%			3D.W46
	%			3D.W47
	%			3D.W48
	%			3D.W49
	%			3D.W50
D-MeX quantitative score (for the reporting period)	%	99.12%		3D.7
D-MeX quantitative score (annual)	Number		0.99	3D.8

Section 3: Performance summary

Pro forma 3E

Outcome performance - Non financial performance commitments Wessex Water

Line description	1 Unique reference	2 Unit	2a Decimal places	4 Performance level - actual	5 PCL met?	RAG 4 reference
Common						
Risk of severe restrictions in a drought	PR19WSX_R2	%	1	0.0	Yes	3E.1
Priority services for customers in vulnerable circumstances - PSR reach	PR19WSX_C1	%	1	4.0	Yes	3E.2
Priority services for customers in vulnerable circumstances - Attempted contacts	PR19WSX_C1	%	1	91.6	Yes	3E.3
Priority services for customers in vulnerable circumstances - Actual contacts	PR19WSX_C1	%	1	55.0	Yes	3E.4
Risk of sewer flooding in a storm	PR19WSX_R3	%	2	9.84	Yes	3E.5
Bespoke PCs						
Successful applications for assistance received by the independent advice sector/third parties	PR19WSX_A2	nr	∞	1,977	No	3E.6
Value for money	PR19WSX_X3	%	∞	76	No	3E.7
Delivering for customers in vulnerable circumstances	PR19WSX_C2	text	∞	Maintained	Yes	3E.8
Volume of water saved by water efficiency engagement	PR19WSX_W4	nr	1	1.4	No	3E.9
Event risk index (Wessex Water) (ERI WW)	PR19WSX_Q5	score	3	86.278	No	3E.10
WINEP Delivery	PR19WSX_NEP01	text	∞	Met	Yes	3E.11
Delivery of DWMPs	PR19WSX_DWMP	%	∞	0	Yes	3E.12
						3E.13
						3E.14
						3E.15
						3E.16
						3E.17
						3E.18
						3E.19
						3E.20
						3E.21
						3E.22
						3E.23
						3E.24
						3E.25
						3E.26
						3E.27
						3E.28

Non-financial performance commitments achieved

% ∞

67

3E.29

Section 3: Performance summary

Pro forma 3F

Underlying calculations for common performance commitments - water and retail Wessex Water

Line description	1 Unit	2 Standardising data indicator	3 Standardising data numerical value	4 Performance level - Actual (current reporting year)	5 Performance level - Calculated (i.e. standardised)							RAG 4 reference		
Performance commitments set in standardised units - Water														
Mains repairs - Reactive	Mains repairs per 1000 km	Mains length in km	12,083.50	625	51.72							3F.1		
Mains repairs - Proactive	Mains repairs per 1000 km	Mains length in km	12,083.50	1,152	95.34							3F.2		
Mains repairs	Mains repairs per 1000 km	Mains length in km	12,083.50	1,777	147.06							3F.3		
Per capita consumption (PCC)	lpd	Total household population (000s) and household consumption (Ml/d)	1,323.26	192	144.88							3F.4		
Line description	6 Unit	7 Performance level - actual (2017-18)	8 Performance level - actual (2018-19)	9 Performance level - actual (2019-20)	10 Baseline (average from 2017-18 to 2019-20)	11 Performance level - actual (2020-21)	11a Performance level - actual (2021-22)	11b Performance level - actual (2022-23)	11c Performance level - actual (2023-24)	11d Performance level - actual (2024-25)	12 Performance level 3 year average (current and previous 2 years)	13 Calculated performance level to compare against PCLs		
Performance commitments measured against a calculated baseline														
Leakage	Ml/d	76.5	75.6	67.9	73.3	65.1	63.3					65.4	10.8	3F.5
Per capita consumption (PCC)	lpd	135.9	139.3	138.3	137.8	151.8	144.9					145.0	-5.2	3F.6
Line description	14 Unit	15 Standardising data indicator	16 Standardising data numerical value	17 Total minutes lost	18 Number of properties supply interrupted	19 Calculated performance level								
Water supply interruptions														
Water supply interruptions	Average number of minutes lost per property per year	Number of properties (thousands)	633.17	2659151	7,884	00:04:12							3F.7	
Line description	20 Current company level peak week production capacity (PWPC) Ml/d	21 Reduction in company level PWPC Ml/d	22 Outage proportion of PWPC %											
Unplanned or planned outage														
Unplanned outage	579.90	9.204821918	1.59%										3F.8	
Line description	23 Total residential properties (000s)	24 Total number of households on the PSR (as at 31 March)	25 PSR reach	26 Total number of households on the PSR over a 2 year period	27 Number of attempted contacts over a 2 year period	28 Attempted contacts %	29 Number of actual contacts over a 2 year period	30 Actual contacts %						
Priority services for customers in vulnerable circumstances														
Priority services for customers in vulnerable circumstances	1,240.17	49,323	4.0%	15,945	14,604	91.6%	8,766	55.0%					3F.9	

Pro forma 3G

Underlying calculations for common performance commitments - wastewater Wessex Water

	1	2	3	4	5	6	
Line description	Unique reference	Unit	Standardising data indicator	Standardising data numerical value	Performance level - actual current reporting year	Calculated performance level	RAG 4 reference
Performance commitments set in standardised units							
Internal sewer flooding - customer proactively reported	PR19WSX_F1	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	1,276.44	157	1.23	3G.1
Internal sewer flooding - company reactively identified (ie neighbouring properties)	PR19WSX_F1	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	1,276.44	25	0.20	3G.2
Internal sewer flooding	PR19WSX_F1	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	1,276.44	182	1.43	3G.3
Pollution incidents	PR19WSX_E2	Pollution incidents per 10,000 km of sewer length	Sewer length in km	34,944.00	72	20.60	3G.4
Sewer collapses	PR19WSX_R6	Number of sewer collapses per 1,000 km of all sewers	Sewer length in km	35,024.00	207	5.91	3G.5

Pro forma 3H

Summary information on outcome delivery incentive payments

Line description	1	RAG 4 reference
	Initial calculation of performance payments (excluding CMEX and DMEX) £m (2017-18 prices)	
Initial calculation of in period revenue adjustment by price control		
Water resources	-0.01	3H.1
Water network plus	1.79	3H.2
Wastewater network plus	0.05	3H.3
Bioresources (sludge)	-0.02	3H.4
Residential retail	0.49	3H.5
Business retail	0.00	3H.6
Dummy control	0.00	3H.7
Initial calculation of end of period revenue adjustment by price control		
Water resources	0.00	3H.8
Water network plus	-0.98	3H.9
Wastewater network plus	0.00	3H.10
Bioresources (sludge)	0.00	3H.11
Residential retail	0.00	3H.12
Business retail	0.00	3H.13
Dummy control	0.00	3H.14
Initial calculation of end of period RCV adjustment by price control		
Water resources	0.00	3H.15
Water network plus	0.00	3H.16
Wastewater network plus	0.00	3H.17
Bioresources (sludge)	0.00	3H.18
Residential retail	0.00	3H.19
Business retail	0.00	3H.20
Dummy control	0.00	3H.21

Section 3: Performance summary

Pro forma 3I

Supplementary outcomes information Wessex Water

Line description	1 Current company level peak week production capacity (PWPC) MI/d	2 Reduction in company level PWPC MI/d	3 Outage proportion of PWPC %	RAG 4 reference
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Unplanned or planned outage				
Planned outage	579.90	40.92	7.06%	3I.1

Line description	4 Deployable output	5 Outage allowance	6 Dry year demand	7 Target headroom	8 Total population supplied	9 Customers at risk	RAG 4 reference
------------------	------------------------	-----------------------	----------------------	----------------------	--------------------------------	------------------------	-----------------

Risk of severe restrictions in drought							
Risk of severe restrictions in drought	387.61	19.38	341.68	34.77	1,382.59	0.00	3I.2

Line description	10 Total pe served	11 Total pe in excluded catchments	12 Percentage of total pe in excluded catchments	13 Total pe Option 1a	14 Percentage of total pe Option 1a	15 Total pe Option 1b	16 Percentage of total pe Option 1b	17-19 Vulnerability risk grade			RAG 4 reference
								Low	Medium	High	
								Percentage of total population served			

Risk of sewer flooding in a storm											
Risk of sewer flooding in a storm	3,078,308.00	60,772.90	1.97%	21,900.60	0.71%	#####	97.31%	90.16%	0.00%	9.84%	3I.3

Line description	20 Number of patch repairs or relining undertaken on sewer and not included in reported sewer collapses.	RAG 4 reference
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Sewer collapses		
Sewer collapses	14	3I.4

Section 4: Additional regulatory information – service level

As directed by Ofwat, we have not included Table 4B (analysis of debt), Table 4L (enhancement expenditure water) and Table 4M (enhancement expenditure wastewater) in this report due to their size. We have prepared the tables in accordance with the Regulatory Accounting Guidelines and submitted them to Ofwat.

We have not completed tables 4S, 4T and 4U (Green recovery expenditure for the 12 months ended 31 March 2022) as they are not required.

We have published all tables on our website aside from elements of Table 4B that we consider to be commercially sensitive.

Totex

Assessment process

Assessing the variance between actual expenditure and the final determination at any point during a price control period requires logical assessment and assumptions to be applied so that the reporting is consistent and minimises any judgement.

Any variation will comprise a mix of horizontal (advancement or slippage) and vertical (overspend or saving) movements. Table 4C requires the assessment of the variance in 2021-22 compared to the FD.

As this is the second year of the five-year price control, and the impact of the Covid-19 pandemic resulted in agreement with the EA to delay regulatory dates and therefore few significant projects have been completed, the majority of net variance has not been assessed as savings.

Explanation of variance

The net totex variance for the year 2021-22 is £4m under the FD allowance and the cumulative variance to the end of 2021-22 is £22m under, £10m is due to efficiency and £12m due to reprofiling.

With regards to capital expenditure, we have continued to see significant impacts from the Covid-19 pandemic on our capital expenditure programme. We have also experienced significant increases in lead time for work items and contractor resource constraints. The effect of these factors is a continued overall reprofiling of expenditure into later years, particularly for our enhancement programmes.

In alignment with the revised dates, all WINEP outputs are forecast to be delivered on time. As described in the Outcomes narrative, this reprofiling has not yet been agreed with Ofwat and therefore there is a misalignment between the WINEP and PC performance.

Both capital and operational expenditure includes a proportion of new requirements and inefficient delivery of in-flight projects and programmes of work, relating to direct impacts from the Covid-19 pandemic. The majority of the material cost effects were incurred in 2020-21 and the reprofiling of target dates (with the EA) has mitigated further cost impacts.

The net opex variance to FD in 2021-22 is an underspend of £0.2m. Our net opex increased compared to 2020-21 by £9m, partially due to an increase in enhancement opex compared to 2020-21, and partially due to a shift to opex-based solutions for a large number of IT projects and some environmental projects.

Cumulative net opex variance to FD to end of 2021-22 is £1.5m underspend which equates to savings. This has been delivered through a number of efficiencies against a background increasing costs. Highlights include:

- reduced power consumption and market rates due to forward purchases
- chemical process optimisation and internal review of external contractors
- cost incurred in 2020-21 as a result of Covid-19, totaling approx. £2.5m
- Software as a Service' accounting policy changes alongside additional software and price increases equated to £2.7m
- insurance premiums costs increased £1.3m.

The net capex variance of £4m under FD for 2021-22 and £20m cumulative, relating to a combination of upwards and downwards movements.

Section 4: Additional regulatory information – service level

- Increases in costs incurred on construction sites due to Covid-19 delays and above-inflation increases on prices for work items and delivery resources.
- Lower grants and contributions than anticipated (slowing of new development due to Covid-19 and regulatory changes encouraging more third parties bidding for contestable work).
- Reprofiled programmes of delivery compared to the FD (partially due to Covid-19 impacts).

We have been insulated from additional construction cost increase as a result of Covid-19, where the specific terms of the contract have protected Wessex Water from full commercial liability of additional costs incurred.

The expenditure has been delivered while maintaining the acceptable level of risk determined by the Board and while achieving consistently industry leading / upper quartile performance on key common performance commitments.

Wholesale: Actual expenditure v final determination (FD)

The following table provides a comparison of the actual expenditure to FD in 2021-22.

The comparison is based on the net PAYG FD value at outturn prices and excludes any pension deficit repair allowance, business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing.

2021-22 price base	Water (£m)	Waste (£m)	Total (£m)
Net totex FD (CPIH inflated)	104.6	292.8	397.4
Actual net totex	128.8	264.6	393.4
PAYG variance	24.2	-28.1	-4.0

The following table provides a comparison of the actual expenditure to FD cumulative to end of 2021-22 and includes transitional expenditure.

Cumulative to end 2021-22 outturn	Water (£m)	Waste (£m)	Total (£m)
Net totex FD (CPIH inflated)	213.9	593.8	807.7
Actual net totex	258.0	528.3	786.3
PAYG variance	44.0	-65.5	-21.5

Wholesale: water

For wholesale water the totex net expenditure variance to the FD allowance in year is a £24m overspend (£25m gross).

Totex net expenditure variance to the FD allowance cumulative to end of 2021-22 shows a £44m overspend (£47m gross).

The cumulative totex expenditure variance over the FD is the result of a number of upwards and downwards variances for different drivers. However, the material variances to FD are as follows.

- Gross totex expenditure for supply enhancement is £4m overspent compared to the FD to end of 2021/22. This is largely attributed to an overspend of developer services compared to the FD, whereas (as reported in table 4L) the other enhancement drivers for water are largely underspent to date:
 - supply environmental programme (WINEP/NEP) is £8m underspent, approximately £3m of this due to efficiencies realised in the investigations delivered to date, with the remainder due to reprofiling of the programme compared to the FD
 - supply-demand balance is £2.5m underspent due to reprofiling of the programme, where planned activities were unable to be carried out due to the Covid-19 enforced lockdown
 - metering is £0.8m overspent due to additional costs from Covid-19 such as staff shielding costs continued to be incurred and above inflation costs
 - other supply enhancement is £6m underspent due to a proportion of the Non-SEMD expenditure being recorded against waste for the PSTN replacement work (total allowance was against supply only in the FD) and reprofiling of other programmes of work relative to the FD profile.

Section 4: Additional regulatory information – service level

- Gross totex base expenditure for supply is £43m overspent compared to the FD to end of 2021/22:
 - investment in leakage control activities as part of our five-year strategy involving making significant in-roads in the target early in the AMP. Additional investment over and above that required to maintain our base level of leakage was submitted as enhancement in our business plan but no cost allowance was given for this in the FD. Therefore, all expenditure relating to improvements to performance is automatically an overspend against the FD for maintenance
 - additional costs incurred by Covid-19 for staff shielding
 - the continuation of the major refurbishment of Durleigh water treatment centre near Bridgwater
 - investment in disinfection improvements as part of our strategy to address the increase in risk of cryptosporidium

Wholesale: waste

For wholesale waste water the totex net expenditure variance to the FD allowance in year is a £28m underspend (£33m gross).

Totex net expenditure variance to the FD allowance cumulative to end of 2021-22 shows a £66m underspend (£76m gross).

Growth at sewage treatment works and reduced flooding risk for properties is reported as enhancement in actual expenditure (in table 4M), however this was included within the base allowance in the FD. As it is not clear what the FD allowance was for these items we are therefore unable to split the variance analysis between enhancement and base.

The cumulative totex expenditure variance over the FD is the result of a number of upwards and downwards variances for different drivers, however the material variances to FD are as follows:

- Waste environmental programme (WINEP/NEP) is £92m underspent to the end of 2021-22. Approximately £5m of this is due to efficiencies realised in the investigations and monitoring delivered to date with the remainder of underspend due to reprofiling of a substantial portion of the programme due to the impact of Covid-19.
- Our large sewer network project, the Trym relief sewer project, is £18m overspent to date compared to the FD allowance.
 - Since submission of the FBP we have revised the programme, which has reflected in higher expenditure in year 1 and 2 compared to the FD.
 - The project has incurred additional costs to date of circa £1.8m due to Covid-19 causing delays in the start of the tunnelling contract. The initial low production rates reported last year have been recovered by improved rates toward the end of the tunnel programme.
- Investment in maintaining non infrastructure assets has been reprofiled to future years.

Disallowable costs

Gross totex figures reported in table 4C generally exclude disallowable costs, but we have reported £0.9m of disallowable costs in line 4, which are reported in totex costs in tables 4D and 4E. These include:

- £0.6m in relation to the investigation of the incident at Avonmouth WRC
- £0.1m of legal and support costs resulting from financing activities
- £0.2m arising from fines or compensation claims against the Company.

Recharges between business units

Some assets within the appointed business are multifunctional in nature in that more than one price control unit will benefit from their use over time. Examples of such 'Management and General' assets include IT systems, IT hardware infrastructure, laboratories, offices, depots, stores and some vehicles.

The approach adopted by Wessex Water is to assign such assets to the price control unit that is the principal user of the asset. A recharge of the usage by other price control units is then calculated based on the most appropriate cost driver. Typically, this is the same as the one used for overhead allocation of

Section 4: Additional regulatory information – service level

operating costs associated with the asset.

Consistent with last year, the major beneficiary of net recharges is Waste water Networks Plus at £2.4m (£1.9m 2020-21) and the largest net recipient of charges is Water Networks Plus at £1.3m (£1.2m 2020-21). At the same time recharges to Retail have increased from £0.1m last year to £0.4m in 2021-22.

Return on regulatory equity

Return on regulatory equity figures are now calculated and presented within table 1F.

We have included the company share of land sales as disclosed in table 2L and, calculated as per the PR24 reconciliation model, within the exceptional items. This is the only contributing factor to this value.

Supply-demand balance and metering

Our last published Water Resources Management Plan (WRMP) in 2019 did not identify any supply-demand balance deficit and hence there are no lines of expenditure specific to this. However, the assessment of large strategic water resource options was agreed at the PR19 Final Determination (FD19) as part of the remit of the West Country Water Resources Group (WCWRG). The WCWRG is a partnership between ourselves, Bristol Water and South West Water, with affiliated members including the Environment Agency and Natural England. The group is responsible for producing a regional WRMP and for investigating a number of strategic resource options.

At FD19 it was identified that both Wessex Water and the West Country as a whole was in surplus and that the development of new resources could assist neighbouring companies such as Southern Water who had and continue to have a significant supply deficit.

A number of strategic resource options continue to be investigated by the WCWRG and these are effectively regulated by an alliance of our main regulators (Environment Agency, Ofwat and DWI) in a group known as RAPID. The investigations are run through a series of four 'gates' with each gate culminating in a submission to RAPID for approval before funding to undertake the next gate is released. The current schemes being investigated are:

- West Country North – building a second reservoir at Cheddar
- West Country South – re-use of treated Poole effluent to augment supplies
- Mendip Quarries – repurposing large quarries in the Mendips as reservoirs for potential public water supply use.

All three schemes are currently at Gate 2 and investigations are continuing. The investigations are being undertaken by consultants under a programme director working for the WCWRG. Expenditure is tracked in line with allowances agreed at FD19.

Previously there was a fourth scheme involving increasing the yield of Roadford reservoir through additional river transfers. This scheme is no longer being investigated as a regional scheme but is instead progressing to implementation under the Green recovery programme.

A key variance is that the emerging regional WRMP and the emerging Wessex Water WRMP, which will be both be finalised in 2024, are now highly likely to show significant supply deficits in the medium to long term due to regulators now requiring companies to plan for more extreme droughts and give more water back to the environment to protect chalk streams. This has been discussed with RAPID and it is now accepted that the strategic schemes can continue to be investigated but mainly for the benefit of the West Country itself, which will need the water to maintain supplies.

Narrative on costs

Line 4L.76/77 Integrated supply grid

Minimal costs relating to Corfe Mullen to Salisbury transfer scheme. The AMP6 scheme is complete, there are some outstanding costs for land compensation.

Line 4L.78/79 NEP – CROW Act

The operating expenditure is continuation of activities at Blashford Lakes involving water quality monitoring and plant surveys. This relates to the AMP6 NEP.

Section 4: Additional regulatory information – service level

Line 4L.80/81 Partnership working

The operating expenditure is for undertaking condition reviews, land management plan reviews and connected improvements to a number of SSSI sites such as the Monkswood Valley, Poole Harbour, Nutscale Reservoir in Exmoor and other water sources.

Line 4M.68 WINEP – Monitoring of pass forward flows at CSOs

EA permit fees for an AMP6 scheme that monitored pass forward flow at strategic pumping stations. The project previously completed but was reopened for these permit costs.

Line 4M.70 Storm overflow improvement (not storage)

This expenditure is for commencement of three projects where the output is not described by the existing enhancement drivers in this table. These projects will provide improvements to storm overflows but the solution will not be storage such as improved operation and screening. The projects are in early stages of development.

Line 4M.72 North Bristol strategic sewers

This programme will provide extra capacity in the sewer network for existing housing and new developments in North Bristol.

As last year, we are accounting all costs against the North Bristol strategic sewer freeform line. This includes an allowance for network reinforcement accounted for in table 2J.

The second phase of the North Bristol strategic sewer programme is the Trym relief sewer project. The project saw significant spend this year; although this was around 50% less than in 2020-21. This is expected as the project is scheduled to complete in the middle of AMP7. The 5.5km tunnel drive was completed in January 2022. The next phase is to undertake secondary tunnel grouting, repairs and pointing, fitting out and completion of the deep intermediate shafts with installation of flow control weirs and flow control penstocks. The project remains on track to meet the performance commitment target.

£0.1m of costs relate to a compensation payment for the Frome Valley relief sewer project.

Line 4M.75 Network growth

£0.3m of opex costs relate to sewage pumping stations that have been adopted which we are now required to operate.

Line 4M.76 Partnership working

Expenditure in the report year was incurred on 3 catchment partnerships (Bristol Avon, Stour and Poole Harbour), partnerships with Rivers & Wildlife Trusts and working with community groups to improve bathing water amenities.

Reporting categories are assigned to capital projects on a percentage basis determined from analysing the cost estimate for the project to completion which is done initially at project conception. The reporting categories are not revised annually based on expenditure incurred in the year. However, reporting categories are generally reviewed following full financial approval when scope of the project has been agreed. To calculate the total to be reported against the applicable categories for each project the total capex is multiplied by the percentage assigned to each reporting category.

£63m of capital expenditure in the 2021-22 regulatory year has been subjected to proportional allocation between maintenance, enhancement and developer services investment drivers. This is for projects with more than one investment driver. The breakdown of the allocation to investment drivers is shown in the table below.

Investment driver	2021-22 capex £m
Base capital expenditure	15
Developer Services capital expenditure	2
Enhancement capital expenditure	46
Total	63

For the resident population we are using the ONS mid-year estimates which include the Census 2011 population uplift. For APR reporting years 2015-16 to 2021-22 the 2011 Census was used.

Section 4: Additional regulatory information – service level

On waste water, the non-resident population is based on data provided by the South West Tourist Board in 2011 which gave the number of bed spaces available for various types of holiday accommodation; an occupancy rate of two-thirds for four months of the year is assumed (i.e. 2/9 as per RAG 4.10 4R.29). This dataset is amended (as necessary) when we review STW populations as part of potential growth in a particular catchment.

Pro forma 4A

Wessex Water

Water bulk supply information for the 12 months ended 31 March 2022

Line description	Volume	Operating costs	Revenue	RAG 4 reference
Units	MI	£m	£m	
DPs	3	3	3	

Bulk supply exports				
Bournemouth Water, Whiteparish	0.000	0.000	0.000	4A.1
Wessex cross connection to	0.000	0.000	0.000	4A.2
Bristol Water, Chapmanslade	24.498	0.004	0.042	4A.3
Bristol Water, Compton Dundon	68.033	0.012	0.000	4A.4
Bristol Water, Corsley	28.609	0.005	0.054	4A.5
Bristol Water, Lydford	11.086	0.002	0.001	4A.6
Bristol Water, Standerwick	0.000	0.000	0.000	4A.7
Bristol Water, Shipton Moyne	3.645	0.001	0.000	4A.8
Leep Utilities (Scottish & Southern),	116.398	0.021	0.155	4A.9
Leep Utilities (Scottish & Southern),	44.445	0.008	0.080	4A.10
South West Water, Smeatharpe	0.000	0.000	0.000	4A.11
Total bulk supply exports	296.714	0.054	0.332	4A.26

Line description	Volume	Operating costs
Units	MI	£m
DPs	3	3

Bulk supply imports				
Bournemouth Water, Whiteparish	0.000	0.000		4A.27
Wessex cross connection to	0.000	0.000		4A.28
Bournemouth Water,	0.474	0.001		4A.29
Bristol Water, Ashcott	87.665	0.000		4A.30
Bristol Water, Bath	1,485.911	1.065		4A.31
Bristol Water, Marshfield	7.793	0.000		4A.32
Southern Water, Biddesden	3.736	0.007		4A.33
Southern Water, Ludgershall	65.562	0.087		4A.34
Southern Water, Andover	0.000	0.000		4A.35
South West Water, Charmouth	5.728	0.014		4A.36
South West Water, Wellington	10.078	0.022		4A.37
Thames Water, Malmesbury	7.288	0.012		4A.38
Veolia, Leckford	633.855	0.248		4A.39
Veolia, Pewsey (Tidworth)	60.624	0.084		4A.40
Total bulk supply imports	2,368.714	1.539		4A.52

Section 4: Additional regulatory information – service level

Pro forma 4C

Wessex Water

Impact of price control performance to date on RCV

Line description	Units	DPs	12 months ended 31 March 2021					Price control period to date					RAG 4 reference
			Water resources	Water network plus	Wastewater network plus	Bioresources	Additional Control	Water resources	Water network plus	Wastewater network plus	Bioresources	Additional Control	
Totex (net of business rates, abstraction licence fees and grants and contributions)													
Final determination allowed totex (net of business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	3	14.501	90.123	270.623	22.140	0.000	34.303	179.647	549.605	44.225	0.000	4C.1
Actual totex (excluding business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	3	10.579	118.318	236.049	29.366	0.000	19.871	238.319	464.109	56.397	0.000	4C.2
Transition expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.200	0.000	0.000	4C.3
Disallowable costs	£m	3	0.008	0.088	0.176	0.624	0.000	0.016	0.183	0.358	0.993	0.000	4C.4
Total actual totex (net of business rates, abstraction licence fees and grants and contributions)	£m	3	10.571	118.230	235.873	28.742	0.000	19.855	238.136	472.951	55.404	0.000	4C.5
Variance	£m	3	-3.930	28.107	-34.750	6.602	0.000	-14.448	58.489	-76.654	11.179	0.000	4C.6
Variance due to timing of expenditure	£m	3	0.995	27.011	-29.741	6.035	0.000	-8.088	56.392	-70.871	10.709	0.000	4C.7
Variance due to efficiency	£m	3	-4.925	1.096	-5.009	0.567	0.000	-6.360	2.097	-5.783	0.470	0.000	4C.8
Customer cost sharing rate - outperformance	%	2	56.14%	56.14%	58.67%	0.00%	0.00%	56.14%	56.14%	58.67%	0.00%	0.00%	4C.9
Customer cost sharing rate - underperformance	%	2	43.86%	43.86%	41.33%	0.00%	0.00%	43.86%	43.86%	41.33%	0.00%	0.00%	4C.10
Customer share of totex overspend	£m	3	0.000	0.481	0.000	0.000	0.000	0.000	0.920	0.000	0.000	0.000	4C.11
Customer share of totex underspend	£m	3	-2.765	0.000	-2.939	0.000	0.000	-3.571	0.000	-3.393	0.000	0.000	4C.12
Company share of totex overspend	£m	3	0.000	0.615	0.000	0.567	0.000	0.000	1.177	0.000	0.470	0.000	4C.13
Company share of totex underspend	£m	3	-2.160	0.000	-2.070	0.000	0.000	-2.789	0.000	-2.390	0.000	0.000	4C.14
Totex - business rates and abstraction licence fees													
Final determination allowed totex - business rates and abstraction licence fees	£m	3	3.148	15.214	7.553	1.772	0.000	6.185	29.889	14.838	3.481	0.000	4C.15
Actual totex - business rates and abstraction licence fees	£m	3	3.545	15.073	7.148	1.619	0.000	6.992	30.267	14.298	3.265	0.000	4C.16
Variance - business rates and abstraction licence fees	£m	3	0.397	-0.141	-0.405	-0.153	0.000	0.807	0.378	-0.540	-0.216	0.000	4C.17
Customer cost sharing rate - business rates	%	2	75.00%	75.00%	75.00%	0.00%	0.00%	75.00%	75.00%	75.00%	0.00%	0.00%	4C.18
Customer cost sharing rate - abstraction licence fees	%	2	75.00%	75.00%	75.00%	0.00%	0.00%	75.00%	75.00%	75.00%	0.00%	0.00%	4C.19
Customer share of totex over/underspend - business rates and abstraction licence fees	£m	3	0.298	-0.106	-0.304	0.000	0.000	0.605	0.284	-0.405	0.000	0.000	4C.20
Company share of totex over/underspend - business rates and abstraction licence fees	£m	3	0.099	-0.035	-0.101	-0.153	0.000	0.202	0.095	-0.135	-0.216	0.000	4C.21
Totex not subject to cost sharing													
Final determination allowed totex - not subject to cost sharing	£m	3	0.791	1.606	0.227	0.000	0.000	1.476	2.923	0.446	0.000	0.000	4C.22
Actual totex - not subject to cost sharing	£m	3	1.555	6.776	7.676	1.923	0.000	2.477	11.674	14.852	3.961	0.000	4C.23
Variance - 100% company allocation	£m	3	0.764	5.170	7.449	1.923	0.000	1.001	8.751	14.406	3.961	0.000	4C.24
Total customer share of totex over/under spend	£m	3	-2.467	0.375	-3.243	0.000	0.000	-2.965	1.203	-3.798	0.000	0.000	4C.25
RCV													
Total customer share of totex over/under spend	£m	3	-2.467	0.375	-3.243	0.000	0.000	-2.965	1.203	-3.798	0.000	0.000	4C.26
PAYG rate	%	2	62.110%	74.950%	38.960%	78.220%	0.000%	54.400%	73.930%	37.480%	76.860%	0.000%	4C.27
RCV element of cumulative totex over/underspend	£m	3	-0.935	0.094	-1.979	0.000	0.000	-1.352	0.314	-2.374	0.000	0.000	4C.28
Adjustment for ODI outperformance payment or underperformance payment	£m	3						0.000	0.000	0.000	0.000	0.000	4C.29
Green recovery	£m	3						0.000	0.000	0.000		0.000	4C.30
RCV determined at FD at 31 March	£m	3						84.103	1,128.946	2,285.052	117.082	0.000	4C.31
Projected 'shadow' RCV	£m	3						82.751	1,129.260	2,282.678	117.082	0.000	4C.32

Section 4: Additional regulatory information – service level

Pro forma 4D

Wessex Water

Totex analysis for the 12 months ended 31 March 2022 - water resources and water network+

Line description	Units	DPs	Water resources	Network+				Total	RAG 4 reference
				Raw water transport	Raw water storage	Water treatment	Treated water distribution		
Operating expenditure									
Base operating expenditure	£m	3	8.768	0.000	0.000	21.921	45.991	76.679	4D.1
Enhancement operating expenditure	£m	3	0.395	0.000	0.000	0.099	1.321	1.815	4D.2
Developer services operating expenditure	£m	3	0.000	0.000	0.000	0.000	3.977	3.977	4D.3
Total operating expenditure excluding third party services	£m	3	9.163	0.000	0.000	22.020	51.289	82.472	4D.4
Third party services	£m	3	0.620	0.000	0.000	0.045	0.532	1.197	4D.5
Total operating expenditure	£m	3	9.783	0.000	0.000	22.065	51.821	83.669	4D.6
Grants and contributions									
Grants and contributions - operating expenditure	£m	3	0.000	0.000	0.000	0.000	3.636	3.636	4D.7
Capital expenditure									
Base capital expenditure	£m	3	2.843	0.024	0.000	21.997	32.371	57.236	4D.8
Enhancement capital expenditure	£m	3	2.286	0.000	0.000	1.026	7.136	10.448	4D.9
Developer services capital expenditure	£m	3	0.000	0.000	0.000	0.000	4.011	4.011	4D.10
Total gross capital expenditure excluding third party services	£m	3	5.130	0.024	0.000	23.024	43.518	71.696	4D.11
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.12
Total gross capital expenditure	£m	3	5.130	0.024	0.000	23.024	43.518	71.696	4D.13
Grants and contributions									
Grants and contributions - capital expenditure	£m	3	0.000	0.000	0.000	0.000	2.393	2.393	4D.14
Net totex	£m	3	14.912	0.024	0.000	45.089	89.310	149.336	4D.15
Cash expenditure									
Pension deficit recovery payments	£m	3	0.767	0.000	0.000	2.015	3.728	6.510	4D.16
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.17
Totex including cash items	£m	3	15.679	0.024	0.000	47.104	93.038	155.846	4D.18
Atypical expenditure									
Item 1	£m	3	0.000	0.000	0.000	0.014	0.033	0.047	4D.19
Item 2	£m	3	0.000	0.000	0.000	0.001	0.000	0.002	4D.20
Item 3	£m	3	0.000	0.000	0.000	0.001	0.001	0.002	4D.21
Item 4	£m	3	0.000	0.000	0.000	0.003	0.001	0.005	4D.22
Item 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.23
Total atypical expenditure	£m	3	0.000	0.000	0.000	0.019	0.036	0.055	4D.24

Section 4: Additional regulatory information – service level

Pro forma 4E

Wessex Water

Totex analysis for the 12 months ended 31 March 2022 - wastewater network+ and bioresources

Line description	Units	DPs	Network+ Sewage collection			Network+ Sewage treatment		Bioresources			Total	RAG 4 reference
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal		
Operating expenditure												
Base operating expenditure	£m	3	22.044	7.781	5.743	47.405	1.371	6.806	7.158	4.780	103.088	4E.1
Enhancement operating expenditure	£m	3	1.539	0.006	0.000	2.610	0.000	0.000	0.500	0.000	4.655	4E.2
Developer services operating expenditure	£m	3	0.267	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.267	4E.3
Total operating expenditure excluding third party services	£m	3	23.850	7.786	5.743	50.015	1.371	6.806	7.658	4.780	108.010	4E.4
Total third party services	£m	3	0.180	0.096	0.084	0.948	0.000	0.000	0.000	0.000	1.308	4E.5
Total operating expenditure	£m	3	24.030	7.882	5.827	50.963	1.371	6.806	7.658	4.780	109.317	4E.6
Grants and contributions												
Grants and contributions - operating expenditure	£m	3	0.841	0.276	0.204	0.000	0.000	0.000	0.000	0.000	1.321	4E.7
Capital expenditure												
Base capital expenditure	£m	3	31.963	3.498	0.000	36.877	0.179	1.290	9.779	0.121	83.706	4E.8
Enhancement capital expenditure	£m	3	24.726	0.978	0.000	53.818	0.283	0.000	0.551	0.000	80.355	4E.9
Developer services capital expenditure	£m	3	7.967	0.439	0.000	0.000	0.000	0.000	0.000	0.000	8.405	4E.10
Total gross capital expenditure excluding third party services	£m	3	64.656	4.914	0.000	90.694	0.462	1.290	10.330	0.121	172.467	4E.11
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.12
Total gross capital expenditure	£m	3	64.656	4.914	0.000	90.694	0.462	1.290	10.330	0.121	172.467	4E.13
Grants and contributions												
Grants and contributions - capital expenditure	£m	3	4.618	0.351	0.000	0.005	0.000	0.000	0.000	0.000	4.974	4E.14
Net totex	£m	3	83.227	12.169	5.623	141.652	1.833	8.096	17.988	4.901	275.489	4E.15
Cash expenditure												
Pension deficit recovery payments	£m	3	1.749	0.574	0.424	3.621	0.000	1.079	0.844	0.000	8.291	4E.16
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.17
Totex including cash items	£m	3	84.976	12.743	6.047	145.273	1.833	9.175	18.832	4.901	283.780	4E.18
Atypical expenditure												
Item 1	£m	3	0.002	0.000	0.000	0.003	0.000	0.000	0.000	0.000	0.006	4E.19
Item 2	£m	3	0.003	0.000	0.000	0.004	0.000	0.000	0.000	0.000	0.008	4E.20
Item 3	£m	3	0.006	0.001	0.000	0.010	0.000	0.000	0.000	0.000	0.017	4E.21
Item 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.22
Item 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.23
Total atypical expenditure	£m	3	0.011	0.002	0.000	0.017	0.000	0.001	0.001	0.000	0.031	4E.24

Section 4: Additional regulatory information – service level

Pro forma 4F

Wessex Water

Major project expenditure for wholesale water by purpose for the 12 months ended 31 March 2022

Line description	Units	Dps	Expenditure in report year £m						Cumulative expenditure on schemes completed in the report year £m						RAG 4 reference
			Water resources	Water network+				Total	Water resources	Water network+				Total	
				Raw water transport	Raw water storage	Water treatment	Treated water distribution			Raw water transport	Raw water storage	Water treatment	Treated water distribution		
Major project capital expenditure by purpose															
West Country North Sources	£m	3	0.048	0.000	0.000	0.000	0.098	0.146	0.000	0.000	0.000	0.000	0.000	0.000	4F.1
West Country South Sources (and	£m	3	0.000	0.000	0.000	0.000	0.162	0.162	0.000	0.000	0.000	0.000	0.000	0.000	4F.2
West Country Mendip Quarries	£m	3	0.121	0.000	0.000	0.000	0.000	0.121	0.000	0.000	0.000	0.000	0.000	0.000	4F.3
Capital expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.4
Capital expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.5
Capital expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.6
Capital expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.7
Capital expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.8
Capital expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.9
Capital expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.10
Total major project capital expenditure	£m	3	0.169	0.000	0.000	0.000	0.259	0.428	0.000	0.000	0.000	0.000	0.000	0.000	4F.11
Major project operating expenditure by purpose															
Operating expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.12
Operating expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.13
Operating expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.14
Operating expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.15
Operating expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.16
Operating expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.17
Operating expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.18
Operating expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.19
Operating expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.20
Operating expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.21
Total major project operating	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.22

Section 4: Additional regulatory information – service level

Pro forma 4G
Wessex Water

Major project expenditure for wholesale wastewater by purpose for the 12 months ended 31 March 2022

Line description	Units	DPs	Expenditure in report year £m									Cumulative expenditure on schemes completed in the report year £m									RAG 4 reference		
			Wastewater network+						Bioresources			Total	Wastewater network+						Bioresources			Total	
			Sewage collection			Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Sewage collection			Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal					
			Foul	Surface water drainage	Highway drainage						Foul		Surface water drainage						Highway drainage				
Major project capital expenditure by purpose																							
Capital expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.1	
Capital expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.2	
Capital expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.3	
Capital expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.4	
Capital expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.5	
Capital expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.6	
Capital expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.7	
Capital expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.8	
Capital expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.9	
Capital expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.10	
Total major project capital expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.11	
Major project operating expenditure by purpose																							
Operating expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.12	
Operating expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.13	
Operating expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.14	
Operating expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.15	
Operating expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.16	
Operating expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.17	
Operating expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.18	
Operating expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.19	
Operating expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.20	
Operating expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.21	
Total major project operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.22	

Section 4: Additional regulatory information – service level

Pro forma 4H

Wessex Water

Financial metrics for the 12 months ended 31 March 2022

Line description	Units	DPs	Current year	AMP to date	RAG 4 reference
Financial indicators					
Net debt	£m	3	2419.129		4H.1
Regulatory equity	£m	3	1,196.054		4H.2
Regulatory gearing	%	2	66.92%		4H.3
Post tax return on regulatory equity	%	2	6.94%		4H.4
RORE (return on regulatory equity)	%	2	8.26%	5.61%	4H.5
Dividend yield	%	2	5.31%		4H.6
Retail profit margin - Household	%	2	-0.13%		4H.7
Retail profit margin - Non household	%	2	0.00%		4H.8
Credit rating - Fitch	Text	n/a	BBB (Stable)		4H.9
Credit rating - Moody's	Text	n/a	Baa1 (Stable)		4H.10
Credit rating - Standard and Poor's	Text	n/a	n/a		4H.11
Return on RCV	%	2	4.69%		4H.12
Dividend cover	dec	2	-0.61		4H.13
Funds from operations (FFO)	£m	3	191.216		4H.14
Interest cover (cash)	dec	2	3.67		4H.15
Adjusted interest cover (cash)	dec	2	1.54		4H.16
FFO/Net debt	dec	2	0.08		4H.17
Effective tax rate	%	2	-0.07%		4H.18
Retained cash flow (RCF)	£m	3	129.216		4H.19
RCF/Net debt	dec	2	0.05		4H.20
Borrowings					
Proportion of borrowings which are fixed rate	%	2	49.17%		4H.21
Proportion of borrowings which are floating rate	%	2	16.29%		4H.22
Proportion of borrowings which are index linked	%	2	34.54%		4H.23
Proportion of borrowings due within 1 year or less	%	2	0.66%		4H.24
Proportion of borrowings due in more than 1 year but no more than 2 years	%	2	8.32%		4H.25
Proportion of borrowings due in more than 2 years but no more than 5 years	%	2	15.00%		4H.26
Proportion of borrowings due in more than 5 years but no more than 20 years	%	2	48.02%		4H.27
Proportion of borrowings due in more than 20 years	%	2	28.00%		4H.28

The values included on the table do not include any rounding adjustments.

Section 4: Additional regulatory information – service level

Pro forma 4I
Wessex Water

Financial derivatives

Line description	Nominal value by maturity (net) at 31 March				Total value at 31 March		Total accretion at 31 March	Interest rate		RAG 4 reference
	0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable	Receivable	
Units	£m	£m	£m	£m	£m	£m	£m	%	%	
DPs	3	3	3	3	3	3	3	3	3	
Interest rate swap (sterling)										
Floating to fixed rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4I.1
Floating from fixed rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4I.2
Floating to index linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4I.3
Floating from index linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4I.4
Fixed to index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4I.5
Fixed from index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4I.6
Index-linked to index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4I.7
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.8
Foreign Exchange										
Cross currency swap USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.9
Cross currency swap EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.10
Cross currency swap YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.11
Cross currency swap Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.12
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.13
Currency interest rate										
Currency interest rate swaps USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.14
Currency interest rate swaps EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.15
Currency interest rate swaps YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.16
Currency interest rate swaps Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.17
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.18
Forward currency contracts										
Forward currency contracts USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.19
Forward currency contracts EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.20
Forward currency contracts YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.21
Forward currency contracts CAD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.22
Forward currency contracts AUD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.23
Forward currency contracts HKD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.24
Forward currency contracts Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.25
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.26
Other financial derivatives										
Other financial derivatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.27
Total financial derivatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000			4I.28

Section 4: Additional regulatory information – service level

Pro forma 4J

Wessex Water

Base expenditure analysis for the 12 months ended 31 March 2022 - water resources and water network+

Line description	Units	DPs	Water resources	Water network+				Total	RAG 4 reference
				Raw water distribution	Raw water storage	Water treatment	Treated water distribution		
Operating expenditure									
Power	£m	3	2.570	0.000	0.000	4.847	1.786	9.203	4J.1
Income treated as negative expenditure	£m	3	-0.003	0.000	0.000	-0.030	-0.014	-0.047	4J.2
Bulk Supply/Bulk discharge	£m	3	0.000	0.000	0.000	1.298	0.241	1.539	4J.3
Renewals expensed in year (infrastructure)	£m	3	0.224	0.000	0.000	0.017	5.160	5.401	4J.4
Renewals expensed in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.5
Other operating expenditure	£m	3	2.432	0.000	0.000	13.776	25.636	41.844	4J.6
Local authority and Cumulo rates	£m	3	0.961	0.000	0.000	1.883	13.047	15.891	4J.7
Service Charges									
Canal & River Trust abstraction charges/ discharge consents	£m	3	0.256	0.000	0.000	0.000	0.000	0.256	4J.8
Environment Agency / NRW abstraction charges/ discharge consents	£m	3	2.328	0.000	0.000	0.131	0.012	2.471	4J.9
Other abstraction charges/ discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.10
Location specific costs & obligations									
Costs associated with Traffic Management Act	£m	3	0.000	0.000	0.000	0.000	0.122	0.122	4J.11
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.12
Statutory water softening	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.13
Total base operating expenditure	£m	3	8.768	0.000	0.000	21.921	45.991	76.679	4J.14
Capital expenditure									
Maintaining the long term capability of the assets - infra	£m	3	0.545	0.012	0.000	0.000	22.180	22.738	4J.15
Maintaining the long term capability of the assets - non-infra	£m	3	2.298	0.012	0.000	21.997	10.191	34.498	4J.16
Total base capital expenditure	£m	3	2.843	0.024	0.000	21.997	32.371	57.236	4J.17
Traffic Management Act									
Projects incurring costs associated with Traffic Management Act	nr	0	0	0	0	0	3612	3612	4J.18

Section 4: Additional regulatory information – service level

Pro forma 4K

Wessex Water

Base expenditure analysis for the 12 months ended 31 March 2022 - wastewater network + and bioresources

Line description	Units	DPs	Expenditure in report year								RAG 4 reference	
			Wastewater network+					Bioresources				Total
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge Transport	Sludge Treatment	Sludge Disposal		
Operating expenditure												
Power	£m	3	1,941	1,033	0,903	14,429	0,777	0,010	0,080	0,030	19,204	4K.1
Income treated as negative expenditure	£m	3	-0,007	-0,004	-0,003	-0,114	0,000	-0,112	-3,279	-0,711	-4,230	4K.2
Bulk Supply/Bulk discharge	£m	3	0,000	0,000	0,000	0,059	0,008	0,000	0,013	0,000	0,080	4K.3
Renewals expensed in year (infrastructure)	£m	3	9,687	1,211	0,000	0,081	0,000	0,000	0,000	0,000	10,979	4K.4
Renewals expensed in year (non-infrastructure)	£m	3	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	4K.5
Other operating expenditure	£m	3	9,681	5,154	4,506	23,050	0,322	6,903	8,709	5,480	63,788	4K.6
Local authority and Cumulo rates	£m	3	0,010	0,005	0,004	6,897	0,231	0,005	1,614	0,000	8,766	4K.7
Service Charges												
Canal & River Trust abstraction charges/ discharge consents	£m	3	0,062	0,033	0,029	0,000	0,000	0,000	0,000	0,000	0,124	4K.8
EA / NRW abstraction charges/ discharge consents	£m	3	0,651	0,347	0,303	2,689	0,032	0,000	0,022	0,001	4,046	4K.9
Other abstraction charges/ discharge consents	£m	3	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	4K.10
Location specific costs & obligations												
Costs associated with Traffic Management Act	£m	3	0,019	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,019	4K.11
Costs associated with lane rental schemes	£m	3	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	4K.12
Costs associated with Industrial emissions directive	£m	3	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	0,000	4K.13
Total base operating expenditure	£m	3	22,044	7,781	5,743	47,091	1,371	6,806	7,158	4,780	102,774	4K.14
Capital expenditure												
Maintaining the long term capability of the assets - infra	£m	3	16,556	2,226	0,000	0,829	0,000	0,000	0,000	0,000	19,611	4K.15
Maintaining the long term capability of the assets - non-infra	£m	3	15,407	1,272	0,000	36,048	0,179	1,290	9,779	0,121	64,096	4K.16
Total base capital expenditure	£m	3	31,963	3,498	0,000	36,877	0,179	1,290	9,779	0,121	83,708	4K.17
Traffic Management Act												
Projects incurring costs associated with Traffic Management Act	nr	0	481	0	0	0	0	0	0	0	481	4K.18
Operating expenditure (AMP 7 shadow reported values)												
Power	£m	3	1,941	1,033	0,903	14,198	1,008	0,010	0,080	0,030	19,204	4K.19
Income treated as negative expenditure	£m	3	-0,007	-0,004	-0,003	-0,114	0,000	-0,112	-3,279	-0,711	-4,230	4K.20

Pro forma 4N

Wessex Water

Developer services expenditure for the 12 months ended 31 March 2022 - water network+ (price control)

Line description	Units	DPs	Water network+			RAG 4 reference
			Treated water distribution			
			Capex	Opex	Totex	
New connections	£m	3	0.000	2.533	2.533	4N.1
Requisition mains	£m	3	2.994	0.000	2.994	4N.2
Infrastructure network reinforcement	£m	3	0.491	0.000	0.491	4N.3
s185 diversions	£m	3	0.000	1.414	1.414	4N.4
Other price controlled activities	£m	3	0.527	0.010	0.536	4N.5
Total developer services expenditure	£m	3	4.011	3.957	7.968	4N.6

Section 4: Additional regulatory information – service level

Pro forma 40

Wessex Water

Developer services expenditure for the 12 months ended 31 March 2022 - wastewater network+ and bioresources

Line description	Units	DPs	Wastewater network+					Total	RAG 4 reference
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment		
Capex									
New connections	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.1
Requisition sewers	£m	3	3.449	0.423	0.000	0.000	0.000	3.872	40.2
Infrastructure network reinforcement	£m	3	1.537	0.001	0.000	0.000	0.000	1.538	40.3
s185 diversions	£m	3	0.038	0.000	0.000	0.000	0.000	0.038	40.4
Other price controlled activities	£m	3	2.942	0.015	0.000	0.000	0.000	2.957	40.5
Total total developer services capex	£m	3	7.967	0.439	0.000	0.000	0.000	8.405	40.6
Opex									
New connections	£m	3	0.103	0.000	0.000	0.000	0.000	0.103	40.7
Requisition sewers	£m	3	0.027	0.000	0.000	0.000	0.000	0.027	40.8
Infrastructure network reinforcement	£m	3	0.009	0.000	0.000	0.000	0.000	0.009	40.9
s185 diversions	£m	3	0.027	0.000	0.000	0.000	0.000	0.027	40.10
Other price controlled activities	£m	3	0.000	0.100	0.000	0.000	0.000	0.100	40.11
Total developer services opex	£m	3	0.166	0.100	0.000	0.000	0.000	0.266	40.12
Totex									
Total developer services expenditure	£m	3	8.133	0.539	0.000	0.000	0.000	8.671	40.13

Section 4: Additional regulatory information – service level

Pro forma 4P

Wessex Water

Expenditure on non-price control diversions for the 12 months ended 31 March 2022

Line description	Units	DPs	Water resources	Water network+	Wastewater network+	Total	RAG 4 reference
Totex							
Costs associated with NSWRA diversions	£m	3	0.000	0.020	0.000	0.020	4P.1
Costs associated with other non-price control diversions	£m	3	0.000	0.000	0.000	0.000	4P.2
Other developer services non-price control totex	£m	3	0.000	0.000	0.000	0.000	4P.3
Developer services non-price control totex	£m	3	0.000	0.020	0.000	0.020	4P.4

Pro forma 4Q

Wessex Water

Developer services - New connections, properties and mains

Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
Connections volume data						
New connections (residential – excluding NAVs)	nr	0	5347	12762	18109	4Q.1
New connections (business – excluding NAVs)	nr	0	266	356	622	4Q.2
Total new connections served by incumbent	nr	0	5613	13118	18731	4Q.3
New connections – SLPs						
	nr	0	1998			4Q.4
Properties volume data						
New properties (residential - excluding NAVs)	nr	0	6582	12762	19344	4Q.5
New properties (business - excluding NAVs)	nr	0	327	356	683	4Q.6
Total new properties served by incumbent	nr	0	6909	13118	20027	4Q.7
New residential properties served by NAVs	nr	0	1	180	181	4Q.8
New business properties served by NAVs	nr	0	0	1	1	4Q.9
Total new properties served by NAVs	nr	0	1	181	182	4Q.10
Total new properties	nr	0	6910	13299	20209	4Q.11
New properties – SLP connections						
	nr	0	1998			4Q.12
New water mains data						
Length of new mains (km) - requisitions	nr	0	26			4Q.13
Length of new mains (km) - SLPs	nr	0	10			4Q.14

Section 4: Additional regulatory information – service level

Pro forma 4R

Wessex Water

Connected properties, customers and population

Line description	Units	Dps	Unmeasured	Measured	Total	Voids	RAG 4 reference
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Customer numbers - average during the year

Residential water only customers	000s	3	18.439	22.955	41.394	0.704	4R.1
Residential wastewater only customers	000s	3	236.571	424.754	661.325	12.172	4R.2
Residential water and wastewater customers	000s	3	149.728	382.498	532.226	8.508	4R.3
Total residential customers	000s	3	404.738	830.207	1234.945	21.384	4R.4
Business water only customers	000s	3	0.515	17.455	17.970	1.147	4R.5
Business wastewater only customers	000s	3	1.915	29.047	30.962	2.757	4R.6
Business water & wastewater customers	000s	3	2.550	23.206	25.756	2.735	4R.7
Total business customers	000s	3	4.980	69.708	74.688	6.639	4R.8
Total customers	000s	3	409.718	899.915	1309.633	28.023	4R.9

Line description	Units	Dps	Water			Wastewater		
			Unmeasured	Measured	Total	Unmeasured	Measured	Total

Property numbers - average during the year

Residential properties billed	000s	3	168.167	405.453	573.620	386.299	807.252	1193.551	4R.10
Residential void properties	000s	3			9.212			20.680	4R.11
Total connected residential properties	000s	3			582.832			1214.231	4R.12
Business properties billed	000s	3	3.065	40.661	43.726	4.465	52.253	56.718	4R.13
Business void properties	000s	3			3.882			5.492	4R.14
Total connected business properties	000s	3			47.608			62.210	4R.15
Total connected properties	000s	3			630.440			1276.441	4R.16

Line description	Units	Dps	Water													Total
			Unmeasured					Measured					Unbilled			
			No meter	Basic meter	AMR meter	AMI meter (capable)	AMI meter (active)	Total	No meter	Basic meter	AMR meter	AMI meter (capable)	AMI meter (active)	Total	Uneconomic to bill	

Property and meter numbers - at end of year (31 March)

Total new residential properties connected in year	000s	3	0.019	0.000	0.000	0.000	0.000	0.000	0.000	6.269	0.294	0.000	0.000	6.563				6.582	4R.17
Total number of new business properties connections	000s	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.327	0.000	0.000	0.000	0.327				0.327	4R.18
Residential properties billed at year end	000s	3	161.522	3.797	0.059	0.000	0.000	165.378	0.000	406.756	4.223	0.000	0.000	410.979				576.357	4R.19
Residential properties unbilled at year end	000s	3												0.000	0.000	0.000	0.000	0.000	4R.20
Residential void properties at year end	000s	3						3.324						5.912				9.236	4R.21
Total connected residential properties at year end	000s	3						168.702						416.891				585.593	4R.22
Business properties billed at year end	000s	3	3.065	0.000	0.000	0.000	0.000	3.065	0.000	40.595	0.079	0.000	0.000	40.674				43.739	4R.23
Business properties unbilled at year end	000s	3												0.000	0.000	0.000	0.000	0.000	4R.24
Business void properties at year end	000s	3						0.521						3.314				3.835	4R.25
Total connected business properties at year end	000s	3						3.586						43.988				47.574	4R.26
Total connected properties at year end	000s	3						172.288						460.879				633.167	4R.27

Line description	Units	Dps	Water	Wastewater
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Population data

Resident population	000s	3	1364.139	2851.971	4R.28
Non-resident population (wastewater)	000s	3		40.911	4R.29

Household population data	Units	Dps	Water			
			Resident population	Non-resident population	Total	
Household population	000s	3	1316.521	6.740	1323.261	4R.30
Household measured population (water only)	000s	3	842.848	4.315	847.163	4R.31
Household unmeasured population (water only)	000s	3	473.673	2.425	476.098	4R.32

Section 5: Additional regulatory information – water resources

Pro forma 5A

Wessex Water

Water resources asset and volumes data for the 12 months ended 31 March 2022

Line description	Units	DPs	Input	RAG 4 reference
Water resources				
Water from impounding reservoirs	MI/d	2	81.38	5A.1
Water from pumped storage reservoirs	MI/d	2	1.27	5A.2
Water from river abstractions	MI/d	2	2.74	5A.3
Water from groundwater works,excluding managed aquifer recharge (MAR) water supply schemes	MI/d	2	251.57	5A.4
Water from artificial recharge (AR) water supply schemes	MI/d	2	0.00	5A.5
Water from aquifer storage and recovery (ASR) water supply schemes	MI/d	2	0.00	5A.6
Water from saline abstractions	MI/d	2	0.00	5A.7
Water from water reuse schemes	MI/d	2	0.00	5A.8
Number of impounding reservoirs	nr	0	11	5A.9
Number of pumped storage reservoirs	nr	0	0	5A.10
Number of river abstractions	nr	0	7	5A.11
Number of groundwater works excluding managed aquifer recharge (MAR) water supply schemes	nr	0	171	5A.12
Number of artificial recharge (AR) water supply schemes	nr	0	0	5A.13
Number of aquifer storage and recovery (ASR) water supply schemes	nr	0	0	5A.14
Number of saline abstraction schemes	nr	0	0	5A.15
Number of reuse schemes	nr	0	0	5A.16
Total number of sources	nr	0	189	5A.17
Total number of water reservoirs	nr	0	11	5A.18
Total volumetric capacity of water reservoirs	MI	0	20248	5A.19
Total number of intake and source pumping stations	nr	0	82	5A.20
Total installed power capacity of intake and source pumping stations	kW	0	9733	5A.21
Total length of raw water abstraction mains and other conveyors	km	2	112.99	5A.22
Average pumping head – raw water abstraction	m.hd	2	35.10	5A.23
Energy consumption - water resources (MWh)	MWh	3	9,097.016	5A.24
Total number of raw water abstraction imports	nr	0	0	5A.25
Water imported from 3rd parties to raw water abstraction systems	MI/d	2	0.00	5A.26
Total number of raw water abstraction exports	nr	0	0	5A.27
Water exported to 3rd parties from raw water abstraction systems	MI/d	2	0.00	5A.28
Water resources capacity (measured using water resources yield)	MI/d	2	401.16	5A.29

Section 5: Additional regulatory information – water resources

Pro forma 5B

Wessex Water

Water resources operating cost analysis for the 12 months ended 31 March 2022

Line description	Units	DPs	Impounding Reservoir	Pumped Storage	River Abstractions	Groundwater, excluding MAR water supply schemes	Artificial Recharge (AR) water supply schemes	Aquifer Storage and Recovery (ASR) water supply schemes	Other	Total	RAG 4 reference
Power											
Power	£m	3	0.621	0.010	0.021	1.919	0.000	0.000	0.000	2.570	5B.1
Income treated as negative expenditure	£m	3	-0.001	0.000	0.000	-0.002	0.000	0.000	0.000	-0.003	5B.2
Abstraction charges/ discharge consents	£m	3	0.624	0.010	0.021	1.929	0.000	0.000	0.000	2.584	5B.3
Bulk supply	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5B.4
Other operating expenditure											
Renewals expensed in year (Infrastructure)	£m	3	0.054	0.001	0.002	0.167	0.000	0.000	0.000	0.224	5B.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5B.6
Other operating expenditure excluding renewals	£m	3	0.587	0.009	0.020	1.816	0.000	0.000	0.000	2.432	5B.7
Local authority and Cumulo rates	£m	3	0.232	0.004	0.008	0.718	0.000	0.000	0.000	0.961	5B.8
Total operating expenditure (excluding 3rd party)	£m	3	2.117	0.033	0.071	6.546	0.000	0.000	0.000	8.768	5B.9

Section 6: Additional regulatory information – water network plus

Narrative on costs

We have one site that has not been used in the year but has not been decommissioned; Durleigh WTC. The site is having a major refurbishment as part of our long-term rolling strategy of major refurbishments for our large surface water treatment works.

Supply-demand balance and metering

Details of our mains replacement programme by category are given in the individual commentary for Table 6C. The number of lead communication pipes has reduced significantly this year as we have ramped up our proactive replacement activity to make good the Covid related shortfall last year.

On internal interconnections and supply side improvements, we have no enhancement expenditure in this category during the current AMP and hence no resulting benefit to our supply-demand balance. On demand side improvements we reported 1.4MI/d in water efficiency improvements from our ongoing water efficiency activities (see outcomes narrative).

Our commentary for Table 6B outlines the components of our water balance. Our total leakage for 2021-22 was 63.3MI/d, which is a 1.8MI/d reduction on the previous year.

We do not currently have a smart metering programme. Our default policy at the current time is to replace basic meters with basic meters.

Our table commentaries on leakage (Section 3) and metering (Table 6D and 4L) detail our enhancement expenditure and progress with our leakage and metering programmes.

Section 6: Additional regulatory information – water network plus

Pro forma 6A

Wessex Water

Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 2022

Line description	Units	DPs	Input	RAG 4 reference
Raw water transport and storage				
Total number of balancing reservoirs	nr	0	0	6A.1
Total volumetric capacity of balancing reservoirs	MI	0	0	6A.2
Total number of raw water transport stations	nr	0	3	6A.3
Total installed power capacity of raw water transport pumping stations	kW	0	165	6A.4
Total length of raw water transport mains and other conveyors	km	2	116.05	6A.5
Average pumping head ~ raw water transport	m.hd	2	0.07	6A.6
Energy consumption – raw water transport (MWh)	MWh	3	268.088	6A.7
Total number of raw water transport imports	nr	0	0	6A.8
Water imported from 3rd parties to raw water transport systems	MI/d	2	0.00	6A.9
Total number of raw water transport exports	nr	0	1	6A.10
Water exported to 3rd parties from raw water transport systems	MI/d	2	0.01	6A.11
Total length of raw and pre-treated (non-potable) water transport mains for supplying customers	km	2	6.50	6A.12
Water treatment - treatment type analysis				
	Surface water		Ground water	
	Water treated	Number of works	Water treated	Number of works
Units	MI/d	nr	MI/d	nr
DPs	2	0	2	0
All simple disinfection works	0.00	0	98.12	27
W1 works	0.00	0	35.76	10
W2 works	0.00	0	34.75	5
W3 works	0.00	0	0.00	0
W4 works	71.18	3	77.81	14
W5 works	14.21	2	5.13	3
W6 works	0.00	0	0.00	0
Water treatment - works size				
	% of total DI	Number of works		
Units	DI	nr		
DPs	1	0		
WTWs in size band 1	3.7%	16		6A.20
WTWs in size band 2	3.2%	7		6A.21
WTWs in size band 3	11.2%	12		6A.22
WTWs in size band 4	34.9%	19		6A.23
WTWs in size band 5	30.0%	9		6A.24
WTWs in size band 6	0.0%	0		6A.25
WTWs in size band 7	17.0%	1		6A.26
WTWs in size band 8	0.0%	0		6A.27
Water treatment - other information				
	Units	DPs	Input	
Total water treated at more than one type of works	MI/d	2	0.00	6A.28
Number of treatment works requiring remedial action because of raw water deterioration	nr	0	21	6A.29
Zonal population receiving water treated with orthophosphate	000's	3	612.659	6A.30
Average pumping head – water treatment	m.hd	2	10.36	6A.31
Energy consumption - water treatment (MWh)	MWh	3	62598.713	6A.32
Total number of water treatment imports	nr	0	0	6A.33
Water imported from 3rd parties to water treatment works	MI/d	2	0.00	6A.34
Total number of water treatment exports	nr	0	0	6A.35
Water exported to 3rd parties from water treatment works	MI/d	2	0.00	6A.36

Section 6: Additional regulatory information – water network plus

Pro forma 6B

Wessex Water

Treated water distribution - assets and operations for the 12 months ended 31 March 2022

Line description	Units	DPs	Input	RAG 4 reference
Assets and operations				
Total installed power capacity of potable water pumping stations	kW	0	28874	6B.1
Total volumetric capacity of service reservoirs	MI	1	629.2	6B.2
Total volumetric capacity of water towers	MI	1	9.0	6B.3
Distribution input	MI/d	2	336.96	6B.4
Water delivered (non-potable)	MI/d	2	0.00	6B.5
Water delivered (potable)	MI/d	2	282.72	6B.6
Water delivered (billed measured residential properties)	MI/d	2	118.55	6B.7
Water delivered (billed measured businesses)	MI/d	2	71.37	6B.8
Total annual leakage	MI/d	2	63.31	6B.9
Distribution losses	MI/d	2	51.46	6B.10
Water taken unbilled	MI/d	2	4.54	6B.11
Proportion of distribution input derived from impounding reservoirs	Propn 0 to 1	3	0.242	6B.12
Proportion of distribution input derived from pumped storage reservoirs	Propn 0 to 1	3	0.004	6B.13
Proportion of distribution input derived from river abstractions	Propn 0 to 1	3	0.008	6B.14
Proportion of distribution input derived from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	Propn 0 to 1	3	0.746	6B.15
Proportion of distribution input derived from artificial recharge (AR) water supply schemes	Propn 0 to 1	3	0.000	6B.16
Proportion of distribution input derived from aquifer storage and recovery (ASR) water supply schemes	Propn 0 to 1	3	0.000	6B.17
Proportion of distribution input derived from saline abstractions	Propn 0 to 1	3	0.000	6B.18
Proportion of distribution input derived from water reuse schemes	Propn 0 to 1	3	0.000	6B.19
Total number of potable water pumping stations that pump into and within the treated water distribution system	nr	0	298	6B.20
Number of potable water pumping stations delivering treated groundwater into the treated water distribution system	nr	0	54	6B.21
Number of potable water pumping stations delivering surface water into the treated water distribution system	nr	0	5	6B.22
Number of potable water pumping stations that re-pump water already within the treated water distribution system	nr	0	237	6B.23
Number of potable water pumping stations that pump water imported from a 3rd party supply into the treated water distribution system	nr	0	2	6B.24
Total number of service reservoirs	nr	0	301	6B.25
Number of water towers	nr	0	11	6B.26
Energy consumption – treated water distribution (MWh)	MWh	3	20889.150	6B.27
Average pumping head – treated water distribution	m.hd	2	95.82	6B.28
Total number of treated water distribution imports	nr	0	14	6B.29
Water imported from 3rd parties to treated water distribution systems	MI/d	2	6.49	6B.30
Total number of treated water distribution exports	nr	0	10	6B.31
Water exported to 3rd parties from treated water distribution systems	MI/d	2	0.81	6B.32

Pro forma 6C

Wessex Water

Water network+ - Mains, communication pipes and other data for the 12 months ended 31 March 2022

Line description	Units	DPs	Input	RAG 4 reference
Treated water distribution - mains analysis				
Total length of potable mains as at 31 March	km	1	12083.5	6C.1
Total length of potable mains relined	km	1	0.0	6C.2
Total length of potable mains renewed	km	1	28.6	6C.3
Total length of new potable mains	km	1	27.7	6C.4
Total length of potable water mains (≤320mm)	km	1	11116.3	6C.5
Total length of potable water mains (>320mm and ≤ 450mm)	km	1	567.2	6C.6
Total length of potable water mains (>450mm and ≤610mm)	km	1	316.2	6C.7
Total length of potable water mains (> 610mm)	km	1	83.9	6C.8
Communication pipes				
Number of lead communication pipes	nr	0	43999	6C.9
Number of galvanised iron communication pipes	nr	0	48650	6C.10
Number of other communication pipes	nr	0	494400	6C.11
Treated water distribution - mains age profile				
Total length of potable mains laid or structurally refurbished pre-1880	km	1	73.2	6C.12
Total length of potable mains laid or structurally refurbished between 1881 and	km	1	325.5	6C.13
Total length of potable mains laid or structurally refurbished between 1901 and	km	1	400.6	6C.14
Total length of potable mains laid or structurally refurbished between 1921 and	km	1	1521.4	6C.15
Total length of potable mains laid or structurally refurbished between 1941 and	km	1	2218.7	6C.16
Total length of potable mains laid or structurally refurbished between 1961 and	km	1	2699.9	6C.17
Total length of potable mains laid or structurally refurbished between 1981 and	km	1	2793.0	6C.18
Total length of potable mains laid or structurally refurbished post 2001	km	1	2051.2	6C.19
Other				
Company area	km ²	0	7317	6C.20
Number of lead communication pipes replaced for water quality	nr	0	1584	6C.21
Compliance Risk Index	nr	2	0.37	6C.22
Event Risk Index	nr	0	86	6C.23

Section 6: Additional regulatory information – water network plus

Pro forma 6D

Wessex Water

Demand management - Metering and leakage activities for the 12 months ended 31 March 2022

Line description	Units	DPs	Basic meter	AMR meter	AMI meter	RAG 4 reference
Metering activities - Totex expenditure						
New optant meter installation for existing customers	£m	3	1.134	0.116	0.000	6D.1
New selective meter installation for existing customers	£m	3	1.488	0.056	0.000	6D.2
New business meter installation for existing customers	£m	3	0.011	0.002	0.000	6D.3
Residential meters renewed	£m	3	1.031	0.016	0.000	6D.4
Business meters renewed	£m	3	0.213	0.002	0.000	6D.5
Metering activities - Explanatory variables						
New optant meters installed for existing customers	000s	3	2.963	0.277	0.000	6D.6
New selective meters installed for existing customers	000s	3	3.906	0.134	0.000	6D.7
New business meters installed for existing customers	000s	3	0.032	0.004	0.000	6D.8
Residential meters renewed	000s	3	21.600	0.202	0.000	6D.9
Business meters renewed	000s	3	1.581	0.043	0.000	6D.10
New residential meters installed for existing customers – supply-demand balance	MI/d	2	0.16	0.01	0.00	6D.11
New business meters installed for existing customers – supply-demand balance	MI/d	2	0.00	0.00	0.00	6D.12
Residential meters renewed - supply-demand balance benefit	MI/d	2		0.00	0.00	6D.13
Business meters renewed - supply-demand balance benefit	MI/d	2		0.00	0.00	6D.14
Residential properties - meter penetration	%	1	68.9	0.7	0.0	6D.15
Leakage activities						
Total leakage activity	£m	3	24.325	1.638	25.963	6D.16
Leakage improvements delivering benefits in 2020-25	MI/d	2			1.74	6D.17
Per capita consumption (excluding supply pipe leakage)						
Per capita consumption (measured)	l/h/d	2	135.01			6D.18
Per capita consumption (unmeasured)	l/h/d	2	162.42			6D.19

Section 6: Additional regulatory information – water network plus

Pro forma 6F
Wessex Water

WRMP annual reporting on delivery - non-leakage activities

Line Description	Classification	Delivery year (in use)	Capital expenditure						Opex costs						Benefits						Complete for internal interconnectors only					RAG 4 reference	
			2020-21	2021-22	2022-23	2023-24	2024-25	Alter 2024-25	2020-21	2021-22	2022-23	2023-24	2024-25	Alter 2024-25	2020-21	2021-22	2022-23	2023-24	2024-25	Alter 2024-25	Length	Diameter	Pipe material	Pumping capacity installed	Storage capacity installed		
Units	Text	Year	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	M/d	M/d	M/d	M/d	M/d	M/d	km	mm	Text	kW	m3	
DPS	0		3	3	3	3	3	3	3	3	3	3	3	3	3	2	2	2	2	2	2	1	1	0	0	3	
Activity																											
Digital Engagement	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	2020	0.030	0.028	0.039	0.049	0.054	0.000	0.000	0.000	0.000	9.000	0.000	0.000	0.000	0.069	0.232	0.18	0.18	0.18	0.00	0.0	0.0	0	0	0.000	6F.1
HomeCheck	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	2020	0.003	0.026	0.616	0.603	0.603	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.003	0.039	1.15	0.55	0.55	0.00	0.0	0.0	0	0	0.000	6F.2
Total			0.033	0.054	0.655	0.652	0.657	0.000	0.000	0.000	0.000	9.000	0.000	0.000	0.07	0.27	1.33	0.73	0.73	0.00	0.0	0.0	0	0	0.000	6F.51	

Section 7: Additional regulatory information – waste water network plus

As directed by Ofwat, we have not included Table 7B as part of the APR due to its size. We have prepared the table in accordance with the Regulatory Accounting Guidelines, submitted it to Ofwat and published it on our website. The other Section 7 tables are included in this report below the narrative.

Narrative on costs

We agree that the term 'structurally refurbished' refers to any repair which improves the structural integrity of the pipe such that its expected service life is extended. We have reported our repair length in Line 7C.15 to that definition. The actual length of repair for proactive rising main repairs is known and reported. The actual length of repair is known for most reactive rising main repairs, however a 1m repair length is assumed where the actual length of repair is not known.

All our water recycling centres reported against lines 7D.17 – 20 (population equivalent at STWs with new/tightened consents) have been delivered primarily by capex solutions. No population equivalent has been assigned to the opex associated with Catchment Nutrient Balancing.

Pro forma 7A

Wessex Water

Wastewater network+ - Functional expenditure for the 12 months ended 31 March 2022

Line description	Units	DPs	£'000	RAG 4 reference
Costs of STWs in size bands 1 to 5				
Direct costs of STWs in size band 1	000s	3	1,693.61	7A.1
Direct costs of STWs in size band 2	000s	3	1,177.30	7A.2
Direct costs of STWs in size band 3	000s	3	5,940.00	7A.3
Direct costs of STWs in size band 4	000s	3	8,654.47	7A.4
Direct costs of STWs in size band 5	000s	3	10,660.33	7A.5
General & support costs of STWs in size bands 1 to 5	000s	3	991.127	7A.6
Functional expenditure of STWs in size bands 1 to 5 (excluding 3rd party services)	000s	3	29,116.835	7A.7
Costs of large STWs (size band 6)				
Service charges for STWs in size band 6	000s	3	699.162	7A.8
Estimated terminal pumping costs size band 6 works	000s	3	938.280	7A.9
Other direct costs of STWs in size band 6	000s	3	32,344.584	7A.10
Direct costs of STWs in size band 6	000s	3	33,982.026	7A.11
General & support costs of STWs in size band 6	000s	3	1,197.499	7A.12
Functional expenditure of STWs in size band 6 (excluding 3rd party services)	000s	3	35,179.524	7A.13
Costs of STWs - all sizes				
Total operating functional expenditure (excluding 3rd party services)	000s	3	64,296.359	7A.14

Pro forma 7C

Wessex Water

Wastewater network+ - Sewer and volume data for the 12 months ended 31 March 2022

Line description	Units	DPs	Input	RAG 4 reference
Wastewater network				
Connectable properties served by s101A schemes completed in the report year	nr	0	0	7C.1
Number of s101A schemes delivered in the report year	nr	0	0	7C.2
Total pumping station capacity	kW	0	46,782	7C.3
Number of network pumping stations	nr	0	2,146	7C.4
Total number of sewer blockages	nr	0	13,685	7C.5
Total number of gravity sewer collapses	nr	0	148	7C.6
Total number of sewer rising main bursts	nr	0	59	7C.7
Number of combined sewer overflows	nr	0	1,093	7C.8
Number of emergency overflows	nr	0	199	7C.9
Number of settled storm overflows	nr	0	195	7C.10
Sewer age profile (constructed post 2001)	km	0	6,508	7C.11
Volume of trade effluent	MI/yr	2	7,224.67	7C.12
Volume of wastewater receiving treatment at sewage treatment works	MI/yr	2	316,866.87	7C.13
Length of gravity sewers rehabilitated	km	0	40	7C.14
Length of rising mains replaced or structurally refurbished	km	0	9	7C.15
Length of foul (only) public sewers	km	0	9,199	7C.16
Length of surface water (only) public sewers	km	0	4,463	7C.17
Length of combined public sewers	km	0	3,113	7C.18
Length of rising mains	km	0	1,257	7C.19
Length of other wastewater network pipework	km	0	0	7C.20
Total length of "legacy" public sewers as at 31 March	km	0	18,032	7C.21
Length of formerly private sewers and lateral drains (s105A sewers)	km	0	16,992	7C.22

Pro forma 7E

Wessex Water

**Wastewater network+ - Energy consumption and other data for the 12 months ended
31 March 2022**

Line description	Units	DPs	Input	RAG 4 reference
Other				
Total sewerage catchment area	km ²	0	2,139	7E.1
Designated coastal bathing waters	nr	0	48	7E.2
Number of intermittent discharge sites with event duration monitoring	nr	0	119	7E.3
Number of monitors for flow monitoring at STWs	nr	0	6	7E.4
Number of odour related complaints	nr	0	1,083	7E.5
Energy consumption				
Energy consumption - sewage collection	MWh	3	43,453.227	7E.6
Energy consumption - sewage treatment	MWh	3	152,570.497	7E.7
Energy consumption - wastewater network +	MWh	3	196,023.724	7E.8

Section 7: Additional regulatory information – waste water network plus

Pro forma 7F
Wessex Water

Wastewater network+ - WINEP phosphorus removal scheme costs and cost drivers

	Units	DPs	Capital expenditure							Operating expenditure							Site population equivalent (000's)	Cost driver 1 Historical consent for phosphorus (mg/L)	Cost driver 2 Enhanced consent for phosphorus (mg/L)	Cost driver 3	Cost driver 4	RAG 4 reference
			2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	After 2024-25	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	After 2024-25						
ALL CANNINGS (BISHOPS)	£m	3	1.085	0.065	0.016	0	0	0	0	0	0.03	0.03	0.03	0.03	0.03	0.03	6Wx000301	1	0	1	0	7F.1
BOURTON STW	£m	3	1.787	0.053	0.001	0	0	0	0	0	0.027	0.027	0.027	0.027	0.027	0.027	6Wx006571	2	0	1	0	7F.2
BOURTON STW	£m	3	0.233	0.331	0.018	0	0	0	0	0	0	0.01	0.01	0.01	0.01	0.01	6Wx006571	2	0	1	0	7F.3
CHEDDAR STW	£m	3	0.004	0.036	-0.01	0	0	0	0	0	0	0	0	0	0	0	6Wx000121	10	0	2	0	7F.4
GILLINGHAM STW	£m	3	0.3	0.002	-0.025	0.023	0	0	0	0	0	0	0	0	0	0	6Wx006591	15	0	1	0	7F.5
ILTON STW	£m	3	0.636	0.027	0.012	0	0	0	0	0	0.025	0.025	0.025	0.025	0.025	0.025	6Wx006661	1	0	5	0	7F.6
STOURTON CAUNDLE STW	£m	3	1.516	-0.032	0.008	0	0	0	0	0	0.019	0.019	0.019	0.019	0.019	0.019	6Wx006601	0	0	1.5	0	7F.7
STURMINSTER NEWTON	£m	3	0.319	0.287	0.001	0	0	0	0	0	0.038	0.038	0.038	0.038	0.038	0.038	6Wx006611	11	0	2	0	7F.8
TETBURY STW	£m	3	0.283	0.15	-0.006	0	0	0	0	0	0	0	0	0	0	0	6Wx006412	8	0	2	0	7F.9
THORNFORD STW	£m	3	1.224	0.144	-0.006	-0.001	0	0	0	0	0	0	0	0	0	0	6Wx006681	4	0	2	0	7F.10
CROMHALL STW	£m	3	1.454	0.24	0.004	0	0	0	0	0	0.013	0.013	0.013	0.013	0.013	0.013	6Wx006641	2	0	0	0	7F.11
Brinkworth Brook	£m	3	0	0	0	0	0	0	0	0	0.137	0.133	0.079	0	0	0	6Wx006472	0	0	0	0	7F.12
BISHOPS LYDEARD STW	£m	3	0.012	0.095	0.14	0.101	0.938	0.236	0	0	0	0	0	0	0.008	0.017	7WW200084	2	0	0.75	1	7F.13
BLAGDON STW	£m	3	0	0.032	0.152	0.642	3.156	0.825	0.026	0	0	0	0	0	0.167	0.167	7WW200093	1	0	0.5	0.5	7F.14
BROADWAY STW	£m	3	0.085	0.129	0.223	1.361	1.723	0	0	0	0	0	0	0	0.071	0.071	7WW100076	1	0	0.5	0.5	7F.15
CASTLE CARY STW	£m	3	0	0.024	0.195	0.854	2.568	0.303	0	0	0	0	0	0	0.067	0.067	7WW201060	4	0	0.5	0.5	7F.16
CERNE ABBAS STW	£m	3	0.111	1.351	2.103	0.03	0	0	0	0	0.027	0.055	0.055	0.055	0.055	0.055	7WW100073	1	0	1	1	7F.17
CHARD STW	£m	3	0.024	0.082	0.306	1.443	2.998	0	0	0	0	0	0	0	0.179	0.179	7WW200181	20	0	0.5	0.5	7F.18
CHARFIELD STW	£m	3	0	0.006	0.06	0.366	0.549	0	0	0	0	0	0	0	0.035	0.035	7WW200184	5	0	1	1	7F.19
CHARLTON HORETHORNE	£m	3	0	0.001	0.046	0.337	0.512	0	0	0	0	0	0	0	0.019	0.019	7WW200189	1	0	3	1.5	7F.20
CHEDDAR STW	£m	3	0.107	0.461	4.253	0.191	0	0	0	0	0	0	0.042	0.042	0.042	0.042	7WW100063	10	2	0.7	0.7	7F.21
CORFE CASTLE STW	£m	3	0.088	0.522	0.112	0.005	0	0	0	0	0	0	0	0	0	0	7WW100074	2	0	1.3	1.3	7F.22
CREWKERNE EAST STW	£m	3	0	0.01	0.008	0.054	0.191	0.632	0	0	0	0	0	0	0.022	0.043	7WW200265	8	0	0.25	1	7F.23
DORCHESTER STW	£m	3	0	0.017	0.013	0.031	0.126	0.971	0	0	0	0	0	0	0.086	0.172	7WW300195	36	1	0.7	0.7	7F.24
EAST CHINNOCK STW	£m	3	0	0.011	0.201	0.85	0	0	0	0	0	0	0	0.007	0.007	0.007	7WW200324	0	0	1.9	1.5	7F.25
EVERCREECH STW	£m	3	0	0	0.008	0.097	0	0	0	0	0	0	0	0.012	0.012	0.023	7WW300198	3	1.8	1	1	7F.26
FROME STW	£m	3	0.032	0.101	0.017	0.238	0	0	0	0	0	0	0	0	0	0	7WW200720	36	2	2	2	7F.27
GLASTONBURY STW	£m	3	0	0.001	0.026	0.316	2.183	2.738	0.105	0	0	0	0	0	0.024	0.047	7WW200394	29	2	0.8	0.8	7F.28
HARDINGTON	£m	3	0	0.013	0.064	0.335	0.72	0	0	0	0	0	0	0	0.014	0.014	7WW200421	0	0	1.3	1.5	7F.29
HAZELBURY BRYAN STW	£m	3	0.138	0.73	0.016	0	0	0	0	0	0.003	0.019	0.015	0.015	0.015	0.015	7WW100065	1	0	2.2	1.5	7F.30
HOLDENHURST STW	£m	3	0.008	0.021	0.166	0.728	4.028	3.057	0.071	0	0	0	0	0	0.776	0.776	7WW200457	178	0	0.35	1	7F.31
ILMINSTER STW	£m	3	0.003	0.055	0.069	0.646	2.157	0	0	0	0	0	0.028	0.111	0.111	0.111	7WW200486	9	0	1	1	7F.32
IWERNE MINSTER STW	£m	3	0.012	0.071	0.557	0.28	0	0	0	0	0	0	0	0.028	0.028	0.028	7WW200492	1	0	0.5	1	7F.33
KINSON STW	£m	3	0	0.009	0.102	1.165	4.098	3.987	0.105	0	0	0	0	0	0.129	0.258	7WW200506	49	0	1.5	1	7F.34
LANGPORT STW	£m	3	0.003	0	0.005	0.258	1.394	1.592	0.052	0	0	0	0	0	0.01	0.021	7WW200516	10	0	3.8	1	7F.35
H M PRISON LEYHILL STW	£m	3	0	0.022	0.521	0.306	0	0	0	0	0	0	0.017	0.017	0.017	0.017	7WW200414	2	0	1	1	7F.36

Section 7: Additional regulatory information – waste water network plus

Pro forma 7F
Wessex Water

Wastewater network+ - WINEP phosphorus removal scheme costs and cost drivers

	Units	DPs	Capital expenditure						
			2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	After 2024-25
MARNHULL COMMON	£m	3	0.053	0.317	1.558	0.449	0	0	0
MARNHULL STW	£m	3	0.036	0.737	1.49	0.423	0	0	0
MARTOCK NEW STW	£m	3	0	0.009	0.072	0.25	2.132	2.149	0
MERE STW	£m	3	0.013	0.061	0.051	0.196	1.344	0.299	0
MERRIOTT STW	£m	3	0	0.002	0.073	0.152	0.596	0.073	0
MILBORNE PORT STW	£m	3	0.005	0	0.056	0.107	0.919	0.075	0
MILVERTON STW	£m	3	0	0.03	0.048	0.052	1.079	0.487	0
NETHER STOWEY STW	£m	3	0.004	0.002	0.139	0.009	0.282	0.831	0
NORTH NIBLEY STW	£m	3	0	0.011	0.359	0.652	0	0	0
PALMERSFORD STW	£m	3	0	0.001	0.072	0.621	2.945	2.68	0.105
PIDDLEHINTON STW	£m	3	0	0.002	0.021	0.197	0.815	0.017	0
PUNCKNOWLE STW	£m	3	0.116	0.584	-0.003	0	0	0	0
RADSTOCK STW	£m	3	0.032	0.101	0.017	0.238	0	0	0
RODE STW	£m	3	0.05	0.714	0.497	0.199	0	0	0
ROWDE STW	£m	3	0.13	0.838	2.369	0.046	0	0	0
SHAFTESBURY STW	£m	3	0	0.001	0.015	0.172	0.936	0.455	0
SHEPTON MALLET STW	£m	3	0.012	0.097	0.256	1.047	3.897	2.051	1.505
SHERBORNE STW	£m	3	0.064	1.407	2.373	0.021	0	0	0
SOMERTON STW	£m	3	0	0.006	0.084	0.394	2.155	0.626	0
SOUTH PETHERTON STW	£m	3	0	0.016	0.233	0.565	0	0	0
STOGURSEY STW	£m	3	0	0.011	0.116	0.049	1.131	0.17	0
TARRANT CRAWFORD STW	£m	3	0.078	0.469	2.303	0.146	0	0	0
TEMPLECOMBE STW	£m	3	0.116	0.468	0.921	0.361	0	0	0
TRENT STW	£m	3	0	0.001	0.001	0	0	0	0
TROWBRIDGE STW	£m	3	0.056	0.925	2.061	2.916	0	0	0
UBLEY STW	£m	3	0	0.036	0.045	0	0	0	0
UBLEY STW	£m	3	0	0.01	0.062	0.152	3.461	0	0
WARMINSTER STW	£m	3	0.087	0.236	1.507	0.165	0	0	0
WELLINGTON STW	£m	3	0	0.011	0.012	0.242	0.263	0	0
WELLS STW	£m	3	0	0.001	0.005	0.078	0	0	0
WICKWAR STW	£m	3	0	0.013	0.136	0.071	0.839	0.629	0
WIMBORNE STW	£m	3	0	0.032	0.044	0.149	0.897	0.974	0
WINCANTON STW	£m	3	0.077	0.345	1.24	0.054	0	0	0
WINSCOMBE STW	£m	3	0.047	0.657	2.39	0.045	0	0	0
WIVELISCOMBE	£m	3	0.023	0.01	0.081	0.072	0.926	0.013	0
WIVELISCOMBE (STYLE)	£m	3	0	0.011	0.049	0.134	0.982	0.041	0
WOTTON UNDER EDGE	£m	3	0	0.002	0.052	0.103	0.284	0.613	0
WRINGTON STW	£m	3	0	0.027	0.297	1.717	0.144	0	0
YEOVIL PEN MILL STW	£m	3	0.001	0.014	0.089	0.442	1.384	0.863	0
YEOVIL WITHOUT STW	£m	3	0	0.008	0.068	0.154	0.667	0	0
Dorset Stour catchment	£m	3	0	0	0	0	0	0	0
Parrett catchment	£m	3	0	0	0	0	0	0	0
CRANBORNE STW	£m	3	0	0	0	0.02	0.14	0	0
ILCHESTER STW	£m	3	0	0	0	0.02	0.14	0	0
SPARKFORD STW	£m	3	0	0	0	0.02	0.14	0	0
STURMINSTER NEWTON	£m	3	0	0	0	0.02	0.14	0	0
THORNFORD STW	£m	3	0	0	0	0.02	0.14	0	0
Total	£m	3	10.464	13.290	30.635	23.596	56.119	27.387	1.969

Operating expenditure						
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	After 2024-25
0	0	0.02	0.031	0.031	0.031	0.031
0	0	0.014	0.028	0.028	0.028	0.028
0	0	0	0	0	0.027	0.053
0	0	0	0	0.037	0.037	0.037
0	0	0	0	0	0.018	0.035
0	0	0	0	0	0.016	0.031
0	0	0	0	0	0.01	0.02
0	0	0	0	0	0.016	0.031
0	0	0	0	0	0.018	0.018
0	0	0	0	0	0.029	0.057
0	0	0	0	0	0.011	0.022
0	0.001	0.014	0.015	0.015	0.015	0.015
0	0	0	0	0	0	0
0	0	0.001	0.002	0.011	0.011	0.011
0	0	0.019	0.108	0.108	0.108	0.108
0	0	0	0	0	0.05	0.1
0	0	0	0	0	0.14	0.14
0	0	0.041	0.083	0.083	0.083	0.083
0	0	0	0	0	0.057	0.113
0	0	0	0	0	0.038	0.038
0	0	0	0	0	0.005	0.009
0	0	0.032	0.066	0.066	0.066	0.066
0	0	0.013	0.028	0.028	0.028	0.028
0	0	0	0	0	0	0
0	0	0.039	0.132	0.132	0.132	0.132
0	0	0	0	0	-0.054	-0.054
0	0	0	0	0	0.019	0.019
0	0	0	0.015	0.015	0.015	0.015
0	0	0	0	0	0.015	0.015
0	0	0	0	0	0.015	0.015
0	0	0	0	0	0.012	0.024
0	0	0	0	0	0.106	0.106
0	0	0.019	0.085	0.085	0.085	0.085
0	0	0.012	0.041	0.041	0.041	0.041
0	0	0	0	0	0.012	0.024
0	0	0	0	0	0.012	0.024
0	0	0	0	0	0.02	0.039
0	0	0	0.012	0.024	0.024	0.024
0	0	0	0	0	0.047	0.047
0	0	0	0	0	0.012	0.012
0	0.039	0.142	1.34	1.371	0.811	0.811
0	0.053	0.152	1.849	1.892	1.119	1.119
0	0	0.01	0.01	0.01	0.01	0.01
0	0	0.01	0.01	0.01	0.01	0.01
0	0	0.01	0.01	0.01	0.01	0.01
0	0	0.01	0.01	0.01	0.01	0.01
0	0	0.01	0.01	0.01	0.01	0.01
0.000	0.385	0.909	4.266	4.438	5.382	5.965

	Cost driver 1 Site population equivalent (000's)	Cost driver 2 Historical consent for phosphorus (mg/L)	Cost driver 3 Enhanced consent for phosphorus (mg/L)	Cost driver 4	RAG 4 reference
7WW100068	7	0	3	1	7F.37
7WW100067	1	0	0.5	1	7F.38
7WW200577	10	0	3.3	1	7F.39
7WW200594	4	0	0.5	1	7F.40
7WW200598	4	0	1.1	1	7F.41
7WW200603	6	0	0.75	1	7F.42
7WW200612	2	0	1	1	7F.43
7WW200626	2	0	1	1	7F.44
7WW200639	1	0	1	1	7F.45
7WW200668	47	0	0.35	1	7F.46
7WW200679	1	0	4	4	7F.47
7WW100072	1	0	2.5	2.5	7F.48
7WW200720	28	2	2	2	7F.49
7WW100001	1	0	2	2	7F.50
7WW100033	3	0	0.5	0.5	7F.51
7WW200767	18	0	0.35	1	7F.52
7WW200776	38	2	0.35	0.35	7F.53
7WW100077	14	2	0.5	0.5	7F.54
7WW201065	9	0	0.5	0.5	7F.55
7WW200819	6	0	0.25	1	7F.56
7WW200840	1	0	2.1	2.1	7F.57
7WW100069	20	0	0.5	1	7F.58
7WW100070	2	0	0.5	1	7F.59
7WW200915	1	0	3.2	0	7F.60
7WW200917	66	2	2	2	7F.61
7WW100057	1	0	0.5	0.5	7F.62
7WW100057	1	0	0.5	0.5	7F.63
7WW100075	26	1	0.5	0.5	7F.64
7WW200949	19	2	1	1	7F.65
7WW300219	18	2	1	1	7F.66
7WW200991	2	0	1	1	7F.67
7WW201000	26	0	2	1	7F.68
7WW100071	9	0	0.5	1	7F.69
7WW201009	4	0	0.5	0.5	7F.70
7WW201017	2	0	1	1	7F.71
7WW201021	2	0	1	1	7F.72
7WW201032	6	0	1	1	7F.73
7WW201034	3	0	1	1	7F.74
7WW201044	62	2	0.65	0.59	7F.75
7WW201055	2	0	1	1	7F.76
CNB	0	0	0	0	7F.77
CNB	0	0	0	0	7F.78
New scheme	1	2	0	1	7F.79
New scheme	3	2.5	0	1	7F.80
New scheme	2	2.5	0	1	7F.81
New scheme	11	2	0	1	7F.82
New scheme	4.25	2	0	1.5	7F.83
					7F.201

Section 8: Additional regulatory information – bioresources

Narrative on costs

The volume of sludge arising from the treatment of organic waste cannot be directly measured – it can only be calculated from measurement of volume and load discharged into the head of the water recycling centre.

We routinely measure settled chemical oxygen demand (COD) and total suspended solids and have comprehensive data for these parameters. To estimate sludge production requires further data on biochemical oxygen demand (BOD) and settable solids for which we have limited data only.

To derive secondary sludge production, we use a conversion factor (kg sludge produced from kg BOD) for the relevant process at each STW where organic waste is treated. The procedure for this calculation is as follows, which is the same method used in our forecast for the 2019-20 APR:

1. STCs receiving non-appointed liquid waste are identified
2. Liquid waste flow and load data is collected; provided by Wessex Water Enterprises
3. COD, SS and BOD loads estimated for each site using sample data and COD: SS and COD:BOD ratios
4. Equivalent sludge mass calculated for each water recycling centre and treatment process stage, using standard conversion factors for converting the organic load to produced sludge solids.

We use actual road distances for lines 8A.10, 8A.11 and 8A.13. We have reported zeros against lines 8A.15 and 8A.18.

As explained in our commentary for this table, we currently have not used actual road distances for line 8A.16 (measure of work done in sludge disposal operations by truck). In order to obtain road km, we calculate a conversion factor for each producer. We use this conversion factor to convert Crow km to road km. Crow km is calculated using National Grid References (NGRs) of the producer and the stockpile location.

The conversion factors are used because each year the stockpile locations change and therefore crow and road km will continuously change. It is our intention to implement an automatic calculation method of actual journey distances for the next reporting period.

Our commentary for 8A.1 and 8A.2 explains how the quantities for incumbent and third-party treatment of sludge are identified separately and with no double-counting.

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Pro forma 8A

Wessex Water

Bioresources sludge data for the 12 months ended 31 March 2022

Line description	Units	DPs	Total	RAG 4 reference
Total sewage sludge produced, treated by incumbents	ttds/ year	1	61.3	8A.1
Total sewage sludge produced, treated by 3 rd party sludge service provider	ttds/ year	1	0.0	8A.2
Total sewage sludge produced	ttds/ year	1	61.3	8A.3
Total sewage sludge produced from non-appointed liquid waste treatment	ttds/ year	1	3.2	8A.4
Percentage of sludge produced and treated at a site of STW and STC co-location	%	2	45.34	8A.5
Total sewage sludge disposed by incumbents	ttds/ year	1	42.6	8A.6
Total sewage sludge disposed by 3 rd party sludge service provider	ttds/ year	1	0.0	8A.7
Total sewage sludge disposed	ttds/ year	1	42.6	8A.8
Total measure of intersiting 'work' done by pipeline	ttds*km/year	0	15	8A.9
Total measure of intersiting 'work' done by tanker	ttds*km/year	0	962	8A.10
Total measure of intersiting 'work' done by truck	ttds*km/year	0	131	8A.11
Total measure of intersiting 'work' done (all forms of transportation)	ttds*km/year	0	1,108	8A.12
Total measure of intersiting 'work' done by tanker (by volume transported)	m ³ *km/yr	0	23,675,513	8A.13
Total measure of 'work' done in sludge disposal operations by pipeline	ttds*km/year	0	0	8A.14
Total measure of 'work' done in sludge disposal operations by tanker	ttds*km/year	0	0	8A.15
Total measure of 'work' done in sludge disposal operations by truck	ttds*km/year	0	2,307	8A.16
Total measure of 'work' done in sludge disposal operations (all forms of transportation)	ttds*km/year	0	2,307	8A.17
Total measure of 'work' done by tanker in sludge disposal operations (by volume transported)	m ³ *km/yr	0	9,291,482	8A.18
Chemical P sludge as % of sludge produced at STWs	%	2	40.10	8A.19

Section 8: Additional regulatory information – bioresources

Pro forma 8B

Wessex Water

Bioreources operating expenditure analysis for the 12 months ended 31 March 2022

Line description	Units	DPs	Pipeline	Tanker	Truck	Total	RAG 4 reference
Sludge transport method							
Power	£m	3	0.003	0.007	0.000	0.010	8B.1
Income treated as negative expenditure	£m	3	-0.030	-0.081	-0.001	-0.112	8B.2
Discharge consents	£m	3	0.000	0.000	0.000	0.000	8B.3
Bulk discharge	£m	3	0.000	0.000	0.000	0.000	8B.4
Other operating expenditure							
Renewals expended in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	8B.5
Renewals expended in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	8B.6
Other operating expenditure excluding renewals	£m	3	1.857	4.988	0.058	6.903	8B.7
Total functional expenditure	£m	3	1.829	4.915	0.057	6.801	8B.8
Local authority and Cumulo rates	£m	3	0.001	0.004	0.000	0.005	8B.9
Total operating expenditure (excluding 3rd party)	£m	3	1.831	4.918	0.057	6.806	8B.10

Line description	Units	DPs	Untreated Sludge	Raw Sludge liming	Conventional AD	Incineration of raw sludge	Photo-conditioning/composting	Advanced Anaerobic Digestion	Other	Total	RAG 4 reference
Sludge treatment type											
Power	£m	3	0.000	0.030	0.067	0.000	0.000	0.180	0.000	0.277	8B.11
Income treated as negative expenditure	£m	3	0.000	-0.352	-0.792	0.000	0.000	-2.135	0.000	-3.280	8B.12
Discharge consents	£m	3	0.000	0.002	0.005	0.000	0.000	0.014	0.000	0.022	8B.13
Bulk discharge	£m	3	0.000	0.001	0.003	0.000	0.000	0.008	0.000	0.013	8B.14
Other operating expenditure											
Renewals expended in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.15
Renewals expended in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.16
Other operating expenditure excluding renewals	£m	3	0.000	0.968	2.177	0.000	0.000	5.867	0.000	9.012	8B.17
Total functional expenditure	£m	3	0.000	0.649	1.460	0.000	0.000	3.935	0.000	6.044	8B.18
Local authority and Cumulo rates	£m	3	0.000	0.173	0.390	0.000	0.000	1.051	0.000	1.614	8B.19
Total operating expenditure (excluding 3rd party)	£m	3	0.000	0.822	1.850	0.000	0.000	4.985	0.000	7.658	8B.20

Line description	Units	DPs	Landfill, raw	Landfill, partly treated	Land restoration/reclamation	Sludge recycled to farmland	Incineration of digested Sludge	Other	Total	RAG 4 reference
Sludge disposal route										
Power	£m	3	0.000	0.000	0.000	0.030	0.000	0.000	0.030	8B.21
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	-0.711	0.000	0.000	-0.711	8B.22
Discharge consents	£m	3	0.000	0.000	0.000	0.001	0.000	0.000	0.001	8B.23
Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.24
Other operating expenditure										
Renewals expended in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.25
Renewals expended in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.26
Other operating expenditure excluding renewals	£m	3	0.000	0.000	0.000	5.460	0.000	0.000	5.460	8B.27
Total functional expenditure	£m	3	0.000	0.000	0.000	4.780	0.000	0.000	4.780	8B.28
Local authority and Cumulo rates	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.29
Total operating expenditure (excluding 3rd party)	£m	3	0.000	0.000	0.000	4.780	0.000	0.000	4.780	8B.30

Section 8: Additional regulatory information – bioresources

Pro forma 8C

Wessex Water

Bioresources energy and liquors analysis for the 12 months ended 31 March 2022

Line description	Units	DPs	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total	RAG 4 reference
			MWh (0 DP)	MWh (0 DP)	MWh (0 DP)	MWh (0 DP)	£m (3 DP)	£m (3 DP)	£m (3 DP)	£m (3 DP)	

Energy												
Energy consumption - bioresources	SE Column	SE Column									0.472	8C.1
Energy generated by and used in bioresources control	SE Column	SE Column	0	0	0	0	0	0	0	0	0.000	8C.2
Energy generated by bioresources and used in network plus control	SE Column	SE Column	0	0	0	0	0	0	0	0	0.000	8C.3
Energy generated by bioresources and exported to the grid or third	SE Column	SE Column	0	0	161,861	161,861	0	0	-3.276	-3.276		8C.4
Energy generated by bioresources that is unused	SE Column	SE Column	0	0	0	0						8C.5
Energy bought from grid or third party and used in bioresources	SE Column	SE Column	11,072	30,282	0	41,354	0.459	0	0	0.459		8C.6

Income from renewable energy subsidies				Unit	DPs	Value	
Income claimed from Renewable Energy Certificates (ROCs)	£m	3	0				8C.7
Income claimed from Renewable Heat Incentives (RHIs)	£m	3	0				8C.8
Income claimed from [other renewable energy subsidy (1)]	£m	3	0				8C.9
Income claimed from [other renewable energy subsidy (2)]	£m	3	0				8C.10
Income claimed from [other renewable energy subsidy (3)]	£m	3	0				8C.11
Total income claimed from renewable energy subsidies	£m	3	0.000				8C.12
% of total number of renewable energy subsidies due to expire in the next 2 financial years	%	0	0%				8C.13
This year's value of renewable energy subsidies due to expire in the next 2 financial years	£m	3	0				8C.14

Note: Companies to input specific subsidy which is being referenced in lines 8C.8 - 8C.10.

Bioresources liquors treated by network plus (shadow reported)				Unit	DPs	Value	
BOD load of liquor or partially treated liquor returned from bioresources to network plus	kg/d	0	10,678				8C.15
Ammonia load of liquor or partially treated liquor returned from bioresources to network plus	kg Amm-N/d	0	3,457				8C.16
Recharge to Bioresources by network plus for costs of handling and treating bioresources liquors	£m	3	1.807				8C.17

Line description	Units	DPs	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total	RAG 4 reference	
			MWh (0 DP)	MWh (0 DP)	MWh (0 DP)	MWh (0 DP)	£m (3 DP)	£m (3 DP)	£m (3 DP)	£m (3 DP)		
Energy (AMP 7 shadow reported values)												
Energy consumption - bioresources	SE Column	SE Column									0.472	8C.18
Energy generated by and used in bioresources control	SE Column	SE Column	0	0	0	0	0	0	0	0	0.000	8C.19
Energy generated by bioresources and used in network plus control	SE Column	SE Column	0	0	0	0	0	0	0	0	0.000	8C.20
Energy generated by bioresources and exported to the grid or third	SE Column	SE Column	0	0	161,861	161,861	0	0	3.276	3.276		8C.21
Energy generated by bioresources that is unused	SE Column	SE Column	0	0	0	0						8C.22
Energy bought from grid or third party and used in bioresources	SE Column	SE Column	11,072	30,282	0	41,354	0.459	0	0	0.459		8C.23

	%	
Percentage of bioresources energy consumption that is metered	100.000%	

Pro forma 8D

Wessex Water

Bioresources sludge treatment and disposal data for the 12 months ended 31 March 2022

Line description	Units	DPs	By incumbent	By 3rd party sludge service providers	RAG 4 reference
Sludge treatment process					
% Sludge - untreated	%	1	0.00%	0.00%	8D.1
% Sludge treatment process - raw sludge liming	%	1	10.90%	0.00%	8D.2
% Sludge treatment process - conventional AD	%	1	24.20%	0.00%	8D.3
% Sludge treatment process - advanced AD	%	1	64.90%	0.00%	8D.4
% Sludge treatment process - incineration of raw sludge	%	1	0.00%	0.00%	8D.5
% Sludge treatment process - other (specify)	%	1	0.00%	0.00%	8D.6
% Sludge treatment process - Total	%	1	100.0%	0.0%	8D.7
(Un-incinerated) sludge disposal and recycling route					
% Sludge disposal route - landfill, raw	%	1	0.00%	0.00%	8D.8
% Sludge disposal route - landfill, partly treated	%	1	0.00%	0.00%	8D.9
% Sludge disposal route - land restoration/ reclamation	%	1	0.00%	0.00%	8D.10
% Sludge disposal route - sludge recycled to farmland	%	1	100.00%	0.00%	8D.11
% Sludge disposal route - other (specify)	%	1	0.00%	0.00%	8D.12
% Sludge disposal route - Total	%	1	100.0%	0.0%	8D.13

Section 9: Additional regulatory information – innovation competition

Innovation competition

In line with Ofwat guidance, we are reporting having collected the allowed revenues from customers. There was no additional revenue from royalties as no projects have been initiated. For companies that have had projects approved, we have funded the required amounts.

Although we submitted one challenge in summer 2021 for the Water Breakthrough Challenge, it was not successful. We are a named partner on three projects that were successful, however none of these projects have yet incurred expenditure and so there is no expenditure reported in this table.

Section 9: Additional regulatory information – innovation competition

Pro forma 9A

Wessex Water

Innovation competition

Line description	Units	DPs	Current year									RAG 4 reference
Allowed												
Allocated innovation competition fund price control revenue	£m	3	1.793									9A.1
Revenue collected for the purposes of the innovation competition												
Innovation fund income from customers	£m	3	1.793									9A.2
Income from customers to fund innovation projects the company is leading on	£m	3	0.000									9A.3
Income from other water companies to fund innovation projects the company is leading	£m	3	0.000									9A.4
Income from customers that is transferred to other companies as part of the innovation	£m	3	0.089									9A.5
Non-price control revenue (e.g. royalties)	£m	3	0.000									9A.6
		1	2	3	4	5	6	7	8	9	10	
	Total amount of funding awarded to the lead company through the innovation fund	Forecast expenditure on innovation fund projects in year (excl 10% partnership contribution)	Actual expenditure on innovation fund projects in year (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Forecast project lifecycle expenditure on innovation fund projects (excl 10% partnership contribution)	Cumulative actual expenditure on innovation fund projects (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Allowed future expenditure on innovation fund projects	In year expenditure on innovation projects funded by shareholders	Cumulative expenditure on innovation projects funded by shareholders		
Units	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
DPs	3	3	3	3	3	3	3	3	3	3	3	
Innovation project 1				0.000			0.000					9A.7
Innovation project 2				0.000			0.000					9A.8
Innovation project 3				0.000			0.000					9A.9
Innovation project 4				0.000			0.000					9A.10
Innovation project 5				0.000			0.000					9A.11
Innovation project 6				0.000			0.000					9A.12
Innovation project 7				0.000			0.000					9A.13
Innovation project 8				0.000			0.000					9A.14
Innovation project 9				0.000			0.000					9A.15
Innovation project 10				0.000			0.000					9A.16
Innovation project 11				0.000			0.000					9A.17
Innovation project 12				0.000			0.000					9A.18
Innovation project 13				0.000			0.000					9A.19
Innovation project 14				0.000			0.000					9A.20
Innovation project 15				0.000			0.000					9A.21
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9A.22
Administration												
Administration charge for innovation partner	0.000											9A.23

Section 10: Green recovery

We are not required to populate the tables in this section.

Section 11: Greenhouse gas emissions

Pro forma 11A

Wessex Water

Operational greenhouse gas emissions reporting for the 12 months ended 31 March 2022

Line description	DPs	Water	Wastewater	Total	RAG 4 reference
		tCO ₂ e	tCO ₂ e	tCO ₂ e	
Scope one emissions					
Burning of fossil fuels	3	1,111.032	12,825.748	13,936.780	11A.1
Process and fugitive emissions	3	-	32,247.400	32,247.400	11A.2
Vehicle transport	3	3,870.003	7,347.397	11,217.400	11A.3
Total scope one emissions	3	4,981.035	52,420.545	57,401.580	11A.4
Scope one emissions; GHG type CO ₂	3	4,981.035	19,930.545	24,911.580	11A.5
Scope one emissions; GHG type CH ₄	3	-	12,715.000	12,715.000	11A.6
Scope one emissions; GHG type N ₂ O	3	-	19,775.000	19,775.000	11A.7
Scope two emissions					
Purchased electricity - location based	3	16,395.682	30,049.388	46,445.070	11A.8
Purchased electricity - market based	3	-	-	-	11A.9
Purchased heat	3	-	-	-	11A.10
Electric vehicles	3	-	-	-	11A.11
Removal of electricity to charge electric vehicles at site	3	-	-	-	11A.12
Total scope two emissions (location based)	3	16,395.682	30,049.388	46,445.070	11A.13
Scope two emissions; GHG type CO ₂	3	16,228.106	29,742.263	45,970.369	11A.14
Scope two emissions; GHG type CH ₄	3	61.774	113.217	174.990	11A.15
Scope two emissions; GHG type N ₂ O	3	105.787	193.883	299.670	11A.16
Scope three emissions					
Business travel	3	267.300	320.800	588.100	11A.17
Outsourced activities	3	2,276.100	3,661.900	5,938.000	11A.18
Purchased electricity; transmission and distribution - location based	3	1,444.100	2,665.900	4,110.000	11A.19
Purchased electricity; transmission and distribution - market based	3	-	-	-	11A.20
Purchased heat; transmission and distribution	3	-	-	-	11A.21
Total scope three emissions (location based)	3	3,987.500	6,648.600	10,636.100	11A.22
Scope three emissions; GHG type CO ₂	3	3,956.000	6,591.100	10,547.100	11A.23
Scope three emissions; GHG type CH ₄	3	6.001	10.999	17.000	11A.24
Scope three emissions; GHG type N ₂ O	3	25.417	46.583	72.000	11A.25
Gross operational emissions (Scope 1,2 and 3)					
Gross operational emissions - location based	3	25,364.185	89,118.615	114,482.800	11A.26
Gross operational emissions - market based	3	-	-	-	11A.27
Emissions reductions					
Exported renewables (market based)	3	-	-	1,392.000	11A.28
Exported biomethane (market based)	3	-	-	-	11A.29
Green tariff electricity offsets	3	-	-	-	11A.30
Other emissions reductions	3	-	-	-	11A.31
Total emissions reductions	3	-	-	1,392.000	11A.32
Net annual emissions					
Net annual emissions - location based	3	25,364.185	87,726.615	113,090.800	11A.33
Net annual emissions - market based	3	-	-	-	11A.34
Net annual emissions	3	25,364.185	87,726.615	113,090.800	11A.35
GHG intensity ratios (location based)					
Emissions per Ml of treated water	3	158.000	-	-	11A.36
Emissions per Ml of sewage treated (flow to full treatment)	3	-	223.000	-	11A.37
Emissions per Ml of sewage treated (water distribution input)	3	-	459.000	-	11A.38

Assurance reports

Technical assurance report on performance commitments and technical data tables

Ofwat requires company boards to certify that they have correctly reported their performance. Our assurance statement is shown below.

Assurance statement

To: Wessex Water Audit and Risk Committee

I refer to my review of technical aspects of Wessex Water's annual performance report, which have been audited under my direction. We were given free access to people and information as necessary to complete our work.

In my professional opinion, based on and to the extent disclosed by sampling carried out and as described in my report to Wessex Water dated 28 June 2022:

1. The performance commitment data in tables 3A to 3I inclusive have been completed appropriately.
2. The capex expenditure data in tables 4D, 4E, 4F, 4G, 4J, 4K, 4N, 4O has been compiled appropriately. The capex and opex expenditure data in table 4L and 4M has been compiled appropriately.
3. The technical data in tables 4Q, 4R, 5A, 6A, 6B, 6C, 6D, 7B, 7C, 7D, 7E, 8A, 8C, 8D, 9A has been compiled appropriately.
4. Errors and omissions were corrected as a result of our audits.
5. We made minor recommendations for continuing improvement of the annual reporting process.

Dr Andrew Heather

Mott MacDonald Ltd

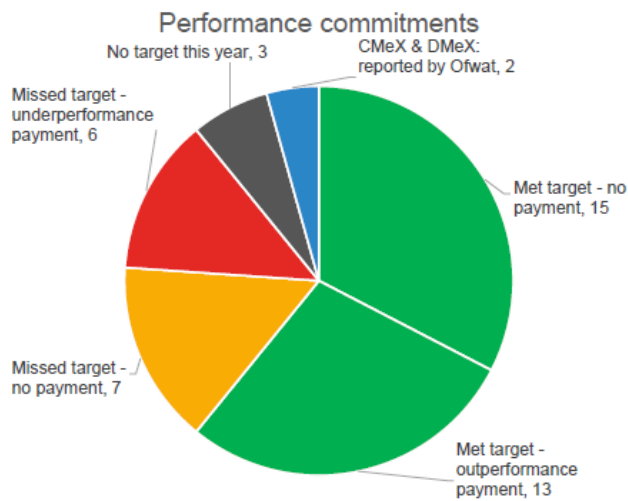
28 June 2022

Scope – audit tests

Thirteen test procedures were applied to each of the measures (to the extent that they were applicable):

1. If actions were raised last year, have they been completed?
2. Is there a high-quality method statement appropriate to the reporting risk?
3. If the method statement includes a confidence grade, does it accurately reflect the sources information and process?
4. Is the source data collection robust?
5. Is data storage robust?
6. Is data reporting robust?
7. Has reported performance been calculated in accordance with current definitions/requirements including FD19, corrigenda, and RAGs?
8. Can results be explained in the context of historical data and forecast performance?
9. What is the SharePoint version number of the audited document?
10. For Performance Commitment, what is the reported value at audit?
11. Are checks and controls appropriate?
12. Has the table been signed off by the owner and compiler?
13. Does the commentary disclose material assumptions and explain the results?

Overall performance



Of your 46 FD19 performance commitments, we agreed:

- 15 Met or exceeded targets, without outperformance payment
- 13 Exceeded targets, earning an outperformance payment
- 7 Missed targets, without underperformance payment
- 6 Missed targets, incurring an underperformance payment
- 3 Had no target to deliver this year
- 2 Are reported by Ofwat (C-MeX and D-MeX)

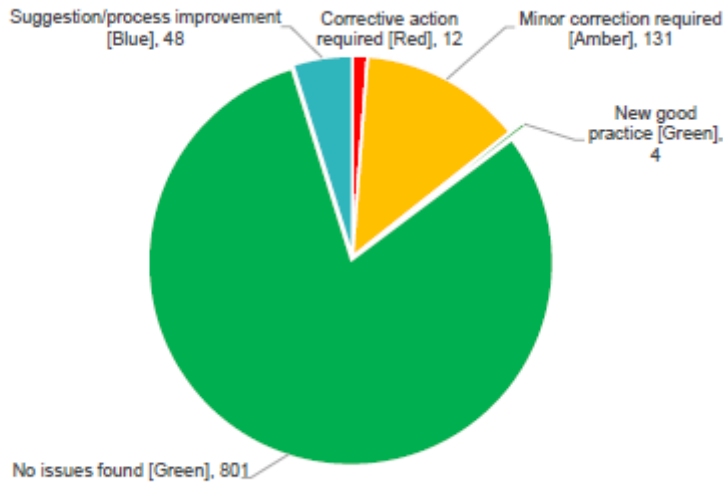
Overall an improvement since last year, with many of the Covid-19 challenges now dealt with.

Performance is still challenging for 13 measures and for some it might be impossible to meet the targets to 2025, owing to issues with their definition at PR19.

Assurance reports

Overview of findings

We carried out 89 audits and raised 143 actions covering 136 reported values or data tables. We also made 48 suggestions for business improvement and noted four areas of new good practice.



We made key recommendations in relation to three areas:

- Customer data
- PR24 data quality
- Reporting of performance commitments

Follow-up from recommendations made last year (APR21)

APR21 Audit name	APR21 recommendation	APR22 comment
7C Wastewater network + Sewer and volume data.	We suggest infiltration/sewerage network performance as an area to investigate further for inclusion in PR24 business plans.	You showed us that you are increasing your focus on infiltration in catchments where it may be cost-effective to reduce network inflows.
3A7.W3: Customer reported leaks fixed within a day	Ongoing discussion with Ofwat. Currently reported as meeting target, in line with your original definition rather than Ofwat's.	Complete: Ofwat agreed to change the definition to refer to 'significant' events and has issued a corrigenda to the PR19 FD outcomes appendix. This year we further recommend updating the method statement the process which describes what happens when leaks are reported through the website.
Leakage (AMP7 methodology)	The discrepancy has been reduced significantly. However, there are still some improvements to be made, to fully align with the leakage methodological thresholds.	We further recommend you review the logic for splitting measured/unmeasured NHHs and whether occupancy is needed, if it's not then we suggest you consider dropping the split.
GSS	We recommend minor amendments to the method statement for GSS payments arising from operations, to improve clarity.	Complete.
Bioresources	Use raw data rather than a conversion factor for road distances for as-the-crow-flies, for the work done calculation.	Complete.

Independent Auditor's report to the Water Services Regulation Authority (the WSRA) and the Directors of Wessex Water Services Limited

Opinion

We have audited the tables in sections 1 and 2 of Wessex Water Services Limited (the Company)'s Annual Performance Report for the year ended 31 March 2022 ("the Regulatory Accounting Statements") which comprise:

- the regulatory financial reporting tables comprising the income statement (table 1A), the statement of comprehensive income (table 1B), the statement of financial position (table 1C), the statement of cash flows (table 1D), the net debt analysis (table 1E), the financial flows (table 1F); and
- the regulatory price review and other segmental reporting tables comprising the segmental income statement (table 2A), the totex analysis for wholesale water and wastewater (table 2B), the operating cost analysis for retail (table 2C), the historical cost analysis of fixed assets for wholesale and retail (table 2D), the analysis of grants and contributions and land sales for wholesale (table 2E), the household water revenues by customer type (table 2F), the revenue analysis & wholesale control reconciliation (table 2I), the infrastructure network reinforcement costs (table 2J), the infrastructure charges reconciliation (table 2K), the analysis of land sales (table 2L), the revenue reconciliation for wholesale (table 2M), residential retail social tariffs (table 2N) and historical cost analysis of intangible assets (table 2O).

We have not audited the Outcome performance tables (3A to 3I) and the additional regulatory information in tables 4A to 4U, 5A to 5B, 6A to 6F, 7A to 7F, 8A to 8D, 9A, 10A to 10E and 11A.

In our opinion, the Company's Regulatory Accounting Statements have been prepared, in all material aspects, in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA (RAG 1.09, RAG 2.08, RAG 3.13, RAG 4.10 and RAG 5.07) and the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.13, appendix 2), set out on pages 8-11.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law, except as stated in the section on Auditors' responsibilities for the audit of the Regulatory Accounting Statements below, and having regard to the guidance contained in ICAEW Technical Release Tech 02/16 AAF 'Reporting to Regulators on Regulatory Accounts' issued by the Institute of Chartered Accountants in England & Wales.

Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Regulatory Accounting Statements within the Annual Performance Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit, including the Financial Reporting Council's (FRC's) Ethical Standard as applied to public interest entities, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – special purpose basis of preparation

We draw attention to the fact that the Regulatory Accounting Statements have been prepared in accordance with a special purpose framework, Condition F, the Regulatory Accounting Guidelines, the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.13, appendix 2) set out in the statement of accounting policies and under the historical cost convention. The nature, form and content of the Regulatory Accounting Statements are determined by the WSRA. As a result, the Regulatory Accounting Statements may not be suitable for another purpose. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for the WSRA's purposes. Accordingly, we make no such assessment.

Assurance reports

In addition, we are not required to assess whether the methods of cost allocation set out in the accounting methodology statement are appropriate to the circumstances of the Company or whether they meet the requirements of the WSRA.

The Regulatory Accounting Statements are separate from the statutory financial statements of the Company and have not been prepared under the basis of United Kingdom adopted international accounting standards ("UK IASs"). Financial information other than that prepared on the basis of UK IASs does not necessarily represent a true and fair view of the financial performance or financial position of a Company as shown in statutory financial statements prepared in accordance with the Companies Act 2006.

The Regulatory Accounting Statements on pages 20 to 27 have been drawn up in accordance with Regulatory Accounting Guidelines with a number of departures from UK IASs. A summary of the effect of these departures in the Company's statutory financial statements is included in the tables within section 1.

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the Regulatory Accounting Statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Regulatory Accounting Statements is appropriate.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- We gained an understanding of the process undertaken by management to perform the going concern assessment, including discussion with management to ensure all key factors were taken into account.
- We obtained management's forecast cash flows and covenant calculations covering the period from the date of signing to 31 July 2023 and we agreed these to the Board and regulatory approved budgets and forecasts.
- We tested the mathematical accuracy of the cash flows, as well as the calculation of the forecast covenants.
- We considered the Company's access to available sources of liquidity and agreed available facilities to underlying agreements and the extent of drawings thereunder to external confirmations.
- We performed the covenant testing and considered any indicator of breach.
- We challenged management by reperforming and building our own point of estimate, in respect of the assumptions used in the going concern assessment and reverse stress test reflecting their principal risks and uncertainties, and considering the impact these risks would have on liquidity and on compliance with financial covenants.
- We understood and challenged the Board's controllable mitigation plans and the forecast impact on the ability of the business to operate within its financial covenants. We obtained supporting documentation to evaluate the plausibility and achievability of management's mitigation plans considering actions delivered to date.
- We compared forecast future cashflows to historical data, ensuring variations are in line with our expectations, such as historical performance, and understanding of the business and considered the reliability of past forecasts.
- We considered the results of other audit procedures and other knowledge obtained in the audit and whether it was consistent with or contradicted management's assumptions.
- We performed our own sensitivity analysis on management's forecast cashflows and considered the reverse stress test management model to understand how severe conditions would have to be to breach liquidity and/or covenant headroom, and whether the scenario has no more than a remote possibility of occurring.

Assurance reports

- Inquired of management as to their knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern
- We assessed the appropriateness of disclosures within the Annual Report and Accounts.

Our key observations:

- In February 2022, the Company secured a £75 million term loan facility, providing the Company with access to funds to repay the £50 million index linked bond due in July 2023.
- The Company also has £225 million of revolving bank facility available to draw upon during the going concern period, £120 million of which has been drawn down at 31 March 2022.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises all of the information in the Annual Performance Report other than the Regulatory Accounting Statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the Regulatory Accounting Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Regulatory Accounting Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Regulatory Accounting Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Regulatory Accounting Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report based on these responsibilities.

Responsibilities of the Directors for the Annual Performance Report

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the Annual Performance Report in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA and the Company's accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.13, appendix 2).

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Annual Performance Report that is free from material misstatement, whether due to fraud or error.

In preparing the Annual Performance Report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the Audit of the Regulatory Accounting Statements within the Annual Performance Report

Our objectives are to obtain reasonable assurance about whether the Regulatory Accounting Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Regulatory Accounting Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the Company's industry and its control environment and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the Regulatory Accounting Statements. These included Regulatory Accounting Guidelines as issued by the WRSA, UK Companies Act, pensions legislation, tax legislation etc; and
- do not have a direct effect on the Regulatory Accounting Statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's operating licence, regulatory solvency requirements and environmental regulations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are
 - International Financial Reporting Standards (IFRS)
 - Tax Legislation (Governed by HM Revenue and Customs)
 - General Data Protection Regulation
 - The UK Bribery Act
 - Anti-Money Laundering Legislation
 - Health & Safety Legislation
 - Wates Principles
 - Ofwat Regulations
 - The Water Act 2003
 - Environment Act 1995

Assurance reports

- We understood how Wessex Water Services Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We evaluated the entity level control environment through discussions with management and Company in-house legal counsel, inspections and observations in the control environment to understand procedures implemented by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by inquiring with management and those charged with governance and performing a walkthrough of the financial statement closing process. We understood the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. We determined revenue recognition to be a fraud risk due to management override of controls, therefore we tested manual journal entries posted to revenue, focusing on journals around the year end, and also performed year end cut off procedures. Further, we performed overall analytical procedures to assess the fairness of the overall financial performance and the position as at and for the year ended. In relation to management override we used data analytics to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, to investigate to gain an understanding and agree to source documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of key management and in-house legal counsel, reviewing key policies, inspecting legal registers and correspondence of non-compliance from the relevant authorities and reports from any external legal teams, and reading board meeting minutes. We performed journal entry testing to ensure that there are no unusual legal or penalty expenses incurred during the year that haven't been disclosed and to ensure that the management is in compliance with the applicable framework. For any non-compliance noted, we assessed the accounting implications and read the financial statements to evaluate the appropriateness of the disclosures.
- The Company operates in the water sector which is highly regulated. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of an expert where appropriate.

A further description of our responsibilities for the audit of the Regulatory Accounting Statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made, on terms that have been agreed, solely to the Company and the WSRA in order to meet the requirements of Condition F of the Instrument of Appointment granted by the Secretary of State for the Environment to the Company as a water and sewage undertaker under the Water Industry Act 1991 ("Condition F"). Our audit work has been undertaken so that we might state to the Company and the WSRA those matters that we have agreed to state to them in our report, in order (a) to assist the Company to meet its obligation under Condition F to procure such a report and (b) to facilitate the carrying out by the WSRA of its regulatory functions, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the WSRA, for our audit work, for this report or for the opinions we have formed.

Our opinion on the Regulatory Accounting Statements is separate from our opinion on the non-statutory financial statements of the Company for the year ended 31 March 2022 on which we reported on 6 July 2022, which are prepared for a different purpose. Our audit report in relation to the non-statutory financial statements of the Company (our "non-statutory audit") was made solely to the Company's members, as a body, in accordance with our engagement

Assurance reports

letter dated 20 May 2021. Our non-statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a non-statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our non-statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Ernst & Young LLP

Statutory auditor

Bristol

6 July 2022

Appendix A: Change log

The table below details the changes made to the data tables in comparison to the original version of the submission published in July 2022.

Table	Row	Column name	Original data	Revised data
1F	1F.24	Actual returns and actual regulatory equity	0	-4.747
4H	4H.10	Current year	Baa1	Baa1(Stable)
4K	4K.6	Sewage Treatment and Disposal	23.364	23.050
4M	4M.77	Sewage Treatment and Disposal	0	0.314
4M	4M.77	Cumulative expenditure on all schemes to reporting year end	0	0.739
1F	1F.10	Actual returns and actual regulatory equity	0.897	-1.544
1F	1F.10	Actual returns and actual regulatory equity	1.585	0.313
1E	1E.9	Index Linked RPI	27.022	66.381
1E	1E.9	Total	73.388	112.747
1E	1E.11	Index Linked RPI	3.23%	7.93%
1E	1E.11	Total	3.03%	4.65%
4B	4B.806	Issuer - Text	2.00%	8.96%
4B	4B.807	Issuer - Text	0	7.04%
4B	4B.808	Issuer - Text	3.03%	4.65%
4B	4B.403	Nominal Interest Rate	8.50%	15.90%
4B	4B.404	Nominal Interest Rate	5.37%	12.56%
4B	4B.405	Nominal Interest Rate	4.90%	12.06%
4B	4B.406	Nominal Interest Rate	4.90%	12.06%
4B	4B.407	Nominal Interest Rate	4.27%	11.38%
4B	4B.408	Nominal Interest Rate	4.28%	11.39%
4B	4B.409	Nominal Interest Rate	4.21%	11.32%
4B	4B.410	Nominal Interest Rate	4.22%	11.33%
4B	4B.411	Nominal Interest Rate	4.22%	11.33%
4B	4B.403	Nominal Interest Cost (Full year equivalent)	4.252	7.952
4B	4B.404	Nominal Interest Cost (Full year equivalent)	2.685	6.279
4B	4B.405	Nominal Interest Cost (Full year equivalent)	3.675	9.042
4B	4B.406	Nominal Interest Cost (Full year equivalent)	3.675	9.042
4B	4B.407	Nominal Interest Cost (Full year equivalent)	3.202	8.536
4B	4B.408	Nominal Interest Cost (Full year equivalent)	3.208	8.543
4B	4B.409	Nominal Interest Cost (Full year equivalent)	2.104	5.658
4B	4B.410	Nominal Interest Cost (Full year equivalent)	2.109	5.663
4B	4B.411	Nominal Interest Cost (Full year equivalent)	2.112	5.666
4B	4B.603	Nominal Interest Cost (Full year equivalent)	27.022	66.381
4B	4B.805	Nominal Interest Cost (Full year equivalent)	73.388	112.747
7B	7B.5 - Avonmouth	Large STW1	0	25
7B	7B.5 - Bridport (West Bay)	Large STW4	0	25
7B	7B.5 - Kingston Seymour	Large STW11	0	25
7B	7B.5 - Portbury Wharf	Large STW15	0	25
7B	7B.5 - Weston-super-mare	Large STW24	0	25
7B	7B.5 - Weymouth	Large STW25	0	25
7D	7D.5	A2	6,939	9,889
7D	7D.6	A2	58,795	55,845
7D	7D.13	A2	7	9
7D	7D.14	A2	13	11
7D	7D.5	Total	28,026	30,976

Change log

Table	Row	Column name	Original data	Revised data
7D	7D.6	Total	149,711	146,761
7D	7D.13	Total	29	31
7D	7D.14	Total	27	25
7D	7D.5	Phosphorus <=0.5mg/l	3,613	5,078
7D	7D.6	Phosphorus <=0.5mg/l	5,438	3,973
7D	7D.13	Phosphorus <=0.5mg/l	4	5
7D	7D.14	Phosphorus <=0.5mg/l	2	1
7D	7D.6	Phosphorus >0.5mg/l to <=1mg/l	18,128	23,931
7D	7D.14	Phosphorus >0.5mg/l to <=1mg/l	5	6
7D	7D.5	Phosphorus >1mg/l	9,217	10,702
7D	7D.6	Phosphorus >1mg/l	17,282	9,993
7D	7D.13	Phosphorus >1mg/l	9	10
7D	7D.14	Phosphorus >1mg/l	6	4
7D	7D.5	Phosphorus Total	28,026	30,976
7D	7D.6	Phosphorus Total	149,712	146,761
7D	7D.13	Phosphorus Total	29	31
7D	7D.14	Phosphorus Total	27	25
7D	7D.5	BOD5 >10 to <=20mg/l	15,149	18,100
7D	7D.6	BOD5 >10 to <=20mg/l	54,403	51,452
7D	7D.13	BOD5 >10 to <=20mg/l	16	18
7D	7D.14	BOD5 >10 to <=20mg/l	14	12
7D	7D.5	BOD5 Total	28,025	30,976
7D	7D.6	BOD5 Total	149,712	146,761
7D	7D.13	BOD5 Total	29	31
7D	7D.14	BOD5 Total	27	25
7D	7D.5	Ammonia >1 to <=3mg/l	3,565	6,516
7D	7D.6	Ammonia >1 to <=3mg/l	10,514	7,564
7D	7D.13	Ammonia >1 to <=3mg/l	3	5
7D	7D.14	Ammonia >1 to <=3mg/l	4	2
7D	7D.5	Ammonia Total	28,025	30,976
7D	7D.6	Ammonia Total	149,711	146,761
7D	7D.13	Ammonia Total	29	31
7D	7D.14	Ammonia Total	27	25