

AffinityWater

Deferral Scheme 2025

February 2025



Introduction

This Deferral Scheme is being introduced for Retailers as an optional temporary measure in order to assist with Retailer cashflow during the first 3 months of the 2025-26 financial year. All deferred amounts set out in sections 5 and 6 will be interest free.

1. Months

This Deferral Scheme will only apply for the first 3 months of the 2025-26 financial year, namely the months of April, May and June 2025 (the "Applicable Period").

2. Settlement Runs

This Deferral Scheme will apply to Settlement Runs as follows:

- (1) For Retailers utilising Pre-Payment for the Applicable Period, this Deferral Scheme will only apply to the P1 Settlement Run; or
- (2) For those Retailers utilising Post-Payment for the Applicable Period, this Deferral Scheme will only apply to the R1 Settlement Run, with the P1 Credit Support Notice for the Applicable Period receiving additional benefit through our revised Alternative Eligible Credit Support Agreement.

3. Availability

This Deferral Scheme is an optional scheme open to all Retailers, without the need to sign any agreements. The Retailer will automatically be considered to have opted into this Deferral Scheme by utilising the Initial Payment values referred to in section 5. This Deferral scheme will operate alongside any Alternative Payment Terms Agreements and Alternative Eligible Credit Support Agreements in place at the time of publication of the P1 during the Applicable Period.

4. Issuing of Invoices

During the Applicable Period, our system will generate all invoices in full as per the CMOS published Settlement data and the invoice will be emailed out according to our published invoice timetable. The payment values and due dates referred to in sections 5 and 6 will be calculated and displayed on each invoice where the Deferral Scheme is available (see section 8 for examples).

5. Initial Payment

During the Applicable Period, where a Retailer receives a separate invoice for the P1 or R1 Settlement Run, a minimum payment of 85% of the net value + 100% of the VAT value is expected by the original due date stated on the invoice or, where a Retailer receives combined invoices through Alternative Payment Terms, a minimum of 85% of the R1 net value + 100% of the displayed R2, R3, RF & VAT values is expected by the original due date stated on the invoice. For any remaining balance of 15% or less after the original due date, the balance will be classed as a Deferred Payment and subject to section 7, will not be classed as late and will remain interest free.

6. Deferred Payment

During the Applicable Period and according to any signed Alternative Payment Terms Agreements, all outstanding invoice balances relating to section 5 are to be paid in full by the due date of the R2 invoice for the month in which the R1 invoice relates.

7. Late Payment

Any late or reduced payments below the minimum percentages set out in sections 5 and 6 will result in the outstanding balance being classed as late and will be subject to late payment processes as per the Business Terms and will impact any held Alternative Eligible Credit Agreements.

8. Example Invoices

Invoice example where Alternative Payment Terms are **not** in place:

AffinityWater		AFFINITY WATER LIMITED	
		Finance Department, 3rd Floor, Tamblin Way, Hatfield, Herts, AL10 9EZ	
		Telephone (0345) 350 3671	
		Registered in England No. 02546950 VAT No. 600 431504	
		INVOICE	
		Date	08-Jan-25
INVOICE NO.	CUSTOMER NO.	YOUR REF	OUR REF
DESCRIPTION	V.A.T	AMOUNT £	
R1 Settlement - December 24	20%	£168,081.82	
<p>Optional Deferral Scheme</p> <p>The Initial Payment of £176,485.91 is due by 30-Jan-25</p> <p>The Deferred Payment of £25,212.27 is due by 22-Mar-25</p>			
	NET	£168,081.82	
VAT Rate 20%	VAT	£33,616.36	
E. & O.E.	TOTAL	£201,698.18	
<p>We reserve the right to charge interest on late payments at the rate payable under the Late Payment of Commercial Debts (Interest) Act 1998 as amended, unless agreed otherwise in writing.</p>			

Invoice example with Alternative Payment Terms in place:

AffinityWater		AFFINITY WATER LIMITED	
		Finance Department, 3rd Floor, Tamblin Way, Hatfield, Herts, AL10 9EZ	
		Telephone (0345) 350 3671	
		Registered in England No. 02546950 VAT No. 600 431504	
		INVOICE	
		Date	08-Jan-25
INVOICE NO.	CUSTOMER NO.	YOUR REF	OUR REF
DESCRIPTION	V.A.T	AMOUNT £	
R1 Settlement - December 24	20%	£93,180.27	
R2 Settlement - October 24	20%	-£12,461.66	
R3 Settlement - April 24	20%	£18,218.00	
RF Settlement - August 23	20%	£11,301.36	
Optional Deferral Scheme			
The Initial Payment of	£118,308.52	is due by	31-Jan-25
The Deferred Payment of	£13,977.04	is due by	31-Mar-25
	NET	£110,237.97	
VAT Rate 20%	VAT	£22,047.59	
E. & O.E.	TOTAL	£132,285.56	
<p>We reserve the right to charge interest on late payments at the rate payable under the Late Payment of Commercial Debts (Interest) Act 1998 as amended, unless agreed otherwise in writing.</p>			