

# Annual Performance report 2022

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# Welcome to the ST Connect Annual Performance Report 2022

This Annual Performance Report (APR) covers the year from April 2021 to March 2022.

The APR provides our customers and other stakeholders with clear and transparent information on all aspects of our performance in 2021/22.

Providing accurate, clear, and understandable information which can be trusted by our stakeholders is important to us and ensures our customers and stakeholders can clearly see how we have performed.

The aim of this APR is to provide customers and stakeholders with:

- A clear and assured account of our financial performance based on Ofwat's regulatory accounts framework, to enable customers and stakeholders to consistently assess our relative and absolute performance.
- A clear, accurate and assured account of our operational performance in the year.

Our approach to Board  
leadership,  
transparency, and  
governance

# **Our approach to Board leadership, transparency, and governance**

Severn Trent Services (Water and Sewerage) Limited ('ST Connect') has been part of the Severn Trent Group since 2014. ST Connect is a Company Limited by Guarantee and is 100% owned by Severn Trent Services International (Overseas Holdings) Limited. It's ultimate Parent Company is Severn Trent Plc.

ST Connect has full responsibility for all aspects of its business as an Appointee.

## **Board governance arrangements**

The Board's role is to ensure the long-term sustainable success of the Company by setting our strategy through which value can be created and preserved for the mutual benefit of our customers, employees, and the communities we serve. The Board provides rigorous challenge to management and ensures the company maintains an effective risk management and internal control system.

Dedicated Board meetings are held for ST Connect and standing items at Board meetings include an overview of operational and financial performance and regulatory matters. These standing items and regular briefings allow the Board to stay fully apprised of the Company's performance and updates on any matters requiring Board discussion and decision making.

There are currently two Directors that serve on our Board. The ST Connect Board has the appropriate balance of skills, experience, and knowledge to take complete responsibility for setting the long-term strategy of the Company and oversee its implementation.

The Board is supported by the Company Secretary, to whom all Directors have access for advice and corporate governance services, including the commission of independent advice should it be necessary for the Board to seek this on any matter.

There is a Conflicts of Interest Policy in place, supported by an established process to manage Conflicts of Interest should they present. Conflicts of Interest are considered as part of the Director appointment process and any potential conflicts of interest are declared at the start of every meeting. This includes reviewing all other appointments held by Directors. The Board formally reviews the Conflicts of Interest Register every six months, and in doing so during the year, did not identify any areas of concern.

## **Delegation of authority**

The Board delegates certain roles and responsibilities to its Management. Management assists the Board by discharging their duties effectively, reporting to the Board on decisions

and actions taken, and making any necessary recommendations to the Board in line with the Matters Reserved for the Board.

The Board reserves for its own determination matters of strategic and regulatory importance. To facilitate effective delegation, the Severn Trent Group Authorisation Arrangements ('GAA') are the mechanism by which the Board delegates its financial authority, which authorises Management to be to made decisions that commit the Company to financial obligations, rather than every decision having to be approved by the Board. The GAA are reviewed annually to ensure that limits remain appropriate.

The Severn Trent Plc Group Remuneration Committee (the 'Remuneration Committee') operates on behalf of all Group companies. The Remuneration Committee is wholly comprised of Independent Non-Executive Directors of Severn Trent Plc. We consider that the governance arrangements in respect of the Remuneration Committee are appropriate as ST Connect is part of the Severn Trent Plc Group of companies and employee pay is part of a unified remuneration structure and consistent policy framework. Central to the Group's remuneration policy is the use of measurable targets against which payments can be made.

### **Board appointments and induction**

Any new appointments to the Board result from a formal, rigorous, and transparent procedure with the decision on appointments a matter reserved to the Board. Following appointment to the Board, we develop a detailed, tailored induction for each new Director.

# Our Board statements

## Risk and Compliance statement

Severn Trent Services (Water and Sewerage) Ltd (Trading as ST Connect) (the “Company”) is a statutory sewerage undertaker. This statement covers the period April 2021 to March 2022.

The approach to complying with statutory and regulatory obligations is based on Severn Trent Plc’s framework for governance and controls; known as *Licence to operate*. This framework sets out the company’s duties at a granular detail. The company’s Board provides strategic governance for the company and oversees any delegation of authority to its Executive Management Team to manage business operations.

The company takes a targeted approach to data assurance, based on Ofwat’s guidance of proportionality. As a minimum, first and second-line assurance checks are carried out on all external publications, with first-line checks being conducted by the subject matter experts internal to the Severn Trent group, but external to the company and second-line checks carried out by the Executive Management team. Financial information and publications undergo a third-line assurance review, undertaken by an external (to the Severn Trent Group) firm of auditors.

Day-to-day operations are managed through outsourced contracts with associated and non-associated companies. These companies have the necessary insurance, quality standards and technical expertise to deliver high levels of customer and operational service.

As required under Licence Condition I; Ring-fencing, contracts with associated companies are established through arms’ length trading relationships. Contract performance is monitored on an ongoing basis to identify risks and opportunities.

Signed for an on behalf of the Board

Christer Stoyell



Director

Richard Eadie



Director

### Departures from the statement

There have been no departures from the statement.



# Accuracy and Completeness of Data and Information Statement

As a provider of one of life's essentials we understand that we must assure customers, regulators, and wider stakeholders that we are doing the right things in the right way. The data in our publications provide transparent insight into our performance and critical information to direct and drive future improvements across the sector. With this in mind, the assurance process we apply to the information and data we publish is vital to ensure that it can be trusted by all.

We have an established, rigorous, and robust assurance and performance reporting framework to support the Board when approving the publication of data and information contained within regulatory documents. It ensures that managers, senior leaders and Directors are responsible and accountable for delivering high quality data through robust processes. We continue to develop our assurance approach to take account of evolving best practice and changing regulatory requirements.

## Board assurance approach

### Robust assurance

We operate an established and robust three lines of assurance model, which is explained in greater detail in our Risk and Compliance Statement. Using a risk-based approach we provide an effective programme of assurance which ensures we can continually reassess our assurance activity as risk changes or new emerging risks occur. Data and information are approved by data owners, senior leaders, and Directors. Following which, the Board apply scrutiny and challenge ahead of publication.

### Effective governance

Severn Trent Services (Water & Sewerage) Limited is an operating subsidiary of the FTSE100 company Severn Trent Plc, which means we operate at the highest standards expected of a publicly listed company.

The Board is supported by the Severn Trent Plc Governance Framework, and their respective Committees.

The Committees assist the Board by fulfilling their roles and responsibilities, focusing on their specific activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations to the Board in line with their respective Terms of Reference. The Governance Framework is also subject to periodic review to ensure that it remains appropriate.

### **Third party audit**

In accordance with our three lines of assurance model, the third line of assurance is usually conducted by an independent third-party audit company. In preparing this year's regulatory reports, the statutory financial statements have undergone a third-party audit.

### **Considerations of the Board**

The Board considers that the Company has applied the governance and assurance frameworks described within this APR. Following reasonable and relevant enquiries, our Board believe the processes and internal controls have been applied in a manner which has enabled it to satisfy itself, to the extent that it is reasonably able to do so, that the data and information provided to Ofwat in the reporting year, and information published in our role as a wastewater undertaker is accurate and complete in all material respects.

Signed for an on behalf of the Board

Christer Stoyell



Director

Richard Eadie



Director

# Regulatory statements

## Regulatory statements

The following section contains the statements required by the terms of our licence conditions and the statutory requirements set out in the Water Industry Act 1991 and where required is endorsed and signed by the Board.

### Disclosures required by RAG3

#### Link between Directors' pay and standards of performance

Where appropriate, the remuneration of the directors for the financial year ending March 2022, is in accordance with the arrangements as set out in paragraph 3 of section 35A of the Water Industry Act 1991; *Arrangements fall within this subsection if they are arrangements for linking the remuneration of the directors of the company to standards of performance in connection with the carrying out by the company of the functions of a relevant undertaker.*

The directors' remuneration packages are based mainly on the performance of other Group Companies, where the majority of their time and focus is spent. Up to 100% of the directors' maximum bonus depends on the achievements of Group Company performance, which may include performance related to the company.

#### Dividend policy

The Directors confirm the company's compliance with the obligations set out in Licence Condition K; Regulatory ring-fence:

The Appointee has in place a Board-approved dividend policy which effectively embodies:

- a) the principle that dividends declared or paid should not impair the ability of the Appointee to finance the Appointed Business; and
- b) the principle that dividends should be an incentive which is expected to reward efficiency and the management of economic risk.

Any dividends declared or paid shall be in accordance with the company's dividend policy; policy wording below.

*The Company's dividend policy is to declare dividends which are consistent with the Company's regulatory obligations and at a level which is decided, each year after consideration of a number of factors, including customer service, regulatory uncertainty, , actual and potential efficiencies, future cash flow requirements and balance sheet considerations.*

## Regulatory ring-fence certificate

The Directors of the Company confirm the company's compliance with the obligations set out in Licence Condition I; Ring-fencing:

1. The Company has available sufficient financial resources and facilities to enable it to carry out its regulated activities until at least July 2023. In accordance with Condition K, there is in place a Deed of Undertaking with Severn Trent Plc for a maximum liability of £2million; this facility has not been drawn upon to date;
2. The Company has sufficient management resources and systems for internal control to enable it to carry out its regulatory duties until at least July 2023;
3. The Company has sufficient rights and non-financial resources to enable it to carry out its regulated activities until at least July 2023;
4. All contracts entered into between the Company and any associated companies are at arm's length and include the necessary provisions and requirements in respect of the standards of service required by the company to ensure it is able to carry out its regulatory duties; and

There are no material issues or circumstances which will prevent the Company from carrying out its regulated activities until at least July 2023.

For an on behalf of the Board

Christer Stoyell



Director

Richard Eadie



Director

## Certificate of adequacy

Severn Trent Services (Water and Sewerage) Ltd  
2 St. Johns Street  
Coventry  
CV1 2LZ



**Severn Trent Plc**

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Coventry  
CV3 9FH

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6 July 2022

### **Severn Trent Services (Water and Sewerage) Ltd Condition K – Ultimate Controller Undertaking**

This Deed of Undertaking is made the 6 day of July 2022.

In compliance with Condition K of the Instrument of Appointment of Severn Trent Services (Water and Sewerage) Ltd ("the Appointee") as a sewerage undertaker ("the Appointment"), Severn Trent Plc hereby undertakes to the Appointee, for so long as it remains an Ultimate Controller and the Appointee retains the Appointment, that:-

- (a) those persons providing the undertakings will, and will procure that each of their subsidiaries (other than the Appointee and its subsidiaries) will give to the Appointee all such information as may be necessary to enable the Appointee to comply with its obligations under the Act or the conditions of the Appointment;
- (b) those persons providing the undertakings will, and will procure that each of their subsidiaries (other than the Appointee and its subsidiaries) will refrain from any action which would or may cause the Appointee to breach any of its obligations under the Act or the conditions of the Appointment;
- (c) those persons giving the undertakings will ensure that at all times after the Water Services Regulation Authority has given notice to the Appointee that it considers it appropriate the Board of the Appointee contains not less than two independent non-executive Directors, who shall be persons of standing with relevant experience and who shall collectively have connections with and knowledge of the areas within which the Appointee holds the Appointment and an understanding of the interests of the customers of the Appointee and how these can be respected and protected; and
- (d) those persons providing the undertakings will at all times immediately and on receipt of written demand from the Appointee pay to the Appointee such money (up to a maximum aggregate liability of £2 million) as may be necessary to enable the Appointee to comply with its obligations under the Act or the conditions of Appointment.

In this Undertaking, "Ultimate Controller" means any person who or which (alone or jointly with others and whether directly or indirectly) is (in the reasonable opinion of the Water Services Regulation Authority) in a position to control, or to exercise material influence over, the policy or affairs of the Appointee or of any holding company of the Appointee; and "subsidiary" has the meaning in Section 1159 of the Companies Act 2006.

Signed

A handwritten signature in black ink, appearing to read 'Liv Garfield', with a long horizontal stroke extending to the right.

Liv Garfield  
Chief Executive

# Annual performance summary



## Performance summary

We are pleased to present our progress against the delivery of our customer commitments for the year ending March 2022.

### **Taking care of one of life's essentials**

Our Purpose is **Taking care of one of life's essentials** – from start to finish, ensuring our customers and communities experience the best of our essential service every day.

Our network of sewers and pumping stations collect wastewater, taking it back to our treatment works. Wastewater is carefully screened, filtered, and treated in our sewage treatment works to meet stringent environmental standards and recycled back to the environment.

### **Delivering for customers**

We are committed to delivering an excellent service to all of our customers 24/7, 365 days a year. We back this up with our service guarantees and will make a compensation payment if we fail to meet the required standard. The scheme applies to our household customers. During 2021/22 we have had zero failures against the scheme.

We are pleased to report zero customer serviceability incidents for the year. Our inspection and proactive maintenance programs have allowed us to keep our networks flowing without issue for another year.

In the event of a serviceability issue, we have in place a robust set of measures for rapidly identifying and rectifying issues; minimising inconvenience to our customers.

### **Value for money**

We regularly review our levels of service to ensure our standards are equal to / better than those offered by the local incumbent. Additionally, we offer as standard a small discount on our tariffs (compared with the local incumbent) where we carry out the full sewage collection and disposal service ourselves.

We recognise just how difficult the COVID-19 pandemic has been for our customers, which is why we're able to help more than 4% of our customer base pay their bills through our WaterSure and Social Tariffs.

Our billing partner, South East Water keeps a record of customers who are classed as vulnerable and may require non-financial assistance when managing their water and sewerage accounts.

## Delivering for the environment

The natural environment is critical to our business, we are constantly interacting with it, and we need to protect and enhance it whenever we can.

This year we've spend around £2.5million upgrading our wastewater treatment assets to ensure we capture more pollutants, which would otherwise end up being discharged to the water environment.

We've had 100% compliance with our Environment Agency discharge permit requirements and caused zero pollution incidents.

## Key performance indicator summary

The table below displays our performance against key metrics.

Area	Commitment	Unit	Performance FY22
Customer	Number of complaints	Nr	0
	Compensation incidents (against our guarantees standards)	Nr	0
	Proportion of customer base on social tariff	% (1d.p.)	4.3
Wastewater networks	Internal sewer flooding	Nr	0
	External sewer flooding	Nr	0
	Pollution incidents	Nr	0
	Sewer blockages	Nr	0
Wastewater treatment	Treatment works compliance	% (1d.p.)	100.0

# Wastewater taken safely away

We know that escape of sewage from our wastewater network is one of the worst service failures that could occur. Whether it's in a customer's property or impacting on the environment. Preventing such incidents is a management and investment priority for us.

## 100%



compliance at our wastewater treatment works

## Zero

network blockages

## Zero



pollution incidents

## Zero

internal/external sewer floodings

Regulatory accounts  
for the year ended 31<sup>st</sup>  
March 2022

# Notes to the Regulatory accounts

## Accounting methodology statement

The company uses SAP to keep its accounting records. Using a pre-defined chart of accounts, we have configured the system to record transactions using specific cost drivers and expense types. This configuration allows for each transaction to be clearly defined into more than one cost type, allowing for a transaction to be identified as retail or wholesale, and also either household or non-household.

All transaction postings made to SAP are checked on a monthly basis by accounting professionals dedicated to supporting the business and also reviewed by management to ensure consistency and accuracy of transaction coding. Any coding errors discovered are immediately corrected by posting an accounting journal to SAP.

## Revenue recognition

Turnover represents income receivable from regulated wastewater activities, excluding value added tax.

Turnover includes an estimate of the amount wastewater charges unbilled at the year end. The accrual is estimated using a defined methodology based upon a measure of unbilled water consumed by tariff, which is calculated from historical billing information. There have been no changes in methodology in the year.

The Water Industry Act 2014, Chapter 1 A 'Licensing of Water Suppliers' describes the duties imposed on a water and sewerage undertaker and the licence conditions involved. Regulated activities are consequently those activities that are necessary in order for the appointee to fulfil the functions and duties of a water and sewerage undertaker.

Turnover is not recognised in respect of unoccupied properties. Properties are classified as unoccupied when:

- The company is informed that a customer has left a property and it is not expected to be reoccupied immediately;
- New properties are connected but are not occupied;
- Properties are disconnected following a customer's request; or
- The identity of the customer is unknown.

The following activities are undertaken to ensure properties classified as unoccupied are in fact not occupied:

- Where the Company is informed that the customer has left a property and the property is expected to be occupied by someone else, a welcome letter is sent to the property encouraging the occupier to contact the Company;

- If there is no response to the welcome letter within two months a void letter is sent to the property explaining that we have classified the property as empty and may schedule the property for disconnection;
- Meter readings are taken for metered unoccupied properties; where consumption is recorded, a letter is sent to the property, and
- Inspections are organised throughout the year by geographical area.

Non-appointed income relates to advisory services provided by the business.

## **Bad debts**

Provisions are charged to operating costs to reflect the Company's assessment of the risk of non-recoverability of debtors based on the lifetime expected credit losses for receivables.

Write-offs in relation to court or debt recovery costs are not included in the bad debt provision.

Debt can only be written off if it is a legitimate charge against the debtor (if it is considered that part or all of the debt is incorrect or unsubstantiated, then such elements are dealt with through the issue of a credit note) and if one of the following criteria is met:

- The customer does not have any assets or has insufficient assets on which to levy execution;
- The customer is bankrupt, and no dividend has been, or is likely to be, received;
- The customer has died without leaving an estate or has left an insufficient estate on which to levy execution and the Company has been unable to prove its case in court; or
- All available economic options for collection of the debt have been pursued or that debt recovery procedures have proved to be ineffective or uneconomic to continue.

Uneconomic circumstances are those where, following the application of debt recovery procedures:

- The customer could not be traced without incurring an unreasonable degree of expenditure; or
- The company has an insufficiently sound case to justify further expenditure on debt recovery procedures; or
- The likelihood of recovering the debt is so small in particular circumstances that further expenses on debt recovery cannot be justified.

The above write-off rules apply primarily to customers to whom the company has ceased to provide a service. Only in exceptional circumstances is debt relating to continuing customers considered for write-off.

Trade related receivables were higher by £0.24m compared to the prior accounting period. This increase is entirely due to Non-appointed activities and amounts relating to reimbursement of costs incurred upgrading the waste water treatment works at Camp Farm, Aldershot. There was a charge for doubtful debts recorded relating to household customers of £0.002m, which was driven by the age of debt over 12 months overdue showing a small increase compared to the prior year. These debts are being actively pursued but have been provided in line with the company's policy on doubtful debt recovery.

# Analysis of revenue and operating costs

Analysis of revenue and operating costs			Severn Trent Services (Water & Sewerage) Limited						
Line description	Units	Decimal places (Dps)	Current year			Prior year			Line reference
			1 Water	2 Wastewater	3 Total	4 Water	5 Wastewater	6 Total	
<b>Revenue</b>									
Unmeasured - household	£m	3			0.000			0.000	F1.1
Unmeasured - non-household	£m	3			0.000			0.000	F1.2
Measured - household	£m	3		0.176	0.176		0.133	0.133	F1.3
Measured - non-household	£m	3		0.003	0.003		0.001	0.001	F1.4
Other	£m	3		0.814	0.814		0.726	0.726	F1.5
<b>Total revenue</b>	£m	3	0.000	0.993	0.993	0.000	0.860	0.860	F1.6
<b>Retail operating costs</b>									
Customer services - household	£m	3		0.022	0.022		0.011	0.011	F1.7
Debt management - household	£m	3			0.000			0.000	F1.8
Doubtful debts - household	£m	3		0.002	0.002		0.003	0.003	F1.9
Meter reading - household	£m	3			0.000			0.000	F1.10
Other operating costs - household	£m	3		0.000	0.000			0.000	F1.11
Local authority and cumulo rates - household	£m	3			0.000			0.000	F1.12
<b>Total household operating costs</b>	£m	3	0.000	0.024	0.024	0.000	0.014	0.014	F1.13
Customer services - non-household	£m	3		0.008	0.008			0.000	F1.14
Debt management - non-household	£m	3			0.000			0.000	F1.15
Doubtful debts - non-household	£m	3			0.000			0.000	F1.16
Meter reading - non-household	£m	3			0.000			0.000	F1.17
Services to developers - non-household	£m	3		0.008	0.008		0.050	0.050	F1.18
Other operating costs - non-household	£m	3			0.000			0.000	F1.19
Local authority and cumulo rates - non-household	£m	3			0.000			0.000	F1.20
<b>Total non-household operating costs</b>	£m	3	0.000	0.016	0.016	0.000	0.050	0.050	F1.21
<b>Wholesale operating costs</b>									
Power	£m	3		0.023	0.023		0.009	0.009	F1.22
Service charges/ discharge consents	£m	3		0.024	0.024		0.011	0.011	F1.23
Bulk Supply/Bulk discharge	£m	3		0.007	0.007		0.014	0.014	F1.24
Other operating costs - wholesale	£m	3		0.511	0.511		0.517	0.517	F1.25
Local authority rates	£m	3		0.115	0.115		0.115	0.115	F1.26
<b>Total operating costs</b>									
<b>Total operating costs - retail and wholesale</b>	£m	3	0.000	0.720	0.720	0.000	0.731	0.731	F1.27
<b>Depreciation</b>									
Depreciation - retail	£m	3			0.000			0.000	F1.28
Depreciation - wholesale	£m	3		0.062	0.062		0.027	0.027	F1.29
<b>Total depreciation</b>	£m	3	0.000	0.062	0.062	0.000	0.027	0.027	F1.30
<b>Operating profit</b>									
<b>Total operating profit</b>	£m	3	0.000	0.211	0.211	0.000	0.102	0.102	F1.31
<b>Other income</b>									
Other income	£m	3		0.033	0.033			0.000	F1.32
<b>Interest</b>									
Interest income	£m	3			0.000			0.000	F1.33
Interest expense	£m	3			0.000			0.000	F1.34
<b>Profit before tax</b>	£m	3	0.000	0.244	0.244	0.000	0.102	0.102	F1.35
<b>Tax</b>									
UK Corporation tax	£m	3		-0.175	-0.175		0.020	0.020	F1.36
Deferred tax	£m	3		0.283	0.283			0.000	F1.37
<b>Profit for the year</b>	£m	3	0.000	0.136	0.136	0.000	0.082	0.082	F1.38
<b>Dividends</b>									
Dividends	£m	3			0.000			0.000	F1.39



# Reconciliation of Regulatory to Statutory reporting

Reconciliation of Regulatory to Statutory reporting			Severn Trent Services (Water & Sewerage) Limited					
Line description	Units	Decimal places (DPs)	1	2	3	4	5	Line reference
			Statutory	Differences between statutory and RAG definitions	Adjustments Non-appointed	Total adjustments	Total appointed activities	
Revenue								
Total revenue	£m	3	1.335		0.342	0.342	0.993	F2.1
Total operating profit	£m	3	0.211	0.033	-0.033	0.000	0.211	F2.2
Profit for the year	£m	3	0.103		-0.033	-0.033	0.136	F2.3

# Statement of financial position

Statement of financial position		Services (Water & Sewerage) Limited			
Line description	Units	Decimal places (DPs)	1	2	Line reference
			Current year	Prior year	
<b>Non-current assets</b>					
Fixed assets	£m	3	6.569	0.111	F3.1
Intangible assets	£m	3	0.419	0.432	F3.2
Investments - loans to group companies	£m	3	0.000	0.000	F3.3
Investments - other	£m	3	0.000	0.000	F3.4
Financial instruments	£m	3	0.000	0.000	F3.5
Retirement benefit assets	£m	3	0.000	0.000	F3.6
<b>Total non-current assets</b>	<b>£m</b>	<b>3</b>	<b>6.988</b>	<b>0.543</b>	<b>F3.7</b>
<b>Current assets</b>					
Inventories	£m	3	0.000	0.000	F3.8
Trade & other receivables	£m	3	0.524	0.172	F3.9
Financial instruments	£m	3	0.000	0.000	F3.10
Cash & cash equivalents	£m	3	0.748	0.778	F3.11
<b>Total current assets</b>	<b>£m</b>	<b>3</b>	<b>1.272</b>	<b>0.950</b>	<b>F3.12</b>
<b>Current liabilities</b>					
Trade & other payables	£m	3	-0.445	-0.285	F3.13
Capex creditor	£m	3	0.000	0.000	F3.14
Borrowings	£m	3	0.000	0.000	F3.15
Financial instruments	£m	3	0.000	0.000	F3.16
Current tax liabilities	£m	3	0.000	-0.077	F3.17
Provisions	£m	3	0.000	0.000	F3.18
<b>Total current liabilities</b>	<b>£m</b>	<b>3</b>	<b>-0.445</b>	<b>-0.362</b>	<b>F3.19</b>
<b>Net Current assets/(liabilities)</b>	<b>£m</b>	<b>3</b>	<b>0.827</b>	<b>0.588</b>	<b>F3.20</b>
<b>Non-current liabilities</b>					
Trade & other payables	£m	3	-6.298	0.000	F3.21
Borrowings	£m	3	0.000	0.000	F3.22
Financial instruments	£m	3	0.000	0.000	F3.23
Retirement benefit obligations	£m	3	0.000	0.000	F3.24
Provisions	£m	3	0.000	0.000	F3.25
Deferred income – grants & contributions	£m	3	0.000	0.000	F3.26
Deferred income – adopted assets	£m	3	0.000	0.000	F3.27
Preference share capital	£m	3	0.000	0.000	F3.28
Deferred tax	£m	3	-0.284	-0.001	F3.29
<b>Total non-current liabilities</b>	<b>£m</b>	<b>3</b>	<b>-6.582</b>	<b>-0.001</b>	<b>F3.30</b>
<b>Net assets</b>	<b>£m</b>	<b>3</b>	<b>1.233</b>	<b>1.130</b>	<b>F3.31</b>
<b>Equity</b>					
Called up share capital	£m	3	0.954	0.954	F3.32
Retained earnings & other reserves	£m	3	0.279	0.176	F3.33
<b>Total Equity</b>	<b>£m</b>	<b>3</b>	<b>1.233</b>	<b>1.130</b>	<b>F3.34</b>

# Statement of cashflows

Statement of cashflows		Services (Water & Sewerage) Limited				
				1	2	
Line description	Units	Decimal places (DPs)	Current year	Prior year	Line reference	
<b>Operating activities</b>						
Operating profit	£m	3	0.211	0.102	F4.1	
Other income	£m	3			F4.2	
Depreciation	£m	3	0.062	0.027	F4.3	
Amortisation – Grants and contributions	£m	3			F4.4	
Changes in working capital	£m	3	-0.208	0.187	F4.5	
Pension contributions	£m	3			F4.6	
Movement in provisions	£m	3			F4.7	
Profit on sale of fixed assets	£m	3			F4.8	
Cash generated from operations	£m	3	0.065	0.316	F4.9	
Net interest paid	£m	3	0.000	0.000	F4.10	
Tax paid	£m	3	-0.042	0.018	F4.11	
Net cash generated from operating activities	£m	3	0.023	0.334	F4.12	
<b>Investing activities</b>						
Capital expenditure	£m	3	-6.520	-0.014	F4.13	
Grants and contributions	£m	3	6.467		F4.14	
Disposal of fixed assets	£m	3			F4.15	
Other	£m	3			F4.16	
Net cash used in investing activities	£m	3	-0.053	-0.014	F4.17	
Net cash generated before financing activities	£m	3	-0.030	0.320	F4.18	
<b>Cashflows from financing activities</b>						
Equity dividends paid	£m	3			F4.19	
Net loans received	£m	3			F4.20	
Cash inflow from equity financing	£m	3			F4.21	
Net cash generated from financing activities	£m	3	0.000	0.000	F4.22	
Increase (decrease) in net cash	£m	3	-0.030	0.320	F4.23	

# Net debt analysis (appointed activities)

Net debt analysis (appointed activities) Severn Trent Services (Water & Sewerage) Limited

1 Line description	Units	Decimal places (DPs)	2 Fixed rate	3 Floating rate	4 Index linked		6 Total	Line reference
					RPI	CPI/CPIH		
<b>Interest rate risk profile</b>								
Borrowings (excluding preference shares)	£m	3					0.000	F5.1
Preference share capital	£m	3					0.000	F5.2
Total borrowings	£m	3	0.000	0.000	0.000	0.000	0.000	F5.3
Cash	£m	3		-0.748			-0.748	F5.4
Short term deposits	£m	3					0.000	F5.5
Net debt	£m	3	0.000	-0.748	0.000	0.000	-0.748	F5.6

  

Line description	Total facility available	Amount drawn	Amount undrawn	Interest rate	Maturity date	Line reference
Units	£m	£m	£m	%	d/m/y	
Decimal places (DPs)	3	3	3	2	0	

  

Financing available						
			0.000			F5.7
			0.000			F5.8
			0.000			F5.9
			0.000			F5.10
			0.000			F5.11
Total	0.000	0.000	0.000			F5.12

# Transactions with associates

## Transactions with associates Severn Trent Services (Water & Sewerage) Limited

We require all transactions between the appointee and its associated companies must be disclosed and if any single transaction exceeds 0.5% of the turnover of the appointed business (or £10,000 if greater) it should not be aggregated.

In particular, the following transactions, with related data, must be disclosed if over the materiality limit:

- loans by or to the appointee;
- dividends paid to any associated company;
- guarantees or other forms of security by the appointee;
- transfer of any asset or liability by or to the appointee;
- transfer of any corporation tax group losses by or to the appointee;
- supply of any service by or to the appointee;
- omission by the appointee or any associated company to exercise a right as a result of which the value of the net assets of the appointee is decreased; and
- waiver of any consideration, remuneration or other payment by the appointee

Service	Company	Turnover of associate (£m)	Terms of supply	Value
Operation and Maintenance of Camp Farm Waste water treatment works	Severn Trent Services Operations UK Limited	£45.6m	Competitive tendering resulting in award of contract	£0.159m
Workstations within associated companies premises provided for staff to work at	Severn Trent Water Limited	£1,804.4m	Corporate Services Agreement	£0.009m
Management charges	Severn Trent Water Limited	£1,804.4m	Apportionment of salary costs plus an overhead recovery factor for support services provided to the regulated business. Including Directors, Legal, Commercial and Taxation.	£0.018m
Management charges	Severn Trent Services Operations UK Limited	£45.6m	Apportionment of salary costs plus an overhead recovery factor for support services provided to the regulated business. Finance Business Partnering, Technology support, HR and Health and Safety.	£0.020m

# Non-financial information

Performance - non-financial information		Sewer Treatment Works Service																									
Unit type ID	Unit description	2014/15					2015/16					2016/17					2017/18					2018/19					
		Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
01000000000000000000	Water supply	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01000000000000000000	Water supply	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01000000000000000000	Water supply	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01000000000000000000	Water supply	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01000000000000000000	Water supply	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

# Retail

Performance - retail

Severn Trent Water Service

1				5	6	7	8	9	10	11		12
Line description				Complaints (household)	Complaints (non-household)	Customers on social tariffs	Customers on WaterSure tariffs	Customers on other reduced charges	Customers on the Priority Services Register	Guaranteed Standards Scheme		
Units				Nr	Nr	Nr	Nr	Nr	Nr	Total number of failures	Total compensation paid	
Decimal places (DPs)				0	0	0	0	0	0	0	0	0

Unique ID	Site name	Incumbent region (water)	Incumbent region (wastewater)	5	6	7	8	9	10	11	12
STC-Ww-ALD-WEL	Wellesley, Aldershot	South East Water	Thames Water	0	0	36	11	0	32	0	0
STC-Ww-AUR-BAS	Aurum Green, Basingstoke	South East Water	Thames Water	0	0	0	0	0	1	0	0

# Wastewater

1			4	5	6	7	8		9	10
Line description			Internal sewer flooding	External sewer flooding	Sewer collapses	Pollution incidents	Treatment works compliance			
Units							Number of failed discharges	Site has numeric discharge permits?	Compliance	
Decimal places (DPs)			Nr	Nr	Nr	Nr	Nr	TRUE/FALSE	%	
			0	0	0	0	0	0	2	

1	2	3	4	5	6	7	8	9
Unique ID	Site name	Incumbent region (wastewater)	Internal sewer flooding	External sewer flooding	Sewer collapses	Pollution incidents	Number of failed discharges	Site has numeric discharge permits?
STC-Ww-ALD-WEL	Wellesley, Aldershot	Thames Water	0	0	0	0	0	TRUE
STC-Ww-AUR-BAS	Aurum Green, Basingstoke	Thames Water	0	0	0	0	0	FALSE