

Highlights and challenges continued

→ Read more about our financial performance on pages 102 to 111

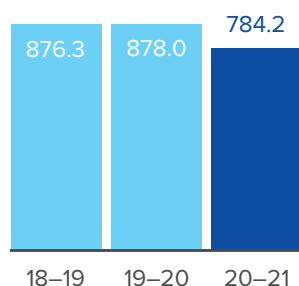
Profit before interest and tax fell to **£139.6m**

largely as a result of the reduction in our revenues, as agreed as part of our Business Plan for 2020–25

Financial highlights

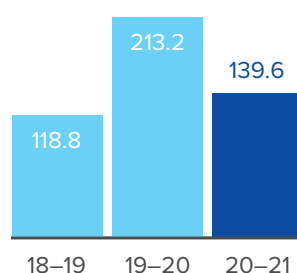
Revenue¹ (before regulatory settlement) £m

£784.2m



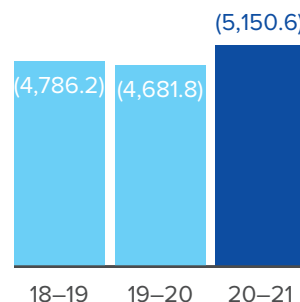
Profit before interest and tax¹ £m

£139.6m



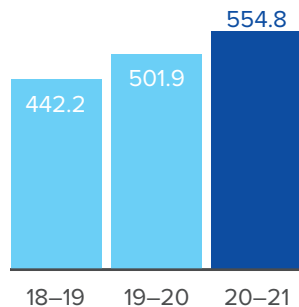
Net Debt² £m

(£5,150.6m)



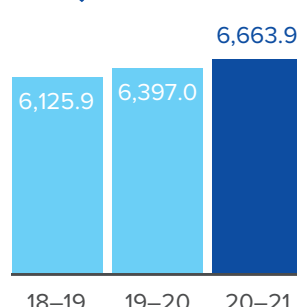
Capital investment² £m

£554.8m



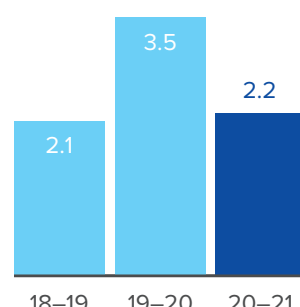
Non-current assets (excluding debt) £m

£6,663.9m



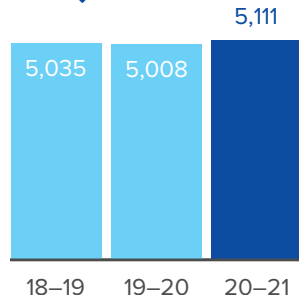
Return on capital employed (ROCE)³ %

2.2%



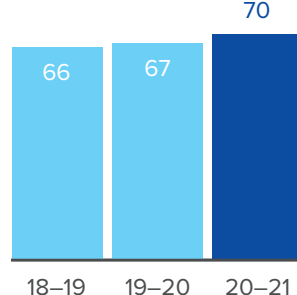
Regulatory Capital Value (RCV)⁴ £m

£5,111m



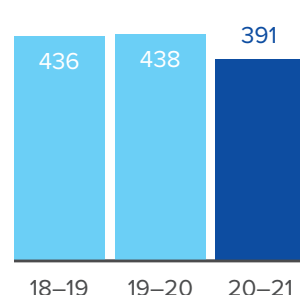
Net debt/RCV⁵ %

70%



Average water and wastewater customer bill £

£391



1. Following its investigation into our wastewater treatment works compliance reporting Ofwat imposed a penalty under Section 22A of the Water Industry Act. We provided in full for this proposed regulatory settlement in the financial statements for 2018-19 reducing profit in that year. We are now making rebates to customers, through revenue, over the period from 2020 to 2025 and these are offset in the income statement by the amortisation of the provision made in 2018-19.

2. Capital investment for 2020-21 includes an intangible asset of £124.6 million recognised for the future payments to Portsmouth Water in relation to the right to water from the construction of the Havant Thicket reservoir. This is a non-cash valuation in the year and payments will be made to Portsmouth over the period to 2100.

3. ROCE is presented as the ratio of profit before interest and tax (£139.6 million) to non-current assets excluding debt (£6,663.9 million) less current liabilities excluding borrowings and lease liabilities (£317.6 million) from the Statement of Financial Position.

4. Regulatory Capital Value (RCV) a measure of the value of our regulatory capital asset base as published by Ofwat. The RCV for March 20 has been restated to reflect the adjustments made by Ofwat at the end of the last regulatory period.

5. The net debt to RCV ratio is calculated as short and long-term senior borrowings, less cash and short-term deposits to the RCV (all values taken from our Regulatory Accounts).