

Report On Payment Practices and Performance

Ensuring a collaborative and good working relationship with all of our suppliers is key to the operational success of Portsmouth Water Limited.

We are aware of how important being paid on time and within a reasonable period is to all of the suppliers that we work in partnership with, and as such operate with fair payment terms. This is demonstrated by our payment practices which we have reported for the six months to 30th September 2018.

Through close relationships with our suppliers we are fortunate to have minimal instances where payment of invoices has been in dispute. Our current process means that both the Financial Controller and the Purchasing Manager are aware, on a day to day basis, of any payment disputes and these are actioned and resolved quickly. Statements are reconciled monthly and all of our spend is covered by a Purchase Order system which is also managed on a daily basis.

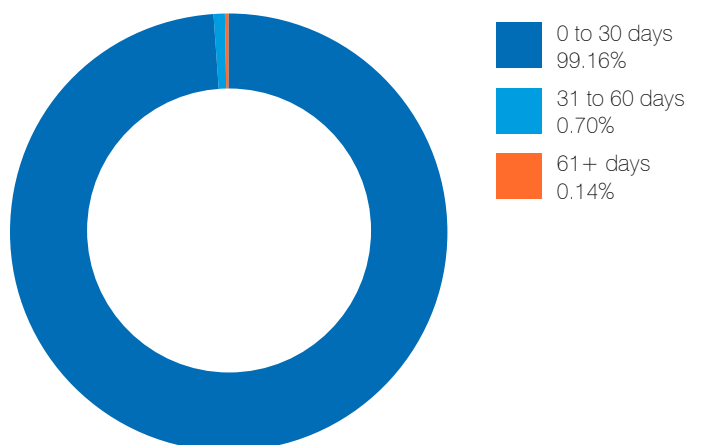
- ▶ Our standard terms are payment in 30 days from date of invoice
- ▶ The maximum contractual payment terms are 30 days from end of month
- ▶ Change of payment terms occur rarely however, this would be on an individual supplier basis and changed through a collaborative process

- ▶ Suppliers are encouraged to send their invoices to us electronically
- ▶ Supply chain finance is not available
- ▶ Portsmouth Water’s business practices and policies do not cover deductions
- ▶ Portsmouth Water is not a member of a payment code

Invoices with a receipt date between 1 April 2018 and 30 September 2018

Total number of those invoices paid	15,711
Total number of those invoices unpaid	72
Total number of those invoices unpaid but due	31

Breakdown of percentage paid



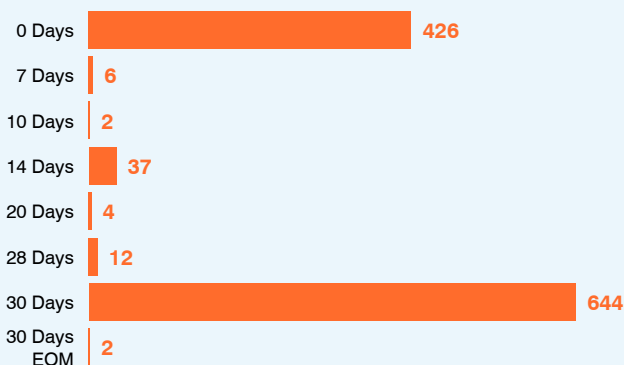
Average number of days taken to make payments within the dates above from receipt of invoice

15.11 days

Those due for payment within period up to 30 September 2018

Not paid	0.28%
Not paid within terms	12.56%
Not paid within 30 days of receipt	1.18%

Supplier Payment Terms



Suppliers on zero day payment terms are generally payable by direct debit