



ALBION WATER
Delivering for customers
and our environment
2021/2022

Albion Water Limited

Registered in England No. 3102176

Registered Office:

Operations Centre, Claverton Down Road,
Claverton Down, Bath, England, BA2 7WW

www.albionwater.co.uk

Delivering for customers and our environment

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Summary from the MD

This report covers the year ending 31 March 2021, which has been overshadowed by the current COVID-19 crisis. This fundamentally changed the way our business had to and will operate and the way we think about the future.

The global pandemic impacted all our customers, our shared communities and, our suppliers as well as our team members. I am proud of the way that everyone in the business has responded: our high levels of customer service have continued unchanged, compliance with quality and regulatory standards has remained very high and we have been able to provide help to communities, businesses and individual customers.

Albion Water has not taken any support funding from the government and none of our team have suffered the impacts of the furloughed schemes. During this time, we have onboarded our latest site and continued to support customers with financial issues with our WaterSure scheme as well as proactively communicating about the potential 'bill shock' many customers faced while working at home.

Looking ahead in the next 12 months the future feels less certain today than it did twelve months ago, but our performance in the preceding years and during the COVID-19 crisis to date shows that Albion Water can meet these challenges with our usual championing of the green agenda.

In the coming 12-24 months we have a focus on adding more sites and delivering our latest large-scale industrial site, This Is Gravity. These additions and our focus on strong prudent financial investment and stewardship will see Albion Water move to a positive cash trading position and reduce our debt.

We will continue to champion a different, lower debt, green sustainable approach to delivering water and wastewater services. I do hope you will all continue to support our common cause as we all move forward in a post pandemic world.

About Albion Water

We provide water and/or sewerage services in England and have championed environmentally friendly solutions to providing the water and wastewater essential services for over 20 years.

Our mission is to be a world-leading environmentally delivering water and sewerage company.

Our pledge is to work with our stakeholders to deliver sustainable water and sewerage services and high standards of customer care. Through innovation, research and listening to our customers, we will seek to continually develop new products and services, improve customer satisfaction and practice sound environmental management and biodiversity stewardship.

As a private company delivering essential public services, we want to do this adding value directly to the communities we serve while also fulfilling a wider ambition to protect the planet during our climate crisis.

We thrive on doing things differently, challenging the status quo and our vision and future plans are dependent on embracing change. We consistently engage the whole industry and government to showcase our innovative solutions, work with worldwide developers to think differently about their sites and the impact they have on our communities and the environment, and encourage cross industry collaboration to achieve these goals.

A great example of this is the recent work we are supporting at the [This Is Gravity](#) smart campus in Somerset. We will help them achieve a carbon neutral redevelopment adding jobs and being part of the local environment.

What we do & Where we do it

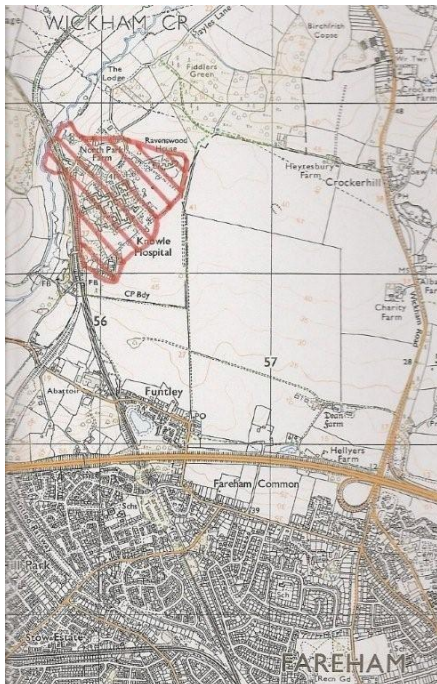
The housing growth plans for the UK over the next 20 years mean there is a real opportunity to ensure that biodiversity becomes an integral part of the development and planning process.

Our knowledge and experience of water and wastewater, managing green spaces, and building wetlands and sustainable habitats tailored to the biodiversity of each site, has ensured these features are developed and available in all our sites.

These nature-based solutions to managing water delivery, also benefit those who live in the communities we serve as well as give you access to diverse green spaces and rich environments to help foster wellbeing and stimulate good health. This approach to local community spaces has been welcomed during the last year when we have all been forced to stay local during the pandemic lockdowns.

Knowle

In July 2009, Albion Water pioneered an innovative services solution at Knowle Village near Fareham in Hampshire.



Working in partnership with the developer Berkeley Homes, water industry regulators and local residents, Albion Water secured an inset appointment to provide sewerage services to the village which not only set prices below that of the local monopoly provider, but maximised the use of existing assets, minimised the carbon footprint and enhanced the site's biodiversity.

Albion Water has embarked on a research and investment programme within this community-based solution to improve the sewerage infrastructure and reliability for Knowle's domestic and commercial customers.

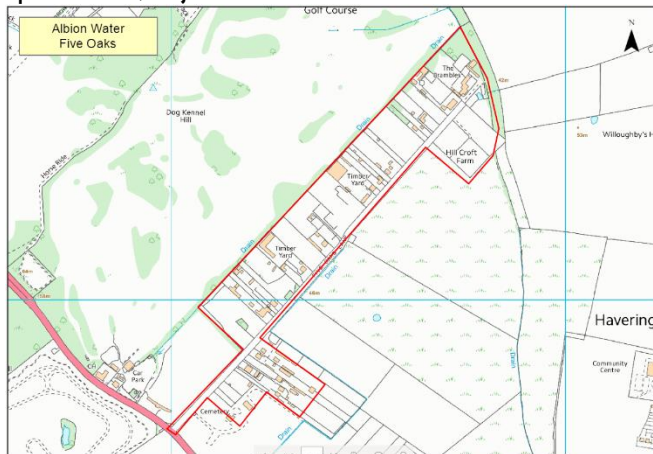
Rissington

An RAF base from the 1930s through World War II and operated as a training base until the 1980s. During the 1980s and early 1990s the base was operated by the USAF, eventually closing in 1994. In 1996 the housing in the 'village', now called Upper Rissington, was sold off.

The former RAF base was purchased by Linden & Bovis Homes in 2012. Albion Water was contracted to provide water and waste water services to the new development area known as Victory Fields and to refurbish and adopt the old private water and waste water infrastructure in the village. The successful refurbishment of the water supply network has resulted in a more reliable service and leakage has been reduced by 1 million litres a day. Albion has also been involved in assisting and managing an important local area of calcareous grassland and it currently working with the developers to design a retention lake that forms a central part of a ground breaking community water recycling scheme.

Oaklands (Five oaks lane), Chigwell

Featuring a central community square and 25 acres of public open space including a new country park and cycle path to Collier Row, Oaklands Hamlet offers an attractive collection of houses and apartments, adjacent to Hainault Forest Golf Club.



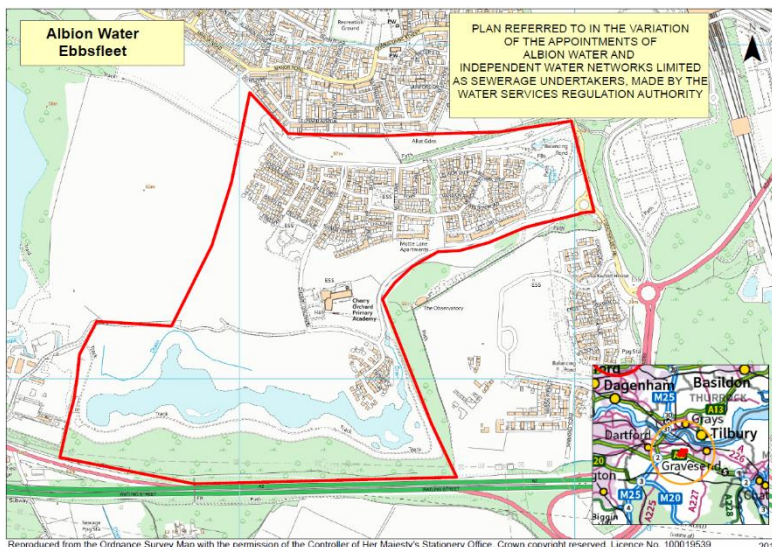
A joint venture between Countryside and L&Q, the homes boast superb views towards Canary Wharf and of the surrounding countryside.

There are a number of parks in the area including Hainault Forest Country Park, Fairlop Water Country Park and Havering Park.

Redbridge Cycling Centre is less than a mile away and boasts a road cycle circuit and mountain bike course.

Castle Hill, Ebbsfleet

Castle Hill is a multi-phase development located on the banks of the River Thames, it is part of the wider Ebbsfleet Garden City scheme and is situated in the Eastern Quarry.



It is located 1.5 miles from Ebbsfleet International Station. The development has large green spaces, playgrounds, a primary school, and a community centre with future plans for local shops and other amenities. The construction of the development began in 2015 and is expected to take at least 10 years to complete.

The quarry was formerly an open cement works, owned by Lafarge until 2008.

The quarry was so large the City of London could fit into it. In October 2020 Albion Water took over responsibility for the sewerage network and sewage treatment works serving Castle Hill from Independent Water Networks Limited (IWNL).

Our Customers, Communities and People

We take our environmental stewardship responsibilities seriously and in the last 12 month we have:

- Adopted and taken ownership of SuDS assets in Chigwell and Ebbsfleet which will deliver green community and wildlife space
- We have continued to manage our existing areas for the wider community enjoyment and supporting biodiversity
- Begun planning the transfer of restricted access woodland to become a community wellbeing space in Rissington
- Continue to provide wastewater networks with no CSOs and therefore no sewage spills from these types of assets

We love our community engagement and in the last 12 months we have:

- Participated in public meetings and events, including providing online presentations to local communities and at Resident Association and Parish Council meetings
- Engaged with LPAs over new build, asset health and capacity
- Educated the Knowle LPA on the benefits of our for a constructed wetland to remove more nutrients from our discharge, and pre-planning application has been positively received
- Engaged with the incumbent water provider, on behalf of our customers, to improve their asset resilience and advance asset spend to reduce service interruptions at the Oaklands, Chigwell site
- Joined one of our group's other companies in delivering an online work experience programme, focused on green skills and jobs

We have always delivered excellent natural environmental performance and in the last 12 months we have:

- Grassland management changes to encourage a species rich calcareous meadow, so we are now custodian of land hosting thousands of orchids of 5 species, up to 10 bat species across our land holdings, also home to 7 species of reptiles and amphibians and populations of rare invertebrates and glow-worms

Our exemplar H&S performance continues and in the last 12 months we have:

- No HSE enforcements
- No reportable RIDDOR incidents
- No incidents
- We have also just approved the creation of a new programme to bring even better focus on H&S, Permission Granted, which will ensure we continue to keep our team members safe

Albion Water closes monitors and records its performance against our Guaranteed Standards of Services (GSS) promise. For the year ended March 2021 we have experienced very few service failures:

		Award per event	Customers	Total Paid
11.02	Replying to Correspondence	£30.00	5	£150.00
11.04	External Flooding	50% annual charge, min £75 max £500	1	£75.00
11.041	Late in making payment	£30.00	1	£30.00
11.1	Money Paid in Error	Variable	1	£10.00
11.15	Failure to take an Annual Meter Reading	£10.00	3	£60.00
Total			11	£325.00

During March 2021 and April 2021 the Oaklands Chigwell site experienced several supply interruption service failures, not shown in the table above. These events gave rise to 342 payments of £30 (£10,260) after the reported year ended March 2021.

Working with the local MPs, councillors, parish council and resident's association Albion Water secured immediate asset resilience work in the incumbents Water Treatment work and agreed an advancement of asset expenditure which will provide a secondary feed to the site and secure the service in the future. The incumbent water company has refunded Albion Water the GSS payments made in relation to this failure.

Following the asset resilience work there has been no reoccurrence.

Supporting our customers

One of the core principles of being a NAV, or new water and sewerage company, is that every customer we have should be no worse off than if they had been served by the local incumbent (the 'no worse off principle').

We check and update our tariff schedules, all published on our website, each year to update them in line with any changes made by the incumbent companies, Our Board certifies the changes and we are always happy to provide a certificate of compliance to Ofwat following this process.

We believe in being open about the changes and our published tables, always individual for each site, provide an easy reference point for all customers to check should you have concerns.

Alongside making sure the charges are the same, we believe our environmental approach to water recycling, onsite wastewater treatment with lower pumping arrangements (less sewer spills and lower carbon) combined with proactive community engagement and land management mean our customers gain from being with Albion Water.

Financial Stewardship

Add a short summary and some highlights from the accounts for performance, showing stability and growth.

We had another year of strong financial performance in 2020-21, reflecting our careful and considered growth business plan.

We made investments at a number of water recycling centres, which helps us ensure we can continue to provide our services into the future.

Our Turnover increased from £7774k to £1.3m. Underlying operational costs increased from £1.4m to £2.3m both due to the onboarding of the Castle Hill, Ebbsfleet site.

Covid has hit several of our activities and our trading deficit increased from £673k to £831k. While the overall deficit has increased, post covid we expect the expanded trading activities to push Albion Water towards a cash positive position.

Our funding remains stable and our Board positive about the future stable growth of the company.

Albion Water Ltd - Profit and Loss Report
For the 12 Months to March 2021

Albion Water Ltd - Balance Sheet
As at 12 Months to March 2021

		GBP 000's			GBP 000's
Income					
	Water	176	Fixed Assets		10,858
	Sewerage	450	Deferred Income		-11,758
	Other	706	Work-in-Progress		1,951
	Total	1,332	Debtors		171
Operational Costs		-2,320	Creditors		-296
EBITDA		-988	Inter Company		-214
	Depreciation	-58	Cash at Bank		-144
	Tax	233	Net Working Capital		568
	Interest	-18	Long Term Borrowings		-4,221
Profit/Loss		-831	Net assets employed		-3,653
			Retained Loss Current Year		-831
			Retained Losses B/F		-2,822
			Share Capital		
			Shareholder funds		-3,653