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anglianwater

Annual Performance Report 2025

Anglian Water Services Limited
March 2026 Revision

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Version Control

1 We originally published our Annual Performance Report in July 2025. In this revised version, we have made several amendments to the detailed data tables and associated commentaries. These changes result from Ofwat's query process which follows the July publication of our Annual Performance Report, Ofwat's in-period ODI determination in respect of 2024-25, and from additional internal assurance checks performed concurrently. The amendments made do not materially change a reader's understanding of our performance or financial position as described in the narrative of the Annual Performance Report, as such we have not obtained an updated audit opinion from our auditors, Deloitte. This means the assurance reports and sign offs included are aligned to our original submission. The table below summarises the changes that have been made and these changes have been highlighted red within the relevant data tables and the commentary.

Reference no.	Table	Description of Change
1	1E	Changes to interest costs and weighted average interest rates
2	1F	Changes to the variance in corporation tax line; calculated return on regulatory equity including financing adjustments; minor changes in totex underperformance; minor changes in retail underperformance; minor changes in RCV growth; total shareholder return and retained value.
3	2B	Minor changes in other operating expenditure; total base operating expenditure and enhancement operating expenditure.
4	3B	Changes to reflect Ofwat’s ODI final determination for 2024-25
5	4E	Changes in base operating expenditure and enhancement operating expenditure
6	4H	Minor changes in return on regulatory equity
7	4K	Changes in other operating expenditure and total base operating expenditure.
8	4L	Minor changes in cumulative expenditure on various scheme lines.
9	4M	Various minor changes in wastewater enhancement expenditure.
10	7F	Various changes to WINEP phosphorus removal scheme cost drivers.

Introduction

Annual Performance Report and required regulatory information

We present over the following pages the Annual Performance Report (APR) for the year ended 31 March 2025. This provides specific and transparent information on our progress on the delivery of customer outcomes, service levels, costs and financial and environmental performance. The APR is prepared to comply with Condition F of the Instrument of Appointment of Anglian Water Services Limited as a water and sewerage undertaker under the Water Industry Act 1991 and the Regulatory Accounting Guidelines (RAGs) published by Ofwat. This report complements our separately published Annual Integrated Report, available on our website www.anglianwater.co.uk, which provides more information about our activities in 2024/25.

Commentary has been included beneath each APR table to provide further information, to explain significant year-on-year variances in performance and to highlight assumptions where appropriate. The subheadings in the commentary refer to the APR table line numbers to aid navigation.

Beyond the tables, a full set of the disclosures required by RAG 3.15 is set out in a separate section.

This report includes the data assurance summary, which demonstrates the process carried out by Anglian Water Services Limited to evidence that information provided is reliable.

At the end of the report are the summary reports of our Independent Auditor and our External Non-financial Assurance provider on the conclusions of the work they have undertaken to assess the reliability of our submission.

The APR is prepared in accordance with the Regulatory Accounting Guidelines (RAGs) issued by Ofwat, which are based on International Financial Reporting Standards (IFRSs). There are differences between IFRSs and the RAGs and where there is a conflict, the RAGs take precedence.

In this report, Anglian Water Services Limited is also referred to as Anglian Water, AWS or the Company.

The Annual Performance Report was approved by the Board of Directors on 11 July 2025 and was signed on their behalf by:

Mark Thurston

Chief Executive

Michael Bradley

Chief Financial Officer

Key Messages

Chief Executive Officer, Mark Thurston, commented:

"I am pleased to report a strong financial year, closing AMP7 on a solid footing. Revenue increased by 7.5% to £1,749.3 million, and operating profit rose 15.2% to £496.5 million, driven by strong EBITDA. In addition, we invested a record £1,081 million to enhance our infrastructure and long-term resilience.

2024/25 has also been a year of significant leadership change. Both Michael Bradley, our Chief Financial Officer, and I joined the business during this period. Alongside the wider executive team, we led a comprehensive prioritisation programme focused on seven key areas. Designed to strengthen our AMP7 close-out, this work directly contributed to performance improvements in areas such as our Water Industry National Environment Programme (WINEP) obligations and treatment works compliance since our mid-year position — a clear sign of progress we will continue through AMP8.

Almost half (c.£16 million) of our £35.5 million ODI penalty for 2024/25 results from our leakage performance which, while falling short of our individual target, remains one of the industry's leading positions. [1] The other half of the penalty is made up of underperformance in areas such as pollution incidents, water supply interruptions, and internal and external sewer flooding. We acknowledge we have more work to do to reach our 2030 vision to be an upper quartile performer.

We recognise the challenges ahead. While important progress has been made, returning the business to upper quartile performance is our priority. The strategies and plans being implemented give us confidence in our trajectory and provide a clear roadmap for delivering consistent, high-quality outcomes for customers, colleagues, regulators, investors and the environment.

In 2024 Serious Pollutions incidents fell by 36%, however Total Pollutions performance saw an increase in incidents in 2024 compared with 2023. We continue to work closely with our regulators and have taken significant steps to improve, including £100 million of investment from our shareholders in July 2024 to address key areas: asset health, blockages and hydraulic overloading.

Customers remain at the heart of everything we do, as we supply over 1 billion litres of clean drinking water daily. We maintained our 7th place CMeX ranking, 5th when comparing against the Water and Sewerage Companies, while our Priority Services Register grew to 444,387 customers (14.7% of our base), exceeding our AMP7 target within the period and ahead of the scheduled end date."

Financial highlights

ODI penalty

- At the end of year 5 of the AMP, we are £35.5 million in net penalty, with £3.4 million in rewards and £38.9 million in penalties.
- Independent reports show our absolute performance is above average in several areas — for example, our leakage position remains one of the best in the industry and is critical for our region. However, we still remain in penalty at year-end.
- Significant improvement in our year-end position was achieved through a focused prioritisation programme, delivering operational efficiencies and stronger cross-business alignment.

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1 This revised net ODI penalty reflects the outcome of Ofwat's ODI final determinations for 2024-25 which were published on 13 November 2025, after we published our APR in July 2025.

AMP7 Totex Performance

Our cumulative position for AMP7 is an overall overspend of £836 million compared to the allowance set by Ofwat at PR19. This is made up of overspends in both base, where we have reinvested efficiencies to improve the performance of the business, and enhancement. We were also hit by higher energy costs following the invasion of Ukraine once the protection offered by our hedging policy expired.

On enhancement we have continued to deliver our Water Industry National Environment Programmes (WINEP) environmental obligations through innovative projects. The efficiency in delivering these has been reinvested into base as described above. We also suffered significant overspends on our strategic interconnecting pipeline project, where we saw increased costs due to supply chain challenges following Covid-19 and the Russian invasion of Ukraine. We have assumed £388 million of additional expenditure remains to be incurred against our PR19 allowance to complete this programme during AMP8.

The Board continues to actively reinvest efficiencies in Water Recycling to address the particular need for improvements in pollution and storm overflows. In addition, our shareholders committed £100 million of additional investment to accelerate our work on reducing spills and pollutions, highlighting their long-term support for the business.

These decisions highlight the flexibility of the business to manage both cost and delivery across the business as a whole, which has been enabled by the broadly symmetrical cost sharing rates between price controls as well as between base and enhancement expenditure.

Appointed revenue up £122.7 million (+7.5%)

Revenue increased by £122.7 million to £1,749.3 million primarily as a result of a price increase of 8.6 per cent reflecting allowed inflationary and real terms increases set out in the PR19 determination regulatory settlement. All other factors such as consumption remained relatively consistent year on year.

EBITDA up £100.5 million (+12.3%)

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by £100.5 million to £920.0 million with revenue increases partially offset by increased operating costs, as set out on page 12. Our strong cost control in the year and over the AMP have allowed the additional capital investment over and above what was funded by Ofwat.

Operating profit up £65.6 million (+15.2%)

Operating profit increased by £65.6 million to £496.5 million reflecting strong EBITA, partially offset by higher depreciation.

The increase in depreciation reflects the significant investment made in our asset base - the year saw a record investment of £1,081 million.

Capital investment up 12.3%

Delivery against this investment programme has remained strong, with this year being our biggest to date with gross annual capital expenditure across the appointed business, increasing from £963 million in 2023/24 to £1,081 million in 2024/25.

This investment included continued work on our strategic pipeline which will help to support water resources in the region and enable growth along with continued spend on maintaining our existing assets. This investment also creates valuable jobs in the region both directly and indirectly through our supply chain.

Operating cash flow up £44.2 million (+5.8%)

Operating cash flow increased by £44.2 million to £811.3 million reflecting strong EBITDA and additional pension contributions in the year.

Dividend

The Directors have recommended that no final dividend in relation to 2024/25 should be paid (2024: £88.6 million paid in June 2024).

Refer to the "Accounting, performance and transfer pricing disclosures" section for the statement on dividend policy for the appointed business.

Investing for the future

- Highest-ever annual investment in our capital programme at £1.08 billion, totalling £3.8 billion for the AMP to date.
    - One of the biggest Water Industry National Environment Programmes (WINEP) in the industry. Since 2020, we have invested £560 million in various schemes.
- Delivered 1,698 obligations through WINEP and approximately 1,900 obligations overall over this AMP.
- AMP8 plan, which was shared with Ofwat in October 2023, will see a significant step up in investment.
    - Valued at more than £9 billion overall, with £4 billion proposed for environmental enhancements.
    - Designed to mitigate impacts of climate change, enhance the environment, further bolster water resilience, and support social and economic growth in our region – while keeping bill rises to a minimum.

Financial Resilience

- As announced in May 2025, our ultimate shareholders have committed to inject £500 million into Anglian Water Group, reflecting confidence in the business and sector
    - £300 million will be provided by early September 2025 to repay a £240 million bond maturing in March 2026 in our Midco structure.
    - The remaining £200 million will be provided by early June 2026 to repay £200 million of bank loans maturing in mid-June 2026 in our Holdco structure.
    - This unconditional equity commitment is part of plans to strengthen the capital structure ahead of regulatory reforms and maintain strong investment grade credit ratings.
- As announced in March 2025, we have implemented a de-leveraging plan with shareholders to reduce gearing at OpCo and MidCo to 65 per cent and 75 per cent respectively by 2030.
    - his initiative aims to strengthen credit rating agency metrics while repaying debt as it matures at HoldCo.
    - The £500 million unconditional upfront equity commitment from shareholders, announced in May, supports this plan.

As set out in our PR24 Business Plan, our extensive investment programme means we will look to raise c.£400 million of debt over the year to March 2026. In addition, on 16 June 2025 the Group received formal commitment from lenders for the refinancing of £950 million of RCF's that were due to expire in March 2026 and June 2026 in the form of a new 3-year facility totalling £1 billion.

CMA referral and Cunliffe Review

- Our PR24 business plan outlines over £11 billion worth of investment to support economic growth, climate resilience, and environmental protection in one of the UK's fastest-growing regions, with one of the lowest bill increases and largest customer support packages.
- We believe Ofwat's Final Determination underfunds essential asset maintenance and fails to strike a fair balance of risk and return, putting long-term resilience at risk despite £1 billion of efficiency savings already identified.
- As a result, we asked Ofwat to refer our PR24 Final Determination to the Competition and Markets Authority (CMA), to ensure the right balance is achieved for customers, stakeholders, and the region's future.
- However, the referral process has not delayed our programme of work, having already kickstarted delivery of year one of our AMP8 programme, with £1.1 billion earmarked for capital delivery in 2025/26 alone.
- We welcome the interim findings of the Cunliffe Review, particularly its recognition of the need for long-term strategic direction, improved regulatory coordination, and investment in infrastructure resilience. We will continue to engage constructively with the regulators and the wider process as it develops towards the final report.

Environmental performance and pollution management

- Our Total Pollutions in 2024 increased. However we have made at least a 36 per cent reduction across our Serious Pollutions (2024: 7, 2023: 11). This represents a 50 per cent decrease from our AMP peak of 14 incidents in 2021.
    - This year, asset failure and blockages were our leading root causes of pollutions, accounting for 39 per cent and 36 per cent respectively. Hydraulic overloading, which occurs when too much water enters our network, was responsible for 15 per cent of incidents and was exacerbated by extreme rainfall and high groundwater levels – conditions that affected over 50 per cent of our region.
    - We clear a pipe every 15 minutes, with 80 per cent of blockages from avoidable waste. We're addressing domestic misuse with our customers through the refreshed Just Bin It campaign, targeting high-risk areas with education, engagement, and enforcement. Early results suggest more than 500,000 wet wipes are in the network at any time, reinforcing the need for continued action
    - Our huge focus on monitoring over the past two years means we now have greater visibility of our network and assets than ever before. That also means we are finding, understanding and fixing more pollutions than ever, which in turn is reducing real environmental harm.
    - We also achieved a 19 per cent improvement in self-reporting over AMP7 — the highest in the industry — with an expected Green status on the Environment Agency's Environmental Performance Assessment (EPA) for 2024.
    - We are confident that we are setting a strong foundation to underpin future performance enhancements, and, over AMP8, are aiming to deliver a 46 per cent reduction in Total Pollutions and a 72 per cent reduction in Serious Pollutions by 2030.

- On a like-for-like basis the average spills per storm overflow, including all Event Duration Monitor (EDM) data, was 31 spills per overflow in 2024, compared to 22 in 2023.
- We are pleased to report 100 per cent of our assets are now monitored, meaning we can proactivity lean into and resolve the problems we are now identifying.

Capital investment and infrastructure delivery

- Our strategic interconnecting pipeline, being delivered by our Strategic Pipeline Alliance (SPA) will be completed during AMP8 rather than within the AMP7 performance commitment as originally planned.
    - Once complete, we will have a new network of hundreds of kilometres of large-scale interconnecting pipelines and associated infrastructure that will allow 265 million litres of water a day to be moved around the region from wetter areas in the north to drier areas in the south. 247 kilometres of pipe is already in the ground and will eventually join up from north Lincolnshire right down to Essex.

- Work has continued on our plans to build two new reservoirs, one in Lincolnshire and another in the Cambridgeshire Fens, both of which will deliver significant benefits to the region once online.
    - In 2024 we undertook the second phase of consultation, gathering feedback from local communities and stakeholders on topics including the initial reservoir designs and early proposals for surrounding land use, such as environmental enhancements, construction areas, and wider site opportunities
    - We continued conversations with landowners about next steps and will continue to engage closely with those potentially affected by the projects.
    - We also commenced procurement of a Programme Delivery Partner (PDP), a critical component of our AMP8 delivery strategy. The PDP will support integrated programme delivery, including key reservoir schemes, reinforcing our alliancing approach to drive value for customers and the environment

Focusing on what matters to customers and managing bills

- We have maintained 7th position for CMeX at year-end, putting us in ODI reward, reflecting our commitment to high service standards and customer experience.
    - While aiming to return to upper quartile performance, this result provides a solid foundation for further improvement.
- We concluded the year in 8th place for DMeX, performing just above the industry median.
    - Achieving a score above the median places us in reward, highlighting the positive strides we're making to enhance the experience for our developer customers.
- This year, we exceeded our Ofwat affordability target of 310,161 by 95,264, having supported 405,425 customers in 2024/25. (2023/24: 389,371 vs a target of 296,617)
    - Customers benefit from a range of affordability support, including payment breaks, concessionary tariffs, forgiveness schemes and temporary instalment plans.
    - This year we awarded £0.8 million from the Anglian Water Assistance Fund and matched £0.9 million of payments made by customers through our Back on Track Scheme.

- 14.7% of customers are now on our Priority Services Register (PSR) — exceeding our AMP7 target within the period and ahead of the scheduled end date.
- An independent survey, run by the Consumer Council for Water (CCW) across Water and Sewage Companies (WaSC) showed customers continue to be happy with our service.
    - 92 per cent were happy with the colour and appearance of their tap water and 61 per cent agreed our charges were fair, compared to WaSC industry averages of 91 per cent and 54 per cent respectively.
- Anglian Water bills will average at £1.72 per day by the end of March 2026 (£1.45 in 2024/25).
- We exceeded our final year target for Non-Household (NHH) Retailer satisfaction, achieving a score of 84.23 against a target of 79.1. This completes AMP7 with all annual performance commitments met or exceeded throughout the period.
- Drinking water in England and Wales is among the most tightly regulated globally, and protecting our customers' supply remains fundamental to our business.
    - In over 20 years we had not faced a drinking water prosecution, until May 2025, when we were fined £1.42 million for historic regulatory breaches relating to Materials in Contact.
    - Since these issues first came to light, we have significantly strengthened our management processes in this area, setting a recognised industry benchmark.
    - Importantly, there was no evidence of water supply contamination, and the court confirmed the risk to customers was very low.

Water resource management

- We achieved an in-year leakage result of 187.0 megalitres a day. This produces a three-year rolling average of 186.5 and a 3.9 per cent reduction from the three-year 2019/20 baseline period.
    - We are disappointed to be in penalty on this ODI, however we continue to have one of the industry's lowest levels of leakage and the levels of reduction we are targeting haven't been achieved before in the UK.
- We also achieved in-year Per Capita Consumption (PCC) performance of 123.9 litres per person per day. This gives us a three-year rolling average of 126.1 and a reduction of 6.6 per cent from the 2019/20 three-year baseline period (these are post covid adjusted figures as agreed by Ofwat through the PR24 process).
    - This reduction is underpinned by our large-scale roll out of smart meters, customer-side leakage and ongoing behavioural change programme.
- In March we completed the installation of 1.1 million smart meters across our region, in an investment worth £153 million across the AMP.
    - This milestone, which saw us hit our AMP7 target ahead of time, means we remain on track to deliver smart meters across the entire region by 2030.

Supporting our people and partners

- The health, safety and wellbeing of our people and those that work with us will always be a priority. Recognising the change in scale of our business and, in conjunction with

our people, in March 2024 we launched Safer Every Day - a clear, unified framework for Health, Safety and Wellbeing.

  - As part of the initiative, we have refreshed safety communications and on-site branding, including Safety Alerts, articles, site signage, and our Safety Charter, to create a more visible and consistent safety message.
  - We have commenced a two-year safety improvement programme, covering enhancements to our LIFE programme, standardised Personal Protective Equipment (PPE), and updated safety systems, policies, and procedures.
  - We are embedding a consistent, proactive safety culture across the organisation, making it simpler for employees and partners to prioritise safety in everything they do.

- We are one of the largest employers in the East of England, providing thousands of jobs across a wide range of roles, from engineering and environmental science to customer service and digital technology.

  - In June 2024 we launched a Green Skills Academy at the College of West Anglia in Wisbech. With the help and support of our alliance partners, we have contributed £2 million of partnership funding for this new Green Skills Academy, which will fund the training of 900 people in vital environmental skills over the next 20 years. The academy and its courses are expected to be up and running this year.
  - As we move into AMP8 we will be creating even more job opportunities through major infrastructure projects, network upgrades, and sustainability initiatives. This investment will not only support existing jobs but also open up new roles in emerging areas such as green innovation, renewable energy, and nature-based solutions.

Executive renumeration

- We recognise the recent statement made by Defra regarding the implementation of the Water (Special Measures) Act, which outlines that a number of water companies - including Anglian Water - are not permitted to pay executive bonuses this year due to environmental and customer performance.

  - Despite a 36 per cent improvement in serious pollution performance, no bonuses will be paid to the retiring Executive Directors or the new CEO, Mark Thurston, this year.
  - Our Annual Integrated Report, published on 15 July, details the outcome for executive remuneration in 2024/25.

Board statement on accuracy and completeness of data and information

RAG 3.14 requires the Board to confirm that the data and information which the Company has provided to Ofwat in the reporting year and/or which it has published in its role as a water and sewerage undertaker was accurate and complete.

The Board has considered the following sources of assurance in response to this requirement:

- the Company's Assurance Framework, which describes the Company's assurance philosophy and the approach it takes to test the reliability and accuracy of its data. The Assurance Framework is published on the Company's website
- the formal system used by the Company for the 'collection and storage of reliable data relating to our key assets and activities to fulfil all the requirements of Ofwat and other stakeholders and to deliver our business goals'. This system is part of our quality management system which is certified to ISO 9001
- the other certified management systems used by the Company to manage its operations, such as water services, environmental management, occupational health and safety, laboratory services and carbon management. Accuracy of data is integral to all of these systems
- the feedback from Ofwat on its 2023/24 Annual Performance Report and, where relevant, other submissions
- the Board's comprehensive approach to risk management, which includes maintenance of a corporate risk register. 'Performance data – not robust' is a Top Tier risk in the register which is monitored by the Management Board. Each risk is "owned" by a member of the Management Board and mitigating actions are regularly reviewed
- reports to the Board's Audit Committee from the Company's external auditors who, as part of their routine audit process, consider and report on a range of risks which could result in inaccurate financial information (including the risk associated with the exercise of management judgement)
- the Board Audit Committee oversees the execution of the approved Internal Audit plan, including a regular update on completion of Internal Audit recommendations
- reports to the Board's Audit Committee from the Company's Internal Auditors which highlight potential improvements to business activities and processes, some of which may result in the production of data and information for onwards transmission to Ofwat
- the annual "Statement of Responsibility" process (conducted by Legal and Finance) which requires key managers in the business to confirm that the Company's resources, policies, organisational structures, risk management processes, accounting systems and governance arrangements are sufficient to enable the Company to meet its responsibilities, including the provision of accurate information. The results of this process are reported to the Board's Audit Committee
- the cultural values of the business, which include the value of "Doing the Right Thing" and which are taken into account as part of the annual review of employee performance, such that behaviour which is inconsistent with the values of the business is not rewarded
- the Company's code of conduct, which summarises a series of policies which are designed to underpin the cultural values referred to above

- the Company's Whistleblowing Policy and procedure, which facilitates the reporting of concerns regarding the accuracy or legitimacy of data and information which may be relied upon by the Company; and

- the relevant reports of the Executive Directors to meetings of the Board during 2024/25.

The Board considered its approach to assurance in a review in 2021. The Board's discussion included consideration of the Company's Assurance Framework, the performance of its third party external assurance providers, the quality of the Company's submissions and publications (as measured by stakeholder feedback and errors found) and the roles of various parties, including the Board itself. The Board satisfied itself that the Company's approach to assurance was fit for purpose and that the role of the Board was being fulfilled. Members of the Board have reiterated their satisfaction with the approach in subsequent discussions.

The Board Audit Committee met on four occasions during 2024/25. At each of these meetings it received reports from both internal and external auditors.

After consideration of all these factors, the Board is able to confirm that:

- all data and information provided to Ofwat or published has been compiled in a planned, professional, systematic fashion and submitted in good faith;
- the Company has sought to explain trends in data using best available, objective evidence;
- where assumptions have been required to make calculations, the Company considers those assumptions to be reasonable;
- where the Company has identified material errors in any data or information it has provided, it has disclosed and corrected those at the earliest opportunity;
- where relevant, the Company has made every effort to indicate the quality of its data and the likely margin of uncertainty.

Accordingly, the Board has no reason to believe that the information and data it has provided during 2024/25 is other than accurate and complete in all material respects.

This Statement was approved by the Board of Anglian Water Services Limited on 11 July 2025, drafts having been discussed by the Board meeting of 4 June 2025.

Certified by

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Claire Russell

Company Secretary

Dated: 14 July 2025

Risk and Compliance Statement

As the Board of Anglian Water Services, subject to the exceptions listed below, we confirm the following:

- We have sufficient understanding of our obligations as set out in the Water Industry Act and our licence ('our Obligations').
- We are satisfied that we have sufficient processes and internal systems of control to meet our Obligations.
- Subject to the exceptions listed below, we believe we are meeting all our material obligations.
- We have taken adequate steps to understand the range of expectations of our diverse customer base. We have sought to provide a service offering that best meets those expectations, taking into account the requirements of other stakeholders, the sustainability of the business and the level of water bills that customers are willing and able to pay.
- We have appropriate systems and processes in place to allow us to identify, manage and mitigate our material risks.

Furthermore, subject to the exceptions listed below, we confirm the following:

- We have sufficient financial and management resources to enable us to carry out our regulated activities and have submitted to Ofwat the certificate to this effect required by Condition P.31 of our Instrument of Appointment.
- The Company has available to it sufficient rights and assets to enable a special administrator to manage the affairs, business and property of the Company in the event that a special administration order were made, as required by Condition P.14 of our Instrument of Appointment.
- All trade between the Company and associate companies in the year has been at arm's length, as required by Condition P.19 of our Instrument of Appointment.
- With our Annual Integrated Report for the year we have published a statement linking Directors' pay to standards of performance, as required under section 35A of the Water Industry Act 1991 and RAG 3.14.
- We have maintained for the whole year at least two investment grade issuer credit ratings for Anglian Water Services Financing Group in accordance with Condition P.26 of our Instrument of Appointment.
- We have declared or paid dividends only in accordance with a dividend policy which has been approved by the Board and which complies with the principles set out in condition P.30 of our Instrument of Appointment.

As set out in the business viability statement included in this Annual Performance Report, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period set out in that statement.

Exceptions

The section below identifies obligations set out in the Water Industry Act ("WIA"), our Instrument of Appointment and the Regulatory Accounting Guidelines with which we are either not complying (to Ofwat's knowledge) or where there is considered to be a material risk of non-compliance.

i. The WIA places an obligation on wastewater companies to maintain maps of their sewers. In common with all other wastewater companies in England and Wales, not all of our sewers are so mapped because the cost of doing so is generally agreed to be uneconomic.

ii. Condition B of our Instrument of Appointment requires us to appoint a Reporter to report to Ofwat on the reliability of the information we have supplied. Ofwat removed this requirement many years ago.

iii. Section 94 of the WIA requires a water and sewage company ("WASC") to provide effectual drainage of its local areas and to effectually deal with the contents of its sewers. Regulation 4(4) of the Urban Waste Water Treatment (England and Wales) Regulations 1994 ("UWWTR") then requires a WASC to ensure its WWTW perform sufficiently in terms of design, construction, operation and maintenance so that spills only occur in exceptional or unforeseeable circumstances (accounting for seasonal variations), subject to best technical knowledge available not entailing excessive cost (BTKNEEC), (UWWTR). Regulation 4(2) and Schedule 2 UWWTR requires that collecting systems (network) are constructed, operated and maintained according to BTKNEEC.

In November 2021 Ofwat launched an industry-wide investigation focusing on spills to the environment which have the potential to result in non-compliance with the WIA and the UWWTR. In June 2022 Ofwat opened enforcement cases against six water and wastewater companies including against the Company. In August 2024, Ofwat issued draft enforcement notices following the conclusion of its investigation into Northumbrian Water, Thames Water and Yorkshire Water. In these draft enforcement notices Ofwat stated that it had reached a provisional conclusion that each company had failed to discharge the obligations arising in respect to Licence Condition P12 .

In March 2025, Ofwat announced that it had concluded its investigation into Yorkshire Water on the basis of binding undertakings (the "Yorkshire Undertakings"). In May 2025, Ofwat issued a Notice of its decision to issue an enforcement order and impose a financial penalty on Thames Water (the "Thames Enforcement Order"). Lastly, in June 2025 Ofwat announced that it had concluded its investigation into Northumbrian Water on the basis of binding undertakings (the "Northumbrian Undertakings"). In each of the Thames Enforcement Order, the Yorkshire Undertakings and the Northumbrian Undertakings, Ofwat sets out that, among other things, that:

- It is unlikely that a company is meeting its duties under Regulation 4 UWWTR, as well as under section 94 WIA91 more generally, if discharges of untreated urban wastewater from its WWTW or network occur regularly;

- A potential failure to comply with a permit might be an indication of a breach of the sufficient performance requirement under Regulation 4 UWWTR and, by extension, of section 94 WIA91;

- Under section 94 WIA91, the key requirements of a company are to:

  i. comply with its duties under the UWWTR both on an individual storm overflow level and across its asset base, including adequately applying the BTKNEEC standard to its operations;

ii. ensure wastewater which has been subjected to full treatment, and which is to be returned to the environment, meets the quality conditions outlined in the WWTW's permit; and

iii. ensure other wastewater flows to the environment, either direct or via storm tanks, and which have not been fully treated only occur in exceptional or unforeseeable conditions.

- In the absence of relevant evidence that there have been exceptional circumstances, that no environmental harm has arisen or a BTKNEEC exception exists, storm overflows having 20 or more spills a year are probably in breach of Regulation 4 UWWTR.

Ofwat has found that Thames has contravened its statutory obligations by failing to ensure that its wastewater treatment works and collecting systems were operated, and the contents of its sewers treated, in accordance with the requirements of Regulation 4 and Schedule 2 UWWTR and section 94 WIA91. Yorkshire Water has accepted that it has breached its duties under Regulation 4(4), Regulation 4(2) and Schedule 2 UWWTR (noting that the UWWTR supplement the duty imposed by section 94 WIA91 by obliging companies to meet certain minimum standards for their WWTW and collecting systems and that any contravention of those provisions of the UWWTR is treated as a breach of section 94 WIA91). Yorkshire Water has also accepted that it has systemically breached its UWWTR duties and thereby failed effectually to provide drainage and deal with the contents of its sewers in breach of its general duty under section 94 WIA91. Northumbrian Water has also acknowledged Ofwat's finding that it has breached certain Statutory Duties (specifically those imposed Regulation 4(2) Regulation 4(2) and Schedule 2 UWWTR and section 94 (1) WIA91).

In March 2025, the Company provided data to the Environment Agency in relation to spills to the environment that occurred during the 2024 calendar year. The data provided confirms (among other things) that during 2024:

- 43,919 spill events took place from monitored storm overflows;
- the total duration of monitored spill events was 448,938 hours;
- 48.4% of the Company's storm overflows recorded 20 spills or more;
- 27.7% of the Company's storm overflows recorded 40 spills or more;
- 15.3% of the Company's storm overflows recorded 60 spills or more;
- 5.7% of the Company's storm overflows recorded 100 spills or more;
- 0.3% of the Company's storm overflows recorded 200 spills or more;
- In relation to storm overflows that recorded 60 spills or more operational reasons (including asset maintenance) were the route cause of spill in 11.1% of cases.

In the light of the relevant provisions set out in the Thames Enforcement Order, the Yorkshire Undertakings and the Northumbrian Undertakings, in particular, Ofwat's views regarding the key requirement to ensure compliance with section 94 WIA and Regs 4(2) and 4(4) of the UWWTR, and in the light of the Company's recent spills performance (set out above) the Directors acknowledge that there is a material risk of non-compliance with section 94 WIA and Regs 4(2) and 4(4) of the UWWTR.

This Statement was approved by the Board of Anglian Water Services Limited on 11 July 2025, drafts having been discussed by the Board meeting of 4 June 2025.

Certified by

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Claire Russell

Company Secretary

Dated: 14 July 2025

Board statement on Company direction and performance

This statement explains how the Board of Anglian Water Services Limited (the Company) sets the aspirations of the Company, to meet the significant challenges facing the business and the region it serves, and its performance against targets in pursuit of these ambitions.

It explains how customers' and stakeholders' views are an integral part of setting these aspirations within our long-term strategic ambitions and Business Plan, ensuring the Company delivers for everyone it serves.

Where we are now: acknowledging the challenges

This report reflects a year of significant challenge and opportunity for both our business and the region we serve, as we remain focused on delivering long-term resilience, environmental protection and excellent service for our customers and communities.

In Ofwat's latest performance assessment, the Company was categorised as 'lagging', and the Environment Agency's (EA) Environmental Performance Assessment awarded us two stars. These outcomes fall short of the standards we set for ourselves and those our customers rightly expect. Independent research, including the Water Matters 2025 report, confirms what we are already hearing from our customers: trust in water companies is low, with Anglian Water seen as part of a sector that must do more to earn public confidence. We take this seriously.

We fully accept these assessments and view them as a clear call to action. While these ratings reflect our relative position within the sector against regulatory targets, it is important to recognise that our absolute performance remains strong in several critical areas — notably leakage reduction, customer support for affordability, and long-term capital investment. Our leakage performance remains among the best in the industry, and we now support more than 14.7% of customers through our Priority Services Register (PSR), well ahead of target. However, these achievements do not diminish the fact that, in other areas such as customer experience, environmental pollutions, and discharge compliance, our performance has not met expectations.

We are determined to not only tackle our most pressing operational challenges, such as pollutions and one of its key causes: asset resilience, but also to strengthen our relationship with customers, rebuild public trust, and improve service outcomes across all dimensions. The fundamentals of our business remain robust, with a stable financial position, a committed and capable workforce, and clear strategic ambitions supported by one of the largest capital investment programmes in the sector.

Recent independent benchmarking confirms that Anglian Water performs above the median in nine of Ofwat's 13 key metrics, including leakage, mains repairs and Priority Services coverage. Yet, the impact of weaknesses in pollutions and customer satisfaction is significant. We have made this a central focus, launching a company-wide prioritisation programme in September 2024 targeting seven priority areas including Serious and Total pollutions, flooding, compliance, and the environment.

We are also addressing affordability concerns directly. We recognise that the bill increase in April 2025, the largest since privatisation, created real pressures for many customers. While necessary to fund the long-term improvements our customers told us they want, we acknowledge the strain this has caused. In response, we expanded our support programmes, now reaching over 405,000 customers with direct financial assistance .

We know that rebuilding trust will require more than short-term fixes, it demands a shift in how we show up for our customers and stakeholders every day. That shift is already underway. Our Safer Every Day programme is embedding a renewed culture of operational discipline. The Purpose Impact Dashboard is setting new standards of transparency and stakeholder engagement. And our AMP8 investment strategy, worth £11 billion over five years, reflects the Board's clear intent to match ambition with delivery.

As we begin AMP8, we are focused on delivering the improvements customers expect, providing fair value, and becoming a trusted provider again. That work is already underway and we are confident that the actions we have taken in 2024/25 mark the start of a new chapter of performance, trust and leadership for Anglian Water.

A defining year for the company and sector

2024/25 marked the conclusion of the AMP7 period (2020 – 2025) and the completion of Ofwat's Price Review 2024 (PR24), a pivotal moment for Anglian Water and the wider sector. It has been a year shaped by operational complexity, increasing expectations from customers, communities and regulators, and an urgent need for long-term infrastructure investment.

Following detailed review, the Board resolved to refer Ofwat's Final Determination (FD) to the Competition and Markets Authority (CMA). This decision was not made lightly but reflects our firm conviction that the FD, as issued, does not sufficiently support the essential long-term investment needed to secure the future resilience of our region, nor does it strike a sustainable balance of risk and return to maintain confidence among investors and support innovation.

Operational and financial performance: green shoots of progress

Against this challenging backdrop, the business has continued to deliver on key operational priorities, whilst recognising that there is more to do in certain areas. Notably, we achieved our lowest-ever three-year rolling average for leakage and maintained our industry-leading position. Smart meter installations exceeded 1.1 million, strengthening our ability to manage demand and support customers in using water wisely.

We achieved a 36 per cent year on year reduction in Serious Pollution incidents, a significant step in the right direction, underpinned by a comprehensive performance improvement programme, independently assured, and already delivering tangible results. However, Total Pollutions and other environmental performance indicators such as storm overflow discharges remain areas requiring urgent improvement.

As part of our drive to improve environmental outcomes and operational resilience, we have invested in changing customer behaviours around water use and waste disposal. In 2024/25, we launched our Just Bin It campaign — a major awareness programme targeting the most common causes of sewer blockages and pollutions, particularly fats, oils, grease and unflushable items like wipes. Through digital engagement, social media outreach, community partnerships and direct customer communications, the campaign has already reached thousands of households across the region, helping to reduce avoidable blockages and raising awareness of the environmental and operational consequences of improper disposal.

This sits alongside our broader efforts to engage customers as active participants in protecting river health and maintaining resilient networks. Early indications suggest a reduction in reported sewer blockages in areas where targeted Just Bin It campaigns have run, contributing to our pollution reduction ambitions and creating a stronger platform for sustainable community partnerships in AMP8.

Financially, the business demonstrated resilience in the face of significant pressures. Revenue rose by 7.5 per cent to £1,749.3 million, and operating profit increased by 15.2 per cent to £496.6 million, supported by a record capital investment of £1,081 million.

A purpose-led business for customers, communities and the environment

Our Purpose, to bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop, remains central to every decision we make. Through AMP7, the business has delivered tangible improvements in leakage reduction, customer affordability support, river health, and nature-based solutions, alongside pioneering initiatives such as Get River Positive and the Purpose Impact Dashboard.

Our Purpose compels us to embrace challenges transparently, listen to our customers, and work collaboratively with partners to secure the best possible outcomes for the people and places of the East of England.

Major infrastructure delivery for a growing region

As we look ahead to AMP8, we will deliver the most ambitious capital investment programme in the company's history. With £1.1 billion earmarked for Year One alone and a plan worth £11 billion across the five-year period, these investments will secure water resilience, protect and enhance our environment, and support the region's growing communities and economy.

Key projects, including the Strategic Interconnecting Pipeline and the development of two new strategic reservoirs, represent a once-in-a-generation opportunity to futureproof services and enable sustainable growth. We have reinforced programme governance to ensure delivery at pace and scale, including appointing a new Programme Delivery Partner (PDP) and enhancing our successful alliancing models.

These vital infrastructure investments will not only create lasting value for our customers but will also contribute to the economic and environmental wellbeing of the East of England: a region with the potential to lead the country in green, sustainable growth.

Engaging in regulatory reform and sector leadership

2024/25 has also seen significant progress in the national debate about the future of the water sector. Across the organisation we have actively engaged with Government-led reviews, including the Independent Water Commission (Cunliffe Review), the National Audit Office's report, and the Corry Review, all of which recognise the urgent need for a modernised regulatory framework that prioritises long-term resilience, environmental protection and financial sustainability.

The company's CMA referral forms an important contribution to this broader dialogue. We remain committed to constructive, transparent engagement with Government, regulators and stakeholders to shape a future regulatory model that secures enduring value for customers, communities, investors and the environment.

Strengthening leadership, governance and operational readiness

During the year, the Board oversaw important leadership transitions, with the appointment of Mark Thurston as Chief Executive Officer and Michael Bradley as Chief Financial Officer.

The organisation has maintained strong oversight of health, safety and wellbeing, with the launch of the Safer Every Day programme reflecting our ongoing commitment to safeguarding our people and partners. As we transition to a delivery-focused business model, our investment in workforce capability and operational resilience is crucial to the successful delivery of AMP8 and beyond.

Conclusion and outlook

As we conclude AMP7 and embark upon AMP8, the Board reaffirms its confidence in Anglian Water's strategy, leadership and delivery capability. While the challenges ahead, from climate change to population growth and asset resilience, are considerable, so too are the opportunities for us to lead the industry in innovation, customer service and environmental stewardship.

The entire organisation remains committed to securing the outcomes that matter most to our customers, communities and the environment, while actively contributing to the sector reforms necessary to ensure a resilient, sustainable and investable water industry for generations to come.

This Statement was approved by the Board of Anglian Water Services Limited on 11 July 2025, drafts having been discussed by the Board meeting of 4 June 2025.

Certified by

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Claire Russell

Company Secretary

Dated: 14 July 2025

Long Term Viability Statement

Background

The Directors are responsible for ensuring the resilience or viability of the Group's water and water recycling services to meet the needs of its customers in the long term. This means the Group must be able to avoid, manage and recover from disruptions to its operations and finances.

The Directors' review of the longer-term prospects and viability of the Group is an extension of our business planning process, which includes financial forecasting, a robust risk management assessment, regular budget reviews and scenario planning. This activity is strengthened by a culture throughout the Group of review and challenge. Our vision and business strategy aim to make sure that our operations are resilient and our finances are sustainable and robust.

As part of Anglian Water's approach to defining risk appetite, each year the Directors review our specific risk tolerance levels and consider whether our decision-making behaviours over the past year have been consistent with these risk levels. The Directors confirmed that the Group's behaviours over the past year had been in line with our risk appetite.

How the business is financed

Every five years the Company, along with all other Water and Sewage Companies, submits its business plan to the regulator Ofwat setting out what it believes it needs to run the business for the next 5 year period, known as an AMP. Ofwat then assesses these plans in order to determine the revenue it will allow companies to charge customers.

In setting the allowed revenue Ofwat determines the efficient operating costs of the business. In order to fund the significant capital investment of the business it would be unfair to expect the current customers to fund the costs of assets that will deliver services for many years, especially as these costs can fluctuate year on year. Companies therefore raise money from both debt and equity investors to fund this investment. The investment set out in the business plan forms what is known as the Regulatory Capital Value (RCV) of the Company, Ofwat allows companies to recover the value of RCV through revenues via a depreciation charge. In addition, Ofwat allows a fair return on the investment to be included in those revenues.

In determining that fair return Ofwat has a duty under the Water Industry Act to ensure that the sector is financable in the long term and is able to attract that investment.

Therefore, through this regulatory regime the Group generates operating cash flow to service the day to day operations of the business, including capital maintenance and servicing of debt and equity. The Group seeks external investment from both debt and equity markets to fund growth (capital enhancement) and refinance existing debt in order to maintain a desired net debt to capital value ratio. Given the structure of the funding arrangement and relatively stable customer base, which includes a level of inflation protection, the business generates stable operating cash flows.

Look forward period

As one of the 10 regional water and sewerage services companies operating in the UK, Anglian Water's prices are set by the industry regulator Ofwat for five-year Asset Management Plan (AMP) periods, which support the Group's underlying costs. This provides the basis for future tariffs, revenues, costs and cash flows over the next AMP (April 2025 to March 2030).

Assessment of prospects

The Directors have assessed Anglian Water's financial prospects over the next 10 years from April 2025 to March 2035. A 10-year period has been chosen to ensure that our business plan for the current AMP does not impact on the longer-term viability of the Group:

- The first five years are aligned to AMP8 which will be determined following the outcome of the referral of the PR24 Final Determination (FD) to the CMA. Our assumptions for AMP8 align to our submission to the CMA in March 2025, with year one reflecting the FD.

- The remaining four years of the period will be determined by the PR29 determination, for which uncertainty exists. Our assumptions for AMP9 align to the longer term view we submitted and our Long Term Delivery Strategy.

- The Board considered whether there are specific, foreseeable risk events relating to the principal risks that are likely to materialise within a 10-year period, and which might be substantial enough to affect the Group's viability and therefore should be taken into account when setting the assessment period. These events were modelled appropriately within our downside scenarios.

- The Board has considered the impact of the wider activities of other Group companies and transactions and of the overall Group structure.

- The Board considers the maturity profiles of debt and the availability of new finance over 10 years as part of its review of financial modelling and forecasting, as well as considering the credit ratings of the debt.

- Finally, we take note of the Water Industry Act, which requires Ofwat to ensure that water companies can (in particular through securing reasonable returns on their capital) finance the proper carrying out of their statutory duties.

Principal risks

We have set out the details of the principal risks facing the Group in the risk section of our Annual Integrated Report, described in relation to our ability to deliver our 10-year outcomes. We identify our principal risks through a robust assessment that includes a continuous cycle of bottom-up reporting and review, and top-down feedback and horizon scanning. Through this assessment, priorities are elevated appropriately and transparently. This process is described in more detail in the Risk Section noted above.

The Directors regularly review business plans that show projected cash flows for the current AMP period, and long-term cash flow modelling projections which extend into AMP9 and beyond. This includes reviewing the expected outcome relating to the principal risks with this impact included in our business plans.

Our Base Case assumptions and our CMA appeal

As noted in our Statement of Case (SOC) to the CMA, AMP8 and future price control periods are radically different to those that have come before. Regulatory and statutory obligations are driving a step-change in capital investment programmes to meet the supply and demand balance, accommodate growth, and protect the natural environment. This investment is not discretionary. It is vital to maintain resilient water supplies and environmental improvements.

In the face of this investment challenge, the FD's allowed WACC return is insufficient and exposes the notional company to the prospect of not obtaining the necessary equity.

In addition, our SOC sets out a number of areas of challenge in relation to the funding of base costs and ODI performance targets which ultimately leave insufficient funding to meet the required performance levels.

We will be asking the CMA to consider these issues and therefore we have incorporated them into the base model to which we apply our stress testing.

Stress testing the business plan

In reviewing its financial viability, Anglian Water considers the stringent covenant tests required under its securitised structure as well as the metrics used by rating agencies to provide comfort to our bondholders that our business is viable to the end of the current AMP period and beyond, and to ensure an investment grade credit rating to enable the business to finance Anglian Water's investment programme.

At each regulatory price review and throughout the AMP, the Board satisfies itself that the agreed five-year business plans ensure adequate covenant and rating agency headroom throughout the AMP period and beyond. This includes extensive downside scenario testing at both Anglian Water and Group level from severe, plausible and reasonable scenarios chosen because they pose the greatest risk to the business. The following scenarios have been used individually and in combination to model the impact on the overall performance of the business, the ability of the business to service its debt and the impact on its credit rating:

Principal risk	Scenario	Impact modelled	Potential mitigations required
People Technology Financial Asset infrastructure Business resilience Commercial & third party Strategic execution	Material totex underperformance against the Final Determination allowance	- Overspend of 10 per cent across an AMP - CAPEX overspend of 5 per cent - OPEX overspend of 5 per cent	- No mitigations required - No mitigations required - No mitigations required
Customer proposition Environment People Reputation Asset infrastructure Business resilience Strategic execution	Material Outcome Delivery Incentive (ODI) penalties	- Up to £144 million per year	- No mitigations required
Environment Technology Water supply and quality Health and safety People Reputation Legal Regulatory	Regulatory fines and legal penalties Impact of a cyber attack	- Up to 6 per cent of turnover applied in a single year	- No mitigations required
Financial	Unfunded pension liabilities	- Up to £15 million applied per annum	- No mitigations required
Customer proposition Financial Business resilience	Risks associated with the disruption caused by cost of living crisis, potential reductions in revenue collection	- Up to 5 per cent decrease in cash collection - 20 per cent increase in bad debt	- No mitigations required - No mitigations required
Financial Reputation Strategic execution	The potential impact of credit rating agencies downgrading the debt for any companies in the Group	- 2 per cent increase in cost of new debt	- No mitigations required
Financial Reputation Strategic execution	Cost of debt increases	- 2 per cent above base level assumptions across an AMP	- No mitigations required
Customer proposition Financial	Significant inflation fluctuations	- 1 per cent above and below base level	- No mitigations required - No mitigations required

Asset infrastructure Commercial & third party		assumptions for each AMP - 2 per cent below base level assumptions for each AMP	
Customer proposition Environment People Technology Financial Reputation Asset infrastructure Business resilience Commercial & third party Strategic execution	Combined scenario based on totex underperformance for a whole AMP, along with a significant ODI penalty and a revenue penalty	- Overspend of 10 per cent across an AMP, combined with an ODI penalty of 1.5 per cent of RORE each year plus a financial penalty of 1 per cent of revenue in a single year	- No mitigations required
Customer proposition Financial Asset infrastructure Commercial & third party Reputation Strategic execution	Combined scenario based on low inflation and high cost of debt	- Inflation 2 per cent below base level for the AMP combined with cost of debt 2 per cent above base level assumptions across an AMP	- No mitigations required
Customer proposition Environment People Technology Financial Reputation Asset infrastructure Business resilience Commercial & third party Strategic execution	Combined scenario based on low inflation, an opex cost shock plus a significant ODI penalty	- Inflation 1 per cent below base for the AMP combined with 2.5 per cent opex cost shock in AMP7 and a £50 million ODI penalty in each year	- No mitigations required

In deciding on appropriate downside scenarios and corresponding stress tests, management have considered the required modelling set out by Ofwat as part of the financial resilience testing for PR24. Management have taken the view that where the PR24 scenarios were more severe it would be prudent to align to these.

Management have also considered the current business performance, in particular in respect to Totex overspend and ODI penalties, and how this impacts on the range of potential downside scenarios that could occur in future. In addition to the performance of the business, management have considered the performance of the sector in relation to increasing frequency of penalties and fines, ensuring the downside testing provides an appropriate level of prudence. Finally, management has considered the potential impacts from a failure of another company in the sector and how this may impact on the availability and cost of financing our operations.

As part of our stress tests for the downside scenarios we have considered the potential impacts of cost shocks resulting from climate change. Such cost shocks include the 'Beast from the East' extreme cold weather event followed by a rapid thaw, experienced in early 2018, and the extreme wet weather events experienced in our region during the past 18 months.

The cost impacts of these events (including longer term recovery impacts such as leakage reduction), were in the order of £7 million for 'Beast from the East' and £3 million for each extreme wet weather event. During the current year, as a result of the severe wet weather experienced, we have seen costs increase by £9.3 million. Our modelled downside scenarios include cost shocks equal to experiencing several of these events in continuous years across the AMP; we are therefore confident that we can withstand the financial impacts of extreme weather events, predicted to increase as a result of climate change.

Justification for scenarios selected

As part of our stress testing we have modelled appropriate scenarios and sensitivities which reflect the risks that the business faces. We have listed the scenarios tested (both individual and in combination) in our viability statement including, where appropriate, the severity of the stress testing. Our stresses and cost shocks that we have applied and tested are substantially more extreme than any actual risk that has crystallised in Anglian Water since privatisation, some 30 years ago. Macroeconomic impacts have been set with consideration of recent economic trends. We have also considered the size of historic cost shocks experienced by the wider industry since privatisation.

Consideration of full range of categories of risk and link to wider risk assessment reported in statutory accounts

Our stress testing aligns to the principal risks identified in our Annual Integrated Report. These risks consider individual company risks, as well as common external risks that affect the sector as a whole, including severe, but plausible macroeconomic impacts. Available mitigations against downside shocks, where necessary, are detailed in our long term viability statement.

Our approach to risk management is detailed in our Annual Integrated Report (AIR). In our AIR we describe in detail our processes for identifying, assessing and mitigating risks. We have considered the full range of categories of risk which could impact the company; these include financial risks, operational risks and regulatory risks.

Methodology used and justification

We maintain a comprehensive long term cashflow model against which we test the impact of downside scenarios. This model is subject to annual independent third party assurance to ensure its integrity, which underpins the financial projections and outputs. As well as future cashflows, this model includes metrics testing our forecast compliance against our lending covenants and key Rating Agency metrics (for example PMICR and FFO/net debt). The robustness of this cashflow model, together with the internal and external assurance applied to the outputs of the stress testing, provide reassurance to the Board that our approach to viability testing is appropriate.

Workforce considerations

As part of our risk management framework we actively consider the need to continue to attract and retain a workforce with the talent and skills to ensure our long term success.

Pension risk

With regard to pension risk, our defined benefit pension schemes are closed to future accrual of benefits, and therefore the only remaining risk relates to pension deficit recovery payments. As part of our stress testing we have included the impact of downside risks which would trigger additional pension deficit payments and have modelled these impacts as part of our stress testing.

Revenue variation risk

Our stress testing included plausible but severe reductions in revenue, through testing of large ODI revenue penalties and increases in bad debt.

Credit rating risk assessment and mitigations

Our downside stress tests include the impact on key Ratings Agencies metrics and, where metrics come under pressure, appropriate mitigations have been identified. These mitigations have been quantified and tested for ability to implement in the necessary timeframe and are sufficient to avoid the risk of downgrade to sub-investment grade in all scenarios.

Our LTVS considers the need to raise further funding for investment and we have assessed the impact on key Ratings Agencies metrics in all of our downside scenarios. In addition our shareholders have demonstrated their long term commitment and support of the business, as evidenced by their past actions which have included injecting additional capital into the business, reducing gearing through dividend reduction and re-investing operational outperformance and efficiencies for the benefit of customers.

Mitigating actions

For each sensitivity and combined scenario, we identify, where required, the appropriate mitigations against the potential risks. In the event that the situations used for stress testing were to result in an unacceptable level of deterioration in the Group's financial metrics, management's principal actions would include further reducing the level of shareholder distributions, potential shareholder equity injections, reviewing the financing structure and identifying further opportunities to reduce the Group's cost base or reduce financing costs.

In May 2025 the shareholders of Anglian Water's ultimate parent company subscribed to £500 million of new equity commitments demonstrating their commitment to the Group, reflecting confidence in the strength of our case to the CMA and the government commitment to make the sector more attractive to investors.

Included within the £1,382.5 million of facilities at 31 March 2025 are facilities totalling £375.0 million due for renewal in March 2026 and £575.0 million due for renewal in June 2026. On 16 June 2025, the Group received formal commitment from lenders for the refinancing of these expiring facilities in the form of a new 3-year facility totalling £1 billion. The Group has sufficient liquidity within the assessment period.

As a further mitigation we have a significant portfolio of insurance cover in place to provide protection against many catastrophic scenarios such as dam failure, pluvial and fluvial flood, terrorism, and public and employer's liability. There would still be a short-term liquidity impact from such events due to the time it would take between incurring the expenditure and recovering this through the insurance claim; however, it is an important consideration in terms of medium-term liquidity. The Board formally reviews the output of the stress testing twice a year.

Benefits of the securitised structure

The highly covenanted nature of our financing arrangements (often described as a whole business securitisation) enhances our financial resilience by imposing a rigorous governance framework. This requires continuous monitoring and reporting of our financial and operating performance by senior management, through a well-established business process, to ensure compliance with our financing arrangements, and this provides an additional layer of control over how we transact with our stakeholders, including suppliers, business partners, customers, shareholders and lenders, compared to the regulatory frameworks by which we are governed.

Assurance

Robust internal assurance is provided by the Board reviewing and challenging the stress test scenarios selected and the risk mitigation strategies. The Directors also obtain annual independent third-party assurance on the integrity of the long-term cash flow model which underpins the financial projections. In addition, our external auditor, Deloitte, reviews this viability statement and the outputs of our stress testing as part of its normal audit procedures. It considers whether these are consistent with the Directors' conclusion with respect to business viability, and if the processes undertaken are sufficient to support the statements made.

Directors' statement

In making this statement, the Directors have assumed that funding for capital expenditure in the form of capital markets or bank debt will be available in all reasonable market conditions. As discussed above, this is based on a history of raising debt competitively,

strong credit ratings, long term recovery of RCV and Ofwat's statutory duty to make an efficient notional company financeable. They have also considered the impact of the Group structure, namely the support from ultimate shareholders, demonstrated by equity injections, intra-Group transactions and any other Group activities on the viability of the regulated business.

Anglian Water Services is an efficient company with a history of outperformance. The Directors can be satisfied that the business has a reasonable expectation of being able to continue in operation and meet its liabilities as they fall due at least to March 2035, and is financially resilient in the face of severe but plausible downside shocks that reflect the current and potential future regulatory environment.

This is based on the reasonable certainty of its future revenue stream, the strength of the balance sheet (in particular the substantial cash balance and strong net assets), the availability of undrawn debt facilities in the unlikely event that debt markets were temporarily restricted, and by reviewing the business plans and strategic models, combined with the robust risk management process and mitigations described above.

Statement of Directors' Responsibilities

Further to the requirements of Company law, the Directors are required to prepare accounting statements which comply with the requirements of Condition F of the Instrument of Appointment of the Company as a water and sewerage undertaker under the Water Industry Act 1991 and Regulatory Accounting Guidelines issued by Ofwat.

The Directors of the Company hereby confirm that the Company has kept proper accounting records, which comply with Condition F.

The Instrument of Appointment additionally requires the Directors to:

a. Confirm that, in their opinion, the Company has sufficient financial resources and facilities, management resources and methods of planning and internal control for the next 12 months.

The Directors have included within this report a ring-fencing certificate which confirms the adequacy of resources and facilities as set out above and in accordance with clause P.30 of the Instrument of Appointment.

b. Confirm that, in their opinion, the Company has sufficient rights and assets which would enable a special administrator to manage the affairs, business and property of the Company.

The Directors confirm this requirement has been met throughout the year.

c. Confirm that, in their opinion, all contracts the Company has with any associate Company include the necessary provisions and requirements concerning the standard of service to be supplied to ensure compliance with the Company's obligations as a water and sewerage undertaker.

The Directors have included within this report a ring-fencing certificate which confirms the adequacy of contracts as set out above and in accordance with section P.30 of the Instrument of Appointment.

d. Report to Ofwat changes in the Company's activities which may be material in relation to the Company's ability to finance its regulated activities.

The Directors hereby confirm there were no such changes in the year ended 31 March 2025.

e. Undertake transactions entered into by the appointed business, with or for the benefit of associated companies or other businesses or activities of the appointed business, at arm's length.

This has been confirmed within disclosure 'Transactions between the appointee and associated companies'.

These responsibilities are additional to those already set out in the statutory financial statements:

In the case of each of the persons who are Directors at the time when the Report is approved under Section 418 of the Companies Act 2006 the following applies:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Ring-Fencing Certificate

Introduction

Condition P of Anglian Water's licence requires the Company ('the Appointee') to ensure that it maintains sufficient financial and management resources to enable it to carry out its functions in a sustainable manner, and protects the Appointee from the activities of other group entities. The Appointee must, at all times, conduct the Appointed Business as if the Appointed Business were substantially the Appointee's sole business and a public limited company separate from any other business carried out by the Appointee. To enable it to carry out the Regulated Activities the Appointee must, at all times, act in a manner which is best calculated to ensure that it has in place adequate financial resources and facilities, management resources and systems of planning and internal control.

Condition P requires that Anglian Water submits to Ofwat a Ring-Fencing Certificate at the same time as it publishes its APR. When the Appointee submits its Ring-Fencing Certificate, it must submit a statement of the main factors which the Board of the Appointee has taken into account in giving its opinion for the Ring-Fencing Certificate. The Ring-Fencing Certificate should be accompanied by a report prepared by the Appointee's Auditors and addressed to Ofwat, stating whether they are aware of any inconsistencies between that Ring-Fencing Certificate and any information which the Auditors obtained in the course of their work as the Appointee's Auditors.

Anglian Water's Ring-Fencing Certificate

Financial resources and facilities

In the opinion of the Directors, Anglian Water Services Limited ("the Company") will have available to it sufficient financial resources and facilities to enable it to carry out, for the next twelve months, the Regulated Activities (including the investment programme necessary to fulfil its obligations under the appointment). Additionally, the Directors have approved a business viability statement covering the ten year period to March 2035 which is included in the Annual Performance Report.

Management resources

In the opinion of the Directors, the Company will, for the next twelve month period, have available to it management resources which are sufficient to carry out the Regulated Activities (including the investment programme necessary to fulfil the Company's obligations under the Instrument of Appointment).

Systems of planning and internal control (Licence Condition P12)

In November 2021 Ofwat launched an industry-wide investigation focusing on spills to the environment which have the potential to result in non-compliance with the Water Industry Act and the Urban Waste Water Treatment Regulations. In June 2022 Ofwat opened enforcement cases against six water and wastewater companies including against the Company. In August 2024, Ofwat issued draft enforcement notices following the conclusion of its investigation into Northumbrian Water, Thames Water and Yorkshire Water. In these draft enforcement notices Ofwat stated that it had reached a provisional conclusion that each company had failed to discharge the obligations arising in respect Licence Condition P12 .

In March 2025, Ofwat announced that it had concluded its investigation into Yorkshire Water on the basis of binding undertakings (the "Yorkshire Undertakings"). In May 2025, Ofwat issued a Notice of its decision to issue an enforcement order and impose a financial penalty on Thames Water (the "Thames Enforcement Order"). Lastly, in June 2025 Ofwat announced that it had concluded its investigation into Northumbrian Water on the basis of binding undertakings (the "Northumbrian Undertakings"). In each of the Thames Enforcement Order, the Yorkshire Undertakings and the Northumbrian Undertakings, Ofwat sets out that, among other things, that:

- A company in breach of Regulation 4 UWWTR might also be in breach of the broader duties under section 94 WIA91 and Condition P12;
- It is unlikely that the company is meeting its duties under Regulation 4 UWWTR, as well as under section 94 WIA91 more generally or Condition P12, if discharges of untreated urban wastewater from its WWTW or network occur regularly;
- A potential failure to comply with a permit might be an indication of a breach of the sufficient performance requirement under Regulation 4 UWWTR and, by extension, of section 94 WIA91;
- Broader systemic failures or inadequate monitoring might also be in breach of a company's broader duties under Condition P12;
- Key aspects of how a company would behave to ensure compliance with Condition P12 include:
    - Having processes in place to understand and routinely assess its compliance with its legal obligations at every WWTW and network storm overflow, based on actual performance rather than the asset's potential capacity;
    - Having systems in place to escalate actual or risk of non-compliance to prompt timely investigation and resolution and prioritise securing compliance;
    - Having internal controls that follow-up interventions to ensure effective compliance;
    - Ensuring that operational staff are enabled, by the right information, processes, and culture, to understand and prioritise ensuring compliance and to speak up where they identify risks to compliance;
    - Having appropriate checks and balances in place to assure monitoring and reporting information from operational teams;
    - Ensuring that executives and Board request, receive and meaningfully engage with accurate reports on the company's environmental compliance position and resolution of non-compliance, including metrics that go beyond a narrow set of price review performance commitments or Environment Agency Environmental Performance Assessment metrics;
    - Ensuring that its assets are operating, at least, within the parameters of the relevant environmental permits;
    - Having a minimal number of high spilling sites attributable to operational issues (as we expect for these to be dealt with as part of a company's routine asset maintenance), and where operational issues arise, these are resolved swiftly;
    - Reviewing its EDM data at least on an annual basis to understand which storm overflows should be subject to investigations (as opposed to, for example, only reviewing the data once every five years for price review purposes);
    - Progressing SOAF investigations for the sites that meet the trigger thresholds under the SOAF through their various stages in a timely manner, including the delivery of any BTKNEEC solutions identified (that is, not unreasonably delaying viable solutions until the following price review period once they have been identified as necessary for compliance with the UWWTR); and
    - Not considering the SOAF and WINEP processes to be the only means of satisfying the company's obligations under the UWWTR (that is, taking up other opportunities to fund and progress solutions where they are needed to ensure compliance).

Ofwat has found that Thames has contravened its Licence by failing to comply with the requirements of Condition P12. Yorkshire Water has accepted that it has breached Condition P12 in relation to the adequacy of its resources and systems of planning and internal control

to enable it to carry out its regulated activities, particularly in relation to its obligations under Regulation 4 and Schedule 2 UWWTR. Northumbrian Water has also acknowledged Ofwat's finding that it has breached certain Statutory Duties and Licence Obligations (specifically the obligation imposed by Condition P12).

In March 2025, the Company provided data to the Environment Agency in relation to spills to the environment that occurred during the 2024 calendar year. The data provided confirms (among other things) that during 2024:

- 43,919 spill events took place from monitored storm overflows;
- the total duration of monitored spill events was 448,938 hours;
- 48.4 per cent of the Company's storm overflows recorded 20 spills or more;
- 27.7 per cent of the Company's storm overflows recorded 40 spills or more;
- 15.3 per cent of the Company's storm overflows recorded 60 spills or more;
- 5.7 per cent of the Company's storm overflows recorded 100 spills or more;
- 0.3 per cent of the Company's storm overflows recorded 200 spills or more;
- In relation to storm overflows that recorded 60 spills or more operational reasons (including asset maintenance) were the route cause of spill in 11.1 per cent of cases.

In the light of the relevant provisions set out in the Thames Enforcement Order, the Yorkshire Undertakings and the Northumbrian Undertakings, in particular, Ofwat's assessment as to the behaviour that is expected to ensure compliance with Condition P12, and in the light of the Company's recent spills performance (set out above) the Directors acknowledge that additional activity and investment is required to ensure that the Company will, for the next twelve month period, have available to it systems of planning and internal control which are sufficient to carry out the Regulated Activities insofar as those activities relate to its obligations under Regulation 4 and Schedule 2 UWWTR.

Save as aforesaid, it is the opinion of the Directors, the Company will, for the next twelve month period, have available to it systems of planning and internal control which are sufficient to carry out the Regulated Activities.

Rights and resources other than financial

In the opinion of the Directors, the Company will, for the next twelve month period, have available to it rights and resources other than financial resources which are sufficient to carry out the Regulated Activities.

Contracting

In the opinion of the Directors, all contracts entered into include all necessary provisions and requirements concerning the standard of service to be supplied to the Company, to ensure that it is able to meet all its obligations as a water and sewerage undertaker.

Material issues

The Directors have taken into consideration a number of material factors, including the response of the Company to the macroeconomic challenges of the year and the challenges posed by episodes of extreme weather.

This Certificate was approved by the Board of Anglian Water Services Limited on 11 July 2025 a draft having been discussed by the Board meeting of 4 June 2025.

The licence requires that our external auditor, Deloitte, provides an accompanying report stating whether they are aware of any inconsistencies between this Certificate and any information obtained during their assurance in relation to the regulatory accounting statements and their work as Anglian Water's Auditors. Deloitte's overall auditor assurance statement is included in this APR and its assurance statement specific to the Ring-Fencing Certificate has been separately submitted to Ofwat.

Certified by

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Claire Russell

Company Secretary

Dated: 14 July 2025

RELEVANT FACTORS

The following main factors have been taken into account by Directors in giving this declaration:

Financial resources and facilities

Financial details – In considering the requirements of Condition P, the Directors took financial resources and facilities to mean the cash requirements and funding arrangements needed to run the Company as follows:

The financial strength of the Company, as recorded in the statutory financial statements for the year ended 31 March 2025 - Cash flow projections for the forthcoming year have been prepared and subjected to sensitivity analysis using various downside scenarios. This analysis has shown that it is reasonable to believe that facilities will be sufficient for the next twelve months.

The Euro 10 billion global secured medium term note programme of financing implemented on 30 July 2002 by Anglian Water Services (Financing) Plc (AWSF), a subsidiary Company, to, *inter alia,* provide future financing for the Company (including the investment programme necessary to fulfil the Company's obligations under the Instrument of Appointment).

Cash and deposit balances at 31 March 2025 for Anglian Water Services Limited of £980.7 million - As at March 2025 Anglian Water has access to facilities of £1,382.5 million (2024: £1,450.0 million), comprising Class A debt service reserve facilities totalling £294.0 million provided by HSBC Bank Plc, Sumitomo Mitsui Banking Corporation and Assured Guaranty; a £138.5 million operating and capital maintenance expenditure reserve facility provided by Barclays Bank Plc, BNP Paribas Plc, Lloyds TSB Bank Plc and Bank of Nova Scotia; two syndicated loan facilities totalling £850.0 million for working capital and capital expenditure requirements managed by Barclays Bank Plc in the role of facility agent and syndicated to a pool of relationship banks; a bilateral facility of £50.0 million with MUFG Bank; and a bilateral facility of £50.0 million with Bank of China Limited for general corporate purposes.

All bank facilities and debt capital market issuance are issued pursuant to the Global Secured Medium Term Note Programme dated 30 July 2002 between the Company, AWSF and Deutsche Trustee Company Ltd (as agent and trustee for itself and each of the finance parties). This agreement provides that any facilities drawn by AWSF will be passed directly on to the Company upon utilization of the facility.

Included within the £1,382.5 million of facilities at 31 March 2025 are facilities totalling £375.0 million due for renewal in March 2026 and £575.0 million due for renewal in June 2026. On 16 June 2025, the Group received formal commitment from lenders for the refinancing of these expiring facilities in the form of a new 3-year facility totalling £1 billion. The Group has sufficient liquidity within the assessment period.

Performance against the FD – The Board have agreed to reinvest the inflation upside seen during the AMP in additional totex for the benefit of our customers and the environment. This will result in an overspend against the PR19 totex FD allowance, whilst ensuring the Company remains financially resilient.

Credit related factors – The Company has maintained its investment grade credit rating at a level that allows adequate access to the financial markets.

Business plans and long-term viability – In considering the Company's financial strength, the Directors are mindful that there is a reliance on the accuracy of forecasting. The Company has undertaken a detailed planning and budgeting process that incorporates the period of twelve months commencing on the date of the Certificate. The Directors have reviewed forecasting accuracy and are satisfied that it is acceptable for this purpose.

Management resources

In respect of the adequacy of management resources, the Directors have gained assurance from the Company's chosen business model and organisational design resulting from the ring fencing of the Company. Robust identification and allocation of resources has been made through alignment of objectives, processes and manpower requirements.

Management skills, experience and relevant qualifications - The Company is managed operationally by the Executive Committee. The Board believes that the members of the Executive Committee have the appropriate mix of skills, experience and relevant qualifications to continue to run the Company effectively for the next 12 months. Details of the individuals who form the Executive Committee can be found on page 126 of the Annual Integrated Report 2025.

Recruitment process, staff engagement – The Company has a robust and fair recruitment process, using an applicant tracking system (ATS) to ensure GDPR compliance. The Company is an equal opportunities employer which aims for inclusion, diversity and fair treatment for all. The Company promotes this within its attraction strategies (including branding, careers website, adverts and job boards), throughout the application process and within its hiring manager recruitment and selection training and ongoing coaching.

The Company values and recognises that inclusion in the workplace is vital to its success and it is better able to understand and meet the needs of its customers if the organisation reflects the communities it serves. The Company runs an extensive inclusion programme of events across the year to recruit and support employees from sectors of our customer community which are currently under-represented in our workforce.

The Company regularly engages with employees in a number of different ways, including regular consultations with trade unions and our 'CEO Town Halls' employee forum. In the annual 'Love to Listen' employee survey, carried out in February 2025, 7,860 employees took part: our highest ever participation and representing a response rate of 81%. An action plan to follow up on the survey feedback is being implemented, with updates provided through communications channels. Key themes of the action plan include reinforcing focus on cross-team collaboration and efficiency, completing a review of our performance and reward framework and continued progress on connectivity, systems and data.

Succession Planning for key management staff - The Company's succession plans for its key management staff are developed by the Executive Committee, led by the People Director. The succession plans are reviewed and challenged annually by the Company's Nomination Committee (which consists of a majority of Independent Non-Executive Directors). Further information can be found on pages 144-146 of the Company's Annual Integrated Report 2025.

Quality of management/staff induction and other training and development - On joining the Company, all staff are required to complete online induction training to understand the Company. This, combined with other mandatory modules including Acceptable Use of IT, Data protection and Inclusion, ensures all staff understand the Company's expectations and commitments. A redesigned onboarding hub provides tailored guidance for new joiners, line managers and internal movers. A new company induction has been built around company values and delivers key business messages through a new blended learning model—watch, read, ask, and do—providing clear foundational awareness of our business, encouraging continuous development and curiosity ahead of any role-specific induction training. Face-to-face onboarding is also offered for group intakes where appropriate and facilitated using the new company induction framework and resources. In addition, all new starters are provided with a digital booklet entitled 'Doing the Right Thing'. This booklet summarises key Company policies in a clear and concise way to ensure that the Company's values and standards are clear to colleagues when they start. The booklet is available in the onboarding hub along with the new company induction learning zones and onboarding resources.

All new Directors receive a comprehensive induction to the business; further information can be found on page 132 of the Company's Annual Integrated Report 2025.

The Company offers a wide range of training and development to its employees during their careers in both operational and non-operational roles, including the externally accredited 'Licence to Operate' programme. We offer virtual and remote training options where possible whilst retaining face-to-face training where physical interaction is required. We continue to develop our e-learning suite across a broad range of topics and are enhancing our Virtual Reality training, with several of the courses accredited by CABWI.

Process for ensuring diversity of perspectives - The Company is committed to creating an environment where all employees feel included and valued in order to achieve their potential. Further information on the Company's approach to inclusion can be found on pages 65-66 and 145 on the Company's Annual Integrated Report 2025.

Board or management activities, reports or statements – Both the Board (consisting of Executive Directors, Independent Non-Executive Directors and Non-Executive Directors) and the Executive Committee meet regularly to consider and decide upon a range of operational, financial and strategic matters impacting the Company. Further information on the operation of the Board can be found in the Section 172 Statement in this document and in the Corporate Governance Report on pages 127-135 of the Annual Integrated Report 2025.

The Company publishes a range of annual and periodic reports including: Annual Integrated Report, Annual and Interim Financial Results, Annual Performance Report, Drinking Water Quality Report, Gender Pay Gap Report, Drought Modelling Report, Modern Slavery Statement, Water Resources Management Plan and Drainage and Wastewater Management Plan.

Independence of Board – It is a requirement of Ofwat's Board Leadership, Transparency and Governance (BLTG) Principles that independent non-executive directors are the largest single group on the Board. The Board confirms that, for the 2024/25 financial year and up to the date of this certificate, it has been compliant with this requirement, with the Board currently consisting of an independent Chair, five Independent Non-Executive Directors, four Non-Executive Directors and two Executive Directors. The Board confirms it intends to maintain this structure for the next 12 months. Further information on the structure of the Board can be found in the Corporate Governance Report on pages 131-133 of the Company's Annual Integrated Report 2025.

Systems of planning and control

Governance procedures, risk management frameworks, oversight procedures – In October 2020, the Board adopted the Anglian Water Services Corporate Governance Code 2020 ('the 2020 Code'), which incorporates Ofwat's BLTG Principles and most of the provisions contained in the 2018 UK Corporate Governance Code. Full details of the compliance against the 2020 Code is detailed in the Corporate Governance Report on page 135 of the Annual Integrated Report 2025.

In January 2024, the Financial Reporting Council (FRC) published the 2024 UK Code which applied to financial years starting on or after 1 January 2025. On publication of the 2024 UK Code, the Board and Audit and Risk Committee considered the changes and the next steps to drive compliance. During the year, the Board and relevant Committees reviewed and discussed in detail both the 2024 UK Code and the questions contained in the FRC's Corporate Governance Guidance. At its meeting in March 2025, the Board approved the Anglian Water Services Corporate Governance Code 2025 ('the 2025 Code'). As with prior corporate governance codes, the 2025 Code incorporates most of the provisions of the 2024 UK Code along with Ofwat's BLTG Principles and supporting provisions. Only the parts of the 2024 UK Code that cannot sensibly be applied to a company in private ownership have been omitted. Compliance against the 2025 Code will be reported for the first time in the 2026 Corporate Governance Report. Provision 4.6, in relation to risk management and the internal control landscape, will come into effect on 1 April 2026 (in line with the 2024 UK Code) and compliance against this particular provision will be reported against in the 2027 Corporate Governance Report.

Both the Executive Committee, Audit and Risk Committee and Board regularly review the Company's Top Tier Risk Register and the Company has a full risk management framework in place. During 2022 and 2023 the Company's Principal Risk Areas were reviewed and updated along with the risk appetite statements, details of which can be found on pages 136-142 of the Company's Annual Integrated Report 2025.

Internal and external audit policies, processes, activities – Deloitte was awarded the contract for external audit services in September 2016. During the 2021/22 financial year the Audit Committee undertook a tender of the external audit contract. Following a detailed process, the Committee recommended to the Board that Deloitte be reappointed as external auditor on a four-year contract to commence from September 2023 with the option for four successive one-year extensions. The Board approved Deloitte's re-appointment on the terms detailed above at its Board meeting in March 2024.

The internal audit function is an integral part of the company's internal control framework. The provision of internal audit services is undertaken by an in-house team, with support provided by external specialists as necessary. The work undertaken by the internal audit function provides key insights into the practices, processes, systems and controls of the company. As such, the internal audit plan is approved on an annual basis at the March Audit and Risk Committee meeting. The Head of Internal Audit then provides a detailed update on progress against the plan at least four times a year. This update provides insight into the results of the audits, including management plans in place to address any actions. More information can be found on page 140 of the Annual Integrated Report 2025.

The internal audit plan for 2025/26 is aimed at providing depth and quality assurance in the higher risk areas. Taking into account the principal risk and business areas, discussions with management, organisational objectives and priorities. The number of audits included in the 2025/26 plan has remained at the same level as 2024/25. Audits on the 2025/26 internal audit plan include three follow up pieces of work on Health and Safety, SPA and WINEP delivery as well as compliance-based audits for ODI performance and Environmental Information Regulations and Capital Financial planning audit work to review the new governance being put in place and its effectiveness.

Systems for maintaining supply/ business continuity - the Company has robust operational and organisational resilience mitigations in place to ensure its essential services to customers can continue during planned and unplanned events and incidents that affect the Company's assets, people or processes. These include documented plans and procedures, incident room facilities, workplace recovery facilities, emergency equipment, card warning stocks and stores of alternative supplies such as bottled water; supplemented by third party contracted services that provide further layers of resilience. All processes and plans are regularly reviewed against risks to the business, and the Company undertakes training and exercises to validate these. In addition, the business maintains well established cross-industry and cross-government relationships with key external stakeholders including SEMD teams at DWI and DEFRA, 13 Local Resilience Groups, National Incident Management and Platinum Incident Management groups.

The Company continues to use its established Business Impact Analysis via a new online application which is now linked to a business platform that supports the maintenance of a centralised enterprise view of critical data, to provide visibility and consistency across the business and enables the business' response to incidents. This uses a systematic approach to assess the criticality of activities delivered within the business and the people, buildings, equipment, partners and systems that teams need to deliver them. The Business Impact Analysis continues to be used to form a whole suite of Business Continuity plans including workplace recovery arrangements and alternative resource plans. These plans are regularly tested and exercised with our critical teams. Business Impact Analyses forms part of the Company's ISO 22301 Business Continuity certification for which the Company is audited annually; the business gained full recertification this year with zero non-conformities raised.

The Company has also further strengthened its approach to supply chain resilience by carrying out mapping of some of its most critical supply chains and producing a dashboard, together with supporting plans, to respond to disruptive events affecting these suppliers to quickly understand the business impact and the contingencies required to maintain operations.

Organisational incident management structures and processes continue to be enhanced with the development of a specific Operational Risk Manager role to provide assurance of the effectiveness of controls and mitigation against existing and emerging risks and issues and who provides holistic oversight of weekly risk monitoring groups, within Water and Water Recycling operations, bringing together subject matter experts from across the team to provide a view of emerging risks, their possible impact to the business, and the response required. Our adoption of J-Cells for more complex, long-duration incidents, in addition to our use of the more traditional command and control structures, has greatly improved our ability to achieve interoperability and engage all relevant stakeholders to resolve incidents in the most effective way.

This year, alongside our Anglian Water Force (where all employees are allocated a secondary, and often tertiary, Incident support role), we have resourced and trained a new dedicated 24/7 Incident Response Shift within our Tactical Operations team. This team provides a competent, effective support team alongside other core and specialist roles, who remain on standby, to provide a rapid response in the event of an incident. This, together with our robust training and exercising plans and hybrid approach to managing incidents, has enhanced our capacity to resource Incident Response Teams and provide greater resilience across the business.

The Company has a Protective Security strategy to manage the direction and support for all aspects of security to mitigate risk and to ensure that regulatory and operational needs of the business are met. The Company recognises the requirement to remain compliant with our responsibilities, and as such work within a set of legal and regulatory directives.

Policies to prevent fraud and other unethical behaviour including whistleblowing – The Company expects all employees, partners, agents and contractors to adopt a high standard of business ethics and have zero tolerance of bribery and corruption. The Company requires employees to complete training, including on anti-bribery, competition rules (maintaining a level playing field) and data protection. The Company has a whistleblowing policy whereby employees and alliance partners can, in confidence, report on matters where they feel malpractice, criminal activities, improper or unethical behaviour is taking place. Employees can raise any concerns with management or, if this in inappropriate, raise them with the externally facilitated helpline or confidential email address which is managed by an independent provider. The independent provider maintains a register of all allegations and senior management decide whether there are grounds for further investigation. Details of all whistleblowing allegations and subsequent investigations are considered by the Audit and Risk Committee. Further information on the Company's approach to whistleblowing, anti-fraud and anti-bribery processes can be found on page 141 of the Company's Annual Integrated Report 2025.

Risk, compliance and other assurance statements - The Company has a well-established risk management process, with principal risk areas and top tier key risks regularly reviewed by the Executive Committee, Risk and Audit Committee and Board. A full disclosure relating to resilience, risk management and viability is included in the Company's Annual Integrated Report 2025 on pages 102-120. The Company maintains registers that demonstrate that the Company complies with the relevant sections of the Water Industry Act and its Licence. In addition, annual assurance statements from external assurance providers are included in the Annual Performance Report.

Rights and resources other than financial

Corporate missions and values – The Company's purpose is to bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop. Our Purpose is underpinned by our three values and behaviours. Along with the Company's

public interest commitment, which is enshrined in the Company's Articles of Association, the values and behaviours framework provides direction and guidance across all areas of the business to support the Company to deliver its Purpose and keep the business running over the coming years.

Technology and other systems for ensuring checks and balances - The Company has robust systems in place to ensure the management of a stage-gate approach to investment delivery, as well as a change control process for the initial allocation and subsequent re-allocation of capital and operational expenditure budgets. The Company has worked to better integrate these systems to improve the consistency of management information and enable improved benefits decision-making. In addition to the systems it has in place to manage the delivery of the investment programme, the Company has a corporate risk tool which hosts the corporate risk register and allows risk owners to update their risks prior to Board updates.

A wide range of technology and systems are deployed to ensure the functioning of the business, including an Enterprise Resource Planning (ERP) system, risk management system, extensive operational monitoring and control systems, field scheduling systems, employee management and customer and billing systems. The Heads of each business area are required to assess and confirm annually that the Business Unit Information Technology requirements are adequately met.

The Board receives regular reports on the status of our cyber security risk landscape. All employees receive regular reminders about the risks to our cyber-safety from external emails and periodic spoof phishing emails to test their vigilance against the threat.

The Company is undertaking a major business improvement project associated with the upgrading of its ERP to S/4HANA. Some outputs were delivered in 2023, with the completion of the enabling functions migrations planned for 2025. Further outputs around customer and asset information will be delivered in subsequent years. The Company continually explores the potential for new digital technologies to support its objectives. For example, this year it has been trialling the use of artificial intelligence tools.

Policies to encourage an integrated approach and 'systems thinking' - The Company's management systems help ensure it meets customer commitments and deliver its outcomes. The Company's Integrated Management System Framework sets out all its management system standards in a clear and consistent way, aligning to strategic priorities, business goals and good outcomes. Strategic and business unit plans form the basis on which Anglian Water sets and reviews its objectives, obligations and targets. These cover areas such as the following:

- Customer - To make life better for our customers every single day, by delivering a personal, trusted and effortless experience
- Water Quality - Protecting water from source to source, providing confidence that our drinking water and recycled water is always safe and clean
- Environment - Safeguarding and enhancing the air, water and land where we live and operate, to sustain and maintain a flourishing environment
- Asset Management - Exploiting the whole lifecycle of our assets to maximise value and reduce our capital and operational carbon footprint
- Resilience - Effective planning and preparation to manage and mitigate the impact of any disruptive event so we can successfully respond and recover.

Certified Business Management Systems (BMS) have been established to reinforce the management of risks associated with many areas of the business and compliance with obligations. Areas covered by BMSs include water and water recycling operations, asset management and occupational health and safety management. In 2023 we became the

first water company to achieve certification for the ISO45003 standard, which recognises the important work we do to support our people's health and wellbeing. Audits of compliance with the requirements of these systems are conducted internally and by third party certifiers.

The Company uses the integrated human resources management software system, Workday, to ensure a common approach is taken across the business in areas such as performance management. We use Workday to ensure all relevant employees undertake training on essential legal obligations, such as the Bribery Act and GDPR, and key internal policies which protect the companies' assets, such as the acceptable use of IT and the risks of cyber attack. The Heads of each business unit are required to assess and confirm annually that all the employees within their units are up-to-date with their training requirements.

Planning systems - The Company has an asset management approach based on continuous planning and management of assets and investments, supported by the Company's Copperleaf C55 system, that ensures that the Company delivers efficient outcomes for customers. This is used to test all investment proposals and ensures that funds are allocated in the most efficient way to deliver benefits of greatest value to customers at the lowest whole-life cost.

Assets maintenance / insurance factors - Anglian Water is one of the leaders in the industry when it comes to Asset Management and coverage of asset information and asset models. The Company completes deterioration modelling coupled with an assessment of criticality of the Company's asset base to identify maintenance needs and completes site by site reviews to create bespoke site and catchment asset plans. Working with Ofwat, in 2021 the Company completed a maturity assessment of its approach to asset health and asset resilience. In its assessment of Anglian's submission, Ofwat rated Anglian's approach most highly of all of the companies in the sector.

The Company welcomed Ofwat's recognition at PR24 of the need for targeted investment in water mains renewal. In its final determination of price controls for 2025-30 Ofwat set out a plan for gaining greater insight into the condition of a wider range of assets ahead of the next price review in 2029. The project will assess whether there are any sector-wide asset condition issues that can be addressed at or ahead of the next price control period. The Company strongly welcomes this initiative and is engaging fully with it.

The Company appoints a London Insurance Broker to facilitate the placement of its insurance programme. The broker, in conjunction with the business, will annually (or more frequently if required) undertake a review of business activity combined with an assessment of the corporate risk profile, to determine the key threats to the business and its ability to meet its overall corporate objectives. This process, combined with a review of historic business losses and overall loss trends in the wider insurance market, determines the value of these financial risk exposures that can be transferred to the insurance market. The Company will, via its appointed Brokers, ensure it has met its statutory obligations to procure certain insurance policies and seek to place all other policies to the required limits (where available in the insurance market) to ensure key financial risks and assets are protected against significant loss.

Contracting

Position/ status of key contracts in place - The Company's Delivery Investment Programme key alliance Tier 1 & 2 contracts have been sourced in compliance with EU procurement regulations and signed by all shareholders. The contracts are differentiated by the degree of integration and alignment and the opportunity for longer-term collaboration with financially sustainable contractors. They adopt an appropriate works allocation to assure no material infringements to the Company's covenants are incurred and these are assured monthly through Company procedures.

As key contractors within the investment programme, the alliances follow the following principles:

- Commercial arrangements align partners' returns with the Final Determination

- Targets and arrangements incentivise innovation and performance
- Stretching targets are set around affordability, outcome performance, a carbon challenge and time to deliver
- A strong focus on culture and behaviour exists across all of the Alliances, leading to greater collaboration and a constant exchange of best practice
- Engagement with the partners is at programme / portfolio level rather than project level, enabling far greater degrees of efficiencies through governance procedures
- Common supply chain frameworks are developed, providing scale benefits and more effective supplier management.

Adherence to these principles creates a greater level of cost efficiency, shared resourcing, and exchange of best practice and is assured through Self Assurance Contacts embedded into the alliances.

The terms of contracts awarded by the Company to independent third parties for the provision of certain services and operations are issued in compliance with the Utilities Contract Regulations 2006 and or 2016 (as applicable at the time of tender), and other appropriate UK regulations and EC Directives for the procurement of such outsourced services.

The Company currently sources from external sources a proportion of services, such as water main repairs, sewer repairs and facilities management. The Company has no intention to materially extend its outsourcing beyond current levels in the twelve months following the date of this certificate.

The Company also complies with the requirements of the licence conditions and guidance issued by Ofwat in respect of cross-subsidies between the Appointee and any Associated Company.

No Guarantees or Cross-Default Obligations have been given without Ofwat's written consent.

The terms of contracts with all Associated Companies include service levels and appropriate terms and conditions and have been reviewed by the Company's Auditors as part of their annual audit. Any conflicts of interest for individual Directors must be disclosed under the Company's Articles of Association. No Director may vote on any contract or arrangement between the Company and any other Anglian Water Group Company if he/she is also a Director of that Anglian Water Group Company.

Material Issues or Circumstances

Mark Thurston was appointed Chief Executive Officer in August 2024, to replace Peter Simpson, who had served as Chief Executive Officer since 2010. In November 2024, Michael Bradley was appointed as Chief Financial Officer, to replace Tony Donnelly, who had held the position on an interim basis for a year. Further changes to our Board are set out in our AIR.

March 2025 saw the end of the 2020-25 price control period (AMP7). In line with the rest of the sector, the Company exceeded its expenditure allowances for the period yet failed to meet many of the challenging performance commitment levels that were set for it by Ofwat at PR19. In its Water Company Performance Report for 2023/24 Ofwat classed the Company as 'lagging behind' for the second successive year. The Company set out its improvement actions in a Service Commitment Plan and has reviewed progress against these actions at quarterly meetings with Ofwat and the quality regulators. The Plan recognises that in several areas performance shortfalls are the consequence of many years of under-investment and that an equivalent period will be required to achieve the service

levels that society expects. In Autumn 2024 the Company established 'Project Nexus' to target immediate improvements in a few of the highest priority performance areas. Our year-end results reflect the impact of that project.

The Company continued to engage fully with Ofwat in respect of its enquiry into companies' compliance with their wastewater management obligations. The Board receives regular updates on the progress of the investigation. The Company expects the provisional findings of Ofwat's investigation into its own compliance to be published in 2025/26.

In October 2024 the Company published the final version of its business plan for 2025-30 (AMP8), setting out a £11 billion investment programme that will, among many other things, progress plans for two new water storage reservoirs, deal with the growth needs of our region and reduce the risk of pollutions and waste water spills. In December 2024 Ofwat published its final determination of price controls for the period. After careful consideration, the Anglian Water Board concluded that the final determination failed to achieve an appropriate balance of risk and return and asked Ofwat to refer to the Competition and Markets Authority (CMA) for a re-determination. The Company is engaging fully with the CMA process and looking forward to a final re-determination in early 2026. The Company is determined that the CMA process does not jeopardise delivery of its AMP8 objectives and is meanwhile proceeding with its largest ever investment plan.

The Company is re-shaping the business to meet the challenges of the new period under the banner Project Chrysalis, for completion by the end of 2025. The project envisages expansion of the front-line operational and capital delivery departments and a reduction of overhead and non-operational functions. The Company is also looking to appoint a strategic Programme Delivery Partner (PDP) to support us in the delivery of our wide-ranging capital investment programme as well as the reservoirs in the Fens and Lincolnshire. We expect to award a contract to the successful entity in August 2025.

During 2024/25 reviews were initiated by the National Audit Office and the Environment, Food and Rural Affairs Select Committee to consider the regulation of the water industry. On its election in July 2024 the new Labour government commissioned an Independent Commission into the water sector and its regulation, to be chaired by Sir Jon Cunliffe. The Company has contributed views to all of these reviews and looks forward to considering their conclusions on their publication.

Table 1A - Income statement

	Line description	Units	Statutory	Adjustments			Total appointed activities
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments	
1	Revenue	£m	1749.333	-87.438	28.220	-115.658	1633.675
2	Operating costs	£m	-1269.581	30.030	-18.432	48.461	-1221.120
3	Other operating income	£m	16.809	-16.412	-	-16.412	0.397
4	Operating profit	£m	496.561	-73.821	9.788	-83.609	412.952
5	Other income	£m	-	89.767	-	89.767	89.767
6	Interest income	£m	46.634	-2.120	-	-2.120	44.514
7	Interest expense	£m	-419.086	-84.053	-	-84.053	-503.139
8	Other interest expense	£m	0.000	2.120	-	2.120	2.120
9	Profit before tax and fair value movements	£m	124.109	-68.107	9.788	-77.896	46.214
10	Fair value gains/(losses) on financial instruments	£m	62.924	-	-	-	62.924
11	Profit before tax	£m	187.034	-68.107	9.788	-77.896	109.138
12	UK Corporation tax	£m	22.200	0.227	-2.447	2.674	24.874
13	Deferred tax	£m	-74.800	16.800	-	16.800	-58.000
14	Profit for the year	£m	134.434	-51.080	7.341	-58.422	76.012
15	Dividends	£m	-88.600	-	-7.341	7.341	-81.259
	Tax analysis						
16	Current year	£m	-47.800	-0.227	2.447	-2.674	-50.474
17	Adjustment in respect of prior years	£m	25.600	-	-	-	25.600
18	UK Corporation tax	£m	-22.200	-0.227	2.447	-2.674	-24.874
	Analysis of non-appointed revenue						
19	Imported sludge	£m	-	-	-	-	-
20	Tankered waste	£m	-	-	5.647	-	-
21	Other non-appointed revenue	£m	-	-	22.573	-	-
22	Revenue	£m	-	-	28.220	-	-

1 The figures in the statutory columns in tables 1A to 1D are based on the Company only accounts of Anglian Water Services Ltd. The principal differences between the statutory accounts and the APR are in respect of capitalised interest and the classification of grants and contributions income. For regulatory reporting, capitalised interest is not permitted and therefore the adjustments are to reverse out the impact on depreciation, interest and deferred tax.

2 Grants and contributions income in the statutory accounts is classified as revenue (in accordance with IFRS 15 'Revenue from Contracts with Customers'), whereas in the regulatory accounts it is classified as 'other income'. The other adjustments are reclassifications of the following items:

- Profit on disposals of fixed assets is treated as operating costs in the statutory accounts and other operating income in the APR.
- Rents received are classified as other operating income in the statutory accounts and other income in the regulatory accounts.
- Contributions received for rechargeable works and fluoridation are other operating income in the statutory accounts, but classified as revenue in the regulatory accounts.
- Certain income items treated as negative expenditure in the regulatory accounts (table 2B) are classified as other operating income in the statutory accounts in accordance with IFRS 15.
- Interest charges in respect of defined benefit pension schemes are classified as interest expense in statutory accounts and other interest expense in the APR.
- An accrual has been recorded within the statutory accounts in relation to the innovation fund. As agreed by Ofwat, the cost has been reversed for the purposes of the regulatory accounts but no corresponding adjustment has been made within revenue. The only costs recorded in the APR for the innovation fund are the actual costs on projects that have been funded by the innovation fund. These are offset by the release of the accrual in the statutory accounts.

3 These adjustments explaining the difference between statutory and RAG definitions are summarised in the following table.

Difference between statutory and RAG definitions

Line Description	Adjustments						Total adjustments
	Reclassification of profit on disposal of assets	Capitalisation of interest and related depreciation	Income offset	G&C	Reclassification of pension scheme interest	Reversal of provision for innovation fund	
Revenue			1.759	(89.197)			(87.438)
Operating costs	(0.029)	16.852	14.112			(0.906)	30.030
Other operating income	0.029		(16.441)				(16.412)
Other income			0.570	89.197			89.767
Interest expense		(84.053)			(2.120)		(86.173)
Other interest expense					2.120		2.120
UK Corporation tax						0.226	0.226
Deferred tax		16.800					16.800
Total	0.000	(50.401)	0.000	0.000	0.000	(0.679)	(51.080)

The following commentary is in relation to the appointed business only.

Revenue (1A.1)

4 Revenue for the year, excluding grants and contributions, was £1,633.7 million (2024: £1,504.4 million), an increase of £129.3 million (8.6 per cent) on last year. The increase in revenue is as a result of the following factors:

- The price increase for customers following the regulatory pricing formula, resulting in a £132.1 million increase. This is reflected in an average increase of 8.6 per cent in dual-service bills.
- A net increase in demand of £1.8 million. Household consumption is up £1.3 million and non-household up £0.5 million when compared with the prior year.
- Other offsetting movements in revenue of £2.65 million.

5 The money we can raise from bills, along with how much we are allowed to invest in our service, is decided every five years through Ofwat's price-setting process and set out in our Final Determination (FD).

Operating costs (including loss allowance for expected credit losses) (1A.2)

6 Operating costs of £1,221.1 million comprise opex of £846.1 million and depreciation of £423.5 million. Overall operating costs (including depreciation) for the year increased by £52.0 million (4.5 per cent) from £1,169.1 million in 2024.The movement in operating costs is principally due to inflation and costs such as tankering, within Water Recycling Operational Logistics, and salary costs which have increased over and above inflation. These movements are explained within the Annual Integrated Report and summarised below.

Summary of changes in operating expenditure	
Category	£m
Prior Year	822.9
Funded by FD	
Inflation	25.5
Weather related incidents	
Tankering and additional people cost	8.4
Increase in cost due to impact of wet winter weather	0
Power	
Power Cost	-25.7
Rates	
Business rates	5.2
Discharge Permits	6.0
Other significant items	
Loss Allowance for Expected credit losses	-1.1
Above inflation salary increases	9.5
Legal fee credit	-2.1
Other	-2.5

Total Increase	**23.2**
As at March 2025	**846.1**

Inflation

7 The inflationary increases in our cost base formed part of the Final Determination and are therefore, whilst subject to a timing delay, funded through the inflationary increases in revenues.

Weather related

8 Our region experienced one of the wettest three month periods (April-June) on record which resulted in extremely high level of rain in our water recycling network. In order to minimise disruption to customers and the environment there was a significant increase in spend, particularly on hired vehicles and tankers as we helped to manage flooding in the region and in our network.

Power

9 The reduction in power reflects the general reduction seen in energy prices. Our proactive energy hedging approach enabled us to have flexibility in the most volatile and expensive market periods.

Rates and Discharge Permits

10 We saw increases in rates and discharge permits over and above inflation from the Local Authority and Environment Agency respectively.

Other significant items

11 Salaries have increased by £9.5 million, partly due to increased employee numbers and partly due to the agreed pay rise of 6.0 per cent, which was above CPIH of 2.9 per cent.

Depreciation and amortisation

12 Depreciation and amortisation is up 9.0 per cent to £423.5 million, primarily as a result of higher fixed asset balances, as we construct and commission assets in line with our capital investment programme.

Other operating income (1A.3)

13 Other operating income comprises primarily external income from power generation, bio-solid sales to farms, rents received and various other non-core activities; this was consistent with prior years.

Operating profit (1A.4)

14 Operating profit for the year was £413.0 million, an increase of 22.6 per cent compared with the previous year. This reflects the increase in revenue more than offsetting the increase in operating costs including depreciation, as discussed above.

Other income (1A.5)

15 Other income has decreased by £8.5 million, 8.7 per cent. This line primarily represents the cash and asset contributions made principally by property developers and local authorities for connecting new property developments to the water and sewerage network, and for diverting existing infrastructure.

Interest income (1A.6)

16 Interest income has increased from £41.0 million in 2024 to £44.5 million in the current year. This is as a result of increased rates on our borrowings and the amount of cash held.

Interest expense (1A.7)

17 Interest expense (excluding fair value gains and losses on financial instruments) decreased from £619.0 million in 2024 to £503.1 million in 2025.

Other interest expense (1A.8)

18 Other interest expense is made up of the actuarial pension charge or credit on the defined benefit pension scheme, which is partly driven by the level of the pension scheme accounting deficit or surplus at the start of the year. There was a credit for the year of £2.1 million, compared with a credit of £2.5 million in the previous year. This is consistent with there having been a significant accounting surplus on the funded defined benefit scheme.

19 The below table shows the components which make up the interest figures in interest expense (1A.7) and other interest expense (1A.8):

Component	Amount £m	Table Ref
Interest expense on bank loans and overdrafts	12.836	1A.7
Interest expense on other loans including financing expenses	287.234	1A.7
Indexation of loan stock	197.122	1A.7
Amortisation of debt issue costs	4.500	1A.7
Interest on leases	1.015	1A.7
Unwinding of discount on provision	0.054	1A.7
Debt mangement fee to AWSF	0.450	1A.7
Defined benefit pension scheme interest	(2.120)	1A.8

Profit before tax and fair value movements (1A.9)

20 The profit before tax and fair value movements has increased from a £140.4 million loss in the previous year to £46.2 million gain in 2025. This movement is largely as a result of the indexation discussed above.

Fair value gains and (losses) on financial instruments (1A.10)

21 There was a fair value gain of £62.9 million on derivative financial instruments in 2025, compared to a gain of £204.9 million in 2024. Fair value gains in the period, which are unrealised, non-cash items, are the result of decreases in derivative liability positions, primarily driven by forecast decreases in inflation rates and forecast increases in interest rates. Fair valuation movements on derivative valuations can be volatile depending on the market rates forecast at the time of reporting and do not have a crystallised economic impact to the business until the time of actual cash flow fixing.

Profit before tax (1A.11)

22 The profit before tax for the year was £109.1 million, compared to £64.5 million in the previous year. Reflecting the movements referred to above.

Current tax and deferred tax (1A.12 and 1A.13)

23 Compared to the same period in the previous year, the total tax charge has increased by £18.7 million from £14.5 million to £33.1 million. This is mainly because profit before tax increased and there was a prior year charge from agreeing past tax returns, partly offset by a larger prior year credit from reversing a tax loss surrender to another group company in 2022/23.

24 In addition to the £52.6 million tax charge on the income statement, there is a charge of £16.7 million (2024: credit of £8.4 million) in the statement of other comprehensive income, in relation to tax on actuarial losses on pension schemes and fair value losses on cash flow hedges.

Profit/(loss) for the year (1A.14)

25 The profit for the year was £76.0 million, compared with £50.0 million for the previous year. The profit in the current year is consistent with the increased profit before combined with the tax charge described above.

Dividends (1A.15)

26 Dividend payments in the year of £81.3 million (2024: £72.6 million). The Directors have recommended not to pay a final dividend in relation to 2024/25. While there was capacity to pay a dividend - after taking account commitments to customers and other

stakeholders and ensuring that it is able to finance its Appointed Business - the Directors felt it appropriate to defer this capacity at this time. This, along with the £500 million equity commitment into the wider group shows the long-term support of our shareholders.

Table 1B - Statement of Comprehensive Income

	Line description	Units	Statutory	Adjustments			Total appointed activities
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments	
1	Profit for the year	£m	134.434	-51.080	7.341	-58.422	76.012
2	Actuarial gains/(losses) on post-employment plans	£m	21.800	-	-	-	21.800
3	Other comprehensive income	£m	28.200	-	-	-	28.200
4	Total Comprehensive income for the year	£m	184.434	-51.080	7.341	-58.422	126.012

Profit for the year (1B.1)

1 The principal difference between the statutory accounts and the APR for this table is in respect of capitalised interest. For regulatory reporting, capitalised interest is not permitted and therefore the adjustments are to reverse out the impact on profit for the year.

2 Appointed comprehensive income for the year of £126.0 million, comprising profit for the year of £76.0 million, actuarial gains on post employment benefits of £21.8 million and other comprehensive income, which are gains on cash flow hedges of £28.2 million.

3 Other than the changes to the profit for the year as detailed in the commentary for table 1A, there are no differences between the statutory and regulatory accounts on the statement of other comprehensive income.

Actuarial gains/(losses) on post employment plans (1B.2)

4 Actuarial gains on retirement benefit obligations for the year were £21.8 million (2024: losses of £19.3 million), comprising actuarial gains of £29.1 million partially offset by deferred tax on these losses of £7.3 million. This resulted in Anglian Water reporting a net retirement benefit asset of £89.3 million as at 31 March 2025 (2024: £30.7 million).

Other comprehensive income (1B.3)

5 Other comprehensive income for the year comprises gains on cash flow hedges of £28.2 million (2024: loss £5.0 million), partially offset by deferred tax on these losses of £9.4 million (2024: gain £1.9 million).

Table 1C - Statement of Financial Position

	Line description	Units	Statutory	Adjustments			Total appointed activities
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments	
	Non-current assets						
1	Fixed assets	£m	12,114.218	-484.200	10.575	-494.775	11,619.443
2	Intangible assets	£m	317.286	-23.467	2.587	-26.054	291.232
3	Investments - loans to group companies	£m	-	-	-	-	-
4	Investments - other	£m	0.013	-	-	-	0.013
5	Financial instruments	£m	168.322	-	-	-	168.322
6	Retirement benefit assets	£m	115.928	-	-	-	115.928
7	Total non-current assets	£m	12,715.767	-507.668	13.161	-520.829	12,194.938
	Current assets						
8	Inventories	£m	20.884	-	-	-	20.884
9	Trade & other receivables	£m	658.155	-	-	-	658.155
10	Financial instruments	£m	0.912	-	-	-	0.912
11	Cash & cash equivalents	£m	980.712	-	-	-	980.712
12	Total current assets	£m	1,660.662	-	-	-	1,660.662
	Current liabilities						
13	Trade & other payables	£m	-571.974	-146.373	-10.714	-135.659	-707.632
14	Capex creditor	£m	-145.049	-	-	-	-145.049
15	Borrowings	£m	-704.502	160.432	0.000	160.432	-544.070
16	Financial instruments	£m	-8.310	-	-	-	-8.310
17	Current tax liabilities	£m	-54.001	-3.515	-2.447	-1.068	-55.068
18	Provisions	£m	-4.352	-	-	-	-4.352
19	Total current liabilities	£m	-1,488.187	10.544	-13.161	23.705	-1,464.481
20	Net Current assets/(liabilities)	£m	172.475	10.544	-13.161	23.705	196.181
	Non-current liabilities						
21	Trade & other payables	£m	0.000	-	-	-	0.000
22	Borrowings	£m	-8,035.611	-	-	-	-8,035.611
23	Financial instruments	£m	-781.551	-	-	-	-781.551
24	Retirement benefit obligations	£m	-26.629	-	-	-	-26.629
25	Provisions	£m	-3.227	-	-	-	-3.227
26	Deferred income – grants & contributions	£m	0.000	-	-	-	0.000
27	Deferred income - adopted assets	£m	0.000	-	-	-	0.000

	Line description	Units	Statutory	Adjustments			Total appointed activities
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments	
28	Preference share capital	£m	0.000	-	-	-	0.000
29	Deferred tax	£m	-1,693.258	126.917	-	126.917	-1,566.341
30	Total non-current liabilities	£m	-10,540.276	126.917	-	126.917	-10,413.359
31	Net assets	£m	2,347.966	-370.206	-	-370.206	1,977.760
	Equity						
32	Called up share capital	£m	32.000	-	-	-	32.000
33	Retained earnings & other reserves	£m	2,315.966	-370.206	-	-370.206	1,945.760
34	Total Equity	£m	2,347.966	-370.206	-	-370.206	1,977.760

1 The statement of financial position is based on the statutory, Company only balance sheet with adjustments for interest, capitalised and associated deferred tax, innovation fund and reclassifications of trade and other payables as detailed below.

2 The principal difference between the statutory accounts and APR is in respect of capitalised interest. For regulatory reporting, capitalised interest is not permitted and therefore the adjustments are to reverse out the impact on accumulated depreciation, deferred tax and reserves. With the introduction of the innovation fund this AMP, as discussed in the commentary to Table 1A, the only costs related to the innovation fund expected to be included are actual costs on projects that have been funded by the innovation fund (as reported in line 9A.22 of the APR). Companies are also expected to unwind any accrual that was reported previously. The only other adjustments are the reclassification of current grants and contributions and accrued interest to trade and other payables and of capital creditors.

3 These adjustments are summarised in the table below.

4 The following commentary is in relation to the appointed business only.

Line Description	Adjustments					
	Reversal of capitalised interest cost £m	Reclassification of capital creditors £m	Reclassification of interest accrual on debt £m	Deferred tax impact of reversal of capitalised interest cost £m	Reversal of provision for innovation fund £m	Total adjustments £m
Fixed assets	(483.019)	-	-	-	-	(483.019)
Intangible assets	(21.580)	-	-	-	-	(21.580)
Trade & other payables	-		(160.432)	-	14.059	(146.373)
Current tax liabilities	-	-			(3.515)	(3.515)
Capex creditor	-		-	-	-	-
Borrowings	-	-	160.432	-	-	160.432
Provisions <1 Year	-	-	-	-	-	-
Provisions >1 Year	-	-	-	-	-	-
Deferred tax	-	-	-	126.150	-	126.150
Retained earnings & other reserves	504.599	-	-	(126.150)	(10.544)	367.905

Fixed assets (1C.1)

5 The net book value (NBV) for tangible fixed assets has increased by £639.5 million due to capital expenditure in the year, partially offset by the depreciation charge.

Intangible assets (1C.2)

6 The NBV of intangible assets increased by £57.4 million over the year, reflecting expenditure on intangible assets under construction, partially offset by the amortisation charge for the year.

Retirement benefit surpluses/obligations (1C.6 and 1C.24)

7 Net retirement benefit assets were £89.3 million comprising a surplus of £115.9 million on the combined Anglian Water Services and Hartlepool schemes, and a £26.6 million obligation on an unfunded scheme.

Current assets (1C.8-1C.12)

8 Total current assets have increased by £18.3 million (1.1 per cent) in the year.

9 The statutory cash figure includes £430.0 million of other short term deposits with a tenor of more than three months which are classified as investments - cash deposits within the statutory accounts.

10 Included within cash is £7.3 million of money collected from customers, which has been ring fenced to be used to fund projects awarded by Ofwat in relation to their innovation fund.

Trade and other payables (1C.13)

11 Compared with the prior year, trade payables have increased by £26.2 million (3.8 per cent) to £707.6 million. This is consistent with the increase in operating costs and also due to the increase in bills causing an increase in payments on account.

Capex creditor (1C.14)

12 Capital creditors have decreased by 7.7 per cent to £145.0 million at 31 March 2025. This movement reflects decreased spend in the current year

Borrowings (1C.15 and 1C.22)

13 Total borrowings have increased by £699.2 million in the year. The increase in net borrowings primarily reflects accretion on index-linked debt, capital expenditure and interest payments. A full reconciliation can be found in the analysis of net debt in our statutory accounts.

Current tax liabilities (1C.17)

14 Current tax liabilities have decreased by £23.1 million in the year. The liability solely reflects amounts owed to other group companies where the regulated company, Anglian Water Services Limited, has increased its taxable profits by disclaiming capital allowances only for the benefit of these other companies. There is agreement that the regulated company will pay the tax liabilities arising from the increased taxable profits when it receives the benefit of the disclaimed capital allowances. No amounts are owed to the tax authorities.

Deferred tax (1C.29)

15 The deferred tax credit is £126.9 million lower than the statutory accounts due to the reversal of capitalised interest on fixed and intangible assets, lines one and two. The deferred tax charge for this year mainly reflects capital allowances claimed in excess of the depreciation charge, a charge on the fair value gains on derivatives, offset by a credit on losses carried forward to future years.

Retained earnings (1C.33)

16 The difference of £370.2 million between the statutory and regulatory accounts is the reversal of capitalised interest less the related movement in deferred tax as a result of this and the reversal of the innovation fund accrual.

Table 1D - Statement of Cash Flows

	Line description	Units	Statutory	Adjustments			Total appointed activities
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments	
	Operating activities						
1	Operating profit	£m	496.561	-73.821	9.788	-83.609	412.952
2	Other income	£m	-33.963	89.767	-	89.767	55.804
3	Depreciation	£m	423.494	-16.852	2.423	-19.275	404.218
4	Amortisation – Grants & contributions	£m	-	-	-	-	-
5	Changes in working capital	£m	-79.001	0.906	-1.774	2.680	-76.320
6	Pension contributions	£m	-27.276	-	-	-	-27.276
7	Movement in provisions	£m	-2.421	-	-	-	-2.421
8	Profit on sale of fixed assets	£m	-0.029	-	-	-	-0.029
9	Cash generated from operations	£m	777.365	-0.000	10.437	-10.437	766.928
10	Net interest paid	£m	-218.305	25.600	-	25.600	-192.705
11	Tax paid	£m	-	-	-	-	-
12	Net cash generated from operating activities	£m	559.060	25.600	10.437	15.163	574.223
	Investing activities						
13	Capital expenditure	£m	-1069.668	-	-3.096	3.096	-1066.572
14	Grants & Contributions	£m	-	-	-	-	-
15	Disposal of fixed assets	£m	1.500	-	-	-	1.500
16	Other	£m	-	-	-	-	-
17	Net cash used in investing activities	£m	-1068.168	-	-3.096	3.096	-1065.072
18	Net cash generated before financing activities	£m	-509.108	25.600	7.341	18.259	-490.850
	Cashflows from financing activities						
19	Equity dividends paid	£m	-88.600	-	-7.341	7.341	-81.259
20	Net loans received	£m	576.400	-25.600	-	-25.600	550.800
21	Cash inflow from equity financing	£m	-	-	-	-	-
22	Net cash generated from financing activities	£m	487.800	-25.600	-7.341	-18.259	469.541
23	Increase (decrease) in net cash	£m	-21.308	-0.000	-	-0.000	-21.308

1 The principal differences between the statutory accounts and the APR are in respect of capitalised interest and the classification of grants and contribution income. For regulatory reporting, capitalised interest is not permitted and therefore the depreciation of capitalised interest has been removed here. Grants and contributions (G&C) income is included in revenue within the statutory accounts, but classified as other income in the regulatory accounts. As discussed in the commentary for 1A and 1C, the accrual for the innovation fund has been reversed for regulatory purposes, with the only costs recorded being those incurred on projects funded by the innovation fund. The other adjustments are a reclassification of debt issue costs from interest paid to net loans received and a reclassification of pensions operating expenditure from contributions to movements in provisions.

2 These adjustments, explaining the difference between statutory and RAG definitions, are summarised in the table below.

3 The following commentary is in relation to the appointed business only.

Line Description		Statutory	Reclass issue costs	Capitalisation of interest and related depreciation	Reclass of G&C and rental income	Reversal of provision for innovation fund	Total adjustments
1D.1	Operating profit	496.559		16.852	-89.767	-0.906	-73.821
1D.2	Other income	-33.963			89.767		89.767
1D.3	Depreciation	423.494		-16.852			-16.852
1D.5	Changes in working capital	-79.001				0.906	0.906
1D.10	Net interest paid	-218.305	25.600				25.600
1D.20	Net loans received	576.400	-25.600				-25.600

Operating profit (1D.1)

4 The increase in operating profit is explained in the commentary to table 1A. This is largely a result of the increase in revenue more than offsetting the increase in costs.

Other income (1D.2)

5 Other income has increased by £5.8 million to £55.8 million as a result of the strong cash collection from developers.

6 The £33.9 million included within the statutory column relates to assets adopted for nil consideration. This is shown within a separate line within the statutory accounts as an adjustment within operating activities, therefore this has been included within Other income within the regulatory accounts.

Changes in working capital (1D.5)

7 Changes in working capital decreased by £88.4 million from the prior year to decrease cash generated from operations. This is largely as a result of the increase seen in trade and other payables of £26.2 million, and in trade and other receivables of £36.7 million, as discussed in the commentary to table 1C. The remainder of the movement is due to the timing of certain payments around the year end.

Profit/loss on sale of fixed assets (1D.8)

8 The increase in profit on sale of fixed assets reflects the slightly higher number of disposals in the year, compared to the prior year.

Net interest paid (1D.10)

9 Net interest paid increased by £8.0 million to £192.7 million in the current year. Even though borrowings increased and therefore attracted additional interest costs in comparison.

Net cash generated from operating activities (1D.12)

10 Net cash inflow from operating activities decreased by £6.2 million from £580.1 million in 2024 to £574.2 million in 2025.

Equity dividends paid (1D.19)

11 Appointed dividend payments in the year were £81.3 million (2024: £72.9 million), which excludes an assumed non-appointed dividend of £7.3 million (2024: £7.0 million).

12 The Directors have recommended not to pay a final dividend in relation to 2024/25. While there was capacity to pay a dividend - after taking account commitments to customers and other stakeholders and ensuring that it is able to finance its Appointed Business - the Directors felt it appropriate to defer this capacity at this time. This, along with the £500 million equity commitment into the wider group, shows the long-term support of our shareholders.

Table 1E - Net Debt Analysis

	Line description	Units	Fixed rate	Floating rate	Index linked		Total
					RPI	CPI/CPIH	
	Interest rate risk profile						
1	Borrowings (excluding preference shares)	£m	2,898.102	1,106.757	1,611.292	3,417.514	9,033.666
2	Preference share capital	£m	-	-	-	-	-
3	Total borrowings	£m	2,898.102	1,106.757	1,611.292	3,417.514	9,033.666
4	Cash	£m	-	-	-	-	-435.712
5	Short term deposits	£m	-	-	-	-	-545.000
6	Net Debt	£m	-	-	-	-	8,052.954
	Gearing						
7	Gearing	%	-	-	-	-	0.718
8	Adjusted Gearing	%	-	-	-	-	0.713
	Interest						
9	Full year equivalent nominal interest cost	£m	151.076	66.205	85.986	169.923	473.190
10	Full year equivalent cash interest payment	£m	151.076	66.205	57.218	55.152	329.651
	Indicative interest rates						
11	Indicative weighted average nominal interest rate	%	0.052	0.060	0.053	0.050	0.052
12	Indicative weighted average cash interest rate	%	0.052	0.060	0.036	0.016	0.036
	Time to maturity						
13	Weighted average years to maturity	nr	9.743	13.086	16.639	11.454	12.262

Borrowings (excluding preference shares) (1E.1)

1 As per the guidance, borrowings are shown at nominal values plus indexation to 31 March 2025. Accrued interest and fair value adjustments are excluded, and so the numbers shown are different to Anglian Water's statutory accounts, which are prepared on an IFRS basis. A reconciliation of gross and net debt calculated on a regulatory and statutory accounts basis is shown below. The mix of debt has moved from prior year as discussed in the commentary to Table 4H.

	Total £m
Borrowings (per regulatory definition)[1]	**9033.666**
Fair value IFRS adjustments[2]	(106.600)
Deduct accreted indexation on swaps[3]	(300.173)
Adjust issue costs[4]	(47.212)
Non-current and Current Debt as per Table 1C	8579.681
Debt interest accrual[5]	160.432
IFRS debt (per statutory accounts)	**8740.113**

[1] Includes £27.0 million of leases, in addition to £6.9 million defined under the CTA.

[2]This represents the IFRS fair value accounting adjustment to applicable debt and derivatives due to spot foreign exchange and fair value hedge adjustments

[3]Strip out accreted indexation of index-linked derivatives included in the regulatory definition but classified as derivatives under IFRS.

[4] Directly attributable debt issue costs added to reflect IFRS treatment but excluded from the regulatory definition.

[5] Under the RAGs, debt is shown excluding accrued interest. Under IFRS, debt is shown including accrued interest.

2 Fixed rate debt increased by £525.3 million year on year mainly due to the following issuances:

- £200 million 5.75 per cent fixed rate bond-tap 2043
- £700 million 6.25 per cent fixed rate bond 2044 (including £100 million bond-tap)
- £50 million 6.05 per cent fixed rate bond 2039
- £0.3 million increase in leases

3 This was partially offset by the repayment of £100 million, 1.588 per cent fixed rate debt 2024, and maturing swaps within our portfolio outlined on a net basis below:

- £300.0 million swapped from fixed to CPI
- £100.0 million swapped from fixed to RPI
- £75.0 million swapped from floating to fixed

4 Floating rate debt increased by £172.4 million due to the following net movements within our swap portfolio, due to new and maturing swaps:

- £247.4 million swapped from RPI to floating
- £75.0 million swapped from floating to fixed

5 RPI Index linked debt decreased by £2,093.7 million due to the repayment of a £75.0 million RPI linked debt 2024, repayments of £222.4 million of accretion and £55.0 million of amortising principal repayments on RPI linked debt. This was partially offset by accretion of £156.1 million during the year on RPI linked debt.

6 There were also the previously mentioned net movements related to swaps:

- £1,750.0 million swapped from RPI to CPI
- £247.4 million swapped from RPI to floating
- £100.0 million swapped from fixed to RPI

7 CPI Index linked debt increased by £2,067.3 million due to accretion repayments of £23.7 million, an accretion charge of £41.0 million and the following net movements related to swaps:

- £1,750.0 million swapped from RPI to CPI
- £300.0 million swapped from fixed to CPI

Cash and short term deposits (1E.4 - 1E.5)

8 Cash and short-term deposits are split as per RAG 4.11. This differs from the statutory accounting treatment in that all money market deposits are shown as short-term deposits here, whereas in the statutory accounts these are split based on their original term to maturity with those with an initial term of three months or less classified as cash and cash equivalents.

Adjusted gearing (1E.8)

9 The adjusted gearing shown is Anglian Water's 'Senior RAR' ratio as at 31 March 2025, representing net debt divided by year-end RCV.

Interest (1E.9 - 1E.12)

10 Full year equivalent nominal interest rate is at 5.238 per cent as at 31 March 2025 compared to 5.747 per cent as at 31 March 2024. This reduction is mainly due to lower inflation.

11 Full year equivalent cash interest rate is at 3.649 per cent as at 31 March 2025 compared to 3.287 per cent as at 31 March 2024. This increase is mainly due to higher real rates on new inflation swaps and increase in fixed rate debt at higher cash interest rates.

Weighted average years to maturity (1E.13)

12 The weighted average years to maturity is similar to the previous year. The minor difference between weighted average years to maturity between 4B and 1E is due to the inclusion of derivative accretion in 4B which is not included in 1E as per the RAG.

Table 1F - Financial Flows

				12 months ended 31 March 2024						Average 2020-25					
	Line description			Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity
		Units		%			£m			%			£m		
1	Regulatory equity	£m	3	3409.71	3409.71	2526.71	-	-	-	3218.55	3218.55	2283.69	-	-	-
	Return on regulatory equity														
2	Return on regulatory equity	See Column Heading		4.44%	3.29%	4.44%	151.391	112.186	112.186	0.04	3.12%	4.39%	141.378	100.313	100.313
	Financing														
3	Impact of movement from notional gearing	See Column Heading		-	1.15%	0.71%	-	39.205	17.837	-	1.28%	0.76%	-	41.065	17.429
4	Gearing benefits sharing	See Column Heading		-	0.00%	0.00%	-	-	-	-	0.00%	0.00%	-	-	-
5	Variance in corporation tax	See Column Heading		-	1.43%	1.93%	-	48.768	48.768	-	1.70%	2.40%	-	54.780	54.780
6	Group relief	See Column Heading		-	0.00%	0.00%	-	-	-	-	0.00%	0.00%	-	-	-

7	Cost of debt	See Column Heading	-	-0.25%	-0.40%	-	-8.566	-10.045	-	-0.97%	-1.63%	-	-31.293	-37.167
8	Hedging instruments	See Column Heading	-	0.00%	0.00%	-	-	-	-	-0.01%	-0.01%	-	-0.185	-0.254
9	Return on regulatory equity including Financing adjustments	See Column Heading	4.44%	5.62%	6.68%	151.391	191.594	168.746	4.39%	5.12%	5.92%	141.378	164.679	135.101
	Operational Performance													
10	Totex out / (under) performance	See Column Heading	-	-7.12%	-9.61%	-	-242.848	-242.848	-	-3.36%	-4.74%	-	-108.216	-108.216
11	ODI out / (under) performance	See Column Heading	-	-1.11%	-1.49%	-	-37.751	-37.751	-	-0.64%	-0.90%	-	-20.462	-20.462
12	C-Mex out / (under) performance	See Column Heading	-	0.06%	0.08%	-	2.095	2.095	-	0.02%	0.03%	-	0.718	0.718
13	D-Mex out / (under) performance	See Column Heading	-	0.00%	0.00%	-	0.052	0.052	-	0.02%	0.03%	-	0.796	0.796
14	Retail out / (under) performance	See Column Heading	-	-0.49%	-0.66%	-	-16.568	-16.568	-	-0.14%	-0.200%	-	-4.577	-4.577
15	Other exceptional items	See Column Heading	-	0.05%	0.07%	-	1.838	1.838	-	0.07%	0.10%	-	2.362	2.362

16	Operational performance total	See Column Heading	-	-8.60%	-11.60%	-	-293.182	-293.182	-	-4.02%	-5.67%	-	-129.379	-129.379
17	RoRE (return on regulatory equity)	See Column Heading	4.44%	-2.98%	-4.92%	151.391	-101.588	-124.435	4.39%	1.10%	0.25%	141.378	35.300	5.722
18	RCV growth	See Column Heading	3.45%	3.45%	3.45%	117.635	117.635	87.172	5.67%	5.67%	5.67%	182.492	182.492	129.485
19	Voluntary sharing arrangements	See Column Heading	-	-	-	-	-	-	-	-	-	-	-	-
20	Total shareholder return	See Column Heading	7.89%	0.47%	-1.47%	269.026	16.047	-37.264	10.06%	6.77%	5.92%	323.870	217.792	135.207
	Dividends													
21	Gross Dividend	See Column Heading	0.03	0.02	0.03	108.429	63.178	63.178	3.18%	2.08%	2.93%	102.350	66.873	66.873
22	Interest Receivable on Intercompany loans	See Column Heading	-	-	-	-	-	-	-	-	-	-	-	-
23	Retained Value	See Column Heading	4.71%	-1.38%	-3.98%	160.598	-47.131	-100.442	6.88%	4.69%	2.99%	221.520	150.919	68.334

	Cash impact of 2015-20 performance adjustments													
24	Totex out / under performance	See Column Heading	-	-	-	-	-	-	-	-0.33%	-0.47%	-	-10.652	-10.652
25	ODI out / under performance	See Column Heading	-	-	-	-	-	-	-	0.59%	0.84%	-	19.149	19.149
26	Total out / under performance	See Column Heading	-	-	-	-	-	-	-	0.26%	0.37%	-	8.497	8.497

Footnotes

1. Numbers included in the above table are in 2017/18 prices in line with Ofwat Regulatory Accounting Guidelines (RAGs).
2. The numbers in the percentage column above are subject to rounding difference as a result of the way that the percentages are calculated in the Ofwat table templates. These differences do not have a material impact on the numbers presented.

Attracting investment and sharing the rewards

1 Our position as a monopoly provider of essential public services makes it essential that we maintain the trust and confidence of our customers while providing fair returns to our investors. Table '1F Financial Flows' compares the base return set in the Final Determination with actual performance in the period providing greater transparency to our stakeholders on how the company earns its returns and what is ultimately earned by investors.

2 The money we can raise from bills, along with how much we're allowed to invest in our service, is decided every five years through Ofwat's price-setting process and set out in our Final Determination. Any regulated wholesale revenue raised over and above the agreed amount is returned to customers through something called the revenue correction mechanism.

Any profits, and returns to investors, that we make in excess of those derived from allowed pricing come from:

- increasing efficiency – running the business more cost-effectively than was funded at the time of the Final Determination and
- any rewards for meeting our performance commitment targets.

3 Efficiencies are either reinvested to improve service for customers or shared with customers, helping to keep bills down.

4 In addition, our focus on sustainable savings that can be maintained over the long term will help reduce our cost base in 2020–2025.

5 Profits are essential to attract private investment, which in turn enables us to spread the cost of improving and extending our assets over their operational life, similar to a mortgage. In this way, tomorrow's customers pay for tomorrow's use of the asset.

6 We have to provide investors with a reasonable return on their investment in exchange for the risks they carry. During the past financial year, a number of risks have crystallised including high energy prices. Investors have borne the cost of dealing with these risks, which have therefore not been passed on to customers.

7 We also believe that in years where we deliver excellent performance, this should be reflected in higher profits. In contrast, this year, dividends have been reduced down to reflect performance. However, profits can also rise or fall due to factors not directly related to performance – for instance, the level of interest rates or unexpected new legal obligations.

8 The table is split into two sections, current year and AMP average. Each has three columns, the first shows the notional return as a percentage of notional equity (40 per cent of RCV). The next two columns show actual returns against both notional and actual regulated equity. Where actual regulated equity is different from Ofwat's notional regulated equity the two columns will show different percentage returns for the same performance. In our case, as a consequence of having higher gearing and less regulated equity than the notional company, any underperformance will adversely impact returns disproportionately for shareholders. Conversely, any outperformance will deliver proportionately greater returns.

Key messages

- High inflation has continued to impact both operating and interest costs as well as growth in RCV.

- Challenging year for performance against regulatory commitments resulting in net ODI penalty.
- Botex overspend, where we reinvested enhancement efficiencies to seek to improve the performance of the business.
- Cumulative dividend yield of 2.9 per cent

Return on regulatory equity

9 This reflects the return set by the CMA in their Redetermination.

Financing

10 This section combines the impacts of our financing arrangements with tax performance. The table calculates a gearing out performance reflecting the difference between our actual structure and the notional structure in which funding is set.

11 Our cost of debt underperformance in the period reflects the impact of high inflation which has increased our nominal cost of debt. In order to minimise the gearing impact of low inflationary growth in RCV we raise index-linked debt which provides a natural hedge. This does however mean that in times of high inflation our nominal cost of debt rises.

12 Ofwat sets allowed returns at a fixed real rate plus inflation.

13 The current tax credit reflects losses to be surrendered to other group companies. The tax losses arise mainly because capital allowances exceed the depreciation charged in the accounts, as well as some income not being taxable and the availability of tax relief on pension contributions paid in the year. The Final Determination provided a tax allowance in relation to retail profits with wholesale tax losses being carried forward to future years.

Operational

Totex

14 Our cumulative position for AMP7 is an overall overspend of £836 million compared to the allowance set by Ofwat at PR19. This is made up of overspends in both base, where we have reinvested efficiencies to improve the performance of the business, and enhancement. We were also hit by higher energy costs following the invasion of Ukraine, once the protection offered by our hedging policy expired.

15 On enhancement we have continued to deliver our Water Industry National Environment Programmes (WINEP) environmental obligations through innovative projects. The efficiency in delivering these has been reinvested into base as described above. We also suffered significant overspends on our strategic interconnecting pipeline project, where we saw increased costs due to supply chain challenges following Covid-19 and the Russian invasion of Ukraine. We have assumed £388 million of additional expenditure remains to be incurred against our PR19 allowance to complete this programme during AMP8.

16 The Board continues to actively reinvest efficiencies in Water Recycling to address the particular need for improvements in pollution and storm overflows. In addition, our shareholders committed £100 million of additional investment to accelerate our work on reducing spills and pollutions, highlighting their long-term support for the business.

17 These decisions highlight the flexibility of the business to manage both cost and delivery across the business as a whole, which has been enabled by the broadly symmetrical cost sharing rates between price controls as well as between base and enhancement expenditure.

ODI

18 At the end of year 5 of the AMP, we are £35.5 million in net penalty, with £3.4 million in rewards and £38.9 million in penalties.

19 Independent reports show our absolute performance is above average in several areas — for example, our leakage position remains one of the best in the industry and is critical for our region. However, we still remain in penalty at year-end.

20 Significant improvement in our year-end position was achieved through a focused prioritisation programme, delivering operational efficiencies and stronger cross-business alignment.

21 These actions improved our year-end penalty by about 25 per cent against our forecast at July 2024, although we recognise there is more to do to return to upper quartile performance.

Total Returns and dividends

22 The Directors have recommended not to pay a final dividend in relation to 2024/25. Whilst there was capacity to pay a dividend after taking account commitments to customers and other stakeholders and ensuring that it is able to finance its Appointed Business, the Directors felt it appropriate to defer this capacity at this time.

Table 2A - Segmental Income Statement

	Line description	Units	Residential retail	Business retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total
1	Revenue - price control	£m	86.343	-	66.473	557.222	771.646	122.731	-	1604.415
2	Revenue - non price control	£m	-	-	-	21.554	8.076	-	-	29.630
3	Operating expenditure - excluding PU recharge impact	£m	-93.907	-	-53.948	-242.102	-343.593	-87.782	-	-821.331
4	PU opex recharge	£m	-5.630	-	-2.845	-14.078	30.909	-8.356	-	0.000
5	Operating expenditure - including PU recharge impact	£m	-99.537	-	-56.793	-256.179	-312.684	-96.138	-	-821.331
6	Depreciation - tangible fixed assets	£m	-0.040	-	-11.193	-133.407	-182.667	-24.985	-	-352.292
7	Amortisation - intangible fixed assets	£m	-9.141	-	-6.210	-5.585	-28.242	-2.837	-	-52.015
8	Other operating income	£m	0.035	-	-0.042	1.607	0.427	-1.630	-	0.397
9	Operating profit	£m	-22.340	-	-7.765	185.211	256.556	-2.859	-	408.804
	Surface water drainage rebates									
10	Surface water drainage rebates	£m	-	-	-	-	-	-	-	0.669

Revenue (2A.1 and 2A.2)

1 Total revenue for the year was £1,634.0 million, up £129.7 million (8.6 per cent) on last year, which is explained in table 1A commentary. The increase in non-price control revenue is primarily a result of greater bulk supply revenue, reflecting increasing NAV penetration in supplying new development.

Operating expenditure, depreciation and amortisation (2A.3, 2A.6 and 2A.7)

2 Operating costs of £1,225.6 million comprise operating expenditure of £821.3 million and depreciation (including amortisation) of £404.3 million (including the impact of the PU recharge). The increase in opex costs is explained in the commentary to table 1A.

PU opex recharge (2A.4)

3 This is the recharge of depreciation on assets used by multiple price controls, primarily shared information technology and vehicle assets. As the business unit of principal use, Wastewater Network+ incurs the gross depreciation charge for these shared assets in the first instance. The calculation of the recharges between price controls uses the same allocation used for information services operating expenses, under the assumption that this closely equates to the number of personnel in each area and therefore asset users.

Surface water drainage rebates (2A.10)

4 The value of surface water drainage rebates has increased this year but remains in line with historic rates.

Table 2B - Totex Analysis - Wholesale

	Line description	Units	Water resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total
	Base operating expenditure							
1	Power	£m	14.232	49.162	74.249	-1.703	-	135.940
2	Income treated as negative expenditure	£m	-0.234	-1.259	-0.943	-11.525	-	-13.961
3	Service charges/ discharge consents	£m	9.575	0.825	14.316	0.186	-	24.902
4	Bulk Supply/Bulk discharge	£m	-	2.805	-	-	-	2.805
5	Renewals expensed in year (Infrastructure)	£m	-	30.071	18.947	0.004	-	49.022
6	Renewals expensed in year (Non-Infrastructure)	£m	-	-	-	-	-	-
7	Other operating expenditure (including Location specific costs & obligations)	£m	20.566	105.322	161.344	103.196	-	390.427
8	Local authority and Cumulo rates	£m	2.585	37.036	29.260	4.669	-	73.550
9	Total base operating expenditure	£m	46.724	223.962	297.172	94.827	-	662.685
	Other operating expenditure							
10	Enhancement operating expenditure	£m	3.374	12.083	12.781	-	-	28.239
11	Developer services operating expenditure	£m	-	0.282	0.061	-	-	0.343
12	Total operating expenditure excluding third party services	£m	50.098	236.328	310.014	94.827	-	691.267
13	Third party services	£m	6.695	19.852	2.670	1.310	-	30.527
14	Total operating expenditure	£m	56.793	256.179	312.684	96.138	-	721.794
	Grants and contributions							
15	Grants and contributions - operating expenditure	£m	-	-	-	-	-	-
	Capital expenditure							
16	Base capital expenditure	£m	8.150	132.369	223.198	36.208	-	399.925
17	Enhancement capital expenditure	£m	57.477	310.340	227.152	7.354	-	602.323
18	Developer services capital expenditure	£m	0.042	56.819	13.540	-	-	70.401
19	Total gross capital expenditure excluding third party services	£m	65.669	499.528	463.890	43.562	-	1072.649
20	Third party services	£m	1.766	1.271	0.132	0.047	-	3.216
21	Total gross capital expenditure	£m	67.435	500.799	464.022	43.609	-	1075.865
	Grants and contributions							
22	Grants and contributions - capital expenditure	£m	0.046	32.833	22.356	-	-	55.235

23	Net totex	£m	124.182	724.145	754.350	139.747	-	1742.424
	Cash expenditure							
24	Pension deficit recovery payments	£m	1.050	8.392	8.006	2.766	-	20.214
25	Other cash items	£m	-	-	-	-	-	-
26	Totex including cash items	£m	125.232	732.537	762.356	142.513	-	1762.638

1 Total operating costs were £721.8 million, an increase of £18.0 million in real terms (2.6 per cent) on the previous report year.

2 The wholesale cost of power decreased in 2024/25 compared to 2023/24, due to our hedging strategy of buying multiple forward contracts for future years usage, over time, in incremental blocks. These are purchased on the forward wholesale market and via market reflective power purchase agreements. The agreements protected us from the worst impacts of open market peaks in 2022/23 but meant energy cost for 2023/24 included many contracts purchased during this peak, with this reducing slightly in 2024/25. Overall costs have remained high for 2024/25 compared with the base year of 2019/20, regardless of open market movements.

Change in operating expenditure compared to 2022/23.

3 Water services operating expenditure decreased by £17.2 million (0.1 per cent) and water recycling costs increased by £12.6 million (0.1 per cent) in real terms against an underlying baseline.

Operating expenditure

Refer to the commentary within tables 4D and 4E for key variances in underlying costs (real terms) from 2023/24.

Capital expenditure

4 The figures presented relate to all our regulated capital investment in wholesale services. Wholesale regulated capital expenditure for 2024/25 was £1,075.9 million, split between water £568.2 million and water recycling £507.6 million.

5 Where possible, capital expenditure is allocated directly to the applicable price control. Where this is not possible because use of the asset is shared between two or more price controls (for example with capital expenditure on shared information systems, central offices and vehicles used by support services), expenditure is allocated to the price control of principal use and a subsequent recharge of the relevant depreciation charge is made between price controls.

6 Total capital expenditure includes £3.2 million of spend on assets used to fulfil third-party agreements.

Cash expenditure

7 There was nothing to report as cash expenditure within the year.

Table 2C - Operating Cost Analysis - Retail

	Line description	Units	Residential	Business	Total
	Operating expenditure				
1	Customer services	£m	17.113	-	17.113
2	Debt management	£m	10.753	-	10.753
3	Doubtful debts	£m	36.260	-	36.260
4	Meter reading	£m	2.725	-	2.725
5	Other operating expenditure	£m	22.529	-	22.529
6	Local authority and Cumulo rates	£m	0.193	-	0.193
7	Total operating expenditure excluding third party services	£m	89.573	-	89.573
	Depreciation				
8	Depreciation (tangible fixed assets) on assets existing at 31 March 2015	£m	0.021	-	0.021
9	Depreciation (tangible fixed assets) on assets acquired after 1 April 2015	£m	0.019	-	0.019
10	Amortisation (intangible fixed assets) on assets existing at 31 March 2015	£m	-	-	-
11	Amortisation (intangible fixed assets) on assets acquired after 1 April 2015	£m	9.141	-	9.141
	Recharges				
12	Recharge from wholesale for legacy assets principally used by wholesale (assets existing at 31 March 2015)	£m	0.534	-	0.534
13	Income from wholesale for legacy assets principally used by retail (assets existing at 31 March 2015)	£m	0.007	-	0.007

14	Recharge from wholesale assets acquired after 1 April 2015 principally used by wholesale	£m	5.103	-	5.103
15	Income from wholesale assets acquired after 1 April 2015 principally used by retail	£m	-	-	-
16	Net recharges costs	£m	5.630	-	5.630
17	Total retail costs excluding third party and pension deficit repair costs	£m	104.384	-	104.384
18	Third party services operating expenditure	£m	-	-	-
19	Pension deficit repair costs	£m	4.334	-	4.334
20	Total retail costs including third party and pension deficit repair costs	£m	108.718	-	108.718
	Debt written off				
21	Debt written off	£m	8.914	-	8.914
	Capital expenditure				
22	Capital expenditure	£m	4.792	-	4.792

	Comparison of actual and allowed expenditure		
23	Cumulative actual retail expenditure to reporting year end	£m	433.921
24	Cumulative allowed expenditure to reporting year end	£m	396.242
25	Total allowed expenditure 2020-25	£m	396.242

1 Total operating expenditure was £89.6 million, a headline increase of £2.0 million (2.3 per cent) on the previous report year and a real terms increase of £3.4 million (3.8 per cent) after adjusting prior year atypical transactions.

2 The cumulative AMP to date retail expenditure is £433.9 million, which is £37.7 million adverse to the cumulative allowed retail costs at PR19 (at 2017/18 prices). This is partly due to the increase in doubtful debts, which has been driven by increased revenues over the course of the AMP and also due to depreciation on Retail intangible assets, which generally have shorter useful lives than traditional fixed assets and are amortised mainly throughout the course of the AMP.

3 Recharges of costs from other business units of £5.6 million reflects the recharge of IT systems and office buildings from the business unit of principle use of wastewater.

4 Pension deficit repair costs of £4.3 million reflects the share of our total deficit repair payment attributable to the retail price control.

5 Household retail capex was £4.8 million, primarily in support of enhanced customer data and data exploitation.

6 The charge for amortisation increased compared to prior years largely as a result of assets relating to Smart Meter Data Infrastructure. Due to the size of the ongoing programme, we expect this to further increase in future years.

7 Total household customers increased by about 29,452 in the year (1.0 per cent).

	Total £m
2023/24 reported operating expenditure	87.6
Atypical doubtful debt provision releases and provision rate changes	1.2
2023/24 Underlying expenditure	**88.8**
2024/25 reported operating expenditure	89.6
2024/25 Underlying expenditure	2.6
2024/25 Underlying expenditure	**92.2**

Key variances (real terms)

8 The underlying increase in total operating expenditure of £3.4 million from the prior year is due to increases in Customer Side Leaks (£2.0 million) with 3,968 more jobs completed compared to prior year but in line with 2022/23, and Smart meter Data charges (£1.4 million).

9 The decrease in the bad debt charge has been driven by improvements in cash collection coupled with an improvement in the forward look of wider economic conditions based on metrics published by the ONS and the Bank of England.

Debt written off

10 Total household debt written off was £8.9 million, a decrease of £76.1 million over the prior year write offs of £84.5 million. The significant decrease in amounts written off relates to a large one-off exercise to write off fully provided debt in the 2023/24 Financial Year. Outside of this one-off exercise in the prior year, our write offs have stayed broadly the same.

Table 2D - Historic Cost Analysis of Tangible Fixed Assets - Wholesale and Retail

	Line description	Units	Residential Retail	Business Retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total
	Cost									
1	At 1 April 2024	£m	9.870	-	394.252	6918.816	8404.865	789.052	-	16516.855
2	Disposals	£m	-0.178	-	-2.538	-31.779	-59.815	-18.180	-	-112.490
3	Additions	£m	0.546	-	43.372	465.712	397.925	50.464	-	958.019
4	Adjustments	£m	-	-	-	-	-	-	-	-
5	Assets adopted at nil cost	£m	-	-	-	-	33.963	-	-	33.963
6	At 31 March 2025	£m	10.238	-	435.086	7352.749	8776.938	821.336	-	17396.347
	Depreciation									
7	At 1 April 2024	£m	-8.688	-	-130.012	-1884.179	-3020.082	-492.830	-	-5535.791
8	Disposals	£m	0.178	-	2.531	31.697	58.928	17.714	-	111.048
9	Adjustments	£m	-	-	-	-	-	-	-	-
10	Charge for year	£m	-0.040	-	-11.193	-133.407	-182.667	-24.985	-	-352.292
11	At 31 March 2025	£m	-8.550	-	-138.674	-1985.889	-3143.821	-500.101	-	-5777.035
12	Net book amount at 31 March 2025	£m	1.688	-	296.412	5366.860	5633.117	321.235	-	11619.312
13	Net book amount at 1 April 2024	£m	1.182	-	264.240	5034.637	5384.783	296.222	-	10981.064

	Depreciation charge for year									
14	Principal services	£m	-0.040	-	-11.193	-133.274	-182.667	-24.985	-	-352.159
15	Third party services	£m	-	-	-	-0.133	-	-	-	-0.133
16	Total	£m	-0.040	-	-11.193	-133.407	-182.667	-24.985	-	-352.292

1 The net book amount includes £1,553.8 million in respect of assets in the course of construction, £334.9 million of adopted assets and £2,779.4 million of revaluation of assets undertaken on 1 April 2013. Adopted asset additions decreased from £46.0 million in 23/24 to £34 million in 24/25 in line with the number and size of development mains vestings during the year. The adopted values at each site vary depending on the pipe diameter, material, depth and length and are vested by Anglian Water according to when the developers complete the mains.

2 Table 2D excludes intangible assets with a net book amount at 31 March 2025 of £291.3 million (31 March 2024: £235.7 million) as shown in table 2O. Additions have increased during 2024/25 in line with expectations of the rise in capital expenditure according to the business plan. Disposals mostly relate to removal of expired life, nil book value operational assets which have been replaced and has increased during 2024/25, due to the nature of the asset replacement programmes.

3 Following the adoption of the lease treatment standard IFRS16 with effect from 1 April 2019, new leases form a net increase to cost of £6.6 million during the year, which mostly relates to building lease renewals. The net book amount of tangible assets includes £32.6 million (31 March 2024: £32.5 million) of lease assets which would not have been included in tangible assets but for the adoption of IFRS16.

4 The depreciation charge for third party services relates to fluoridation and some reverse osmosis assets. None of our other third party expenditure is incurred on assets used solely for the fulfilment of third party agreements. As such all other third party expenditure is included within the principal services asset values.

Assumptions used

5 In accordance with RAG 2.09, section 2.6, where assets are used by more than one business unit, these have been reported in full in the business unit of principal use. A recharge based on depreciation is made between business units to account for the use of these assets by the non-principal user(s).

6 Due to the above, the majority of management and general assets have been assigned to Wastewater Network+ as the largest business stream except where the asset has been identified as relating principally to another business stream or retail operations. It is also common for general use assets, such as vans, to be allocated to a specific business unit one year but then moved to another in a subsequent year. In these cases the relevant cost and depreciation movements are reflected within the current year additions and depreciation charge.

7 An offline assessment is made to determine whether assets are solely wholesale, solely retail or shared between the two.

Table 2E - Analysis of grants and contributions

	Line description	Units	Fully recognised in income statement	Capitalised and amortised (in income statement)	Fully netted off capex	Total
	Grants and contributions - water resources					
1	Diversions - s185	£m	-	-	-	-
2	Other contributions (price control)	£m	-	-	-	-
3	Price control grants and contributions	£m	-	-	-	-
4	Diversions - NRSWA	£m	-	-	-	-
5	Diversions - other non-price control	£m	0.046	-	-	0.046
6	Other contributions (non-price control)	£m	-	-	-	-
7	Total grants and contributions	£m	0.046	-	-	0.046
8	Value of adopted assets	£m	-	-	-	-
	Grants and contributions - water network+					
9	Connection charges	£m	14.157	-	-	14.157
10	Infrastructure charge receipts – new connections	£m	11.740	-	-	11.740
11	Requisitioned mains	£m	6.719	-	-	6.719
12	Diversions - s185	£m	2.348	-	-	2.348
13	Other contributions (price control)	£m	-	-	-	-
14	Price control grants and contributions before deduction of income offset	£m	34.964	-	-	34.964
15	Income offset	£m	12.572	-	-	12.572
16	Price control grants and contributions after deduction of income offset	£m	22.392	-	-	22.392
17	Diversions - NRSWA	£m	6.571	-	-	6.571
18	Diversions - other non-price control	£m	3.900	-	-	3.900
19	Other contributions (non-price control)	£m	-0.030	-	-	-0.030
20	Total grants and contributions	£m	32.833	-	-	32.833
21	Value of adopted assets	£m	-	-	-	-
	Grants and contributions - wastewater network+					
22	Receipts for on-site work	£m	3.056	-	-	3.056
23	Infrastructure charge receipts – new connections	£m	13.398	-	-	13.398

24	Diversions - s185	£m	0.130	-	-	0.130
25	Other contributions (price control)	£m	3.597	-	-	3.597
26	Price control grants and contributions before deduction of income offset	£m	20.181	-	-	20.181
27	Income offset	£m	-	-	-	-
28	Price control grants and contributions after deduction of income offset	£m	20.181	-	-	20.181
29	Diversions - NRSWA	£m	2.112	-	-	2.112
30	Diversions - other non-price control	£m	-0.006	-	-	-0.006
31	Other Contributions (non-price control)	£m	0.069	-	-	0.069
32	Total grants and contributions	£m	22.356	-	-	22.356

33	Value of adopted assets	£m	33.963	-	-	33.963

	Line description	Units	Water resources	Water network+	Wastewater network+	Total
	Movements in capitalised grants and contributions					
34	b/f	£m	-	-	-	-
35	Capitalised in year	£m	-	-	-	-
36	Amortisation (in income statement)	£m	-	-	-	-
37	c/f	£m	-	-	-	-

Grants and contributions - Water resources

1 There was negligible income during the year for Water Resources.

Grants and contributions - Water Network+

Connection charges (2E.9) - Connection charges

2 Connection charges remained reduced in 2024/25 compared to the prior year, which was expected as fewer properties were connected in the year compared to previously. The same was true for contributions for on-site work as significantly fewer lengths of main were commissioned in the year.

Diversions - NRSWA (2E.17)

3 This income represents contributions from all water diversion schemes applied for under NRSWA, and has increased compared to the prior year.

Grants and contributions - Wastewater

Receipts for on-site work (2E.22)

4 Contributions for on-site work increased compared to the prior year, which was in line with expectations after the reassessment of charges to end-users.

Diversions - NRSWA (2E.29)

5 This income represents contributions from all sewer diversion schemes applied for under NRSWA.

Value of adopted assets (2E.33)

6 Income from adopted assets reduced from £48.2 million in 2023/24 to £33.96 million in 2024/25 in line with a reduced number and size of development mains vestings during the year. The adopted values at each site vary depending on the pipe diameter, material, depth and length and are vested by us according to when developers complete the mains.

Table 2F - Household - Revenues by Customer Type

	Line description	Revenue	Number of customers	Average residential revenues
	Units	£m	000s	£
	Residential revenue			
1	Wholesale revenue	1,203.100	-	-
2	Retail revenue	86.343	-	-
3	Total residential revenue	1,289.443	-	-
	Retail revenue			
4	Revenue Recovered ("RR")	86.343	-	-
5	Revenue sacrifice	-	-	-
6	Actual revenue (net)	86.343	-	-
	Customer information			
7	Actual customers ("AC")	-	3,009.800	-
8	Reforecast customers	-	3,025.351	-
	Adjustment			
9	Allowed revenue ("R")	92.963	-	-
10	Net adjustment	6.620	-	-
	Other residential information			
11	Average household retail revenue per customer	-	-	28.687

Retail revenue (2F.2)

1 The household retail revenue control is a total revenue control, which can be recovered across the household customer base. The allowed revenue is calculated by multiplying the cost to serve by the number of unique customers.

Net adjustment (2F.10)

2 The £6.6 million under recovery of revenue against the control (7.1 per cent of retail revenue) reflects increased take-up on our social tariff LITE and our approach to true-up against allowed retail revenue across the AMP. Cross-subsidies raised in charges for 2024/25 were kept deliberately low compared to forecast discounts in order to offset the over-recovery of retail revenue in prior years.

Table 2G - Non-household Water - Revenues by Customer Type

1 We are not required to report against this table.

Table 2H - Non-household Wastewater - Revenues by Customer Type

1 We are not required to report against this table.

Table 2I - Revenue Analysis and Wholesale Control Reconciliation

	Line description	Units	Household	Non-household	Total	Water resources	Water network+	Total
	Wholesale charge - water							
1	Unmeasured	£m	83.066	0.424	83.490	9.344	74.146	83.490
2	Measured	£m	377.475	145.043	522.518	53.890	468.628	522.518
3	Third party revenue	£m	-	17.687	17.687	3.239	14.448	17.687
4	Total wholesale water revenue	£m	460.541	163.154	623.695	66.473	557.222	623.695

	Line description	Units	Household	Non-household	Total	Wastewater network+	Bioresources	Total
	Wholesale charge - wastewater							
5	Unmeasured - foul charges	£m	121.740	0.827	122.567	100.860	21.707	122.567
6	Unmeasured - surface water charges	£m	16.603	0.112	16.715	16.605	0.110	16.715
7	Unmeasured - highway drainage charges	£m	8.409	0.051	8.460	8.371	0.089	8.460
8	Measured - foul charges	£m	455.667	143.532	599.199	499.545	99.654	599.199
9	Measured - surface water charges	£m	91.190	5.107	96.297	95.662	0.635	96.297
10	Measured - highway drainage charges	£m	48.950	2.189	51.139	50.603	0.536	51.139
11	Third party revenue	£m	-	-	-	-	-	-
12	Total wholesale wastewater revenue	£m	742.559	151.818	894.377	771.646	122.731	894.377

	Wholesale charge - Additional Control				
13	Unmeasured	£m	-	-	-
14	Measured	£m	-	-	-
15	Total wholesale additional control revenue	£m	-	-	-

16	Wholesale Total	£m	1203.100	314.972	1518.072

	Retail revenue				
17	Unmeasured	£m	18.990	-	18.990
18	Measured	£m	67.353	-	67.353
19	Retail third party revenue	£m	-	-	-
20	Total retail revenue	£m	86.343	-	86.343

	Third party revenue - non-price control				
21	Bulk supplies - water	£m	-	-	18.361
22	Bulk supplies - wastewater	£m	-	-	6.993

23	Other third-party revenue - non price control	£m	-	-	3.614

	Principal services - non-price control				
24	Other appointed revenue	£m	-	-	0.724

25	Total appointed revenue	£m	-	-	1634.107

1 This table shows an analysis of revenue across our price control units split by revenue streams. The table reflects the disaggregated charges set to separately recover foul, surface and highway revenue. Calculation of water resources, water network plus, wastewater network plus and bioresources actual revenue is in line with the proportion of each fixed and volumetric charge as set when calculating charges in order to recover the allowed revenue requirement.

2 Measured and unmeasured wholesale charges reflect the revenue recovered for the provision of principal services. Third party revenue within the price control reflects the supply of non-potable water.

3 Bulk supplies relate to provision of treated water supplies and wastewater services to neighbouring water companies. Other third party revenue – non-price control includes "Excluded Charges" and all other sources of revenue received from third parties for which costs are not covered by the wholesale price control e.g. rechargeable works where the appointee is a monopoly supplier.

Table 2J - Infrastructure Network Reinforcement

	Line description	Units	Network reinforcement capex	On site / site specific capex (memo only)
	Wholesale water network+ (treated water distribution)			
1	Distribution and trunk mains	£m	5.033	-
2	Pumping and storage facilities	£m	0.514	-
3	Other	£m	-	-
4	Total	£m	5.547	-
	Wholesale wastewater network+ (sewage collection)			
5	Foul and combined systems	£m	3.695	0.283
6	Surface water only systems	£m	-	-
7	Pumping and storage facilities	£m	2.528	0.212
8	Other	£m	-	-
9	Total	£m	6.223	0.495

General assumptions (2J.1-2J.9)

1 Table 2J shows the total capital expenditure on network reinforcement split between below ground infrastructure assets and pumping and storage facilities, classified in accordance with the definition set out in Ofwat's "Charging rules for new connections services" document.

2 The onsite/site specific capex shows the network enhancement expenditure incurred in relation site specific new developments.

3 The source of the data is the project systems module of our SAP business management system. Each project holds as part of its master data Business Investment Category (BIC) codes which map the expenditure to infrastructure and non-infrastructure, and between Water and Wastewater Network+.

4 All network reinforcement spend is in relation to below ground infrastructure, pumping stations and storage facilities. No expenditure is therefore shown within "other".

Wastewater below ground infrastructure (2J.5-2J.6)

5 For Wastewater Network+ infrastructure spend, an assessment of all projects has been performed to determine whether the costs are in relation to foul and combined or surface water only systems. No surface water only schemes were included in the current year.

Table 2K - Infrastructure Charges Reconciliation

	Line description	Units	Water	Wastewater	Total
	Impact of infrastructure charge discounts				
1	Infrastructure charges	£m	11.740	13.398	25.138
2	Discounts applied to infrastructure charges	£m	-	-	-
3	Gross Infrastructure charges	£m	11.740	13.398	25.138
	Comparison of revenue and costs				
4	Variance brought forward	£m	-10.722	19.230	8.508
5	Revenue	£m	11.740	13.398	25.138
6	Costs	£m	-5.547	-6.223	-11.770
7	Variance carried forward	£m	-4.529	26.405	21.876

1 Over a rolling five-year period we expect to fully recover the costs of network infrastructure reinforcement from developers. However, owing to the long-term nature of these infrastructure schemes, the uneven profile of network reinforcement spend over an AMP period and the fact that we aim to recover these infrastructure costs over a five year period, we would not expect the costs and revenues to match in any given financial year.

2 Our charges scheme has been designed to maintain the pre-existing balance between developers and customers and the timing of expenditure is such that it is often out of sync with the collection of revenues. We believe the differences in expenditure and revenue seen in 2024/25 is temporary in nature and would expect this gap to narrow over time, particularly as the new development activity reaches maturity and all network reinforcement expenditure incurred to enable this growth is recovered from developers. We expect year-end balances to fluctuate over time as varying levels of expenditure and receipts occur.

3 No discounts have been applied to infrastructure charges in 2024/25.

Table 2L - Analysis of land sales for the 12 months ended 31 March 2025

	Line description	Units	Water resources	Water Network+	Wastewater Network+	Additional control	Total
1	Land sales – proceeds from disposals of protected land	£m	-	0.320	0.790	-	1.110

1 Proceeds are net of costs. Most proceeds are from the sale of minor pieces of land. There were no items requiring prior approval from Ofwat.

Table 2M - Revenue reconciliation for the 12 months ended 31 March 2025 - Wholesale

	Line description	Units	Water resources	Water network+	Wastewater network+	Bioresources	Additional Control	Total
	Revenue recognised							
1	Wholesale revenue governed by price control	£m	66.473	557.222	771.646	122.731	-	1518.072
2	Grants & contributions (price control)	£m	-	22.392	20.181	-	-	42.573
3	Total revenue governed by wholesale price control	£m	66.473	579.614	791.827	122.731	-	1560.645
	Calculation of the revenue cap							
4	Allowed wholesale revenue before adjustments (or modified by CMA)	£m	69.887	566.295	758.831	120.612	-	1515.625
5	Allowed grants & contributions before adjustments (or modified by CMA)	£m	-	24.936	52.834	-	-	77.770
6	Revenue adjustment	£m	-0.247	2.153	-2.597	0.070	-	-0.621
7	Other adjustments	£m	-	-	-	-	-	-
8	Revenue cap	£m	69.640	593.384	809.068	120.682	-	1592.774
	Calculation of the revenue imbalance							
9	Revenue cap	£m	69.640	593.384	809.068	120.682	-	1592.774
10	Revenue Recovered	£m	66.473	579.614	791.827	122.731	-	1560.645
11	Revenue imbalance	£m	3.167	13.770	17.241	-2.049	-	32.129

Grants & contributions (2M.2)

1 We do not receive any grants. All current year contributions revenue governed by the wholesale price control were received in relation to new development activities.

Amount assumed in wholesale determination (2M.4)

2 Wholesale revenue controls are set for water resources, water network plus, wastewater network plus and bioresources separately. The values set out in the Final Determination in 2017/18 prices are repriced based on CPIH and adjusted according to the PR19 Reconciliation Rule Book, to give the allowed revenue for 2024/25. The resulting calculation of revenue was then used for setting charges for the 2024/25 Charges Scheme.

3 Allowed wholesale water resources revenue and network plus revenue were calculated as £69.6 million and £593.4 million, respectively.

4 Allowed wholesale wastewater network plus revenue and bioresources revenue were calculated as £809.1 million and £120.7 million, respectively.

Difference (2M.11)

5 The level of wholesale water resources revenue recovered from customers is £3.2 million below allowed revenues and water network plus revenue is £13.8 million below allowed revenue. These represent 4.5 per cent and 2.3 per cent of allowed revenues respectively. This reflects an under-recovery of main charges revenue across both controls (£14.4 million) along with an under-recovery of grants and contributions (£2.5 million). The under-recovery on main charges is primarily due to lower new household connections and a net over-accrual in respect of 2023/24 revenue and lower non-household demand partly offset by higher household demand.

6 The level of wholesale wastewater network plus revenue is £17.2 million below allowed revenue and bioresources revenue is £2.0 million above allowed revenue. These represent 2.1 per cent and 1.7 per cent of allowed revenues respectively. For wastewater network plus this reflects an under-recovery of grants and contributions (£32.7 million) partly offset by an over-recovery of main charges for network plus and bioresources (£15.2 million). The over recovery on main charges is primarily due to higher household and non-household demand partly offset by a net over-accrual in respect of 2023/24 revenue.

Table 2N - Residential retail - social tariffs

	Section A - social tariffs			
	Number of residential customers on social tariffs			
1	Residential water only social tariffs customers	-	14.785	-
2	Residential wastewater only social tariffs customers	-	26.553	-
3	Residential dual service social tariffs customers	-	151.608	-
	Number of residential customers not on social tariffs			
4	Residential water only no social tariffs customers	-	233.304	-
5	Residential wastewater only no social tariffs customers	-	855.675	-
6	Residential dual service no social tariffs customers	-	1,727.875	-
	Social tariff discount			
7	Average discount per water only social tariffs customer	-	-	105.986
8	Average discount per wastewater only social tariffs customer	-	-	142.018
9	Average discount per dual service social tariffs customer	-	-	253.964
	Social tariff cross-subsidy - residential customers			
10	Total customer funded cross-subsidies for water only social tariffs customers	1.567	-	-
11	Total customer funded cross-subsidies for wastewater only social tariffs customers	3.771	-	-
12	Total customer funded cross-subsidies for dual service social tariffs customers	38.503	-	-
13	Average customer funded cross-subsidy per water only social tariffs customer	-	-	6.316
14	Average customer funded cross-subsidy per wastewater only social tariffs customer	-	-	4.274

15	Average customer funded cross-subsidy per dual service social tariffs customer	-	-	20.486

	Social tariff cross-subsidy - company			
16	Total revenue forgone by company to fund cross-subsidies for water only social tariffs customers	-	-	-
17	Total revenue forgone by company to fund cross-subsidies for wastewater only social tariffs customers	-	-	-
18	Total revenue forgone by company to fund cross-subsidies for dual service social tariffs customers	-	-	-
19	Average revenue forgone by company to fund cross-subsidy per water only social tariffs customer	-	-	-
10	Average revenue forgone by company to fund cross-subsidy per wastewater only social tariffs customer	-	-	-
21	Average revenue forgone by company to fund cross-subsidy per dual service social tariffs customer	-	-	-

	Social tariff support - willingness to pay			
22	Level of support for social tariff customers reflected in business plan	-	-	4.000
23	Maximum contribution to social tariffs supported by customer engagement	-	-	24.000

	Section B - WaterSure tariffs

	WaterSure tariffs			
24	Number of unique customers on WaterSure	0.000	41.494	-
25	Total reduction in bills for WaterSure customers	13.980	0.000	-
26	Average reduction in bills for WaterSure customers	-	-	336.916

1 Numbers reported in section A relate to the LITE tariffs. Take-up reflects eligibility criteria aligned with "water poverty". The discount per customer reflects the weighted average of the discount bands available. When setting charges the cross-subsidies raised in 2024/25 were kept deliberately low compared to forecast discounts in order to offset the over-recovery of retail revenue in prior years. The discount is fully funded by the cross subsidy set following consultation in 2023.

Section B - Watersure tariffs

2 Numbers reported in section B relate to the Watersure tariffs.

Table 2O - Historic cost analysis of intangible fixed assets

	Line description	Units	Residential Retail	Business Retail	Water Resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total
	Cost									
1	At 1 April 2024	£m	106.822	-	26.323	42.175	396.462	15.789	-	587.571
2	Disposals	£m	-0.001	-	-3.955	-0.785	-10.284	-0.807	-	-15.832
3	Additions	£m	2.384	-	28.180	6.064	70.645	0.314	-	107.587
4	Adjustments	£m	-	-	-	-	-	-	-	-
5	Assets adopted at nil cost	£m	-	-	-	-	-	-	-	-
6	At 31 March 2025	£m	109.205	-	50.548	47.454	456.823	15.296	-	679.326
	Amortisation									
7	At 1 April 2024	£m	-80.103	-	-5.734	-10.069	-246.393	-9.580	-	-351.879
8	Disposals	£m	0.001	-	3.955	0.785	10.284	0.807	-	15.832
9	Adjustments	£m	-	-	-	-	-	-	-	-
10	Charge for year	£m	-9.141	-	-6.210	-5.585	-28.242	-2.837	-	-52.015
11	At 31 March 2025	£m	-89.243	-	-7.989	-14.869	-264.351	-11.610	-	-388.062
12	Net book amount at 31 March 2025	£m	19.962	-	42.559	32.585	192.472	3.686	-	291.264
13	Net book amount at 1 April 2024	£m	26.719	-	20.589	32.106	150.069	6.209	-	235.692
	Amortisation for year									
14	Principal services	£m	-9.141	-	-6.210	-5.585	-28.242	-2.837	-	-52.015
15	Third party services	£m	-	-	-	-	-	-	-	-
16	Total	£m	-9.141	-	-6.210	-5.585	-28.242	-2.837	-	-52.015

1 Intangible assets included in the above comprise capitalised software assets and models, studies and plans used to inform future investments.

2 Additions have increased during 24/25 in line with expectations of the rise in capital expenditure according to the business plan, including £25.3 million spent in 24/25 on continuing SAP system replacement scheme. Disposals relate to removal of expired life, nil book value software assets which have been replaced.

3 The net book amount includes £165.2 million in respect of assets in the course of construction.

4 Table 2O excludes tangible assets with a net book amount at 31 March 2025 of £11,619.3 million (31 March 2024: £10,981.06 million) as shown in table 2D.

Table 3A - Outcome performance - Water performance commitments

	Line description	Unique reference	Unit	Performance level - actual	PCL met?	Outperformance or underperformance payment	Forecast of total 2020-25 outperformance or underperformance payment
						£m	£m
	Common PCs - Water (Financial)						
1	Water quality compliance (CRI)	PR19ANH_3	number	2.11	No	-0.481	-4.846
2	Water supply interruptions	PR19ANH_4	hh:mm:ss	00:06:51	No	-2.125	-19.731
3	Leakage	PR19ANH_5	%	3.9	No	-16.940	-28.277
4	Per capita consumption	PR19ANH_6	%	4.7	No	-0.486	-8.826
5	Mains repairs	PR19ANH_11	number	133.4	No	-	-4.455
6	Unplanned outage	PR19ANH_12	%	1.88	Yes	-	-
	Bespoke PCs - Water and Retail (Financial)						
7	Percentage of population supplied by a single supply system	PR19ANH_15	%	22.3	No	-	0.599
8	Properties at risk of persistent low pressure	PR19ANH_16	nr	62	Yes	0.279	2.035
9	Abstraction Incentive Mechanism	PR19ANH_20	nr	85	No	-0.088	-0.198
10	Managing void properties	PR19ANH_23	%	0.06	Yes	0.896	5.801
11	Water quality contacts	PR19ANH_34	nr	0.91	No	-0.375	-0.776
12	Smart metering delivery	PR19ANH_38	nr	1,096,405	Yes	-	-
13	Internal interconnection delivery	PR19ANH_39	nr	11.5	-	-	-
14	Cyber Security	PR19ANH_41	%	100	Yes	-	-
15	Underperformance incentive for Elsham treatment works and transfer scheme	PR19ANH_47	text	n/a	-	-	-
16	Outperformance payment for Elsham treatment works and transfer scheme	PR19ANH_48	text	n/a	-	-	-

27	Financial water performance commitments achieved	%	38
28	Overall performance commitments achieved (excluding C-MEX and D-MEX)	%	54

1 The information we have published in table 3A is consistent with the updates we have reported to our Independent Challenge Group (previously our Customer Engagement Forum) during the course of the year. We have set out our plans for improving performance in our Service Commitment Plan which we published on our website in November 2024.

Water Quality Compliance (CRI) (3A.1)

2 The DWI developed the Compliance Risk Index (CRI), alongside the Event Risk Index (ERI), for measuring compliance based risk.

3 The CRI for an individual exceedance is calculated based on the parameter severity and impact. The score includes factors of the cause of the failure, the way the company investigates the failure and any risk mitigation put in place by the company. It is the Inspectorate's assessment of that which produces the assessment score. Each assessment score is divided by the applicable company reference value for the type of exceedance, which produces the individual CRI score. The company CRI score is the sum of the CRI scores for each individual exceedance.

4 In 2024 the confirmed CRI score for Anglian Water is 2.11. This is lower than our 2023 score of 3.57. CRI was impacted in 2024 by a similar number of water quality exceedances from our storage points and water treatment works, in comparison for 2023. We have instigated a programme that is aimed to reduce the number of water quality exceedances from our assets. The final CRI score will be confirmed when the DWI publishes the Chief Inspector's Report for 2024.

Water Supply Interruptions (3A.2)

5 The total time lost due to interruptions >= 3 hours per property is 06 minutes 51 seconds (09 minutes 08 seconds 2023-24). This includes 46,503 properties of a total of over 2 million experiencing an interruption. The breakdown of the score is 06 minutes 47 seconds (08 minutes 59 seconds in 2023-24) unplanned and 4 seconds (09 seconds in 2023-24) planned.

6 During the course of the reporting year, the calculated verified score was significantly affected by three events in January 2025:

- Huntingdon – Burst Main – 33 secs (approximately)
- Sutton – Burst Main – 14 secs (approximately)
- Biggleswade – Burst Main – 13 secs (approximately)

7 24/7 resource has further been developed with a 7th shift line. This has added further resilience to our oversight of events and provided a dedicated Incident Response Team when defined event triggers are met. This approach has ensured we have maintained the level of resource oversight to meet the needs of the business. This is constantly under review and is adequately flexible to ensure in times of increased sickness, we have available resource to satisfy the required staffing levels.

Common methodology compliance

8 For this performance commitment there is an immaterial risk of worse performance being reported due to non-compliance with the common methodology. This affects sections 2c (start time - block of flats) and 3c (stop time - block of flats).

9 We do not treat blocks on a floor by floor basis in every circumstance as the modelling of tower blocks by floor is not cost beneficial where the information is not readily available.

10 We verify every event on a case by case basis, not however on a floor by floor basis. Variations in building height, internal plumbing, storage tanks, boosters and header tanks present too great a challenge (currently) to be able to accurately report, though we would

assess on a case by case basis were data on these factors available. Instead, a consistent approach is made to all event verification where all supply points are considered at ground level.

11 We treat any outage where sufficient information is not available as the whole building being off water. This results in a slightly higher reported number if relevant.

12 We are compliant with all the other requirements of the common methodology and - barring the exception mentioned above - all components of the RAG checklist are Green.

Leakage (3A.3)

13 Three-year average leakage is assessed at 186.5 Ml/d against a performance commitment level of 162.3 Ml/d. This is a 3.9 per cent reduction against the 2019/20 baseline, below our target reduction of 16.4 per cent. As a result the ODI mechanism generates £16.9 million of penalty for the year.

14 Performance in 2024-25 represents a 4.5 Ml/d increase from the 2023/24 figure.

Leakage strategy

15 Our AMP7 leakage strategy continues themes that we started in AMP6 such as network optimisation and intensive leakage investigation. It is supplemented with new SMART strategies such as permanent noise logging, smart metering and widespread pressure transient monitoring. Outputs from our strategies are as follows:

Proactive Leakage Resource

- In 2024/25 we had 219 roles in our operational proactive leakage team. (168 are field based detection roles)
- These are supported by 40 analytical roles
- In 2024/25, 15,632 leaks were located through proactive detection activities (up from 15,007 in previous year).

Leakage capital delivery programmes

Leakage sensors

- Our fixed network hydrophone monitoring system now incorporates 301 District Meter Areas (DMAs). This is a slight decrease on the figures for 2023/24. This is due to removing loggers from DMAs not suitable
- The total number of leaks found from sensor detection in 2024/25 was 3,725. This brings the total number of leaks detected using this technology to 23,483 since 2020
- In 2024/25 the sensor programme delivered 1.46Ml/d of leakage benefit.

Intensive investigation

- We continue to utilise satellite technology and have analysed 5,000km of targeted large rural distribution and trunk mains across our system. This technology uses Synthetic Aperture Radar with patented analysis to detect underground leaks. To complement the satellite detection, we now use leakage detection dogs as part of our investigation process

- In 2024/25 the intensive investigation process delivered 5.33Ml/d of leakage benefit. (up from 5.15 Ml/d in previous year).

- Our intensive investigation process is now well embedded and incorporates a comprehensive programme of operational step testing using flexible metering assets, camera insertion detection and mains condition assessment. In the last year, efforts have been put into developing a PRT Step Testing (PRT) strategy to implement a flexible, safe and efficient step testing methodology.

Customer supply pipe leakage / internal private leakage

- We continue to work closely with our customers to ensure they are supported through the process of repairing private leaks in a timely manner. Excluding the smart metering programme, the customer leakage policy support team resolved 7,261 cases in 2024/25 with only 861 Waste of Water notices requiring to be issued

- Smart metering - our smart metering programme has installed 1,096,405 meters by the end of 2024/25, up 296,160 from 2023/24.This not only successfully completed our AMP 7 ODI target installs but also the AID target of 60,000.

- In 2024/25 we identified 118,810 domestic properties with continuous flow greater than 1l/hr. We saw 3,272 of these leaks fixed with no contact from us to the customers. Of the 109,469 leaks where we informed and worked with our customers to ensure that the issue was resolved by them we saw 87,595. This has resulted in 24.58 Ml/d of leakage or plumbing loss being resolved

Network/pump optimisation schemes

16 There have been 30 optimisation schemes implemented this year, delivering 1.834 Ml/d leakage reduction. This was split between:

- 11 schemes to optimise existing pressure management assets, delivering 0.19 Ml/d leakage reduction

- 13 schemes introducing first time pressure management, delivering 0.727 Ml/d leakage reduction

- 5 system optimisation schemes delivering 0.917 Ml/d leakage reduction

- 1 pump optimisation scheme to reduce transients and calm the network. Although this provided no volumetric reduction in leakage, it is expected to significantly reduce the rate of rise in the zone.

Common methodology compliance

17 We summarise our compliance with the common methodology in the commentary for 6B.35.

18 On 11 June 2025, we received a response to our query confirming an error in the application of the Tier ODI penalty rate relating to leakage in the 2024/35 ODI model. Ofwat has instructed us to override the ODI payment, which has been reflected in the APR tables and commentary.

Per capita consumption, PCC (3A.4)

19 Three-year average PCC has reduced in 2024/25 to 128.7 l/person/day compared to a target of 127.4 l/person/day. This is a 4.7 per cent decrease from baseline against a target reduction of 5.6 per cent. The reduction seen in 2024/25 is due to water efficiency, smart metering and demand management savings as detailed below.

20 Measured PCC, for our 87.5 per cent measured customers, has now achieved our lowest recorded value of 119.70 l/h/d (down from 120.63 l/h/d for 2023/24), a decrease of 0.93 l/h/d. Similarly, unmeasured PCC also has also reduced to 163.77 l/h/d (down from 165.39 l/h/d for 2023/24), a decrease of 1.62 l/h/d.

21 At the PR24 Final determination Ofwat provided a methodology to adjust the reported values to reflect the ongoing changes in water use caused by Covid. Applying this correction gives the following annual PCC figures which are then to be compared to the original targets for performance assessment.

Actuals - AMP7 method		**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
In year PCC	l/p/d	134.8	136.9	133.3	146.9	135.99	132.3	127.6	126.2
3 year PCC	l/p/d	-	-	135	139	138.7	138.4	132	128.7
Per cent reduction	%	-	-	-	-3.0%	-2.7%	-2.5%	2.2%	4.7%

Covid adjustment		**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Ofwat Covid correction	%	-	-	-	10.3	2.2	2.1	2	1.8
Corrected in year pcc	l/p/d	-	-	-	131.8	133	129.5	125	123.9
corrected 3 year pcc	l/p/d	-	-	-	134	132.7	131.4	129.2	126.1
corrected variance to pcl	l/p/d	-	-	-	0.1	0.4	0.7	0.3	-1.3
Revised penalty/reward	£m	-	-	-	0.037	0.150	0.262	0.112	0.000
Total penalty/reward	£m	-	-	-	-	-	-	-	0.561

22 Whilst we have outperformed the revised PCL in year 5 Ofwat's mechanism doesn't allow reward in year 5. We have incurred a penalty of £0.561 million for AMP7 for performance in years 1 to 5.

23 As we started the final year of AMP 7, we continued to educate our customers about the challenges we face in our region; however, we know education and raising awareness isn’t enough. We have evolved our behaviour change strategy to drive action and create sustainable behaviour change.

24 To ensure we maintain the most effective messaging and engagement via a multi-channel framework, we regularly assess customers’ perceptions and insight to shape our communications approach. As part of our monthly customer surveys, most customers, 73 per cent think it is important or quite important to reduce the amount of water in day-to-day life. The most common reasons are environmental concerns, to save money and water scarcity. Most customers feel they are already doing their part by reducing their water use. However, to drive down sustainable PCC reductions we are committed to closing the ‘action gap’ and focus on making positive behaviour changes.

25 Our framework for PCC demonstrates that we still intend to continue with operational and digital customer journeys through metering and completing water saving home visits. Additionally, we are gathering evidence to support our WRMP29 and PR29 options that are robust and will deliver savings for AMP8 and beyond.

Smart meter installations and home visits

26 We focused on utilising smart meters to connect customers with their data and reduce the gap between perception and actual consumption to ensure that usage feels relevant and quantifiable for customers. To help with this, in April 2024 we went live with the re-platforming of our MyAccount online tool, to enhance the current smart metering experience and service.

27 Of all active smart meters installed by the end of Year 5, 55 per cent of customers are registered with MyAccount and engaging with their usage. We send monthly reminders to view their usage to compare from the previous month and using 'social norms' to show their usage is either efficient, average or above average to similar homes based on occupancy provided. We consistently have around a 44 per cent open rate, and subsequently we have seen that on average these households will save 3 litres/day compared to those who don't receive monthly communications.

28 We measure digital engagement with these communications against external benchmarks (Global and EMEA benchmarks 2024 – approximately 32 per cent Unique open rate, 7.6 per cent click to open rate globally) which we typically significantly outperform.

29 Customers having frequent engagement with their usage helps them to take direct control of their usage by changing their behaviour. Customer side leakage (plumbing loss or cspl) accounts for most of the reduction in overall PCC/Household consumption and has been quantified separately in the smart metering benefits.

30 Our metering visits have been maximised to include a water efficiency home audit that is tailored to customer needs and provides water saving devices relevant to their consumption patterns. During year 5 we exceeded our target by completing 24,030 water efficiency visits with assumed savings of 616,646 litres in total from devices. This means we achieved an average of 14.21 litres per visit from device savings, plus the additional 10 litres for behaviour change, average visits are 24.21 litres. Note that the total assumed savings using OFWAT assumptions based on the devices fitted is approximately 20 litres/prop/day. Our original target was 12,500, which we exceeded to make up for the discrepancy at the start of the AMP due to the pandemic. The success was in part re-engaging our teams by delivering further training for existing and new starters. Plus improving our IT systems, reporting of visits and trialing a new leaky loo card with behaviour change messaging.

Optimising customer side leakage benefits

31 As we continue to roll out smart metering, we are helping more and more customers to find leaks in their homes, saving water and money through reduced bills. Since we began smart metering, on average 90 per cent customers fix their leaks. However, for some of our customers, paying for these leak repairs is an impossible ask. That's why we've partnered with CET (part of the Homeserve group) to set up a trial to help these customers by offering free repairs. Of the repairs completed, 82 per cent were a "leaky loo", the remainder being issues with taps or in the bathroom, with a couple in the loft. As well as covering the cost of repairs for customers, this has also resulted in over £800 being given back to customers in leakage allowances to cover the lost water. The free repair trial is ongoing to gather more insight and map out the approach that will drive the most effective PCC savings for AMP 8.

32 Running parallel to our existing customer-side leakage journey, we designed a Leaky Loo digital campaign to increase awareness for checking and finding the smaller, hidden leaks in the home. We have expanded our digital channels to engage with a wider audience and capture further engagement through new social platforms so we can reach more customers in a cost-effective way. We amplified leaky loo content across paid channels, testing different 'financial' and 'environmental 'statements that resonated with customers to identify most effective messaging to build up audience personas for future targeting. During the summer, we achieved 1.1 million impressions and over 954,000 video views under our Small Swaps digital campaign.

33 We continued to improve our online self-serve journey by enhancing our digital assets, creating 11 new 'How to Fix and Fix' video suites launching on our YouTube channel in February 2025. The aim of the new channel content is to break down barriers and friction, by demonstrating with the aid of a professional plumber that it's easy to find and fix leaks. The majority of the leaks we have identified through our smart meter programme have

been the smaller continuous usage caused by toilets, taps and showers. The new YouTube content will continue to be pushed via organic and paid channels as we continue into AMP 8.

Hyperlocal customer engagement activities

34 We have continued customer engagement activities across the region in demand hotspot areas specifically for South Essex and East Suffolk Resource Zones (including Braintree, Tiptree, Colchester, Bury St Edmunds planning zones). These activities are designed to educate customers on why it is important we protect our water resources, through helping customers reconnect with where their water comes from and the water cycle. The partnership strategy is to educate, build intent and create behaviour change at a hyper local level with our customers. The below summarises our Y5 hyperlocal hotspot engagement:

- 2,439 face to face AW events throughout July and September 2024
- 3,427 water saving devices provided to customers during summer events, assumed savings 11,687 litres.
- 3,305 face to face engagement via paid partnerships in hotspot areas, with 1733 water saving devices (including 800 x 100l water butts in Colchester and 356 x 100l butts in Norwich). Total assumed savings 117,789 litres
    - 640 of The Wild Tribe children's activity boxes were shared through the summer activities in 2024 in Colchester, Braintree and Bury St Edmunds and surrounding areas.
- Direct winter home savings kits sent to 53 organizations in hotspots areas to support households during winter, and a further 7 organizations across the rest of the region resulting in over 15,000 water saving items to reduce hot water usage.
- The assumed savings from bath buoys and shower heads sent as part of our winter home kit campaign is 377,250 litres.
- Targeted Babydam outreach in Colchester working with local family groups to share messaging 259 Babydams resulting in assumed savings of 14504 litres

35 Our focus for Year 5 was to maintain the drumbeat of water efficiency messaging, and to increase awareness via hyperlocal partnerships, such as The Skinny Jean Gardener and The Wild Tribe. Both were aimed at families to help them understand more about water, the water cycle and how they interact with it – with a view to educate customers on the need to save water in the home and garden. The projects designed & delivered exceptional educational activity boxes along with downloadable activities, all aimed at pre-school children – so that families went on the journey of discovery together.

Continuing water efficiency drumbeat messaging

36 Over the last year we've continued to optimise and expand our digital and social channels to engage with a wider audience and capture further engagement through our channels, to reach more customers in a cost-effective way. Following the launch of our TikTok channel the previous year, we continued to optimise our life hacks and small swaps content through the channel to encourage customers to save water at home and in the garden. This aimed at reaching a younger audience to raise the importance of saving water.

37 We also launched our Story Behind Water campaign, to tell the story of every drop from source to tap, through the lens of our people. The aim of this campaign was to build on customer's knowledge of the water cycle by establishing our role within it and how we deliver the 'brilliant basics', as well as building on our resilience narrative (how we're investing in the future of water, protecting every drop). Leading with the key message 'every drop goes through a lot' throughout the campaign helps to deliver a multi-ODI benefit, from establishing good value for money, building trust through transparency and also building up the preciousness and appreciation of water as a resource. This campaign has then formed a basic level of education to continue to build upon and add to in coming months, to inspire behaviour change when it comes to water usage in the home.

38 Across all our digital and social channels (Facebook, Instagram, TikTok, Google Display and Outbrain), we shared a series of content through our Small Swaps campaign to maintain a drumbeat of water saving messages across our channels.

39 In Year 5, to increase our digital reach and engagement we have expanded our social channels to include the following:

- Facebook
- TikTok
- Instagram
- Google Display
- Outbrain
- YouTube (new channel for Y5)

40 As part of our continued learning and optimisation, we tested new content and ways of setting up our activity to make the most of not only the content, but also the targeting opportunities within channels. This was particularly focused on using customers in our content, with our own people mixed in there too, following learnings that customers were more engaged with our content and activity when the person reflects themselves, i.e. a customer.

41 Small Swaps Y5 Performance:

- Total Impressions: 151,914,690
- Total clicks Facebook and Instagram: 94,735

42 We continued to work in collaboration with Waterwise and Water UK by supporting and engaging with Water Saving Week and other campaigns as part of raising awareness of water scarcity and challenges facing our water resources.

Innovation Interventions

43 Smart meter and customer data can enable us to target customer cohorts, and specific water reduction behaviours so we can deliver effective communication and sustainable PCC reductions. We are evolving our programme deliveries to drive action and measure the benefits so we can accelerate demand savings. Our ongoing capabilities to understand water usage in the home is developing so we can make sophisticated decisions and monitor PCC reductions. This is part of our ongoing aspirations for continuing to build robust demand forecasts to increase resilience across our region. We are on track for completing this action as stated in our plans.

44 This year we have successfully launched two innovative customer PCC trials, with our seasonal tariffs and flow regulators. Our trials are ongoing to capture the benefits by using smart meter data. In April, we launched our smart seasonal tariff trial. From October 2024, we begun installing flow regulators with the aim to reduce per household per day consumption by regulating the flow of water and to smooth out fluctuations caused by pressure. Both trials will continue to be monitored into AMP 8 to capture robust evidence for shaping our demand management plans.

45 We recognise that driving down consumption in our region is critical to long-term resilience. Demand management is a key element of our WRMP and our goal remained to offset the demand requirements needed to serve new housing and population growth through effective demand-side measures including leakage control and PCC reduction.

Common methodology compliance

46 We summarise our compliance with the common methodology in the commentary for 6D.24/25

Water mains repairs per 1,000 kilometres of pipe (3A.5)

47 In 2024/25 we report that there were 133.4 mains repairs per 1000km of pipe. The performance has decreased slightly compared against the performance in 2023/24 (123.0 repairs per 1,000km of pipe), but is still within the average performance bounds over the whole AMP period. Performance was tracking favourably with 2023/24, up until the winter months, where the region experienced a significant freeze-thaw event.

Common methodology compliance

48 We comply fully with the consistent reporting requirements defined by Ofwat during AMP7.

Proportion of unplanned outage of the total company production capacity (3A.6)

49 The 2024/25 unplanned outage figure of 1.88 per cent is a decrease on the 2023-24 reported figure of 2.054 per cent. Overall there were 41 unplanned events, 8 excludable events and 14 planned outage events lasting over 24 hours. This is a variable measure which doesn't trend across years however planned work, such as at Clapham WTW and other sites, could help explain the reduction in number from 2023/24.

50 This year's three largest unplanned events are shown in the table below.

Site Name	Plant Group	Event Type	Event Description	Unplanned % Impact
Wing WTW	RGFs	Unplanned	(Combined event score) RGFs offline	0.727%
Sandhouse WTW	Site Offline	Unplanned	Offline until lime plant is updated/refurbed	0.265%
Ravensthorpe WTW	Site Offline	Unplanned	(Combined event score) Sand filter issues	0.428%

Common methodology compliance

51 We comply fully with the consistent reporting requirements defined by Ofwat during AMP7.

Percentage of population supplied by a single supply system (3A.7)

52 The performance commitment for supply demand resilience is 'Percentage of Population supplied by a single supply system'. This is a bespoke reward-only Performance Commitment.

53 This programme is a continuation of our AMP6 programme.

54 The approach taken to develop the baseline was to identify the resulting deficit if each water treatment works was taken out of service for a prolonged period. The deficit was converted to an equivalent number of household customers and the percentage of population at risk calculated. The risk to the whole region was summed to form the baseline figure. This was calculated in 2014/15 to provide an AMP6 baseline of 46.9 per cent. At the end of AMP6 we reported an outturn position of 24.1 per cent which thus forms the baseline for AMP7.

55 As previously reported, the programme for reducing the percentage of population at risk during AMP7 is closely aligned to our Water Resources Management Plan (WRMP) Strategic Interconnector Programme.

56 We have not completed any further capital schemes in 2024/25. The outturn for the year 2024/25 is 22.3 per cent which is 8.2 per cent above the performance commitment level of 14.1 per cent. The remaining AMP7 schemes continue to progress as part of our strategic interconnectors programme, due to the reprofiling of that programme for safe and efficient delivery we now expect to complete our AMP7 percentage population on a single supply programme in AMP8. Further detail on the progress of the strategic interconnector programme can be found in our APR commentary for table 6F. As this is a reward only Performance Commitment there is no penalty associated with this outturn.

Year	Schemes Delivered	% population reduction from delivered schemes	% population supplied by a single supply system
AMP7 Baseline			24.1
2020-21	Pitsford WTW	1.34	22.7
	Ludham WTW	0.09	
2021-22	No schemes delivered	-	22.7
2022-23	High Oak WTW	0.36	22.3
2023-24	No schemes delivered	-	22.3
2024-25	No schemes delivered	-	22.3

Properties at risk of persistent low pressure (3A.8)

57 The number of reportable properties on the register at year end is 62 for 2024/25, compared with 65 at the end of 2023/24. This is below the 2024/25 Performance Commitment Level of 106 properties.

58 During 2024/25, 14 properties were added, and 17 properties were removed following a capital intervention, operational intervention or better information. The improvement in performance in 2024/25 is due to the beneficial completion of capital work completed and operational network changes. There were 17 additions to register in 2024/25 compared to 19 additions in 2023/24.

59 At the end of 2024/25, of the 62 properties below the reference level, 9 are included under Section 65 of the 1991 Water Industry Act where a property receives pressure below the reference level due to its height in relation to the storage point.

Capital schemes

60 One capital scheme to improve pressures have realised benefits in 2024/25:

- Owersby– 6 properties were removed from the register following refurbishment of a water booster.

Operational Changes

61 One operational network change to Improved pressures has realised benefits in 2024/25:

- Norton – 11 properties were removed from the register following valving changes to a higher pressure zone.

62 There have been no changes to the confidence grades and no restatement of previous years' data.

Abstraction Incentive Mechanism (3A.9)

63 The Anglian Water supply area is geographically large with a significant rural population and experiences some of the lowest rainfall in the country. The Environment Agency has assessed the region as being in 'serious water stress' and, in addition, it is recognised as being particularly vulnerable to the impacts of climate change. The region is characterised by a high number of water–dependent designated conservation sites and we work closely with the Environment Agency to manage the associated environmental pressures. Our region's slow moving rivers are often ecologically diverse and, whilst they can support abstraction, this may cause environmental stress during periods of low rainfall.

64 There are a number of source closures and licence reductions planned for AMP7, along with river habitat improvements, as part of the Water Industry National Environment Programme (WINEP) of works to reduce our impact on the environment.

65 The Abstraction Incentive Mechanism (AIM) was introduced by Ofwat as a reputational measure in AMP6 and this moved to a financial measure in AMP7. AIM is designed to encourage water companies to reduce their environmental impact by abstracting less water from environmentally sensitive sites at times of low river flow. This can be difficult to achieve, even where there are alternative sources, as low river flows often coincide with periods of peak customer demand. AIM allows us to target reductions in environmentally sensitive abstraction areas ahead of WINEP solutions programmed for later in the AMP.

66 During AMP6 we reported AIM performance for Marham (River Nar), and this continues into AMP7 alongside three groundwater sources also identified as potentially impacting on nearby rivers. These include Marham (Groundwater), Wilsthorpe, and Wixoe sources.

67 For 2024/25 there were limited opportunities for active AIM management. We experienced no low flow days at Marham (Groundwater), Marham (River Nar) or Wixoe, and, due to operational issues at a neighbouring water treatment works, we could not minimse the abstraction from Wilsthorpe.

Marham (River Nar) (3A.9a)

68 There were no low flow days below the AIM threshold associated with the Marham surface water source during 2024/25.

Marham (Groundwater) (3A.9b)

69 There were no low flow days below the AIM threshold associated with the Marham groundwater source during 2024/25.

Wilsthorpe (3A.9c)

70 In 2024 we experienced 63 days with flow below the AIM threshold. Usually we would support Wilsthorpe from our sources at Bourne and Etton in order to reduce abstraction at times of low flow. However this year Bourne water treatment works (WTW) was out of service from 02/09/2024 due to extensive remedial work required at the site. The spare

flow from Etton WTW was required to make up for the shortfall at Bourne. Bourne WTW was returned to service on 21/03/2025, by which time the low flow season was over. As a result abstraction was greater than the 2007-13 baseline.

Wixoe (3A.9d)

71 The Wixoe source is located near the Bumpstead Brook. During 2024/25 there were no flows below the AIM threshold.

AIM Site	No low flow days	AIM Vol	Reward/Penalty
Marham GW	0	0	£-
Marham SW	0	0	£-
Wilsthorpe	63	85	£87,720.00
Wixoe	0	0	£-
Total	63	85	£87,720.00

Managing void properties (3A.10)

72 Performance is calculated as a percentage of false voids against the total number of domestic properties. The figures are extrapolated using the outcome of an audit of a random sample of properties using both field visits and third party data.

73 We committed to audit 1,000 records. To ensure our sample number contained at least 1,000 records we extracted 1,237 records. After removing genuine exclusions this returned 1,140 audit results.

74 The performance commitment level was 0.25 per cent and we out-turned at 0.06 per cent. Accordingly, we have earned an outperformance payment of £0.9 million. The performance shows the continuing impact of the considerable work we put in to identify false voids. Activities in the year have included reviewing all properties void for more than four months, reviewing water consumption data, sharing data with water only companies, using bureau and land registry data, making doorstep visits and sending letters and emails. Performance has been further improved as a result of the large number of fixed network meters being installed, giving an early indication that a property has become occupied.

Water quality contacts (3A.11)

The number of water quality contacts received in 2024 was 0.91 per 1,000 population served. Whilst our score has slightly deteriorated due to a small increase in the number of discolouration we have still recorded the second-best performance since the first metric was calculated 10 years ago.

The approach to improving the customer contact rate continues through our 'keep water healthy' initiative that has been running for a number of years. The campaign aims to provide customers with information and advice to help prevent water quality problems arising from their own internal plumbing. We continue to keep focus on engagement with our customers through multi platforms, especially social media, which we have further extended to deliver key messaging on water quality through a number of targeted sprint activities. We have reviewed our water quality website pages, making it easier for customers to self-serve on water quality issues

Smart metering delivery (3A.12)

75 In fitting 296,160 AMI meters in the year we completed our full AMP smart metering delivery set out in our business plan and met our performance commitment target. We are full compliant with the AMP 7 reporting guidelines in relation to this performance commitment. We also fitted 62,123 AMI meters as part of our Accelerated Infrastructure Delivery (AID) which are not included within 3A. AID can be seen in table 10H.

Year	No. smart meters fitted	PCL
2020/21	164,400	219,279
2021/22	144,453	219,280
2022/23	231,484	219,279
2023/24	259,908	219,280
2024/25	296,160	219,279
Total	1,096,405	1,096,397

76 Table 4R lines 17 and 18 and the count of DS AMI meters fitted in table 3A will always be different as 4R counts all 'connections' made in the reporting year, and 3A counts all the meters fitted in reporting period. For new connections, the connection can be made up to 180 days in advance of the meter being fitted. 4R is a count of new properties and therefore will exclude replacement supplies, field supplies etc, 3A will include any AMI meters fitted for these supplies.

Internal interconnection delivery (3A.13)

77 This performance commitment has been revised as part of the PR24 Final Determination. The new reference is PR19PCD-4 Internal Interconnection Delivery. The expected internal interconnection capacity is 469.4 Ml/d which is expected to be delivered by 31 December 2028. As a result of this change there are no targets or payments due in AMP7.

78 In 2024/25 we have continued our work on the reminder of the Interconnector Programme across our region. We have now completed the non infrastructure assets for the East Ruston scheme (which is listed as Norwich & the Broads to Happisburgh WRZ (5MLD) in the Performance Commitment Appendix) which originally went into supply under gravity in October 2023, increasing the capacity of this transfer from 2.4 MLD to 5 MLD.

79 This brings the total AMP7 benefit reported to 11.5 MLD as detailed in the table below.

Year	Schemes Delivered	Capacity Ml/d	Total Capacity Delivered
2020-21	Norwich & the Broads WRZ to Happisburgh WRZ (Ludham)	1.5	1.5
2021-22	No schemes delivered	-	1.5
2022-23	Norwich & the Broads WRZ to Norfolk Rural North WRZ (NNR8)	5	6.5
2023-24	Norwich & the Broads WRZ to Happisburgh WRZ (East Ruston)	2.4	8.9
2024-25	Norwich & the Broads WRZ to Happisburgh WRZ (East Ruston)	2.6	11.5

80 Work on the remainder of the Interconnector Programme across our region continues to progress and our strategic alliance partners are on site carrying out enabling and construction activities. More detail can be found in the table commentary for 6F.

Cyber security (3A.14)

81 As required by the performance commitment, Anglian Water's NIS Compliance Programme has successfully completed the rollout of Network Security across the Ruthamford System, encompassing 20 operational sites. (Note: One additional site was brought into scope following site surveys.) As required by the performance commitment, we have conducted an estate-wide risk assessment across 388 Water Supply sites to determine areas of higher risk. The risk assessment identified one water system containing 20 operational sites with a higher risk profile and these sites were remediated via our AMP7 Network & Information Systems (NIS) Compliance Programme.

Elsham DPC (3A.15-16)

82 Our performance commitments for direct procurement for customers for the new Elsham water treatment works incentivises us to procure the scheme through a competitively appointed third party under a design, build, finance, maintain and operate model.

83 To achieve an out-performance payment, we must appoint a competitively appointed provider (CAP) in circumstances where the direct procurement for customers (DPC) scheme meets certain qualifying criteria outlined by Ofwat.

84 However, Ofwat confirmed to us on 13 May 2022 that it has accepted that we will not now progress the initially proposed Elsham DPC scheme (aka Middlegate), and instead will take forward the alternative North Lincolnshire Alternative Solution. Ofwat will not at this stage de-designate Middlegate as a DPC scheme but expects us to take the alternative solution forward. We worked with Ofwat to communicate this to the market and have made clear that we are pursuing an alternative solution under which the initially proposed Middlegate scheme is not required.

85 At this stage it is expected that these PCs will no longer be required, so we have reported these measures as N/A for 2024/25.

Table 3B - Outcome performance - Wastewater performance commitments

	Line description	Unique reference	Unit	Performance level - actual	PCL met?	Outperformance or underperformance payment	Forecast of total 2020-25 outperformance or underperformance payment
						£m	£m
	Common PCs - Wastewater (Financial)						
1	Internal sewer flooding	PR19ANH_7	Number of internal sewer flooding incidents per 10,000 sewer connection	1.41	No	-0.766	-8.525
2	Pollution incidents	PR19ANH_8	Pollution incidents per 10,000 km of sewer length	57.17	No	-9.835	-28.200
3	Sewer collapses	PR19ANH_13	Number of sewer collapses per 1,000 km of all sewers	4.53	Yes	0.000	-1.126
4	Treatment works compliance	PR19ANH_14	%	99.28	Yes	0.000	-2.386
	Bespoke PCs - Wastewater (Financial)						
5	External Sewer Flooding	PR19ANH_17	nr	5232	No	-5.184	-14.812
6	Bathing Waters Attaining Excellent Status	PR19ANH_19	nr	31	No	-1.124	-1.124
7	Water Industry National Environment Programme	PR19ANH_32	nr	1698	No	0.000	5.670
8	Partnership working on pluvial and fluvial flood risk	PR19ANH_42	number	76	No	-1.028	-1.028
9	Additional sludge treatment capacity at Whitlingham	PR19CMA_ANH-01	%	-	No	-0.421	-0.421
19	Financial wastewater performance commitments achieved		%		44		

1 The information we have published in table 3B is consistent with the updates we have reported to our Independent Challenge Group (previously our Customer Engagement Forum) during the course of the year.

Internal Sewer Flooding (3B.1)

2 There were 418 internal flooding incidents in 2024/25. This includes 54 incidents caused by overloaded sewers and 364 incidents caused by other causes including blockages, collapses, equipment failure, pumping station failure, pumping station due to 3rd party, collapse due to the 3rd party, blockage due to 3rd party and equipment failure due to 3rd party. This total includes severe weather events, we had a total of 24 internal severe weather events for 2024/25. Our flooding performance commitment is calculated by dividing the total number of internal incidents by every 10,000 sewer connections. The total number of sewer connections in table 4R is 2,922,618. The calculated performance level is 2.27.

3 In 2023/24 we reported 662 internal flooding incidents, we have seen an decrease of internal flooding's in 2024/25 , we have seen an decrease of internal flooding's in 2024/25 which is largely attributed to a drier year, but also reflects continued investment in proactive network management and targeted operation improvements. Key initiatives delivered in 2024/25 included, installation of 20,000 sewer monitors, with a further 25,000 planned for 2025/26. Increased jetting and CCTV activity, enabling us to inspect 692km of our highest risk assets, from these, 200km was proactively jetted and cleaned. We identified 2,725 defects and completed 254 structural repairs. The rollout of Project Nexus in November 2024, which focused on strengthening our internal flooding processes. This included a new Flooding Workday Training Course, monthly assurance meeting and enhanced data reporting and insights.

Common methodology compliance

4 We are fully compliant with the Sewer Flooding common definition.

5 We have not changed our methodology for calculating the number of incidents that were caused due to severe weather. We do not use the classification options for severe weather for "multiple rainfall events", surface water run-off not originated from public sewer" and "river levels > 1 in 100 year return period". Regardless of whether they are categorised as severe weather or not these incidents must be reported as there is no exclusion for severe weather impact. As a result, there is no impact on our reported performance.

Pollution Incidents (3B.2)

6 The definition of this measure is taken from the Environmental Performance Assessment (EPA) methodology: the total number of pollution incidents (categories one to three) from sewerage assets per 10,000km of sewer length for which the company is responsible in a calendar year. The number we have used to normalise the absolute total number of pollution incidents is also taken from this document (76,437km).

7 We have seen an increase in the number of total pollution incidents categories one to three in 2024 (437) compared to 2023 (307). This performance of 57.17 incidents per 10,000 km sewer does not meet the performance commitment level of 149 (19.50 per 10,000 km), leading to a penalty of £9.835 million.

8 We achieved a significant reduction in serious pollution incidents in 2024 (7) compared with 2023 (11) although acknowledge that the only acceptable number of serious pollution incidents is zero.

9 We also maintained our improved self-reporting percentage in 2024 (88 per cent) which included telemetered self-reporting performance of 92 per cent.

10 Our investors showed their commitment to pollution reduction and their confidence in our plans by investing a further £100 million in pollution reduction activities in 2024. This investment was used to supercharge successful interventions in blockage reduction, asset health, surface and groundwater management and insight capabilities.

11 Anglian Water is not exempt from the significant upwards pressure on pollution incidents experienced by the sector as a whole. Increased self and public scrutiny, significant expansion of our telemetry systems, intelligence through analytic capability and a changing regulatory landscape has lead to the recording of more incidents which may previously have gone undetected – this shows up as worsening performance but does not reflect a change in environmental harm.

12 There remains longer term cumulative upward pressures such as climate change, population growth, increased rainfall and asset deterioration - expected to increase pollution incidents by 150 by year 5 of AMP8. We are also planning for additional proposed regulatory changes and continue with our work to understand how we can meet these challenges.

13 External assurance from Aqua Consulting and Roland Berger has given us increased confidence that our Pollution Incident Reduction Plan (PIRP) is focused in the right areas and on the scale required to turn the dial. Interventions in our 2023-2025 PIRP have already offset a proportion of the upwards pressure, with the additional £100 million investment expected to reduce the risk of 96 incidents on completion.

14 We are laser focussed on Pollution Performance and our new AMP8 PIRP looks to invest an additional £245 million to reduce total pollutions from our baseline by 48 per cent by the end of the AMP.

15 We have detailed our progress and learnings against each root cause below:

Blockages

16 Blockages were our primary root cause in 2024 at 36 per cent and consistently account for approximately a third of events historically.

17 Our Pollution Incident Reduction Plan (PIRP) was therefore heavily focused on blockage reduction, particularly at source in the sewer network. We carried out combined interventions simultaneously in targeted high-risk locations as part of our catchment approach. These included cleaning, food service establishment (FSE) education, installation of sewer depth monitor and broader customer education with our renewed 'Just Bin It' campaign.

18 These interventions work – we have reduced total blockages from our AMP7 peak of 42,733 in 2022/23 to 35,241 in 2024/25 and seen a reduction in internal flooding incidents resulting from blockages from 402 in 2023/24 to 290 in 2024/25. We have not seen the same success in pollution performance. Only a fraction of our total blockages (0.3 per cent) result in a pollution incident making these blockages harder to target. Further investigation has helped us to understand what the critical factors are which convert a blockage into a pollution risk. For example, manholes less than 25m in proximity to a watercourse hold a greater risk to the environment. We've developed a clever tool 'The Hive' which brings together geospatially multiple data sets to support enhanced analysis enabling more precise targeting of our interventions in AMP8.

Hydraulic overload

19 Hydraulic overload was another key root cause in 2024 at 15 per cent. There is a cyclical pattern to the predominance of hydraulic overload in our root cause which is closely aligned to three yearly cycles of increases in groundwater levels. 2021 was the last year where we saw hydraulic overload as the primary root cause (36 per cent).

20 We have been encouraged historically to tackle hydraulic overload through infiltration reduction plans (IRPs) with the primary intervention being lining work to 'seal' the sewer. At the beginning of our PIRP, we committed to 25 IRPs of which we will deliver 15 however we have since changed our approach, considering the catchment as a whole rather than the performance of our individual asset (though clearly that also is a consideration). Whilst traditional approaches like lining have some benefit, the return on investment is not high and in catchments where we have carried out significant lining, we continue to see higher than expected flows.

21 Two key pathfinder projects in Grimston and Yaxley, areas suffering from excess flows, have shown us that the root cause of overload at our assets is more than 'leaky sewers'. We carried out extensive land and drainage surveys to understand other inputs to the system. We concluded:

- Sewer networks are an open system at the customer end, through private lateral infiltration, relief points on the system and due to natural entry points like manholes.
- Through 'right to connect' or otherwise, homes and businesses have connected surface water drainage to our foul sewer network causing an increase in flow.
- Where drainage ditches, channels and other storage in the catchment has been removed or is not maintained, it diverts flow to our system adding more pressure.
- High groundwater levels can force their way through the sewer regardless of the condition of the sewer.
- Understandably, to protect property in times of flooding; emergency services and members of the public actively pump/move excess flow into our system further overloading it.

22 In Grimston Norfolk, we found 140 infiltration points located on the network which require a traditional lining approach. However, 60 further points were discovered on private drains, up to 40l/s was identified from private surface water connections to the foul sewer, poor maintenance of essential drainage ditches and excessive field run off. We also discovered drainage ditches running below capacity suggesting they may not be placed correctly. Lining to support the 140 infiltration points as we would have done as a traditional approach, whilst giving some benefit, would not entirely alleviate the flood and pollution risk in the area.

23 As a result of these findings, we are working differently in these areas. We have established partnership working groups to tackle these issues holistically. Such has been the success of these so far, that £17 million was committed from the additional £100 million granted to us by our investors for the purpose of catchment-based surface water management across 20 locations. We are committed to this approach going forward and this features heavily in our PR24 business plan and our AMP8 PIRP.

Asset failure

24 Asset failure, encompassing electrical, mechanical and civil/structural make up the third key area of pollutions constituting 39 per cent in total. Although we have programmes of work to maintain our assets through routine operations, and predictive analytics, unexpected failures can still occur. It would be easy to draw a simple conclusion from our PIRP that the number of assets targeted by our plan is unambitious, but what we see from our root cause data is that only a subset of the overall asset base has the potential to impact the environment in the event of a failure. We continue to learn the characteristics of this subset to hone our interventions further.

Sewer networks

25 We have identified that around 17 per cent of our entire network carries an enhanced risk to the environment (around 13,000km). Our proven blockage interventions will be focused on these lengths. Through the additional £100 million from our investors, we have four further CCTV vehicles which have supported 80km of survey work, 2,670 dual manhole surveys and guided rehabilitation.

Rising mains

26 In 2024, bursts occurred on 4.8 per cent of our 4,890km of rising mains. These assets are particularly vulnerable due to their pressurised nature, sewage can escape at volume and speed increasing the likelihood of contact with a watercourse receptor. We have deployed a combination of physical monitoring (1,600 pressure monitors) and 'virtual' monitoring(covering 100 per cent of rising mains) using clever analytics. This has improved our capability to detect and therefore respond at pace to potential bursts. These systems are effective with instantaneous bursts and less so with steady leaks. Learning from this,

in late 2024 we added 1,300 sewer monitors at the discharge ends of rising mains to triangulate data and improve detection accuracy. We've carried out additional exploratory work using satellite imagery and ground condition data, supported by Sniffer Dog inspections, to further understand and mitigate risk on rising mains.

27 The long term data collected from our physical monitors is used to mitigate risk. This has informed interventions at 27 high-risk sites. This work includes pipe relining, pump control upgrades, and air valve replacements. A further 16 complex sites are currently in enabling or delivery phases.

28 Bursts are more likely when pressure exceeds the design parameters of the asset – the risk of this occurring is reduced with air value maintenance. In 2024, we inspected more than 2,100 recorded air valve locations and surveyed more than 4,100 modelled potential locations. These surveys identified 53 potentially leaking air valves and two bursts. This work led to targeted air valve replacements in 2024, with further work planned for 2025.

Pumping stations

29 Our 'virtual' monitoring which is able to alert us of a deviation in operation, has enabled us to pre-empt failures before they occur. 1,100 issues have been rectified so far on 720 sites. Our new Proactive Pumping Station Service Team of 18 skilled technicians has led to a significant reduction in critical and high-priority sites triggering long-term performance alerts.

30 Our pumping station interventions are focused on a subset of assets with pollution risk (e.g. history of pollution or with an emergency overflow). 345 interventions have been carried out to increase the resilience to electrical failures, these include auto resets, brown out timers, generator sockets etc. Our generator testing regime has also been updated to test on load. The programme of work was bolstered by the £100 million from our investors with a further 656 generic interventions on asset resilience. We continue to build resilience in AMP8 through the review of our contractor provision of generators, understanding that 41 per cent of pollutions with electrical as a root cause are attributed to unplanned power outages.

31 Our platinum wet well cleaning programme (3,900 cleans) which compliments the blockage reduction activity on our sewer network will also continue.

Water recycling centres

32 This year we combined compliance data with pollution root cause analysis, which highlighted a risk associated with our sludge handling processes. This insight led to targeted interventions that contributed to our return to green compliance (99.28 per cent) in 2024 and a reduction in sludge-related pollution incidents.

33 Despite this, we did not see the overall decline in pollution incidents from this asset class that we had anticipated. Our analysis confirmed that inlet works and screens present the highest risk. As a result, we have prioritised these areas for further mitigation in 2025. We have also invested in fixed condition based monitoring for high-risk rotary assets to protect against both pollution and compliance failures. This will be expanded in 2025, alongside a trial of mobile monitors to inform future deployment strategies

Response

34 When a failure has occurred, the speed and quality of response can either prevent or reduce impact on the environment. We have made changes to our central event management system to improve the tracking of events and communication with the EA, carried out alarm rationalisation to remove noisy inconsequential alarms, introduced a robust 'gated process' with clear check and decisions points throughout each incident and employed 22 Environmental Pollution Technicians to support environmental impact assessments on the ground.

35 We expect to publish our 2025 PIRP on our website in June 25, more detailed information on our performance and interventions is available here. To satisfy the Water Special Measures Act 2025, we anticipate publishing in this way annually.

Sewer collapses per 1,000 kilometres of sewers (3B.3)

36 Data recorded is linked with Table 3G. The total number of reactive sewer collapses and the total number of reactive burst rising mains is then calculated against the total sewer length, which automatically populates the current reporting year field.

37 There were 252 reactive sewer collapses in 2024/25 compared to 2023/24 (308). There were 103 reactive burst rising mains in 2024/25 compared to 2023/24 (114). Totalling 355 for 2024/25, this is divided by the total length of sewer reported for 2024/25 (78,319km), giving a rate of 4.53 in comparison 2023/24 (5.43). The decrease of sewer collapses and burst rising mains in 2024/25 is due to the approval for increased jetting and CCTV work which allowed us to CCTV 692km of our highest risk assets, of which 200km was proactively jetted and cleaned and 2,725 defects and 254 structural repairs were identified (compared to 60km/976 defects proactively identified in 2023/24).

38 We also continued with our monitor installation parcels of work to enable us to proactively identify issues with our assets. This enabled us to install an additional 20,000 sewer monitors in 2024/25 and we are installing a further 25,000 sewer monitors in 2025/26.

Common methodology compliance

39 We are fully compliant with the sewer collapses common definition. We have not changed our methodology for calculating the length of formerly private sewers since our 2021 APR submission. While this is compliant to the letter of the definition (to report the length of transferred sewers separately), we have previously reported this line to Ofwat as "amber" on compliance due to the low confidence in the data that we believe exists across the industry.

40 Our estimate of our length of formerly private sewers is based on initial assessments made before the transfer for PR09. We are aware that our approach is consistent with most of the industry in that we continue to use the modelled lengths calculated at that time. However, we believe that new technologies and approaches can be used to improve upon the modelling carried out for PR09.

Treatment Works Compliance (3B.4)

41 We have reported in line with the Environment Agency's Environmental Performance Assessment methodology version 9.

42 This is a measure of the number of our water treatment works and water recycling centres which were compliant during 2024 as a percentage of our total number of discharges with numerical consents. The data are sourced from the Environment Agency End of Year (EoY) Performance report.

43 Out of 834 discharges at sites with numeric consents, six sites were non-compliant for 2024. At 99.28 per cent compliance for 2023, this is an improvement compared to 2023 (twelve sites out of 836, 98.44 per cent, on a like-for-like basis)

44 The numbers in our End of Year report include our discharges that are in other EA regions, such as our Hartlepool treatment works and those in the EA's Thames region.

45 Initiatives to drive performance improvement include:

Water Recycling

- Discharge Permit Compliance performance continued to stabilise from the historic risk resulting in a step change improvement and a Green Core Metric for EPA for 2024.

- Implemented an enhanced, facilitated root cause approach and conducted deep dives into WRCs, Pumping Stations, and Rising Main asset classes.
- Using consistent root cause data set across all events enables monitoring of root causes over time, indicating success of interventions across multiple drivers.
- Effort in our revised enhanced root cause approach and data capture means we now have granularity of contributing factors as well as asset failure root cause, and that has driven process improvement in alarms and assurance processes.

Water

- Focus on water treatment works discharge improvements continue with asset condition, site performance and operator knowledge with active project workstreams.
- Gathering and reporting of internal monitoring data is now business as usual and has improved visibility of data and ensures prompt investigation into any deteriorating trends. Best practice findings from site investigation are shared with operational and scientific teams.
- Any failing water treatment works have an environmental protection plan created and reported to department Directors, in line with the Water Recycling developed process. Actions are tracked to completion in a corporate action tracking system.
- A Water Services focus group continues to drive performance improvements and enhance knowledge / learning through training and awareness.

46 The six non-compliant Treatment Works were Dunstable WRC, Mablethorpe WRC, Needingworth WRC, Wickford WRC, Wilburton WRC, Winslow WRC.

External Sewer Flooding Incidents (3B.5)

47 There were 5,232 external flooding incidents in 2024/25. This includes 388 incidents caused by overloaded sewers and 4,844 incidents caused by other causes including blockages, collapses, equipment failure, pumping station failure, pumping station due to 3rd party, collapse due to the 3rd party, blockage due to 3rd party and equipment failure due to 3rd party. This total includes severe weather events, we had a total of 87 external severe weather events for 2024/25.

48 In 2023/24 we reported 6,564, we have seen an decrease of externally flooding's in 2024/25 which is largely attributed to a drier year, but also reflects continued investment in proactive network management and targeted operation improvements. Key initiatives delivered in 2024/25 included, installation of 20,000 sewer monitors, with a further 25,000 planned for 2025/26. Increased jetting and CCTV activity, enabling us to inspect 692km of our highest risk assets, from these, 200km was proactively jetted and cleaned. We identified 2,725 defects and completed 254 structural repairs. The rollout of Project Nexus in November 2024, which focused on strengthening our internal flooding processes. This included a new Flooding Workday Training Course, monthly assurance meeting and enhanced data reporting and insights.

Bathing waters attaining excellent status (3B.6)

49 The number of bathing waters attaining 'Excellent' status at the end of 2024 was 31 (64.5 per cent). This is an increase from 29 bathing waters attaining 'Excellent' in 2023. Six bathing waters improved to an Excellent classification, which met the pre-season prediction for the maximum possible number of bathing waters returning to Excellent. Of these six bathing waters, three returned to Excellent following a drop in classification in 2023.

50 Improvements to Mundesley, Sea Palling and Hemsby are directly linked to increases in sample frequency. Work carried out by the Recreational Water team identified the risks posed by low sample frequencies and evidence was successfully presented to the Environment Agency to ensure maximum sampling numbers were collected in 2024. Further positive impacts have been achieved through implementing novel disinfection schemes, DNA source tracking, identification of third party sources, maximising discountable results, completion of spill reduction schemes, and assessment of asset performance (including flow compliance)

51 Four bathing waters dropped from Excellent to Good in 2024. In the majority of cases, AWS activities were not the root cause of these drops in classification. Lowestoft North has been impacted by third party dredging activities and algal blooms, Holland has dropped following an extremely elevated results following a period of dry weather (no root cause identified), investigations in West Mersea suggest impact from third party private discharges, and impact to Southend Westcliff has been linked to SW runoff / sewers.

52 Investigations into the root causes of these drops in classification will be continued in 2025, including visits to third party sources, DNA source tracking, and liaising with local stakeholders to discuss risks posed by activities close to designated bathing waters (e.g. dredging).

53 Further bathing waters are predicted to improve to Excellent in 2025, however, it should be noted that the ODI scoring has been amended in AMP8 to assign a score to all bathing water classifications. It should also be noted that the AMP8 ODI will include newly designated bathing waters, taking the total in the Anglian Water region to 54. Anglian Water is predicted to start AMP8 in a positive position, with the 2024 water quality data within 1 per cent of the Ofwat 1 year target.

Water Industry National Environment Programme (WINEP) (3B.7)

54 We end AMP7 with 1,698 WINEP obligations signed off against the initial PR19 expected deliverables, having delivered a total of 393 obligations in 2024/25 (not all of which are eligible for reporting in 3B.7). Whilst this is below the target of 1,856, we are not reporting a penalty position for this performance commitment as the agreed removal and/or deferral of obligations since March 2019 has meant that the maximum achievable number of deliverables was capped at 1,704. Removed or deferred obligations include 162 commitments, which accounts for the difference between 1,698 and 1,856. Six obligations are forecasting late delivery and are therefore not included in year-end figures. Furthermore, as per the PR19 ODI definition, ODI payment are not applicable in the 2024/25 and as such no payment has been applied.

55 Excluding performance commitment restrictions to which obligations can be counted in the reporting, Anglian Water have delivered 1,938 WINEP obligations in AMP7, above the target level for this commitment.

56 Highlights of our year 5 programme include:

- Over 500kg of phosphorus removed (83 per cent) through the tightening of permit conditions across 137 Water Recycling Centres, serving a population equivalent of >1,500,000 (under WFD_IMP driver).
- Additional treatment capacity (>92l/s) delivered at 13 Water Recycling Centres (under the U_IMP5 driver).
- Flow improvement at 19 Water Recycling Centres, including the delivery of >85,000m^3 of new storage to reduce spills to the environment (under the U_IMP6 driver).

57 We have secured confirmation from the EA that performance has been correctly reported using their WINEP tracker. A copy of the WINEP tracker for Anglian Water has been provided to Ofwat. The schemes are marked as signed off or pending in the file (column "O"), and can be filtered to show just AMP7 obligations (column "B"). Schemes not marked as Green in the WINEP at the time of the Final Determinations do not count towards the performance commitment so should be excluded from the total.

58 The EA's regulatory position remains that any obligations marked "pending" should be considered as signed-off for year-end reporting, with the anticipation that these will be clarified as signed-off. There is one such occurrence in 2024/25, which requires further permitting discussions to confirm sign-off.

59 Further confirmation of WINEP delivery can be found in the EA's Environmental Performance Assessment (EPA). In section 6 the EA confirms that 99 per cent of schemes considered under the EPA were completed for the financial year. The EPA does not include EDM or U_INV2 obligations.

Partnership working on pluvial and fluvial flood risk (3B.8)

60 This performance commitment is designed to incentivise the company to work in partnership with others to deliver investment to protect its wastewater treatment sites and water recycling network from pluvial, fluvial and coastal flooding.

61 We have defined an output as follows:

- A partnership scheme providing increased capacity to the sewer network shall count as one output
- Where partnership schemes provide greater resilience to one or more of our above ground assets, each individual asset shall count as one output (e.g. one pumping station and one WRC protected would count as two separate outputs).

62 Between 2020 and 2025, we have delivered or are in the process of delivering 96 outputs across 62 schemes, against the target of 92 outputs. We have made significant efforts to complete all delivery by 31 March 2025. However, working in partnership often brings challenges that can result in delays beyond our control. In cases where delivery is not yet complete, we remain committed to the outcome of reduced flood risk and as such legal agreements have been signed and funding transferred to support our partners. Ofwat has, in principle, accepted the challenges of working in partnership, but in the ODI 2024-25 final determination it decided that we had completed only 76 schemes, with the remaining considered outstanding despite the agreements put in place with partners. This has been reflected in our ODI tables.

63 Collaborative working has delivered significant benefits for communities at risk of flooding across our region, whilst also enabling us to innovate and explore new approaches throughout this period. A list of all schemes either delivered or currently being delivered are listed below.

Project Name	Outputs	Organisation
ALC FLAG -Flood storage pond + rainfall capture gardening	2	Alconbury Flood Group
AWS - AWS WRNA - Hunts Drive, Writtle	1	Anglian Water Services Ltd
AWS - Scopwick	1	Anglian Water Services Ltd
AWS - WRN - St Ives - Fairfields	1	Anglian Water Services Ltd
BRI-IDB - Kings Ditch Flood Alleviation Scheme	1	Bedfordshire & River Ivel IDB
BTC- Town Drain Improvements	2	Beccles Town Council
CBC - Aspley Guise	1	Central Bedfordshire Council
CBC - Dunstable Town Centre SuDS Retrofit	2	Central Bedfordshire Council
CBC - Heron Rd, Leighton Buzzard	1	Central Bedfordshire Council
CBC - High Street, Blunham	2	Central Bedfordshire Council
CBC - Hornes End Rd, Flitwick	1	Central Bedfordshire Council
CCC - Morton Avenue (March) SuDS Retrofit	2	Cambs County Council
CCC - Stukeley Meadows Primary School SuDS retrofit	1	Cambs County Council
CCC - SuDS in Schools - Westfield Junior School	1	Cambs County Council
CCC - SuDS in Schools - Willingham Primary School	1	Cambs County Council
CCC - Yaxley/Stilton Flood Remedials	2	Cambs County Council

EA - Down Westwick Tidal Defences	1	Environment Agency
EA - Great Yarmouth Epoch 2	2	Environment Agency
EA - Humber Winteringham Ings & South Ferriby FAS	2	Environment Agency
EA - Lincoln Defences	1	Environment Agency
EA - Wash East Coastal Management Strategy	1	Environment Agency
ECC - Basildon Pitsea Surface Water Flood Alleviation Scheme	1	Essex County Council
ECC - ECC - Tyrrells Road Raingardens	1	Essex County Council
ECC - Essex Suds in School	4	Essex County Council
ECC - Maldon Central Surface Water Flood Alleviation Scheme	1	Essex County Council
ECC - South Green School - SuDS in School	1	Essex County Council
ECC - Springfield Road Canvey Rain Gardens	1	Essex County Council
ELDC - Fotherby	1	East Lindsey District Council
GG - HMP Wayland Rainwater Capture Greener Growth Growing Scheme	2	Greener Growth CIC
LCC - Altham Terrace	1	Lincolnshire County Council
LCC - Long Bennington surface water management	2	Lincolnshire County Council
LCC - Tallington Flood Recovery	1	Lincolnshire County Council
LCC - Tallington Surface Water - Rev 2	1	Lincolnshire County Council
LeCC - Kibworth Mead Academy SuDS Pods	1	Leicestershire County Council
LinCoop - Laceby Coop - Car Park Drainage	1	Lincolnshire Cooperative
MKC - Coffee Hall	1	Milton Keynes Council
MKC - SuDS in Schools Pilot Project	1	Milton Keynes Council
NCC - Attleborough Trash Screen Replacement	1	Norfolk County Council
NCC - Dereham	1	Norfolk County Council
NCC - Saham Toney Flood Alleviation Scheme (NFM)	1	Norfolk County Council
NELC - Broadway SuDS Retrofit - Grimsby	3	North East Lincolnshire Council
NELC - Laceby Acres Planters	1	North East Lincolnshire Council
NELC - Saint Nicholas Drive flood alleviation scheme.	1	North East Lincolnshire Council
NT - Planters on National Trust estate	1	National Trust
SBC - Marine Parade Public Realm Improvements	2	Southend On Sea City Council
SBC - Silverdale Road Smart Water Butts	1	Southend On Sea City Council
SBC - Benfleet WRC Wetlands - C2C FCRIP Project	1	Southend On Sea City Council
SBC - Thorpe Hall Avenue - Flood Alleviation Scheme	2	Southend On Sea City Council
SCC - Alde Valley Academy SuDS Scheme	1	Suffolk County Council
SCC - Kessingland	2	Suffolk County Council
SCC - Leiston Primary School SuDS Scheme	1	Suffolk County Council
SCC - Reclaim The Rain - Downpipe Planters	5	Suffolk County Council
SCC - RTR- Watton Junior School Planters	1	Suffolk County Council
SCC - Worlingham Primary School SuDS Scheme	1	Suffolk County Council
SCC - Worlingworth Planters	3	Suffolk County Council
SH IDB - Gedney Drove End	1	South Holland IDB

SHE - Agroecology and beavers in the Pant Valley	1	Spain's Hall Estate
TF - Burston SW Improvements	1	Thelveton Farms
W4 IDB - Goosemuck Lane, Sibsey - Culvert diversion	2	Witham 4th IDB
WNC - Northamptonshire LENS	4	West Northamptonshire Council
WNC - Northamptonshire LENS	4	West Northamptonshire Council
WNC - SuDS In School - West Northants	6	West Northamptonshire Council

Additional sludge treatment capacity at Whitlingham (3B.9)

64 This performance commitment incentivises us to ensure that customers have sufficient sludge treatment capacity in the future. The commitment has been fulfilled by installing capacity to treat an additional 6.4 ttds of sludge per year at Whitlingham sludge treatment centre, Norwich. Additional capacity has been provided by upgrading the existing Cambi THP pre-treatment plant and installation of an innovative digester control system to increase digester capacity.

65 In December 2023, during the course of construction, an asset condition assessment found that two existing digesters, which are essential to the operation of the new plant, needed to be replaced on safety grounds. The innovative digester control element requires the two new digesters to be fully built before it can be commissioned and operate at the additional capacity required. Therefore, although the originally envisaged outputs have been delivered on site but delivery of a fully commissioned solution has been extended pending additional works. Following Ofwat's ODI 2024/25 final determination, Ofwat has imposed a penalty in the form of a late delivery underperformance payment of -£0.421m. We are unable to adjust our ODI tables to reflect this extended delivery but our commentary has been adjusted to explain our underperformance.

Table 3C - Customer measure of experience (C-MeX) table

	Item	Unit	Value
1	Annual customer satisfaction score for the customer service survey	Number	78.77
2	Annual customer satisfaction score for the customer experience survey	Number	75.98
3	Annual C-MeX score	Number	77.38
4	Annual net promoter score	Number	13.50
5	Total household complaints	Number	11,837
6	Total connected household properties	Number	3,112,980
7	Total household complaints per 10,000 connections	Number	38.02
8	Confirmation of communication channels offered	TRUE or FALSE	TRUE

1 C-MeX is the Customer Measure of Experience, it is comprised of two surveys, the Customer Service Survey (CSS) and the Customer Experience Survey (CES).

2 The CSS survey aims to measure the experience of customers following a recent interaction with their water company.

3 The CES survey aims to measure the overall experience of their water company by surveying a random sample of members of the public within our region.

Annual customer satisfaction score for the customer service survey (3C.1)

4 For Customer Service (CSS), we achieved fourth position among Water and Sewerage Companies (WaSCs), with a score of 78.77, an improvement of one place from last year.

5 The CSS score is based on customer surveys across three core service areas: Billing, Water, and Water Recycling.

6 Within CSS, our Billing performance achieved a score of 83.04, placing us first among all WaSCs.

7 We are proud of this result, particularly as billing contacts account for 89% of all inbound customer interactions. Over the past year, we have continued to enhance our digital customer experience by introducing a new affordability hub and improving our card payment journey. We also implemented a new, comprehensive quality assurance framework, which has helped drive greater focus on first-time resolution and responses tailored to individual customer needs.

8 Our operational performance within CSS saw our Water service achieve a score of 76.54, placing us fourth among WASCs, and our Water Recycling service score 68.44, placing us fifth.

9 Throughout the year, we introduced a number of improvements aimed at proactively reducing service interruptions. We strengthened both our digital and telephony customer journeys and restructured our Water and Water Recycling operational teams to address issues at source and reduce service failures.

10 We also invested in the areas where customers have identified the greatest need for improvement—specifically, faster attendance, clearer communication and updates, and resolving issues on the first visit while reducing the likelihood of recurrence.

11 Looking ahead, we remain focused on reducing repeat issues, expanding our Field teams to improve response times, enhancing training for customer-facing colleagues, and continuing to adapt our service journeys to meet the evolving needs of our customers and the environment.

Annual customer satisfaction score for the customer experience survey (3C.2)

12 For customer experience we achieved a score of 75.98 and a position of sixth place amongst WASCs.

13 We continue to focus our efforts on building customer confidence by demonstrating the value of our work and the investments we are making to support communities across our region.

14 Throughout the year, we have shared stories that highlight how we deliver a positive experience for customers, educate our customers on how we can all protect our sewers against blockages, and offer tips on how to save water.

15 We have also showcased the improvements we are making for the future, reaching our customers across a range of communication channels to help customers better understand the breadth of work we do, how we can support and the positive impact we have in their communities.

16 These efforts have resulted in an overall improvement in rank of two places in comparison to the previous year.

Annual C-MeX score (3C.3)

17 Our overall C-Mex position at the end of the reporting year remains stable as we maintain seventh position among all companies and fifth position among WaSCs, with a score of 77.38.

18 Although the industry average declined by 1.76 points, reflecting the ongoing national scrutiny of the sector, our score saw only a slight decrease of 0.11 points. We believe this reflects our sustained commitment to delivering high levels of customer satisfaction

Annual net promoter score (3C.4)

19 Our combined Net Promoter Score achieved was 22, an increase of 2.5 points from last year.

Total household complaints (3C.5)

20 Overall complaint volumes increased marginally this year but remain below the levels recorded during the 2022 - 2023 reporting period and continue to outperform the industry median, as benchmarked by the Consumer Council for Water.

21 Despite a challenging start to the year due to prolonged wet weather events, written complaints have decreased, highlighting improvements in how written correspondence is managed. In contrast, we saw an increase in verbal complaints particularly in the final quarter, largely driven by customer concerns about recent price increases, as well as a noticeable rise in complaints related to smart metering.

22 Second-stage complaints have also risen slightly, again largely attributable to billing-related verbal complaints.

23 We continue to use data-led insights to monitor complaint performance in detail. Our internal Complaints Reduction Working Group remains focused on identifying root causes and implementing targeted improvements. This has led to several new processes aimed at enhancing customer experience and reducing future complaint volumes.

Total connected household properties (3C.6)

24 The number of connected properties has seen an increase from 2023/24 to this reporting year. this is the net result of growth.

Total household complaints per 10,000 connections (3C.7)

25 See commentary for 3C.5

Confirmation of communication channels offered (3C.8)

26 In total we operate 12 communications channels, providing a diverse range of methods in which our customers can contact us. We continually evaluate and analyse our customer communication preferences and demand to ensure we are providing a service that meets our customers' needs and lifestyles.

Table 3D - Developer services measure of experience (D-MeX) table

	Item	Unit	Value
1	Qualitative component annual results	Number	79.37
2	Quantitative component annual results	Number	99.998
3	D-MeX score	Number	89.68
4	Developer services revenue (water)	£m	34.964
5	Developer services revenue (wastewater)	£m	20.181

	Calculating the D-MeX quantitative component		
	Water UK performance metric	Unit	Reporting period (1 April to 31 March)
W1	S1.1 Pre-development enquiry – reports issued within target	%	100.00%
W2	S7.1 Adoption legal agreement – draft agreements issued within target	%	100.00%
W3	SAM - 3/1 Execute Adoption Agreement (Stage 3) – Sewerage Company – SAM – 3/1 – Update draft Agreement	%	100.00%
W4	SAM - 4/1 Customer notifies of construction start date and requests inspections (Stage 4) – Sewerage Company – SAM – 4/1 Inspections & construction period	%	100.00%
W5	SLPM – S1/2 POC (Stage 1C) – Water Company – SLPM – S1/2 – Review PoC proposal	%	100.00%
W6	SLPM - S2/2a Design Self-Laid Main (Stage 2) – Water Company – SLPM - S2/2a – Provide design	%	100.00%
W7	SLPM - S2/2b Design Self-Laid Main (Stage 2) – Water Company – SLPM - S2/2b – Water Company to Provide design acceptance	%	100.00%
W8	SLPM – S3 Execute Water Adoption Agreement (Stage 3) – Water Company – SLPM – S3 – Review / revise Water Adoption Agreement	%	100.00%
W9	SLPM – S4/1 Delivery Date (Stage 3 / 4) – Water Company – SLPM – S4/1 – Source of Water Delivery Date	%	100.00%
W10	SLPM – S5/1a Connect Self-Laid Main – (Stage 5) – Water Company – SLPM – S5/1a – Review request and carry out Final Connection	%	100.00%
W11	SLPM – S7/1 Make Service Connections (Stage 7 – Part 2) – Water Company – SLPM – S7/1 – Validate notification and provide consent to progress with connection	%	100.00%
W12	W1.1 Pre-development enquiry – reports issued within target	%	100.00%
W13	W17.1 Mains diversions (without constraints) - quotations within target	%	100.00%
W14	W17.2 Mains diversions (with constraints) - quotations within target	%	100.00%
W15	W18.1 Mains diversions - construction/commissioning within target	%	100.00%
W16	W3.1 s45 quotations - within target	%	99.99%
W17	W4.1 s45 service pipe connections - within target	%	99.97%
W18	W6.1 Mains design <500 plots - quotations within target	%	100.00%
W19	W7.1 Mains design >500 plots - quotations within target	%	100.00%
W20	W8.1 Mains construction within target	%	100.00%
W21	WN1.1 % of confirmations issued to the applicant within target period	%	100.00%
W22	WN2.2 % Bulk supply offer letters issued to the applicant within target period	%	100.00%
W23	WN4.1 % of main laying schemes constructed and commissioned within the target period	%	100.00%
W24	WN4.2 % of testing supplies provided within target period	%	100.00%
W25	WN4.3 % of permanent supplies made available within the target period	%	100.00%

7	D-MeX quantitative score (for the reporting period)	%	100.00%	
8	D-MeX quantitative score (annual)	Number		1.00

1 Year 5 presented a mix of achievements and challenges, with high performance in some areas and learning and development opportunities which will shape our customer strategy and technology roadmap.

Qualitative component annual results (3D.1)

2 In Q1, our score dropped -5.66 points from the previous quarter, placing us 12th with a score of 76.78. This early dip placed us 1.37 per cent into penalty.

3 We responded positively in Q2, improving our score by +3.46 to 80.24, placing us in 10th and regaining some momentum.

4 Our strongest quarterly result came in Q3, where we achieved 4th place with a score of 81.34, bringing us to 9th overall for the year—though still 0.6 per cent from reward.

5 Q4, typically our best performing quarter, saw a slight dip of -1.93, placing us in 7th for the quarter and 8th overall, with a year-end score of 79.37, down -3.07 points compared to Year 4.

Quantitative component annual results (3D.2 and 3D.6-8)

6 Our quantitative performance remained exceptionally strong.

7 We exceeded our Year 4 result of 99.9828, finishing Year 5 with a score of 99.984.

8 This reflects sustained improvements in our delivery times and internal accountability, as our teams embraced new ways of working to meet customer needs more efficiently and reducing timescales.

Overall D-MeX score (3D.3)

9 Combining both qualitative and quantitative components, our overall D-MeX score for Year 5 was 89.68, securing 8th place. While this is a drop from Year 4's strong performance, it underlines the importance of maintaining consistency across both delivery and the user experience across all developer customer groups.

10 This year, the survey provider changed from Accent to BMG, with broader inclusion of customer groups including Self-Lay Providers and New Appointment and Variation (NAV) companies across new performance metrics.

11 We welcomed this expanded insight, which enhances our understanding of the wider customer experience and helps inform our preparations as move in to AMP8 and the new DMeX model.

Developer services revenue (water and wastewater) (3D.4 and 3D.5)

12 A strong start of the year, however the General Election introduced a degree of uncertainty in the housing market.

13 Housebuilders and developers faced a challenging environment marked by higher interest rates and cautious consumer sentiment.

14 In response, many reduced land acquisitions and delayed new site openings to manage risks and preserve margins on existing projects and balancing economic conditions.

15 Despite this, we saw a 9 per cent increase in revenues compared to that of Y4.

D-MeX Assurance

16 We are required by Ofwat to report the process we have taken to assure that our performance against the selected Water UK metrics in D-MeX are an accurate reflection of our underlying performance in the reporting year, and to report any findings that indicate this is not the case. We explain how we meet this requirement below.

17 D-MeX metric management and reporting has a number of assurance controls in place. Controls are set appropriately at various levels of the organisation, including at a top level. Except where otherwise stated, our processes have been in place for the duration of the current price control period.

18 Top Level Performance management and reporting includes:

1. Management Board and Wholesale Board, Monthly

19 Monthly review of holistic Development Services performance.

20 Our Wholesale Board forum is chaired by the Director of Customer & Wholesale Services who is accountable for C-MeX, D-MeX and R-MeX.

2. Development Business Board, Quarterly

21 Stakeholders include a number of appropriate Directors, Finance, Legal & Departmental Heads.

22 These groups provide general oversight, review and challenges of DMEX performance.

23 On a day-to-day level, metrics are assigned to appropriate workstream areas. Metric owners are appointed from Management with the accountability for metric compliance and performance, ensuring the relevant controls are embedded and adhered to.

24 Improvements have been made through appropriate investment to ensure visibility of metric performance, jeopardy and level of service (LOS) management.

25 This includes automated application tracking along with weekly performance calls at a metric ownership level.

3. Water UK & Accent Submission

26 At the end of each month our data is reconciled by our dedicated Insight team to output, compile and provide quality assurance against metric parameters.

27 In Year 2 of the AMP, we introduced an additional sign-off step as part of enhancing our controls and assurance. Following the introduction of the monthly sign-off, all accountable workstream and metric owners meet to discuss performance and assure of their performance. This is chaired by the Heads of Departments.

28 Leading up to this forum, our Insight team provide weekly updates to show performance as we move through each reporting period. This shapes the monthly conversation, and any anomalies are highlighted and reviewed.

29 Spot checks are also carried out across the metrics by Insight team and metric owners throughout the reporting period.

30 Following conclusion of the meeting, the Heads of Departments will authorise the uploading of data to the Water UK and Accent portals.

4. System Controls

31 Our core business system and application management software is configured with LOS coded into applications and customer journeys to help effectively manage workflow and provide assurance around the integrity of our LOS data.

32 In addition, over the course of the last number of years, we have introduced greater depth to our data and analytics tools to surface metrics and increase confidence rating.

33 Dedicated systems are used to manage applications. User access and functionality is controlled and requires specific training.

34 User actions are auditable including data such as date and time, activity or interaction with a particular customer, stage in the customer journey or communication with third party such as the Highways Authority.

35 Job notes are used as a record history which is auditable and defines the journey of each application including the relevant LOS data.

5. Learning

36 Our Service Performance Group meets monthly to review any learning and actions arising from controls.

37 These include lessons learned activities which are owned by metric owners along with any corrective actions such as, for example, re-briefing of staff and further education of teams where any anomalies are identified.

38 Third Party Assurance

39 Our D-MeX process and performance is also reviewed and audited by Jacobs to provide and additional level of data assurance.

40 The benefits of third party assurance include:

- External providers can challenge behaviours and practices that employees of the company have come to regard as normal
- They can suggest improvements to processes based on their knowledge of industry good practice
- In comparison to reviews carried out by employees of the company, they may feel more able to question and challenge
- Stakeholders are likely to place greater reliance on the assurance provided compared to that provided by the company's internal activities.

41 We use our process risk and control framework in relation to our D-MeX performance to direct our internal and external assurance to the areas that are of highest risk of error. This is regularly reviewed to demonstrate reduction in risk and showing continual improvement in our controls and assurance mechanisms.

42 Our last audit from Jacobs was carried out in May 2025

Table 3E - Outcome performance - Non financial performance commitments

	Line description	Unique reference	Unit	Performance level - actual	PCL met?
	Common				
1	Risk of severe restrictions in a drought	PR19ANH_9	%	4.6	No
2	Priority services for customers in vulnerable circumstances - PSR reach	PR19ANH_22	%	14.7	Yes
3	Priority services for customers in vulnerable circumstances - Attempted contacts	PR19ANH_22	%	99.6	Yes
4	Priority services for customers in vulnerable circumstances - Actual contacts	PR19ANH_22	%	58.1	Yes
5	Risk of sewer flooding in a storm	PR19ANH_10	%	0.76	Yes
	Bespoke PCs				
6	Reactive Mains Bursts	PR19ANH_18	nr	3842	No
7	Customer awareness of the company's Priority Services Register	PR19ANH_21	%	66.8	Yes
8	Operational carbon	PR19ANH_24	%	26.6	Yes
9	Capital carbon	PR19ANH_25	%	66.1	Yes
10	Non-household Retailer Satisfaction	PR19ANH_30	score	84.2	Yes
11	Event Risk Index (ERI)	PR19ANH_35	score	318.410	No
12	British Standards Institution - Standard for Inclusive Service	PR19ANH_36	text	Maintained	Yes
13	Helping those struggling to pay	PR19ANH_37	nr	405425.0	Yes
14	Value for Money	PR19ANH_40	%	70	No
15	WINEP Delivery	PR19ANH_NEP01	text	Not met	No
16	Community investment	PR19ANH_43	%	135.8	Yes
17	Customer trust	PR19ANH_44	score	0.18	Yes
18	Natural capital impact	PR19ANH_45	text	Not met	No
19	Regional collaboration	PR19ANH_46	text	Pass	Yes
29	Non-financial performance commitments achieved		%		68

Risk of severe restrictions in a drought (3E.1)

1 The Ofwat guidance relates to the fixed period 2020-2045. The percentage of customers at risk has been provided for, based on the total population across five Water Resource Zones that could (in planning terms) experience severe supply restrictions during a 1 in 200-year drought. The five Water Resource Zones are: Bury Haverhill, Cheveley, Newmarket, Ruthamford South and South Essex (as defined for WRMP19).

2 Bury Haverhill, Cheveley and Newmarket have customers at risk from a severe restriction in a 1 in 200-year drought. Ruthamford South and South Essex are included due to having baseline deficits that effectively means a 1 in 200-year drought would have an impact (non-drought investment will eliminate this deficit). The two water resource zones that are no longer at risk, compared to last year, are Central Lincolnshire and South Fenland. Due to the delay to SPA, Central Lincolnshire has more deployable output than demand, which

was originally ear-marked for transfer to other zones. South Fenland has retained a lower hands-off-flow at Marham surface water, which means it is more resilient than originally forecasted.

3 The 25-year average percentage of the population the company serves that would experience severe supply restrictions is 4.6 per cent, and is reduced from the previous year due to Central Lincolnshire and South Fenland no longer being at risk. The 25-year average total population at risk is 247,068. The 2024/25 percentage of company customers at risk is 13.4 per cent.

4 There are no knock-on impacts to other Water Resource Zones and no Water Resource Zones that have 1in200yr drought impacts are in deficit as reported for the SOSI.

Priority services for customers in vulnerable circumstances - PSR reach (3E.2)

5 From 1 April 2024 to 31 March 2025, we have been able to increase the level of support provided to customers on our Priority Service Register (PSR) from 12.7 per cent of households to 14.7 per cent, which represents more than 440,000 customers.

6 In total we added 94,353 customers to our PSR through a 35.5 percent increase on last year and removed 39,170 customers who no longer require support.

7 To calculate the PSR reach we have divided the total number of households on the PSR as of the 31 March 2024 by the total number of residential billed properties.

8 The total residential billed properties figure includes those supplied with both water and/or wastewater services and properties that are billed by other water companies on our behalf.

9 The below table shows a breakdown of the types of supports individual households are receiving through the PSR.

PSR Membership	Forecast for reporting year	Year-end total (31 March)
Households on PSR receiving support with communications	68,609	108755
Households on PSR receiving support with mobility and access restrictions	308,742	283,319
Households on PSR receiving support with supply interruptions	373,540	437,376
Households on PSR receiving support with security	7,623	10,392
Households on PSR receiving support with 'other needs'	11,435	7,374

10 The first column shows the type of support, the second column shows the forecasted figures based on our Year 5 target and the third column shows the numbers of households receiving support as of 31 March for the report year.

11 The projections were calculated based on a substantially smaller dataset and various factors may have influenced a change in demand for support services, such as enhanced service offerings, partnerships working with organisations and charities that target specific user groups. While some categories of support are significantly higher with the end of AMP target exceeded by 16.6 per cent, others have come in lower than originally forecast.

12 The increase to the number of customers supported by our PSR is the direct result of our customer facing teams proactively responding to disclosures of vulnerability and signposting our PSR. This year, we completed the final phase of rolling out system changes that enable our field teams to quickly and easily register customers for support, directly updating our core system. These enhancements give our teams greater visibility, allowing us to tailor our responses more effectively and accurately record and manage any disclosures.

13 Across the course of the year we have also undertaken a number of large promotional campaigns advertising the many ways in which we are able to support through both direct and indirect communications. This includes extensive engagement with a wide range of organisations who support those in most in need.

Priority services for customers in vulnerable circumstances - Attempted contacts (3E.3)

14 The percentage of customers contacted during 2024/25 reflects the numbers of customers who have been on our PSR for more than two years and have received two or more attempts to confirm they are receiving the right support.

15 The percentage of attempted contacts also includes customers whom we have successfully managed to re-engage with to confirm their support needs.

16 We have utilised a number of different contact methods aligned to customer communication preferences using bespoke communication messages. Customers are also able to update their support needs at any time using our online account management portal and mobile app.

Priority services for customers in vulnerable circumstances - Actual contacts (3E.4)

17 Our actual contact figures represent the percentage of customers who have been on the register over two years and have confirmed their support needs, including those that no longer require support as part of our PSR.

18 The majority of those no longer requiring support are those who have vacated and no longer reside within our region or those that have subsequently passed away.

19 As a result of our tailored communication strategy and bespoke messaging we have been able to achieve actual contact with 58.1 per cent of our customers. We also provide customers with the option to update their Priority Services registrations and support needs at a touch of a button, by having the capability to manage their services in real time using our online account management portal and mobile app.

20 Our communication strategy captures customer communication preferences within our internal systems providing the ability to tailor our communications to our customers channel of choice. Our internal system also provides prompts to our agents during key interactions and touch points, reminding them re-confirm the support needs as part of our day-to-day conversations. In doing so, we have removed the need for additional unnecessary contacts and reduced customer effort, with the aim of making every contact count.

Percentage of population at risk of sewer flooding in a 1-in-50 year storm (3E.5)

21 For 2024/25, we have continued to use Low and High risk categories to represent those properties at risk of flooding (High) and those not at risk of flooding (Low). This aligns with the Ofwat Methodology, which on Page 15 states that the 'Low' vulnerability grade should include the population equivalent not vulnerable to nodes predicted to flood.

22 The Low risk grade (Grade 1) represents the population equivalent (p.e.) not at risk from flooding as identified using the Option 1b methodology, for all catchments across the Anglian Water region. We continue to not exclude any catchments so to provide the true picture of risk, and to assist with future reporting and trend analysis.

23 The High risk grade (Grade 5) represents the p.e. identified as flooding in a 1:50 annual return period (ARP) event using the Option 1b methodology.

24 The actual numbers that contribute to the summary reporting table are shown in the following tables:

Total number of catchments	Total number of catchments pe > 2000	Total number of catchments pe < 2000	Total pe served	Total pe in included catchments	Total pe in excluded catchments	Percentage of total pe in excluded catchments	Total pe Option 1a	Percentage of total pe Option 1a	Total pe Option 1b	Percentage of total pe Option 1b
1,127	310	817	6,454,653	6,454,653	-	0	-	-	6,454,653	1

25 We have 1,127 modelled catchments, serving a population of over 6.45 million people.

26 Due to our modelling capability, Option 1b remains the most appropriate option for undertaking this vulnerability assessment. This year we have used the same modelling methodology used in previous years. The property threshold remains at 150mm (in line with the rest of the industry), and we have modelled storms at 60, 240 and 480 minutes.

27 As discussed last year, due to our modelling methodology we are able to consider which modelled storms have the biggest impact from a flood volume, or internal flooding perspective. Again, in line with the rest of the industry, we have reported numbers based on the storm that delivers the highest flood volume, but we can see that counting the number of internal flooding properties gives us a higher per cent of p.e. at risk, so we have also reported this below. The results for 2024/25 are shown below:

High-level vulnerability grade	Total number of catchments	Total number of nodes modelled	Total number of nodes predicted to flood	Percentage of nodes predicted to flood	Total pe in modelled catchments at vulnerability risk grade	Total pe associated with flooding nodes	pe associated with flooding nodes as a percentage of total modelled pe	Assessed overall model confidence grade
5	1,127	840,009	105,150	13%	6,454,653	49,031	0.76%	B4

28 The following should be noted about the above information:

- We have continued to count only those properties (and the associated population equivalent) that have been flooded internally, in line with the rest of the industry.
- The population equivalent at risk has increased very slightly this year from 0.75 per cent to 0.76 per cent.
- This is likely due to changes to the modelling software we use, local changes in the models and the new receptors used.
- Occupation figures are based on 2022 data.
- It remains the case that c. 60,000 p.e. will need to be made more resilient to show a 1per cent improvement in the p.e. at risk. With this in mind, we continue to report the p.e. at risk to two decimal places.
- We were able to update the receptor layer this year – OS master map and address point data – to ensure we have the latest view of properties at risk.

29 Based on the above, we consider our overall model confidence to remain at B4, for the same reasons as previous years.

30 *Sensitivity analysis*

31 In 2023 we reviewed the code used to generate the numbers out of our hydraulic models and found that in some catchments the shorter duration storms (i.e those with a higher intensity) often flood the largest number of manholes and properties, but do not produce the largest flood volumes.

32 Reporting based on the largest flood volumes doesn't always give a true picture of the risk across catchments and therefore we are able to also report the figures for all catchments using this alternative approach.

High-level vulnerability grade	Total number of catchments	Total number of	Total number of nodes	Percentage of nodes predicted to flood	Total pe in modelled catchments	Total pe associated with	pe associated with	Assessed overall model

		nodes modelled	predicted to flood		at vulnerability risk grade	flooding nodes	flooding nodes as a percentage of total modelled pe	confidence grade
5	1,127	840,009	135,904	16%	6,454,653	59,703	0.92%	B4

33 Using this alternative methodology, our population equivalent at risk increases from 0.76 per cent to 0.92 per cent. We believe this is an improved way of counting properties at risk from a 1:50 storm, and so will continue to assess and report these numbers in the future.

Reactive mains bursts (3E.6)

34 There were 3,842 reactive mains repairs in 2024/25, compared to 3,444 in 2023/24. The region has benefitted from benign weather conditions throughout the year, although a sharp winter led to a significant freeze-thaw event which saw a spike in bursts. Due to our targeted focus on resolving issues on assets within high burst areas, the impacts of this were minimised.

35 For AMP7 we have moved away from our method of reporting using the WISPA (Water Infrastructure Serviceability Performance Assessment) Model. This model is now used internally to better understand the impact of external factors such as soils, tree roots and weather on our assets to improve our prioritisation of mains rehabilitation schemes and leakage reduction programmes.

Customers aware of the priority services register (3E.7)

36 To measure the percentage of customers aware of Priority Services, we have conducted an independent survey of 4,250 customers. Customers were selected at random and engaged through both digital and non-digital channels. Customers were asked if they are aware of additional free services provided by Anglian Water known as Priority Services, of which 66.8 per cent of respondents said yes.

37 Throughout 2024/25 we have undertaken a wide range of promotional activities to increase awareness. We have issued more than one million emails to our customers throughout the year, promoting both the financial and non-financial assistance available. Through social media campaigns we have been able to generate 204 million impressions.

38 This year, we've continued to strengthen our presence in the community through face-to-face engagement, attending 100 events. These have included cost-of-living support sessions, community drop-ins, dementia cafés, carers' groups, and events organised by the NHS and DWP. Our aim is to raise awareness and improve access to support by building trusted relationships and sharing our message through established partners.

39 We work with a network of more than 250 partner organisations to reach those who may need extra help. This includes collaboration with groups such as Kidney Care UK, The Bread and Butter Thing, Social Eyes, Financial Inclusion Partnerships, the NHS, Dementia Friends, Alzheimer's Society, Citizens Advice, Job Centres, Fire and Rescue Services, and local foodbanks and social supermarkets. Collectively, our partners have an estimated reach of over four million people.

40 We continue to look at new ways to increase awareness and have actively engaged our customers to understand how they would like to hear about the support available. We will use our customers' feedback to inform our future communication strategy to extend our reach.

Operational carbon (3E.8)

41 Operational carbon emissions for 2024/25 have been calculated using the UKWIR Carbon Accounting Methodology. In line with our performance commitment we have continued to use version 16 (CAW v16) of the UKWIK greenhouse gas (GHG) workbook. Our reporting methodology is verified to ISO-14064.

42 Using the market-based methodology gross operational GHG emissions for the reporting year 2024/25 have decreased by 26.6 per cent against the 2019/20 baseline from 354,222 tCO_2e to 226,141tCO_2e. Our PCL for 2024/25 is a reduction of 10 per cent against the 2019/20 baseline, which we have therefore exceeded.

43 The main contributory factor to this decrease is the increased purchase of renewable electricity over previous years.

Capital carbon (3E.9)

44 We achieved a 66.1 per cent reduction in capital carbon against our 2010 baseline. Our PCL for 2024/25 is a reduction of 65 per cent on the 2010 baseline, which we have exceeded. Our capital carbon approach is annually verified to PAS 2080.

45 There is greater detail on our greenhouse gas emissions, and our approach to reducing them, in the commentary for table 11A.

Non-household retailer satisfaction (R-MeX) (3E.10)

46 In order to calculate this measure there are three factors, which are Net Promoter Score (NPS), Operational Performance Standards (OPS) and Market Performance Standards (MPS).

47 The OPS and MPS results are published via MOSL, the market operator, after they have been independently validated. MPS is calculated by the central market system (CMOS) and OPS is again validated by MOSL as transaction passed through by MOSL bilateral hub.

48 Net Promotor Score is taken during each formal Account Management meeting with our Retailers. It is captured as part of the formal meeting minutes shared between the two parties.

49 In line with Ofwat's published PR19 Outcomes & Performance commitments for Non-household retailer satisfaction, we use the three performance results to complete the calculation, giving us a score of 84.2 for 2024/25, exceeding our performance commitment.

Event Risk Index (3E.11)

50 The DWI has developed the Event Risk Index (ERI), alongside CRI, for measuring event-based risk.

51 The ERI is calculated based on the event severity, DWI assessment, impacted population and event duration. This is converted into a company ERI by dividing the sum of the scores for the year by the population served by the company.

52 In 2024 the provisional, unconfirmed, ERI score for Anglian Water was 318.41. This is an increase from our 2023 ERI score of 109.30. The 2024 ERI score is an increase over the 2023 figure. Our final ERI score for 2024 will be published by the DWI in the Chief Inspector's Report for 2024.

BSI standard for inclusive service (3E.12)

53 We completed our annual assessment for ISO 22458 in Inclusive Service Provision in September 2024. A statement of approval was given for our compliance with the requirements.

54 The BSI Kitemark for inclusive service is a high-level certification, issued to businesses that have met strict criteria for protecting their customers when they are in vulnerable situations.

55 ISO 22458 is an international standard that aims to increase positive outcomes for vulnerable consumers when dealing and reduce the risk that they will experience harm. It builds on a British standard (BS 18477) on inclusive service provision published in 2010. It was converted into an international standard in 2022, following Consumer of Public Interest Network recommendations.

56 The ISO aims to promote good practice and challenges companies to provide an inclusive service at all stages of service delivery, focusing on a company's ability to identify and support customers in vulnerable situations, through key principles such as access, safety, information and representation. We are overwhelmingly proud to be one of the first nine companies globally to achieve certification.

Helping those struggling to pay (3E.13)

57 We supported 405,425 customers throughout 2024/25. The breakdown by scheme is summarised in the below table:

Scheme	Customers Supported
Forgiveness schemes	4669
Payment breaks	5502
Concessionary tariffs	318458
Charges holiday	2460
Temporary instalment plans	166447
Total instances of support	497536
Total unique customers supported	405425

58 We know that many households are struggling with utility bills and wider household finances. Expanding the media channels we use, we have continued to reach out to customers to encourage those in difficulty to contact us to discuss their circumstances. Affordability will vary across time for the same household and can be driven by different circumstances. We have tailored the service that we offer customers who are struggling to pay, applying experience from across our business in order to target support most effectively.

59 Using data analytics we route customer contacts with high affordability risk through to our ExtraCare team, where we check to see if they are claiming all benefits to which their household is entitled.

60 We also look to see what help we can provide to customers in managing their payments to us.

61 All this support is captured under our WaterCare banner, to help customers identify the help available and to promote our services directly to target groups.

Value for money (3E.14)

62 In the CCW 2024 survey ('Water Matters'), 70 per cent of our customers said that they were "satisfied" or "very satisfied" when asked "How satisfied are you with the value for money of water services in your area?", which remains above than the industry average of 65 per cent.

63 The percentage who said that they were "satisfied" or "very satisfied" when asked "How satisfied are you with the value for money of sewerage services in your area?" was 70 per cent which remains above the industry average of 68 per cent.

64 Our weighted performance commitment score is therefore 70 per cent and does not meet our performance commitment level of 83 per cent. The weighting of the scores is based on the relative sizes of the water and sewerage services we provide, which is a 44:56 split from water to sewerage.

WINEP delivery (3E.15)

65 We end AMP7 having not met all of our WINEP commitments, with 7 confirmed as "not signed off" by the Environment Agency. This includes:

- 5 chemical monitoring schemes that experienced significant sampling challenges (to be continued in AMP8),
- 1 water resources licence cap that requires further supply resilience to achieve (to be resolved in AMP8),
- 1 phosphorus improvement scheme where compliance demonstration has not been possible (currently in resolution).

66 To ensure alignment with Environmental Performance Assessment (EPA) reporting expectations, drivers excluded in EPA have not been considered as part of this reporting. Furthermore, any AMP6 deliverables with AMP7 dates, or AMP7 deliverables with AMP8 dates, are not included. This results in a total of 1032 obligations delivered against a target of 1039 (99.33 per cent).

Community investment (3E.16)

67 Our community investment performance commitment consists of a number of different programmes and initiatives from long-term strategic programmes to responding to one-off requests for support. It spans the breadth of the Anglian Water region and supports the communities we serve and the local environment too.

68 This performance commitment tracks the beneficiaries of our community investment programme. The methodology used is provided by the London Benchmarking Group (LBG) framework which measures community investment that is both charitable and voluntary and allows us to measure the contribution Anglian Water and our Alliances make to communities and the number of people directly reached or supported. For further information on methodology, please refer to the LBG Guidance Manual 2018. Please note, after setting this performance commitment LBG rebranded as Business for Societal Impact (B4SI).

69 Following this methodology, during 2024/25 our community investment directly supported an estimated 67,345 people (exceeding our target). Increased online delivery through our educational programmes as well as our continued work with Healthcare Facilities as part of the WaterAid Beacon Project, contributed towards us reaching a greater number of people this year compared to 2023/24

70 This figure has been audited by Jacobs as required by our final determination.

Programme classification	Number of people directly reached or supported
Education	40,181
People in vulnerable circumstances	25,002
Environmental	2,162
Total	67,345

71 This performance commitment captures investment in communities which is reportable using the B4SI methodology, but there are also significant wider contributions which sit outside this reporting.

72 Further information and examples can be found in our Annual Integrated Report and Accounts 2025 and our Community Investment Report 2025.

Customer trust (3E.17)

73 This performance commitment captures the trust that customers place in the company. The company is incentivised to improve the service and performance it delivers to customers in such a way that they can place a greater level of trust in the company.

74 The performance commitment is calculated each year from a survey by CCW (formerly the Consumer Council for Water), which asks customers for feedback on their water and sewerage company. Customers are asked to what extent they trust their water company, on a scale of 1–10, with 1 being 'do not trust them at all' and 10 being 'trust them completely'. The measure of the performance commitment is the improvement of the company relative to the industry average of the CCW Trust score.

75 The calculation is:

76 (Our score minus average score of all water companies) minus (our score in 2019/20 minus average score of all water companies in 2019/20)

77 The result of this calculation is shown in the following table:

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Anglian Score	7.69	7.89	7.66	7.30	6.45	6.46
Industry Average Score	7.69	7.87	7.33	7.21	6.37	6.28
Anglian Difference	0.00	0.02	0.33	0.09	0.08	0.18
Anglian Improvement	0.00	0.02	0.33	0.09	0.08	0.18
Performance Commitment Level	0.00	0.00	0.01	0.02	0.03	0.05
PCL met?	MET	MET	MET	MET	MET	MET

78 Our absolute score for the survey question has risen slightly this year, and is higher than the industry average score which continues to decline. This means that our score as measured by the performance commitment has increased.

Natural capital (3E.18)

79 The Natural Capital Impact performance commitment captures the improvement the company makes through four sub-measures; water quantity, ground water quality, surface water quality and biodiversity. All sub-measures must be on track for the PC to be considered on track. In 2024/25 only two of the four measures are on track and so the overall PC must be considered to fail this year and the AMP.

Water quality sub measure

80 The Water Quantity sub-measure must be classed as a fail for 2024/25. The target three year rolling average for distribution input/population was 224.55 litres/head/day but the actual was 229.26 l/h/d. This sub-measure continues to suffer from the impact of the dramatic change in water usage due to the COVID19 pandemic across the UK and is not unique to the Anglian region; however, reductions have been seen year on year since 2020/21.

WRMP19 DI per Person	2021	2022	2023	2024	2025
WRMP19 - Population forecast (000)		4818.767	4895.538	4970.715	5039.165
WRMP19 - DI Forecast (NYAA) – Ml/d		1122.60	1119.01	1115.35	1112.15

WRMP19 DI per Person	2021	2022	2023	2024	2025
WRMP19 - DI per Population (In-year)		232.96	228.58	224.39	220.70
Target 3-year average DI/Pop		236.35	234.75	228.64	224.55
Population - Total inc Non-HH Actual (000)	4837.750	4909.540	4972.797	5064.108	5146.08
Distribution input (DI) Actual – Ml/d	1186.30	1157.31	1173.39	1151.76	1154.64
DI per Population (In-year)	245.22	235.73	235.96	227.43	224.37
3-year average DI per Pop (Actual)	**242.91**	**239.70**	**238.97**	**233.04**	**229.57**

81 NB. The rolling target of 224 comes from the WRMP19 figures the target figures for the last year in 2024/25 would have been 220 (as stated in the FD)

The ground water quality sub-measure

82 The Ground Water Quality sub-measure is considered to have failed although it has delivered the nitrate engagement programme as agreed and been signed off by the Environment Agency. This is due to an inability to demonstrate that 80 per cent of engaged farms have changed their practices.

83 Details of fulfilled 2020 – 2025 WINEP programme, described under four sub-measures of success:

1. To have engaged with 100 per cent of farmers in the target catchment

- We used a multi-layered approach, involving everything from 1-2-1 meetings, to small group meetings (19 run by us, and over 100 third party events attended by the team), social media, 20 farm trials, 4 technical reviews, and delivery brokered by a wide range of stakeholder / industry channels and partnerships, to reach out to all target farmers in our catchments. Whilst not all contacts result in us knowing exactly where someone farms, and not all of those farmers come onto our email distribution list, on average we now hold contact details of about 15 per cent of the farmers in priority areas of our target catchments.

2. To have achieved positive engagement with 80 per cent of targeted catchment farmers per groundwater body

- We measured the quality of our engagement by conducting a survey in October 2024 amongst all farmers who we have contact details for. Of 82 responses received, over 80 per cent said that their experience was positive.

3. Evidence of improvement in understanding the most appropriate measures based on past, present and planned land-use practice, for consideration for future years

- Again, we used our October 2024 survey to gauge our effectiveness in getting these messages across. Our engagement led to nearly 40 per cent of respondents re-considering their practices, with over 40 per cent actually making changes.

84 Other comments from our engagement include:

- On seeing modelled high run-off areas and ££ cost of nutrient losses from their land all the attendees at one workshop mentioned that they would like a breakdown of any

assumptions made to calculate the run-off figures plus a list of potentially suitable changes which could be explored
- Unsolicited feedback from a farmer who attended our Dec 6th 2024 event on grazing cover crops with sheep 'A lot to think about and very useful'

4. Evidence that the scheme has reduced nitrate input/ leaching over the five year period

- 44 per cent of respondents to our farmer survey said they had made changes to their farming system as a result of engagement with us.
- Nearly 40 per cent of respondents also looked to improve nutrient use efficiency. Whilst we don't have a control group of farmers who didn't engage with us, it is nevertheless encouraging that a sizeable proportion of farmers are now looking at nitrogen inputs more carefully.

The Surface Water Quality sub-measure

85 The Surface Water Quality sub-measure is a fail as one P scheme was not completed by the required date, all other P schemes in the WINEP for 2024/25 were delivered on target and approved by the EA.

The Biodiversity sub-measure

86 The Biodiversity sub-measure is a pass. Biodiversity Net Gain (BNG) is an approach to development and/or land management that aims to leave the natural environment in a measurably better state than beforehand. Recognising the responsibility that Anglian Water has towards contributing to nature recovery across the region, both on its own land and where it impacts biodiversity through its activities, the business has made a corporate commitment to deliver 10% BNG across capital schemes and land management activities where there is a material impact upon biodiversity. This is a corporate commitment and is one of the Natural Capital metrics set out in Anglian Water's Six Capitals Framework.

87 The 10 per cent BNG requirement only applies against the measured losses of biodiversity. This means that if the temporary or permanent losses of an intervention (i.e., construction or land management activity) can be reduced or avoided completely then the 10 per cent compensation has the advantage of being calculated against a lower measured loss. If there are no measurable losses, then there is no BNG requirement.

88 The performance commitment is an AMP7 commitment, the figure below is the current position of the cumulative gain across the AMP (2020-2025), although this figure has not been normalised across the 5 year period.

89 2024/25 end of financial year figure

90 Cumulative percentage gain overall at company level = 107.35 per cent.

Regional Collaboration (3E.19)

91 This metric measures the collaborative approach to measuring and managing natural capital beyond the company's operational boundaries. It aims to drive the development of a regional approach to assessing and considering natural capital in strategic planning and decision making. In 2024/25 the Natural Capital East Group met formally four times (Aug 24, Dec 24, Jan 25 and Mar 25) with representation from over 18 organisations. Members have met in full meetings and workshops to develop mapping and agree were there are opportunities to work together. Most recently Esri has been developing an online mapping tool and the Green Finance Institute has been pulling a scope together for future governance and co-investment. This group has been the inspiration for the idea of the Partnership Centre of Excellence which has received funding in AMP8 as part of the Advanced WINEP and will potentially be incorporated into that group going forward.

Table 3F - Underlying calculations for common performance commitments - water and retail

	Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)
	Performance commitments set in standardised units - Water					
1	Mains repairs - Reactive	Mains repairs per 1000 km	Mains length in km	39,604.30	3,842.00	97.01
2	Mains repairs - Proactive	Mains repairs per 1000 km	Mains length in km	39,604.30	1,440.00	36.36
3	Mains repairs	Mains repairs per 1000 km	Mains length in km	39,604.30	5,282.00	133.37
4	Per capita consumption (PCC)	lpd	Total household population (000s) and household consumption (Ml/d)	5,066.75	639.22	126.20

	6	7	8	9	10	11	11a	11b	11c	11d	12	13
	Line description	Unit	Performance level - actual (2017-18)	Performance level - actual (2018-19)	Performance level - actual (2019-20)	Baseline (average from 2017-18 to 2019-20)	Performance level - actual (2020-21)	Performance level - actual (2021-22)	Performance level - actual (2022-23)	Performance level - actual (2023-24)	Performance level - actual (2024-25)	Performance level 3 year average (current and previous 2 years)	Calculated performance level to compare against PCLs
	Performance commitments measured against a calculated baseline												
5	Leakage	Ml/d	191.3	199.9	191.0	194.1	182.4	173.4	190.5	182.1	187.0	186.5	3.9
6	Per capita consumption (PCC)	lpd	134.8	136.9	133.3	135.0	146.9	136.0	132.3	127.6	126.2	128.7	4.7

	14	15	16	17	18	19

	Line description	Unit	Standardising data indicator	Standardising data numerical value	Total minutes lost	Number of properties supply interrupted	Calculated performance level
	Water supply interruptions						
7	Water supply interruptions ≥ 3 hours	Average number of minutes lost per property per year	Number of properties (thousands)	2,328.35	11,082.08	46,503.00	12:06:ss AM
	Water supply interruptions						
7a	Water supply interruptions ≥ 6 hours	Average number of minutes lost per property per year	Number of properties (thousands)	2,328.35	5,784.94	15,020.00	12:03:ss AM
	Water supply interruptions						
7b	Water supply interruptions ≥ 12 hours	Average number of minutes lost per property per year	Number of properties (thousands)	2,328.35	1,348.77	1,920.00	12:00:ss AM
	Water supply interruptions						
7c	Water supply interruptions ≥ 24 hours	Average number of minutes lost per property per year	Number of properties (thousands)	2,328.35	176.52	123.00	12:00:ss AM

	20	21	22
Line description	Current company level peak week production capacity (PWPC)	Reduction in company level PWPC Ml/d	Outage proportion of PWPC %

		Ml/d		

	Unplanned or planned outage			
8	Unplanned outage	1,799.25	33.81	1.88%

		23	24	25	26	27	28	29	30
	Line description	Total residential properties (000s)	Total number of households on the PSR (as at 31 March)	PSR reach	Total number of households on the PSR over a 2 year period	Number of attempted contacts over a 2 year period	Attempted contacts %	Number of actual contacts over a 2 year period	Actual contacts %
	Priority services for customers in vulnerable circumstances								
9	Priority services for customers in vulnerable circumstances	3,013.40	444,387.00	14.7%	336,296.00	335,037.00	99.6%	195,238.00	58.1%

Mains repairs - Reactive (3F.1)

1 There were 3,842 reactive mains repairs in 2024/25, compared to 3,444 in 2023/24. The region has benefitted from more benign weather conditions throughout the year, although a sharp winter led to a significant freeze-thaw event which saw a spike in bursts. Due to our targeted focus on resolving issues on assets within high burst areas, the impacts of this were minimised.

2 For AMP7 we have moved away from our method of reporting using the WISPA (Water Infrastructure Serviceability Performance Assessment) Model. This model is now used internally to better understand the impact of external factors such as soils, tree roots and weather on our assets to improve our prioritisation of mains rehabilitation schemes and leakage reduction programmes.

Mains repairs - Proactive (3F.2)

3 In 2024/25 we identified and repaired 1,440 bursts using proactive leak detection. This was a marginal increase in real terms on the previous year. The proportion of bursts being found proactively accounted for 27 per cent of the total bursts repaired (the long-term average is 26 per cent) as we continue to focus on driving down our leakage rate.

Mains repairs (3F.3)

4 This is a calculated field and is the sum of 3F.1 and 3F.2. The length of potable mains is 39,604km. This number is consistent with the number reported in table 6C.1.

Per capita consumption (PCC) (3F.4 and 3F.6)

5 For further commentary on activities to manage PCC please see commentary for 3A.4.

Leakage (3F.5)

6 Please see commentary for 3A.3.

Water supply interruptions (3F.7)

7 This field takes the number of connected properties in the region and divides this into the total minutes that have been lost within the year to calculate the average number of minutes lost per property per year. The number of properties with their supply interrupted was 46,503. The total connected property figure is taken from 4R.27 (total column), which is 2,328,337. The average length of each property's interruption was therefore 06:51 minutes.

Unplanned outage (3F.8)

8 The 2024/25 unplanned outage figure of 1.879 per cent is a decrease on the 2023-24 reported figure of 2.054 per cent.

9 Overall Company PWPC saw a 2.25Ml/d increase from 1797.001Ml/d in 2023-24 to 1799.251Ml/d. This overall increase is due to an increase in customer demand and due to some remedial works increasing output. One site was decommissioned which contributed a 2.206Ml/d reduction.

Priority services for customers in vulnerable circumstances (3F.9)

10 For details please see commentary for 3E.2 - 3E.4.

Table 3G - Underlying calculations for common performance commitments - wastewater

	Line description	Unique reference	Unit	Standardising data indicator	Standardising data numerical value	Performance level - actual current reporting year	Calculated performance level
	Performance commitments set in standardised units						
1	Internal sewer flooding - customer proactively reported	PR19ANH_7	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	2,963.74	408	1.38
2	Internal sewer flooding - company reactively identified (ie neighbouring properties)	PR19ANH_7	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	2,963.74	10	0.03
3	Internal sewer flooding	PR19ANH_7	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	2,963.74	418	1.41
4	Pollution incidents	PR19ANH_8	Pollution incidents per 10,000 km of sewer length	Sewer length in km	76,437.00	437	57.17
5	Sewer collapses	PR19ANH_13	Number of sewer collapses per 1,000 km of all sewers	Sewer length in km	78,319.00	355	4.53

Internal sewer flooding - customer proactively reported (3G.1)

1 There were 408 internal incidents which customers proactively reported to the business in 2024/25. These include customers proactively informing us when an incident has occurred either by contacting us direct or informing us if a neighbour has been affected. This is an decrease from 2023/24 when we reported 653 internal incidents proactively reported to the business. We have seen an decrease of internal flooding's in 2024/25 which is largely attributed to a drier year, but also reflects continued investment in proactive network management and targeted operation improvements. Key initiatives delivered in 2024/25 included, installation of 20,000 sewer monitors, with a further 25,000 planned for 2025/26. Increased jetting and CCTV activity, enabling us to inspect 692km of our highest risk assets, from these, 200km was proactively jetted and cleaned. We identified 2,725 defects and completed 254 structural repairs. The rollout of Project Nexus in November 2024, which focused on strengthening our internal flooding processes. This included a new Flooding Workday Training Course, monthly assurance meeting and enhanced data reporting and insights.

Internal sewer flooding - company reactively identified (i.e. neighbouring properties) (3G.2)

2 There were 10 internal incidents which have been reactively identified by the business in 2024/25. These include reactively adding additional properties to an incident once we've confirmed from proactively visiting neighbouring properties. This is a increase from 2024/2025 when we reported 9 internal incidents reactively identified by the business. As part of their training, our network technicians are instructed to check two properties to each side of any property reporting flooding, to ensure that no additional flooding has occurred at those properties.

Internal sewer flooding (3G.3)

3 There were 418 internal flooding incidents in 2024/25. This includes 54 incidents caused by overloaded sewers and 364 incidents caused by other causes including blockages, collapses, equipment failure, pumping station failure, pumping station due to 3rd party, collapse due to the 3rd party, blockage due to 3rd party and equipment failure due to 3rd party. This total includes severe weather events, we had a total of 24 internal severe weather events for 2024/25.

4 In 2023/24 we reported 662 internal flooding incidents, we have seen an decrease of internal flooding's in 2024/25 which is largely attributed to a drier year, but also reflects continued investment in proactive network management and targeted operation improvements. Key initiatives delivered in 2024/25 included, installation of 20,000 sewer monitors, with a further 25,000 planned for 2025/26. Increased jetting and CCTV activity, enabling us to inspect 692km of our highest risk assets, from these, 200km was proactively jetted and cleaned. We identified 2,725 defects and completed 254 structural repairs. The rollout of Project Nexus in November 2024, which focused on strengthening our internal flooding processes. This included a new Flooding Workday Training Course, monthly assurance meeting and enhanced data reporting and insights.

Pollution incidents (3G.4)

5 The definition of this measure is taken from the Environmental Performance Assessment (EPA) methodology document: the total number of pollution incidents (categories one to three) from sewerage assets per 10,000km of sewer length for which the company is responsible in a calendar year. The number we have used to normalise the absolute total number of pollution incidents is also taken from this document (76,437km).

6 The measure includes pollution incidents from a discharge or escape of a contaminant from a company sewerage asset affecting the water environment only (impacts to land and air are excluded). Sewerage assets include:

- Waste water treatment works
- Foul sewers, including private sewers transferred to the water companies in Oct 2011 (used in the EPA from 1 Jan 2016)
- Combined sewer overflows, excluding satisfactory CSOs
- Rising mains, including private rising mains transferred to the water companies in October 2016 (used in the EPA from 1 Jan 2021)
- Pumping stations, including private pumping stations transferred to the water companies in October 2016 (used in the EPA from 1 Jan 2021)
- Storm tanks
- Surface water outfalls
- Other.

7 Pollution incidents emanating from clean water distribution and water treatment works are excluded.

8 We have seen an increase in the number of total pollution incidents categories one to three in 2024 (437) compared to 2023 (307). This performance of 57.17 incidents per 10,000 km sewer does not meet the performance commitment level of 149 (19.50 per 10,000 km), leading to a penalty of £9.835 million. The commentary associated with 3B discusses this performance in more detail.

Sewer collapses (3G.5)

9 Data recorded in this table includes the total of reactive sewer collapses and reactive burst rising mains.

10 There were 252 reactive sewer collapses in comparison to 2023/24 (308), there were 103 reactive burst rising mains in comparison to 2023/24 (114), totalling 355 for 2024/25.The decrease of sewer collapses and burst rising mains in 2024/25 is due to the approval for increased jetting & CCTV work which allowed us to CCTV 692km of our highest risk assets, of which 200km was proactively jetted and cleaned and 2725 defects and 254 structural repairs were identified (compared to 60km/976 defects proactively identified in 2023/24)

11 We also continued with our monitor installation parcels of work to enable us to proactively identify issues with our assets. This enabled us to install an additional 20,000 sewer monitors in 2024/25 and we are installing a further 25,000 sewer monitors in 2025/26.

Common Methodology Compliance

12 We are fully compliant with the sewer collapses common definition. We have not changed our methodology for calculating the length of formerly private sewers since our 2021 APR submission. While this is compliant to the letter of the definition (to report the length of transferred sewers separately), we have previously reported this line to Ofwat as "amber" on compliance due to the low confidence in the data that we believe exists across the industry.

13 Our estimate of our length of formerly private sewers is based on initial assessments made before the transfer for PR09. We are aware that our approach is consistent with most of the industry in that we continue to use the modelled lengths calculated at that time. However, we believe that new technologies and approaches can be used to improve upon the modelling carried out for PR09.

Table 3H - Summary information on outcome delivery incentive payments

	Line description	Initial calculation of performance payments (excluding CMEX and DMEX)
		£m (2017-18 prices)
	Initial calculation of in period revenue adjustment by price control	
1	Water resources	-0.088
2	Water network plus	-19.641
3	Wastewater network plus	-15.784
4	Bioresources (sludge)	0.000
5	Residential retail	0.896
6	Business retail	0.000
7	Dummy control	0.000
	Initial calculation of end of period revenue adjustment by price control	
8	Water resources	0.000
9	Water network plus	-0.561
10	Wastewater network plus	-2.152
11	Bioresources (sludge)	0.000
12	Residential retail	0.000
13	Business retail	0.000
14	Dummy control	0.000
	Initial calculation of end of period RCV adjustment by price control	
15	Water resources	0.000
16	Water network plus	0.000
17	Wastewater network plus	0.000
18	Bioresources (sludge)	-0.421
19	Residential retail	0.000
20	Business retail	0.000
21	Dummy control	0.000

1 The table below summarises our performance against the performance commitments for 2024/25 (excluding C-Mex and D-Mex). It shows that we met 50 per cent of the performance commitments for which we had performance commitment levels during the year.

	PCL met	PCL not met	No PCL or PC not assessed	Total
Water financial (3A)	5	8	3	16

Wastewater financial (3B)	2	7	0	9
Non-financial (3E)	13	6	0	19
Total	20	21	3	44

2 Adding in our estimates of the rewards for C-Mex and D-Mex, we have earned total net penalty of £35.5 million (2017/18 prices) for our performance under the performance framework in 2024/25. The table below shows where rewards and penalties were achieved and also shows the figures in 2024/25 prices.

	Rewards/penalties from 2024/25 performance (£m)	
	2017/18 Prices	2024/25 prices
C-MeX: Customer measure of experience	2.1	2.7
D-MeX: Developer services measure of experience	0.1	0.1
Water quality compliance (CRI)	-0.5	-0.6
Water supply interruptions	-2.1	-2.7
Leakage	-16.9	-21.7
Per capita consumption	-0.6	-0.8
Internal sewer flooding	-0.8	-1
Pollution incidents	-9.8	-12.6
Mains repairs	0.0	0
Unplanned outage	0.0	0
Sewer collapses	0	0
Treatment works compliance	0	0
Priority services for customers in vulnerable circumstances	0.0	0
Percentage of population supplied by a single supply system	0	0
Properties at risk of persistent low pressure	0.3	0.4
External Sewer Flooding	-5.2	-6.7
Bathing Waters Attaining Excellent Status	-1.1	-1.4
Abstraction Incentive Mechanism	-0.1	-0.1
Managing void properties	0.9	1.2
Water Industry National Environment Programme	0	0
Water quality contacts	-0.4	-0.5

Smart metering delivery	0	0
Internal interconnection delivery	0	0
Cyber Security	0	0
Partnership working on pluvial and fluvial flood risk	-1	-1.3
Additional sludge treatment capacity at Whitlingham	-0.4	-0.5
Total	**-35.5**	**-45.5**

3 These payments will be applied to bills from charging year 2026/27.

4 The table below shows the rewards and penalties we have earned across all our PCs over all years of the price control period (2017/18 ptb).

17/18 PTB	**21**	**22**	**23**	**24**	**25**	**AMP 7**
C-MeX	1.1	0	-0.3	0.7	2.1	3.6
D-MeX	1.1	1.1	0	1.7	0.1	4
Water quality compliance (CRI)	0	-1.6	-1.1	-1.6	-0.5	-4.8
Water supply interruptions	1	-4.2	-10.1	-4.3	-2.1	-19.7
Leakage	0.1	0.2	-3.2	-8.4	-16.9	-28.2
Per capita consumption	0	0	0	0	-0.6	-0.6
Internal sewer flooding	3.6	-1.1	-1.2	-9.1	-0.8	-8.5
Pollution incidents	-1.4	-4.5	-4.6	-7.9	-9.8	-28.2
Mains repairs	0	0	-4.5	0	0	-4.5
Unplanned outage	0	0	0	0	0	0
Sewer collapses	-1.1	0	0	0	0	-1.1
Treatment works compliance	0	-1.1	-0.6	-0.8	0	-2.4
Priority services for customers in vulnerable circumstances	-	-	-	-	-	0
Percentage of population supplied by a single supply system	0.6	0	0	0	0	0.6
Properties at risk of persistent low pressure	0	0.6	0.6	0.5	0.3	2
External Sewer Flooding	2.4	-0.2	-2.4	-9.4	-5.2	-14.8
Bathing Waters Attaining Excellent Status	0	0	0	0	-1.1	-1.1
Abstraction Incentive Mechanism	0	0	-0.1	-0.1	-0.1	-0.2
Managing void properties	1.4	1.3	1.2	1	0.9	5.8

Water Industry National Environment Programme	3	1.1	2.2	-0.6	0	5.7
Water quality contacts	-0.1	-0.1	-0.2	0	-0.4	-0.8
Smart metering delivery	0	0	0	0	0	0
Internal interconnection delivery	0	0	0	0	0	0
Cyber Security	0	0	0	0	0	0
Partnership working on pluvial and fluvial flood risk	0	0	0	0	-1	-1
Additional sludge treatment capacity at Whitlingham	0	0	0	0	-0.4	-0.4
Total	11.7	-8.5	-24.3	-38.3	-35.5	-94.6

5 No penalties have been assumed in relation to our interconnector programme, in accordance with the provisions set out in the Final Determination. The penalties associated with our per capita consumption performance commitment are consistent with the COVID-19 intervention measures introduced by Ofwat as part of their Final Determination.

Table 3I - Supplementary outcomes information

	Line description	Current company level peak week production capacity (PWPC) Ml/d	Reduction in company level PWPC Ml/d	Outage proportion of PWPC %
	Unplanned or planned outage			
1	Planned outage	1,799.25	39.94	2.22%

	Line description	Deployable output	Outage allowance	Dry year demand	Target headroom	Total population supplied	Customers at risk
	Risk of severe restrictions in drought						
2	Risk of severe restrictions in drought	1,354.01	34.62	1,174.94	72.08	5,042.30	676.13

	Line description	Total pe served	Total pe in excluded catchments	Percentage of total pe in excluded catchments	Total pe Option 1a	Percentage of total pe Option 1a	Total pe Option 1b	Percentage of total pe Option 1b	Vulnerability risk grade		
									Low	Medium	High
									Percentage of total population served		
	Risk of sewer flooding in a storm										
3	Risk of sewer flooding in a storm	6,454,653	0	0.00%	0	0.00%	6,454,653	100.00%	99.24%	0.00%	0.76%

	Line description	Number of patch repairs or relining undertaken on sewer and not included in reported sewer collapses.
	Sewer collapses	
4	Sewer collapses	575

Planned outage (3I.1)

1 The planned outages number for 2024/25 is 2.220 per cent which equates to 39.943Ml/d. Planned outages are captured on our Planned and Unplanned Outage event log.

Risk of severe restrictions in drought (3I.2)

2 The Ofwat guidance relates to the fixed period 2020-2045. The percentage of customers at risk has been provided for, based on the total population across five Water Resource Zones that could (in planning terms) experience severe supply restrictions during a 1 in 200-year drought. The five Water Resource Zones are: Bury Haverhill, Cheveley, Newmarket, Ruthamford South and South Essex (as defined for WRMP19).

3 Bury Haverhill, Cheveley and Newmarket have customers at risk from a severe restriction in a 1 in 200-year drought. Ruthamford South and South Essex are included due to having baseline deficits that effectively means a 1 in 200-year drought would have an impact (non-drought investment will eliminate this deficit). The two water resource zones that are no longer at risk, compared to last year, are Central Lincolnshire and South Fenland. Due to the delay to SPA, Central Lincolnshire has more deployable output than demand, which was originally ear-marked for transfer to other zones. South Fenland has retained a lower hands-off-flow at Marham surface water, which means it is more resilient than originally forecasted.

4 The 25-year average percentage of the population the company serves that would experience severe supply restrictions is 4.6 per cent, and is reduced from the previous year due to Central Lincolnshire and South Fenland no longer being at risk. The 25-year average total population at risk is 247,068. The 2024/25 percentage of company customers at risk is 13.4 per cent.

5 There are no knock-on impacts to other Water Resource Zones and no Water Resource Zones that have 1in 200-year drought impacts are in deficit as reported for the SOSI.

Risk of sewer flooding in a storm (3I.3)

6 Please refer to the commentary for table 3E, line 5.

Sewer collapses (3I.4)

7 Data recorded in this table includes the number of spot repairs or relining undertaken on sewers and not included in reported sewer collapses.

8 There were 498 work orders in comparison to 2023/24 (598), which have been confirmed as spot repairs or relining and 77 potential sewer collapses in comparison to 2023/24 (14) which have been closed as relining. This totals 575 spot repairs and relining which have excluded from our reported sewer collapses. There has been a decrease in the number of spot repairs or relining from 598 in 2023/24 to 498 in 2024/25 due to managing the repairs within a Catchment Risk List. We have introduced a new prioritising method to carry out repairs which focuses on our customers or impact to environment.

9 Proactive approaches have been carried out in 2024/25 due to additional funding in our lining teams to increase our capacity for lining works, reflecting the increase from 14 in 2023/24 to 77 in 2024/25. This includes exploring new trenchless technologies (such as blue light), purchasing of new and additional equipment and additional staff training. All of which has allowed us to utilise lining as a first port of call for repairing our assets.

Table 4A - Water bulk supply information for the 12 months ended 31 March 2025

Bulk supply exports and imports (4A.1 - 4A.52)

1 As noted in Ofwat's response to the 2020/21 RAG consultation, this table is intended to capture imports and exports that qualify for the trading incentive for the PR19 reconciliation workbook. We do not have any supplies that qualify under the water trading incentive framework.

Table 4B - Analysis of debt

1 Table 4B is the granular data which is summarised in Table 1E. It is worth noting that foreign currency loans have been reported on a post swap GBP basis as per RAG. Issue date now reflects initial value date or restructuring date. Instrument names are now aligned with annual report and other public disclosures with more details given in further information column. Relevant commentary has been added in Table 1E and is not duplicated here.

Table 4C - Impact of price control performance to date on RCV

	Line description	Units	12 months ended 31 March 2025					Price control period to date				
			Water resources	Water network plus	Wastewater network plus	Bioresources	Additional Control	Water resources	Water network plus	Wastewater network plus	Bioresources	Additional Control
	Totex (net of business rates, abstraction licence fees and grants and contributions)											
1	Final determination allowed totex (net of business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	41.002	389.439	529.265	94.686	-	201.060	2099.082	2627.819	448.209	-
2	Actual totex (excluding business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	55.505	637.449	690.545	133.720	-	206.403	2607.738	2571.419	486.796	-
3	Transition expenditure	£m	-	-	-	-	-	5.278	10.137	3.297	-	-
4	Disallowable costs	£m	-	1.089	0.720	-	-	-	4.064	4.961	-	-
5	Total actual totex (net of business rates, abstraction licence fees and grants and contributions)	£m	55.505	636.359	689.825	133.720	-	211.681	2613.810	2569.755	486.796	-
6	Variance	£m	14.503	246.920	160.560	39.034	-	10.621	514.728	-58.064	38.587	-
7	Variance due to timing of expenditure	£m	1.696	-244.731	233.277	0.001	-	-	-408.943	-	-	-
8	Variance due to efficiency	£m	12.807	491.651	-72.717	39.033	-	10.621	923.672	-58.064	38.587	-
9	Customer cost sharing rate - outperformance	%	55%	55%	55%	0%	0%	55%	55%	55%	0%	0%
10	Customer cost sharing rate - underperformance	%	45%	45%	45%	0%	0%	45%	45%	45%	0%	0%
11	Customer share of totex overspend	£m	5.763	221.243	-	-	-	4.779	415.652	-	-	-
12	Customer share of totex underspend	£m	-	-	-39.994	-	-	-	-	-31.935	-	-
13	Company share of totex overspend	£m	7.044	270.408	-	39.033	-	5.841	508.019	-	38.587	-
14	Company share of totex underspend	£m	-	-	-32.722	-	-	-	-	-26.129	-	-
	Totex - business rates and abstraction licence fees											
15	Final determination allowed totex - business rates and abstraction licence fees	£m	16.150	46.503	26.503	3.714	-	73.398	211.341	120.450	16.879	-

	Line description	Units	12 months ended 31 March 2025					Price control period to date				
			Water resources	Water network plus	Wastewater network plus	Bioresources	Additional Control	Water resources	Water network plus	Wastewater network plus	Bioresources	Additional Control
16	Actual totex - business rates and abstraction licence fees	£m	12.160	37.861	29.260	4.669	-	61.770	180.169	116.507	18.161	-
17	Variance - business rates and abstraction licence fees	£m	-3.991	-8.641	2.756	0.955	-	-11.628	-31.172	-3.943	1.282	-
18	Customer cost sharing rate - business rates	%	80%	90%	90%	90%	0%	82%	90%	90%	90%	0%
19	Customer cost sharing rate - abstraction licence fees	%	75%	75%	0%	0%	0%	75%	75%	0%	0%	0%
20	Customer share of totex over/underspend - business rates and abstraction licence fees	£m	-3.201	-7.811	2.481	0.859	-	-9.480	-28.063	-3.549	1.154	-
21	Company share of totex over/underspend - business rates and abstraction licence fees	£m	-0.790	-0.830	0.276	0.095	-	-2.148	-3.109	-0.394	0.128	-
	Totex not subject to cost sharing											
22	Final determination allowed totex - not subject to cost sharing	£m	4.176	40.229	15.537	0.630	-	23.419	189.445	63.616	3.156	-
23	Actual totex - not subject to cost sharing	£m	45.245	38.094	6.104	0.964	-	100.337	138.277	25.027	3.967	-
24	Variance - 100% company allocation	£m	41.068	-2.136	-9.433	0.335	-	76.917	-51.168	-38.589	0.810	-
25	Total customer share of totex over/under spend	£m	2.563	213.432	-37.514	0.859	-	-4.700	387.589	-35.484	1.154	-
	RCV											
26	Total customer share of totex over/under spend	£m	2.563	213.432	-37.514	0.859	-	-4.700	387.589	-35.484	1.154	-
27	PAYG rate	%	87.57%	59.84%	45.97%	85.60%	-	100.00%	100.00%	100.00%	100.00%	-
28	RCV element of cumulative totex over/underspend	£m	0.319	85.705	-20.268	0.124	-	-	-	-	-	-
29	Adjustment for ODI outperformance payment or underperformance payment	£m	-	-	-	-	-	-	-	-	-	-
30	Green recovery	£m	-	-	-	-	-	-	-	-	-	-
31	RCV determined at FD at 31 March	£m	-	-	-	-	-	276.231	4380.167	6167.917	395.474	-
32	Projected 'shadow' RCV	£m	-	-	-	-	-	276.231	4380.167	6167.917	395.474	-

1 The table sets out the Totex spend by price control for the year and AMP to date compared against the allowance set by our Regulator. The table is broken down into three sections

1. Totex (net of business rates, abstraction licence fees and G&C)

2. Business rates and abstraction licence fees

3. Totex not subject to cost sharing

2 Management is then required to show how much of the variance in spend is due to timing and how much is efficiency, with a proportion of the efficiency (or inefficiency) shared with customers as set out in the Final Determination.

3 Our cumulative position for AMP7 is an overall overspend of £836 million compared to the allowance set by Ofwat at PR19. This is made up of overspends in both base, where we have reinvested efficiencies to improve the performance of the business, and enhancement. We were also hit by higher energy costs following the invasion of Ukraine once the protection offered by our hedging policy expired.

4 On enhancement we have continued to deliver our Water Industry National Environment Programmes (WINEP) environmental obligations through innovative projects. The efficiency in delivering these has been reinvested into base as described above. We also suffered significant overspends on our strategic interconnecting pipeline project, where we saw increased costs due to supply chain challenges following Covid-19 and the Russian invasion of Ukraine. We have assumed £388 million of additional expenditure remains to be incurred against our PR19 allowance to complete this programme during AMP8.

5 The Board continues to actively reinvest efficiencies in Water Recycling to address the particular need for improvements in pollution and storm overflows. In addition, our shareholders committed £100 million of additional investment to accelerate our work on reducing spills and pollutions, highlighting their long-term support for the business.

6 These decisions highlight the flexibility of the business to manage both cost and delivery across the business as a whole, which has been enabled by the broadly symmetrical cost sharing rates between price controls as well as between base and enhancement expenditure.

Disallowable costs (4C.4)

7 Disallowable costs relate to fines, penalties and guaranteed service scheme payments incurred in the year, including court costs associates with fines and penalties.

8 As part of the IDOK settlement we agreed to invest £1.4 million in lead replacement funded by shareholders. In 2024/25 we spent £0.4 million relating to this, this brings the total for the price control period to be £1.4 million.

RCV determined at FD at 31 March (4C.31)

9 This has been taken from Ofwat's published RCVs.

Projected 'shadow' RCV (4C.32)

10 These are calculated cells. We note however the shortcomings of this "shadow" RCV reported number. The calculations performed in this table do not replicate the detailed PR19 cost reconciliations model, which calculates RCV adjustments as a result of totex out / under performance. In addition this "shadow" RCV takes no account of RCV adjustments published in Ofwat's "Blind Year" adjustments document, which will apply at the end of AMP7.

Table 4D - Wholesale Totex Analysis - Water

	Line description	Units	Water resources	Network+				Total
				Raw water transport	Raw water storage	Water treatment	Treated water distribution	
	Operating expenditure							
1	Base operating expenditure	£m	46.724	9.538	0.616	62.383	151.426	270.686
2	Enhancement operating expenditure	£m	3.374	0.188	0.005	0.803	11.087	15.458
3	Developer services operating expenditure	£m	-	-	-	-	0.282	0.282
4	Total operating expenditure excluding third party services	£m	50.098	9.725	0.621	63.186	162.795	286.426
5	Third party services	£m	6.695	1.369	0.012	7.203	11.269	26.546
6	Total operating expenditure	£m	56.793	11.094	0.633	70.389	174.064	312.972
	Grants and contributions							
7	Grants and contributions - operating expenditure	£m	-	-	-	-	-	-
	Capital expenditure							
8	Base capital expenditure	£m	8.150	1.558	0.157	21.535	109.119	140.519
9	Enhancement capital expenditure	£m	57.477	2.038	-	15.524	292.778	367.817
10	Developer services capital expenditure	£m	0.042	-	-	-	56.819	56.861
11	Total gross capital expenditure excluding third party services	£m	65.669	3.596	0.157	37.059	458.716	565.197
12	Third party services	£m	1.766	0.005	-	0.545	0.721	3.037
13	Total gross capital expenditure	£m	67.435	3.601	0.157	37.604	459.437	568.234
	Grants and contributions							
14	Grants and contributions - capital expenditure	£m	0.046	-	-	-	32.833	32.879
15	Net totex	£m	124.182	14.695	0.790	107.993	600.668	848.327
	Cash expenditure							
16	Pension deficit recovery payments	£m	1.050	0.024	0.221	2.965	5.182	9.442
17	Other cash items	£m	-	-	-	-	-	-
18	Totex including cash items	£m	125.232	14.719	1.011	110.958	605.850	857.769

Line description	Units	Water resources	Network+				Total
			Raw water transport	Raw water storage	Water treatment	Treated water distribution	

	Atypical expenditure							
19	Item 1	£m	-	-	-	-	-	-
20	Item 2	£m	-	-	-	-	-	-
21	Item 3	£m	-	-	-	-	-	-
22	Item 4	£m	-	-	-	-	-	-
23	Item 5	£m	-	-	-	-	-	-
24	Total atypical expenditure	£m	-	-	-	-	-	-

1 Movement in costs 2023/24 to 2024/25

£m	Water Resources	Raw Water Transport & Storage	Water Treatment	Treated Water Distribution	Water Total
2023/24 reporting operating costs	56.6	14.7	70.5	178.1	**319.9**
Inflation @ 3.2%	0.6	0.5	2.2	5.7	**10.2**
2023/24 costs indexed to 2024/25 prices	58.4	15.2	72.7	183.8	**330.1**
2024/25 reported operating costs	56.8	9.7	70.9	175.60	**312.9**
(Increase)/decrease in underlying costs from 2023/24	**1.6**	**5.5**	**1.80**	**8.2**	**17.2**

Power

2 The wholesale cost of power decreased in 2024/25 compared to 2023/24 due to our hedging strategy of buying multiple forward contracts for future years usage, over time in incremental blocks. These are purchased on the forward wholesale market and via market reflective power purchase agreements. The agreements protected us from the worst impacts of open market peaks in 2022/23 but meant energy cost for 2023/24 included many contracts purchased during this peak with this reducing slightly in 2024/25. Overall costs have remained high for 2024/25 compared with base year of 2019/20 regardless of open market movements

Water resources

3 Total Operating expenditure was £1.6 million lower in real terms.

4 Enhancement operating expenditure was £1.8 million lower than 2023/24 in real terms driven by higher aborted capital projects and Helpston land remediation in 2023/24.

5 Power spend also reduced year-on-year and abstraction licenses were not subject to inflation in year.

Raw Water transport and storage

6 Total operating expenditure was £5.5 million lower in real terms than 2023/24 primarily driven by a reduction in power spend

Water treatment

7 Total operating expenditure was £1.8 million lower than 2023/24 in real terms primarily driven by decrease in power costs due to hedging strategy as detailed in the note above

Treated water distribution

8 Total operating expenditure was £8.2 million lower in real terms than 2023/24.

9 Base operating expenditure was £1.04 million lower than 2023/24 in real terms due to a decrease in power costs due to hedging strategy as detailed in the note (£4.1 million). Renewals expensed in the year also decreased £6.5m driven by increased capitalisation of burst mains offset by a £1.0 million increase in Cumulo rates.

10 Enhancement operating expenditure was £3.4 million higher than 2023/24 in real terms due to a increase in metering smart data charges (£1.5 million) and increased aborted capital schemes (1.8 million)

Capital Expenditure (4D.8-4D.13)

11 All of our capital expenditure is delivered through projects where master data is used to identify whether the expenditure is for maintaining the long term capability of assets or other capital assets for both infrastructure and non infrastructure.

12 It is expected that capital expenditure profiles vary year on year significantly due to the strategic prioritisation of the investment programme. Large projects and stakeholder required investments can lead to variances in year on year comparisons of the same data point.

13 This master data is also used for the classifying expenditure within the relevant price control. The majority of capital expenditure is directly attributable to the price control. Where this is not possible, capital expenditure is assigned to the business unit of principal use with an appropriate recharge of depreciation charges for these shared assets made between price control segments in table 2A.

14 Refer to the commentary for 4L for enhancement variance analysis against allowances.

Table 4E - Wholesale Totex Analysis - Wastewater

	Line description	Units	Network+ Sewage collection			Network+ Sewage treatment		Bioresources			Total
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	
	Operating expenditure										
1	Base operating expenditure	£m	75.575	22.634	11.328	180.250	7.385	37.091	42.881	14.856	392.000
2	Enhancement operating expenditure	£m	3.328	0.965	0.483	7.903	0.103	-	-	-	12.781
3	Developer services operating expenditure	£m	0.043	0.012	0.006	-	-	-	-	-	0.061
4	Total operating expenditure excluding third party services	£m	78.945	23.612	11.817	188.153	7.488	37.091	42.881	14.856	404.841
5	Total third party services	£m	0.338	0.142	0.071	2.079	0.040	0.206	1.029	0.075	3.980
6	Total operating expenditure	£m	79.283	23.753	11.888	190.232	7.527	37.296	43.910	14.931	408.822
	Grants and contributions										
7	Grants and contributions - operating expenditure	£m	-	-	-	-	-	-	-	-	-
	Capital expenditure										
8	Base capital expenditure	£m	68.029	19.719	9.775	125.675	-	2.127	33.485	0.596	259.406
9	Enhancement capital expenditure	£m	21.798	7.983	2.718	194.653	-	-	7.354	-	234.506
10	Developer services capital expenditure	£m	13.540	-	-	-	-	-	-	-	13.540
11	Total gross capital expenditure excluding third party services	£m	103.367	27.702	12.493	320.328	-	2.127	40.839	0.596	507.452
12	Third party services	£m	-	-	-	0.132	-	-	0.047	-	0.179

	Line description	Units	Network+ Sewage collection			Network+ Sewage treatment		Bioresources			Total
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	
13	Total gross capital expenditure	£m	103.367	27.702	12.493	320.460	-	2.127	40.886	0.596	507.631
	Grants and contributions										
14	Grants and contributions - capital expenditure	£m	22.356	-	-	-	-	-	-	-	22.356
15	Net totex	£m	160.294	51.455	24.381	510.692	7.527	39.423	84.796	15.527	894.097
	Cash expenditure										
16	Pension deficit recovery payments	£m	2.302	0.299	0.659	4.552	0.194	1.592	0.954	0.220	10.772
17	Other cash items	£m	-	-	-	-	-	-	-	-	-
18	Totex including cash items	£m	162.596	51.754	25.040	515.244	7.721	41.015	85.750	15.747	904.869

	Line description	Units	Network+ Sewage collection			Network+ Sewage treatment		Bioresources			Total
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	
	Atypical expenditure										
19	Item 1	£m	-	-	-	-	-	-	-	-	-
20	Item 2	£m	-	-	-	-	-	-	-	-	-

	Line description	Units	Network+ Sewage collection			Network+ Sewage treatment		Bioresources			Total
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	
21	Item 3	£m	-	-	-	-	-	-	-	-	-
22	Item 4	£m	-	-	-	-	-	-	-	-	-
23	Item 5	£m	-	-	-	-	-	-	-	-	-
24	Total atypical expenditure	£m	-	-	-	-	-	-	-	-	-

Change in operating expenditure compared to 2023/24 - regulatory accounts

1 Underlying wastewater operating expenditure increased by £12.5 million (3.2 per cent) in real terms.

Movement in costs 2023/24 to 2024/25

£m	Sewerage Collection	Sewerage Treatment	Bioresources	Sewerage Total
2023/24 reporting operating costs	118.6	182.4	83.0	384.0
Inflation @3.21%	3.8	5.9	2.7	12.3
2023/24 costs indexed to 2024/25 prices	122.4	188.3	85.7	396.3
2024/25 reported operating costs	114.9	197.8	96.1	408.8
(Increase)/decrease in underlying costs from 2023/24	7.4	- 9.5	- 10.5	- 12.5

Operating expenditure key changes (4E.1-4E.11)

Sewage Collection

2 Total Collection costs decreased by £7.0 million in real terms despite continued compliance tankering dealing with heavy rainfall on already saturated ground. Power consumption was up in comparison to 2023-24, however the unit price decrease aided our position. Additional resources were recruited to increase planned preventative maintenance to mitigate future risks. Flood detection assets were installed to increase sewer level monitoring.

Sewage treatment

3 Total Treatment Costs increased by £9.5 million in real terms. Although we had a decrease on power as hedged pricing agreed, we had an increase in chemical costs, contracted services spend which were heavily impacted by the record levels of rainfall and the need to maintain treatment work compliance and a significant uplift in the EA direct discharge consent costs.

Bioresources

4 Bioresources costs increased by £10.1 million in real terms. A large proportion of this relates to Sludge Treatment chemical increases driven by price and usage linked to maintaining compliance to meet the final cake DS per cent target and a significant uplift in the EA direct discharge consent costs. The increase in Sludge Transport was also linked to compliance through additional tankering costs.

Power

5 The wholesale cost of power decreased in 2024/25 compared to 2023/24 due to our hedging strategy of buying multiple forward contracts for future years usage, over time in incremental blocks. These are purchased on the forward wholesale market and via market reflective power purchase agreements. The agreements protected us from the worst impacts of open market peaks in 2022/23 but meant energy cost for 2023/24 included many contracts purchased during this peak with this reducing slightly in 2024/25. Overall costs have remained high for 2024/25 compared with base year of 2019/20 regardless of open market movements.

Capital Expenditure (4E.8-4E.13)

6 All of our capital expenditure is delivered through projects where master data is used to identify whether the expenditure is for maintaining the long term capability of assets or other capital assets for both infrastructure and non infrastructure.

7 This master data is also used for the classifying expenditure within the relevant price control. The majority of capital expenditure is directly attributable to price control. Where this is not possible, capital expenditure is assigned to the business unit of principal use with an appropriate recharge of depreciation charges for these shared assets made between price control segments in table 2A.

8 It is expected that capital expenditure profiles vary year on year significantly due to the strategic prioritisation of the investment program particularly with Enhancement capex. To this effect, the Enhancement capex spend has increased in line with our 2024/25 plan by £90.9 million in real terms, due to our Water Industry National Environment Programme.

9 Base Capital Expenditure is 28.5 per cent higher than the previous year in real terms. This was mainly due to additional investment in reducing pollutions, which mainly impacted sewage collection.

10 An allocation was required for the foul, surface water drainage and highway drainage split. The allocation was based on flow estimate models provided by our modelling team.

11 Total wastewater capital expenditure includes £0.2 million of spend on assets used to fulfil third-party agreements.

12 The Sludge Liquor values above do not align with table 7A, 7B, & 8B, following the guidance on improving cost allocation between Sewage treatment and bioresources units in relation to sludge liquors.

Table 4F - Major project expenditure for wholesale water by purpose

	Line description	Units	Expenditure in report year £m					
			Water resources	Water network+				Total
				Raw water transport	Raw water storage	Water treatment	Treated water distribution	
	Major project capital expenditure by purpose							
1	WAT-07640 - WRMP DPC - Elsham to Lincoln Transfer	£m	-	-	-	-	7.439	7.439
2	WAT-07641 - WRMP DPC- Additional Capacity Elsham WTW	£m	-	-	-	0.413	-	0.413
3	WAT-07462 - WRMP North Lincs Deficit DPC	£m	-	-	-	-	-	-
4	WAT-07397 - WRMP19 Adaptive Planning Pre Planning	£m	1.185	-	-	-	-	1.185
5	WAT-07356a/WAT-07860 - South Lincs Reservoir	£m	19.441	-	-	-	-	19.441
6	WAT-07356b - Affinity Trf Dev (A2AT)	£m	-	-	-	-	-	-
7	WAT-07634/WAT-07860 - Fens Reservoir RAPID 2021-23	£m	18.848	-	-	-	-	18.848
8	Capital expenditure purpose - line 8	£m	-	-	-	-	-	-
9	Capital expenditure purpose - line 9	£m	-	-	-	-	-	-
10	Capital expenditure purpose - line 10	£m	-	-	-	-	-	-
11	Total major project capital expenditure	£m	39.474	-	-	0.413	7.439	47.326
	Major project operating expenditure by purpose							
12	WPX-00048 - Lincs Res Dev't 23-25 OPEX	£m	0.741	-	-	-	-	0.741
13	WPX-00049 - Fens Reservoir RAPID Dev't 23-25 OPEX	£m	0.531	-	-	-	-	0.531
14	Operating expenditure purpose - line 3	£m	-	-	-	-	-	-
15	Operating expenditure purpose - line 4	£m	-	-	-	-	-	-
16	Operating expenditure purpose - line 5	£m	-	-	-	-	-	-
17	Operating expenditure purpose - line 6	£m	-	-	-	-	-	-
18	Operating expenditure purpose - line 7	£m	-	-	-	-	-	-
19	Operating expenditure purpose - line 8	£m	-	-	-	-	-	-
20	Operating expenditure purpose - line 9	£m	-	-	-	-	-	-
21	Operating expenditure purpose - line 10	£m	-	-	-	-	-	-
22	Total major project operating expenditure	£m	1.272	-	-	-	-	1.272

	Line description	Units	Cumulative expenditure on incurred on schemes in £m					
			Water resources	Water network+				Total
				Raw water transport	Raw water storage	Water treatment	Treated water distribution	
	Major project capital expenditure by purpose							
1	WAT-07640 - WRMP DPC - Elsham to Lincoln Transfer	£m	-	-	-	-	83.463	83.463
2	WAT-07641 - WRMP DPC- Additional Capacity Elsham WTW	£m	-	-	-	11.066	-	11.066
3	WAT-07462 - WRMP North Lincs Deficit DPC	£m	-	-	-	0.333	-	0.333
4	WAT-07397 - WRMP19 Adaptive Planning Pre Planning	£m	3.883	-	-	-	-	3.883
5	WAT-07356a/WAT-07860 - South Lincs Reservoir	£m	44.438	-	-	-	-	44.438
6	WAT-07356b - Affinity Trf Dev (A2AT)	£m	-	-	-	-	0.157	0.157
7	WAT-07634/WAT-07860 - Fens Reservoir RAPID 2021-23	£m	30.441	-	-	-	-	30.441
8	Capital expenditure purpose - line 8	£m	-	-	-	-	-	-
9	Capital expenditure purpose - line 9	£m	-	-	-	-	-	-
10	Capital expenditure purpose - line 10	£m	-	-	-	-	-	-
11	Total major project capital expenditure	£m	78.762	-	-	11.399	83.620	173.781
	Major project operating expenditure by purpose							
12	WPX-00048 - Lincs Res Dev't 23-25 OPEX	£m	1.428	-	-	-	-	1.428
13	WPX-00049 - Fens Reservoir RAPID Dev't 23-25 OPEX	£m	0.851	-	-	-	-	0.851
14	Operating expenditure purpose - line 3	£m	-	-	-	-	-	-
15	Operating expenditure purpose - line 4	£m	-	-	-	-	-	-
16	Operating expenditure purpose - line 5	£m	-	-	-	-	-	-
17	Operating expenditure purpose - line 6	£m	-	-	-	-	-	-
18	Operating expenditure purpose - line 7	£m	-	-	-	-	-	-
19	Operating expenditure purpose - line 8	£m	-	-	-	-	-	-
20	Operating expenditure purpose - line 9	£m	-	-	-	-	-	-
21	Operating expenditure purpose - line 10	£m	-	-	-	-	-	-
22	Total major project operating expenditure	£m	2.279	-	-	-	-	2.279

Elsham to Lincoln Transfer

1 Please refer to commentary for table 6F.

North Lincs Deficit

2 Please refer to commentary for table 6F.

South Lincs and Fens Reservoirs

3 We are developing three strategic options as part of the Strategic Resource Option (SRO) programme overseen by RAPID (the Regulators' Alliance for Progressing Infrastructure Development). The draft regional plan and draft Water Resource Management Plans (WRMP) were published at the end of 2022, and both confirmed the need for the reservoirs. A second draft was published in August 2023, with further information provided to Defra in early 2024. There is:

- The Fens Reservoir which is being promoted jointly by Anglian Water and Cambridge Water:
- The Lincolnshire Reservoir (previously the South Lincolnshire Reservoir, SLR) and:
- The Peterborough to Grafham (P2G) strategic transfer (previously the Anglian to Affinity transfer, A2AT).

4 Ongoing groundwater monitoring, water quality sampling and wintering bird surveys are continuing on the Lincs Reservoir. Land engagement is progressing for the commencement of the ground investigation, survey and archaeological works in 2025/26, including option agreements and land access arrangements with landowners. In 2024/25, there were also discretionary purchases of properties through the PPS (Property support scheme). Work on initial commercial and contracting arrangements associated with the Infrastructure Provider have also started.

5 Taking lessons learnt from the RAPID Fens decisions to delay Gate 3, we are currently working with RAPID to finalise the revised Gate 3 submission date for the Lincs Programme which will no longer be in September 2025.

6 Following the second round of non-statutory consultation between May and August 2024, it was agreed that the Lincs and Fens programmes would diverge in delivery timelines and the Lincs programme was slowed to prioritise the Fens Reservoir Programme.

7 Works have recommenced in April 2025 including the development of the new site compound to support the on-site ground, archaeological and environmental surveys. the programme has been through two review processes with the next phase of non-statutory consultation proposed for summer 2026.

8 The compound will support the second phase of ground and site investigations, output of which will supplement the site investigation works and surveys carried out in 2023/24. For both reservoirs, the 2025 works include a full suite of boreholes, geotechnical investigation and deep observational trial pits – taking lessons learnt from across the wider National Reservoir programmes.

9 These risk mitigation works will enable Anglian Water to document any underlying geological risk, archaeological trial trenching outcomes, geophysics and metal detecting and environment and ecology surveys, to support the DCO submission in 2028/29 and are scheduled to be completed by the end of 2025.

10 The Lincolnshire Reservoir and the P2G were originally promoted jointly by Anglian Water and Affinity Water but water resource modelling confirmed there will be no exports from the region and therefore Anglian Water is now the sole promoter of the two options from Gate three onwards. Consequently, the scope of P2G has reduced to reflect this; providing a strategic transfer from Peterborough to Grafham only.

11 Significant development was made with the Fens Reservoir during 2024/25, with the design development progressing from 'where' we are proposing to locate infrastructure to 'what' we are going to locate there. This enabled a second round of non-statutory consultation, which introduced the concept of a 'destination' landform design (the 'Ammonite') and the location of the Associated Water Infrastructure (abstractions, raw and potable water

transfer routes, water treatment works and service reservoirs). Feedback was overall very positive for a scheme of this magnitude, with strong support for the reservoir in this location, including support for the destination landform.

12 The design development is progressing towards the next major design milestone (Design Freeze 3) in Q2 FY25/26, building upon the feedback from the non-statutory consultation and other engagement forums with key stakeholders, including regulators and landowners. This will form the basis of a third phase of non-–statutory consultation in the Autumn of 2025. This consultation phase will provide further detail on design, traffic & transport, construction and more information on our Renewable Energy Strategy.

13 Site characterisation continued over the period with focus upon the main reservoir site, consisting of multiple species, habitat and other environmental and geoenvironmental surveys. Phase 2 ground investigation for the main reservoir site was completed, including 145 boreholes (up to 85m deep) and 237 archaeological trial trenches (equivalent to 12km in length).

14 The Commercial Strategy (Stage 2 Report) was submitted in January 2025. It was agreed with OfWat that this would be submitted without Board Assurance. Ofwat has provided an initial response to Anglian Water which is under review.

15 The project development is proceeding within Gate 3. Whilst a Gate 3 submission was prepared for March 2025, it was agreed with RAPID to delay the submission until the project maturity better matched the Gate 3 requirements. The date for submission is still being discussed with RAPID. All Priority Actions from Gate 2 have been completed.

16 For Fens, RAPID & Ofwat agreed that the 50:50 funding arrangement between Anglian Water and Cambridge Water would end in December 2024, with development costs becoming 100 per cent Anglian Water from that date onwards. This is part of the reason for the increase in development costs for the Fens Reservoir in 2024/25.

17 Stakeholder engagement continues to be instrumental to both- projects. A Stakeholder Engagement Framework has been developed to ensure regular engagement and compliance with the Planning Act 2008.

18 This will support a robust Development Consent Order (DCO) planning submission. The Framework involves engagement with a wide range of statutory, non-statutory and technical stakeholders involved in design development and participation of wider stakeholders and the community through partnerships including the Lincolnshire Reservoir Working Partnership and the Fens Water Partnership and Community Liaison Groups.

Table 4G - Major project expenditure for wholesale wastewater by purpose

1 We have no major Wastewater projects.

Table 4H - Financial Metrics

	Line description	Units	Current year	AMP to date
	Financial indicators			
1	Net debt	£m	8,052.954	-
2	Regulatory equity	£m	3,166.836	-
3	Regulatory gearing	%	71.77%	-
4	Post tax return on regulatory equity	%	2.19%	-
5	RORE (return on regulatory equity)	%	-2.91%	1.10%
6	Dividend yield	%	2.57%	-
7	Retail profit margin - Household	%	-1.38%	-
8	Retail profit margin - Non household	%	0.00%	-
9	Credit rating - Fitch	Text	A- (Stable)	-
10	Credit rating - Moody's	Text	Baa1 (Negative)	-
11	Credit rating - Standard and Poor's	Text	BBB (Stable)	-
12	Return on RCV	%	4.81%	-
13	Dividend cover	dec	0.94	-
14	Funds from operations (FFO)	£m	650.543	-
15	Interest cover (cash)	dec	3.79	-
16	Adjusted interest cover ratio (ACICR)	dec	1.53	-
17	FFO/Net debt	dec	0.08	-
18	Effective tax rate	%	-109.22%	-
19	Retained cash flow (RCF)	£m	569.285	-
20	RCF/Net debt	dec	0.07	-
	Borrowings			
21	Proportion of borrowings which are fixed rate	%	32.08%	-
22	Proportion of borrowings which are floating rate	%	12.25%	-
23	Proportion of borrowings which are index linked	%	55.67%	-
24	Proportion of borrowings due within 1 year or less	%	7.10%	-
25	Proportion of borrowings due in more than 1 year but no more than 2 years	%	4.07%	-
26	Proportion of borrowings due in more than 2 years but no more than 5 years	%	17.09%	-
27	Proportion of borrowings due in more than 5 years but no more than 20 years	%	56.56%	-
28	Proportion of borrowings due in more than 20 years	%	15.19%	-

Net debt (4H.1)

1 Net debt has increased in the year, partly due to inflation on our index-linked debt and partly due to the increased spend on our capital programme and additional planed borrowing to fund this spend.

2 There are several differences between statutory and regulatory net debt. These are principally that regulatory net debt excludes: swap accretion, accrued interest, accounting fair value adjustments, and debt issue costs. A full reconciliation between statutory and regulatory net debt can be found in the commentary to Table 1E.

Regulated equity (4H.2)

3 Compared with prior year regulated equity has decreased by £148.7 million to £3,166.8 million. This reflects the increase in net debt, discussed above, being greater than that in RCV.

Regulated gearing (4H.3)

4 Regulated gearing represents net debt per table 1E divided by year-end RCV.

Post tax return on regulated equity (4H.4)

5 A break down of the calculation for the current year is shown below for information.

Line description	2024/25
Profit/(loss) before tax and fair value movements (£m)	46.2
UK corporation tax (£m)	24.9
Profit/(loss) after current tax (excluding fair value movements) (£m)	71.1
Regulated equity (average for year) (£m)	3241.2
Post tax return on regulated equity (%)	2.2

RORE (4H.5)

6 RORE is calculated in table 1F, please refer to the table and associated commentary for more detail. The Ofwat submission table displays RORE as a decimal and not a percentage.

Dividend yield (4H.6)

7 A dividend of £88.6 million (£81.3 million appointed) was paid in the 2024/25 year compared to £79.9 million (£72.6 million appointed) payment in the 2023/24 year.

Retail profit margin - household and non-household (4H.7 and 4H.8)

8 Both lines 7 and 8 are Ofwat calculated cells.

9 The retail profit margins are calculated as earnings before interest and tax (after deducting wholesale charges) divided by total revenue charged to household or non-household customers respectively. Details of movements are shown in the table and discussed in the commentary to 2I and 2C.

10 Non-household retail margin is 0.0 per cent as a result of the transfer of the non-household retail business in 2017/18 and our exit from the non-household retail market.

Credit Rating (4H.9 - 4H.11)

11 The Baa1 relates to our Corporate Family Rating by Moody's. This is on a negative outlook as at 31 March 2025.

12 Moody's also rate our senior secured debt as Baa1 and have this on negative outlook as at 31 March 2025.

13 S&P rate our senior secured debt as BBB and have this on stable outlook as at 31 March 2025.

14 Fitch rate our senior secured debt as A- and have this on stable outlook as at 31 March 2025.

Return on RCV (4H.12)

15 Return on RCV for the year was 4.7 per cent compared with 4.6 per cent for the prior year. The increase is consistent with the increase in profit before interest, after current tax, compared with the prior year, and the increase in average RCV.

Dividend cover (4H.13)

16 A dividend of £88.6 million (£81.3 million appointed) was paid in the 2024/25 year compared to £79.9 million (£72.6 million appointed) payment in the 2023/24 year.

Funds from operations (4H.14)

17 FFO is net cash generated from operating activities adjusted to remove the changes in working capital. Ofwat acknowledge that their approach to calculating this differs from some of the methodologies applied by the credit rating agencies.

18 FFO for the year was £650.5 million compared with £568.3 million for the prior year. The increase is due principally due to the movement in cash generated from operations and movement in working capital discussed in the commentary for table 1D.

Interest cover (cash) (4H.15)

19 Interest cover (cash) equals FFO as calculated above plus interest paid on borrowings (1D.10), divided by interest paid on borrowings (1D.10). Interest paid on borrowings excludes any accretion of interest-linked debt which is a non-cash item .

20 The interest cover ratio for the 2024/25 year was 3.79 compared with 3.52 for the 2023/24 year. This metric has increased due to higher FFO.

Adjusted interest cover (cash) (4H.16)

21 Adjusted interest cover (cash) is calculated as per the above but with FFO plus interest paid adjusted for regulatory depreciation of £526.2 million (2023/24: £503.0 million) as published by Ofwat.

22 The cover ratio for the 2024/25 year was 1.53 compared with 1.29 for the 2023/24 year. This decrease is a result of the increase in interest payments, as discussed in the commentary to 1D, and the increase in the regulatory depreciation.

FFO/debt (4H.17)

23 The ratio for 2024/25 is 0.08 which is consistent with that that disclosed in the prior year, 0.08. This reflects the increase in FFO, offset by the increase net debt in the current report year.

24 As noted above, Ofwat acknowledges that its approach to calculating FFO/debt differs from some of the methodologies applied by the credit rating agencies.

Effective tax rate (4H.18)

25 Effective tax rate is the current tax charge for the appointed business as a percentage of the profit before tax and fair value movements for the appointed business.

26 The rate for 2024/25 was -109.2 per cent (2023/24 - 35.6 per cent) as set out in the following table:

	2024/25 £m
Profit before tax per the Annual Performance Report	109.1
Fair value profit on derivatives included in Profit before tax	62.9
Profit/Loss excluding Fair value loss on derivatives (A)	**46.2**
Corporation tax charged at 25% (2023: 19%)	27.3
Depreciation and amortisation	85.8
Capital allowances	-185.7
Capital allowances superdeductions	0.0
Items not taxable	-8.1
Items not deductible for tax purposes	1.9
Capital grants and contributions	-4.9
Pension payments	-7.4
Change in general provision movement	0.6
Profit/Losses carried forward	55.7
Fair value losses on financial instruments (not deductible)	-15.7
Current tax charge for the year before adjustments in respect of previous years (B)	-50.5
Adjustments in respect of previous years	25.6
Current tax charge for the year after adjustments in respect of previous years	-24.9
Effective tax rate (B/A)	-109.2%

Retained cash flow (RCF) (4H.19)

27 Retained cash flow for the year was £569.3 million compared with £495.7 million for the prior year. The increase results largely from the increase in FFO.

RCF/Net debt (4H.20)

28 The ratio for the year was 0.07, consistent with the prior year.

Borrowings (4H.21 - 4H.28)

29 The Group's policy for the management of interest rate risk is to achieve a balanced mix of funding at index-linked (to RPI or CPI and, in time, CPIH), fixed and floating rates of interest. The Group endeavours to obtain the finest rates (lowest borrowing and finest depositing rates) consistent with ensuring that the relevant treasury objectives are met in full, i.e. the provision of adequate finance for Anglian Water Services Group at all times and maintaining security of principal.

30 The proportion of borrowings split between fixed, floating and index-linked has changed modestly from the prior year. The main drivers for those change are given in the Table 1E commentary. The Treasury policy approved by the Board confirmed that inflation linked debt as a proportion of RCV, to be a range of 43-55 per cent with CPIH hedging to be undertaken subject to the market developing and floating rate debt to be in a 5-15 per cent range.

31 The maturity profile of our debt reflects the long average life of our assets and is structured to ensure the avoidance of significant concentrations of refinancing within any individual period. The weighted average years to maturity is 12.0 years. The main change is due to accretion on the longer dated index linked debt, new long dated debt raised in the year and the effluxion of time in relation to debt maturities and amortisation schedules.

Table 4I - Financial Derivatives

	Line description	Financial derivatives – Total								
		Nominal value by maturity (net) at 31 March				Total value at 31 March		Total accretion at 31 March	Interest rate (weighted average for 12 months to 31 March 2021)	
		0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable	Receivable
	Units	£m	£m	£m	£m	£m	£m	£m	%	%
	Interest rate swap (sterling)									
1	Floating to fixed rate	99.013	-	-	350.000	449.013	5.284	-	5.157%	5.259%
2	Floating from fixed rate	525.000	50.000	154.532	845.000	1574.532	83.034	-	5.684%	3.835%
3	Floating to index linked	-	-	-	666.303	666.303	310.380	141.975	4.091%	4.916%
4	Floating from index linked	-	-	-	97.443	97.443	18.576	-2.755	5.959%	4.900%
5	Fixed to index-linked	-	-	315.000	650.857	965.857	164.664	158.764	4.468%	4.755%
6	Fixed from index-linked	-	-	-	-	-	-	-	-	-
7	Index-linked to index-linked	-	-	-	1750.000	1750.000	14.939	2.189	3.666%	3.200%
8	Total	624.013	50.000	469.532	4359.604	5503.149	596.876	300.173	-	-
	Foreign Exchange									
9	Cross currency swap USD	-	-	-	-	-	-	-	-	-
10	Cross currency swap EUR	-	-	-	-	-	-	-	-	-
11	Cross currency swap YEN	-	-	-	-	-	-	-	-	-
12	Cross currency swap Other	-	-	-	-	-	-	-	-	-
13	Total	-	-	-	-	-	-	-	-	-
	Currency interest rate									

14	Currency interest rate swaps USD	-	129.725	40.067	-	169.792	-14.786	-	-	-
15	Currency interest rate swaps EUR	-	-	-	-	-	-	-	-	-
16	Currency interest rate swaps YEN	-	-	-	145.754	145.754	36.460	-	-	-
17	Currency interest rate swaps Other	-	-	-	224.820	224.820	11.411	-	-	-
18	Total	-	129.725	40.067	370.574	540.366	33.084	-	-	-
	Forward currency contracts									
19	Forward currency contracts USD	-	-	-	-	-	-	-	-	-
20	Forward currency contracts EUR	-	-	-	-	-	-	-	-	-
21	Forward currency contracts YEN	-	-	-	-	-	-	-	-	-
22	Forward currency contracts CAD	-	-	-	-	-	-	-	-	-
23	Forward currency contracts AUD	-	-	-	-	-	-	-	-	-
24	Forward currency contracts HKD	-	-	-	-	-	-	-	-	-
25	Forward currency contracts Other	-	-	-	-	-	-	-	-	-
26	Total	-	-	-	-	-	-	-	-	-
	Other financial derivatives									
27	Other financial derivatives	39.027	112.348	495.407	250.000	896.782	-9.332	-	-	-
28	Total financial derivatives	663.040	292.073	1005.006	4980.178	6940.297	620.628	300.173	-	-

Line description	Financial derivatives – (A) Super-senior swaps with breaks or accretion paydowns								
	Nominal value by maturity (net) at 31 March				Total value at 31 March		Total accretion at 31 March	Interest rate (weighted average for 12 months to 31 March 2021)	
	0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable	Receivable
Units	£m	£m	£m	£m	£m	£m	£m	%	%

	Interest rate swap (sterling)									
29	Floating to fixed rate	74.013	-	-	66.667	140.679	1.002	-	1.459%	4.573%
30	Floating from fixed rate	-	-	-	-	-	-	-	-	-
31	Floating to index linked	-	-	-	615.931	615.931	320.773	141.784	4.313%	4.840%
32	Floating from index linked	-	-	-	-	-	-	-	-	-
33	Fixed to index-linked	-	-	-	350.857	350.857	74.863	61.981	4.122%	4.806%
34	Fixed from index-linked	-	-	-	-	-	-	-	-	-
35	Index-linked to index-linked	-	-	-	-	-	-	-	-	-
36	Total	74.013	-	-	1033.455	1107.468	396.638	203.764	-	-

	Foreign Exchange									
37	Cross currency swap USD	-	-	-	-	-	-	-	-	-
38	Cross currency swap EUR	-	-	-	-	-	-	-	-	-
39	Cross currency swap YEN	-	-	-	-	-	-	-	-	-
40	Cross currency swap Other	-	-	-	-	-	-	-	-	-
41	Total	-	-	-	-	-	-	-	-	-

	Currency interest rate									
42	Currency interest rate swaps USD	-	-	-	-	-	-	-	-	-
43	Currency interest rate swaps EUR	-	-	-	-	-	-	-	-	-
44	Currency interest rate swaps YEN	-	-	-	-	-	-	-	-	-
45	Currency interest rate swaps Other	-	-	-	-	-	-	-	-	-
46	Total	-	-	-	-	-	-	-	-	-

	Forward currency contracts

47	Forward currency contracts USD	-	-	-	-	-	-	-	-	-
48	Forward currency contracts EUR	-	-	-	-	-	-	-	-	-
49	Forward currency contracts YEN	-	-	-	-	-	-	-	-	-
50	Forward currency contracts CAD	-	-	-	-	-	-	-	-	-
51	Forward currency contracts AUD	-	-	-	-	-	-	-	-	-
52	Forward currency contracts HKD	-	-	-	-	-	-	-	-	-
53	Forward currency contracts Other	-	-	-	-	-	-	-	-	-
54	Total	-	-	-	-	-	-	-	-	-

	Other financial derivatives									
55	Other financial derivatives	-	-	-	-	-	-	-	-	-

56	Total financial derivatives	74.013	-	-	1033.455	1107.468	396.638	203.764	-	-

Line description	Financial derivatives – (B) Pari-passu swaps with breaks or accretion paydowns								
	Nominal value by maturity (net) at 31 March				Total value at 31 March		Total accretion at 31 March	Interest rate (weighted average for 12 months to 31 March 2021)	
	0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable	Receivable
Units	£m	£m	£m	£m	£m	£m	£m	%	%

	Interest rate swap (sterling)									
57	Floating to fixed rate	-	-	-	-	-	-	-	-	-
58	Floating from fixed rate	-	-	-	-	-	-	-	-	-
59	Floating to index linked	-	-	-	-	-	-	-	-	-
60	Floating from index linked	-	-	-	-	-	-	-	-	-
61	Fixed to index-linked	-	-	-	-	-	-	-	-	-

62	Fixed from index-linked	-	-	-	-	-	-	-	-	-
63	Index-linked to index-linked	-	-	-	-	-	-	-	-	-
64	Total	-	-	-	-	-	-	-	-	-

	Foreign Exchange									
65	Cross currency swap USD	-	-	-	-	-	-	-	-	-
66	Cross currency swap EUR	-	-	-	-	-	-	-	-	-
67	Cross currency swap YEN	-	-	-	-	-	-	-	-	-
68	Cross currency swap Other	-	-	-	-	-	-	-	-	-
69	Total	-	-	-	-	-	-	-	-	-

	Currency interest rate									
70	Currency interest rate swaps USD	-	-	-	-	-	-	-	-	-
71	Currency interest rate swaps EUR	-	-	-	-	-	-	-	-	-
72	Currency interest rate swaps YEN	-	-	-	-	-	-	-	-	-
73	Currency interest rate swaps Other	-	-	-	-	-	-	-	-	-
74	Total	-	-	-	-	-	-	-	-	-

	Forward currency contracts									
75	Forward currency contracts USD	-	-	-	-	-	-	-	-	-
76	Forward currency contracts EUR	-	-	-	-	-	-	-	-	-
77	Forward currency contracts YEN	-	-	-	-	-	-	-	-	-
78	Forward currency contracts CAD	-	-	-	-	-	-	-	-	-
79	Forward currency contracts AUD	-	-	-	-	-	-	-	-	-
80	Forward currency contracts HKD	-	-	-	-	-	-	-	-	-
81	Forward currency contracts Other	-	-	-	-	-	-	-	-	-

82	Total	-	-	-	-	-	-	-	-	-

	Other financial derivatives									
83	Other financial derivatives	-	-	-	-	-	-	-	-	-

84	Total financial derivatives	-	-	-	-	-	-	-	-	-

Line description	Financial derivatives – (C) Super-senior swaps without breaks or accretion paydowns								
	Nominal value by maturity (net) at 31 March				Total value at 31 March		Total accretion at 31 March	Interest rate (weighted average for 12 months to 31 March 2021)	
	0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable	Receivable
Units	£m	£m	£m	£m	£m	£m	£m	%	%
Interest rate swap (sterling)									
85 Floating to fixed rate	25.000	-	-	283.333	308.333	4.282	-	5.245%	5.407%
86 Floating from fixed rate	525.000	50.000	154.532	845.000	1574.532	83.034	-	5.684%	3.835%
87 Floating to index linked	-	-	-	50.372	50.372	-10.393	0.192	-	-
88 Floating from index linked	-	-	-	97.443	97.443	18.576	-2.755	3.666%	3.200%
89 Fixed to index-linked	-	-	315.000	300.000	615.000	89.801	96.783	1.386%	5.850%
90 Fixed from index-linked	-	-	-	-	-	-	-	-	-
91 Index-linked to index-linked	-	-	-	1750.000	1750.000	14.939	2.189	4.665%	4.726%
92 Total	550.000	50.000	469.532	3326.149	4395.681	200.238	96.409	0.000%	0.000%
Foreign Exchange									
93 Cross currency swap USD	-	-	-	-	-	-	-	-	-
94 Cross currency swap EUR	-	-	-	-	-	-	-	-	-

95	Cross currency swap YEN	-	-	-	-	-	-	-	-	-
96	Cross currency swap Other	-	-	-	-	-	-	-	-	-
97	Total	-	-	-	-	-	-	-	-	-
	Currency interest rate									
98	Currency interest rate swaps USD	-	-	-	-	-	-	-	-	-
99	Currency interest rate swaps EUR	-	-	-	-	-	-	-	-	-
100	Currency interest rate swaps YEN	-	-	-	-	-	-	-	-	-
101	Currency interest rate swaps Other	-	-	-	-	-	-	-	-	-
102	Total	-	-	-	-	-	-	-	-	-
	Forward currency contracts									
103	Forward currency contracts USD	-	-	-	-	-	-	-	-	-
104	Forward currency contracts EUR	-	-	-	-	-	-	-	-	-
105	Forward currency contracts YEN	-	-	-	-	-	-	-	-	-
106	Forward currency contracts CAD	-	-	-	-	-	-	-	-	-
107	Forward currency contracts AUD	-	-	-	-	-	-	-	-	-
108	Forward currency contracts HKD	-	-	-	-	-	-	-	-	-
109	Forward currency contracts Other	-	-	-	-	-	-	-	-	-
110	Total	-	-	-	-	-	-	-	-	-
	Other financial derivatives									
111	Other financial derivatives	-	100	481	250	831	-10	-	-	-
112	Total financial derivatives	550.000	150.000	950.832	3576.149	5226.981	190.200	96.409	-	-

	Line description	Financial derivatives – (D) Other swaps								
		Nominal value by maturity (net) at 31 March				Total value at 31 March		Total accretion at 31 March	Interest rate (weighted average for 12 months to 31 March 2021)	
		0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable	Receivable
	Units	£m	£m	£m	£m	£m	£m	£m	%	%
	Interest rate swap (sterling)									
113	Floating to fixed rate	-	-	-	-	-	-	-	-	-
114	Floating from fixed rate	-	-	-	-	-	-	-	-	-
115	Floating to index linked	-	-	-	-	-	-	-	-	-
116	Floating from index linked	-	-	-	-	-	-	-	-	-
117	Fixed to index-linked	-	-	-	-	-	-	-	-	-
118	Fixed from index-linked	-	-	-	-	-	-	-	-	-
119	Index-linked to index-linked	-	-	-	-	-	-	-	-	-
120	Total	-	-	-	-	-	-	-	-	-
	Foreign Exchange									
121	Cross currency swap USD	-	-	-	-	-	-	-	-	-
122	Cross currency swap EUR	-	-	-	-	-	-	-	-	-
123	Cross currency swap YEN	-	-	-	-	-	-	-	-	-
124	Cross currency swap Other	-	-	-	-	-	-	-	-	-
125	Total	-	-	-	-	-	-	-	-	-
	Currency interest rate									
126	Currency interest rate swaps USD	-	130	40	-	170	-15	-	-	-
127	Currency interest rate swaps EUR	-	-	-	-	-	-	-	-	-

128	Currency interest rate swaps YEN	-	-	-	146	146	36	-	-	-
129	Currency interest rate swaps Other	-	-	-	225	225	11	-	-	-
130	Total	-	130	40	371	540	33	-	-	-

	Forward currency contracts									
131	Forward currency contracts USD	-	-	-	-	-	-	-	-	-
132	Forward currency contracts EUR	-	-	-	-	-	-	-	-	-
133	Forward currency contracts YEN	-	-	-	-	-	-	-	-	-
134	Forward currency contracts CAD	-	-	-	-	-	-	-	-	-
135	Forward currency contracts AUD	-	-	-	-	-	-	-	-	-
136	Forward currency contracts HKD	-	-	-	-	-	-	-	-	-
137	Forward currency contracts Other	-	-	-	-	-	-	-	-	-
138	Total	-	-	-	-	-	-	-	-	-

	Other financial derivatives									
139	Other financial derivatives	39.027	12.348	14.107	-	65.482	0.706	-	-	-

140	Total financial derivatives	39.027	142.073	54.174	370.574	605.848	33.790	-	-	-

1 The nominal value is the face value of the financial instruments. These instruments are marked to market at the end of each reporting period and reported in the balance sheet at their fair value. The total fair value of financial instruments in Table 1C of £620.6 million agrees to the table. The power positions have been included based on the RAG guidance document which stipulates power as an example of other financial derivatives.

Floating to fixed rate (4I.1)

2 During the year, we entered new float to fixed rate swaps totalling £100 million.

3 Changes in bucketing relate to the natural passage of time. Payable interest rates here are higher than last year reflecting higher fixed interest rates on new swaps whereas receivable interest rates have fallen due to lower SONIA compared to last year.

Floating from fixed rate (4I.2)

4 During the year, we entered new floating from fixed rate swaps totalling £200 million and three swaps matured totalling £75 million.

5 Changes in bucketing relate to the natural passage of time. Payable interest rates here are lower than last year due to lower SONIA compared to last year whereas receivable interest rates have increased reflecting higher fixed interest rates on new swaps.

Floating to index linked (4I.3)

6 During the year, two floating to index-linked rate swaps matured totalling £150 million and one £100 million swap moved from fixed to index-linked category.

7 Weighted average interest rates payable have increased during the year due to higher real rates on continuing swaps. Weighted average interest rates receivable has decreased reflecting the downward movement in SONIA rates within the year.

Floating from index linked (4I.4)

8 During the year, we entered a floating from index-linked rate swap totalling £97.443 million.

9 This is a new category of swap so no comparable information on interest rates available.

Fixed to index linked (4I.5)

10 During the year, we entered new fixed to index-linked rate swaps totalling £400 million and one £100 million swap moved to floating to index-linked category.

11 Weighted average interest rates have increased during the year due to higher rates on new swaps.

index linked to index linked (4I.7)

12 During the year, we entered index-linked to index-linked rate swaps totalling £1,750 million.

13 This is a new category of swap so no comparable information on interest rates is required.

Currency interest rate swaps USD/YEN/CAD (4I.14 - 4I.17)

No notable movements in this category as no new swaps have been executed or existing swaps matured.

Other financial derivatives (4I.23)

14 Other financial derivatives consists of power hedges and fixed to fixed interest rate swaps.

1. No movement on fixed to fixed interest rate swaps other than changes in bucketing
2. £4 million increase in commodity hedges due to increased hedging during the year

Assumptions:

15 For floating rate derivatives, the SONIA rate as of 31 March 2025 of 4.4554 per cent has been used for calculations. Similarly, for inflation linked derivatives, we have used RPI rate of 3.2 per cent and CPI rate of 2.6 per cent based on March inflation figures.

16 The Anglian Water Services Financing Group holds some derivative financial instruments which contain more than 2 legs (i.e. multiple pay and receive legs). In legal terms these form a single contract but these have been split (where applicable) to reflect the relevant risks implied on an individual leg basis.

17 The Mark to Market position is the full fair value of the positions with the total accretion column representing the accretion component of this full amount. Positive numbers are liability and negative numbers are asset as per RAG.

Table 4J - Base expenditure analysis for the 12 months ended 31 March 2025 - water resources and water network+

	Line description	Units	Water resources	Water network+				Total
				Raw water distribution	Raw water storage	Water treatment	Treated water distribution	
	Operating expenditure							
1	Power	£m	14.232	6.518	0.438	15.096	27.110	63.394
2	Income treated as negative expenditure	£m	-0.234	-0.016	-0.021	-0.438	-0.783	-1.493
3	Bulk Supply/Bulk discharge	£m	-	-	-	2.639	0.167	2.805
4	Renewals expensed in year (infrastructure)	£m	-	-	-	-	30.071	30.071
5	Renewals expensed in year (non-infrastructure)	£m	-	-	-	-	-	-
6	Other operating expenditure	£m	20.566	3.005	0.198	37.917	63.425	125.111
7	Local authority and Cumulo rates	£m	2.585	0.031	0.001	6.345	30.659	39.621
	Service Charges							
8	Canal & River Trust abstraction charges/ discharge consents	£m	-	-	-	-	-	-
9	Environment Agency / NRW abstraction charges/ discharge consents	£m	9.575	-	-	0.825	-	10.400
10	Other abstraction charges/ discharge consents	£m	-	-	-	-	-	-
	Location specific costs & obligations							
11	Costs associated with Traffic Management Act	£m	-	-	-	-	0.777	0.777
12	Costs associated with lane rental schemes	£m	-	-	-	-	-	-
13	Statutory water softening	£m	-	-	-	-	-	-
14	Total base operating expenditure	£m	46.724	9.538	0.616	62.383	151.426	270.686
	Capital expenditure							
15	Maintaining the long term capability of the assets - infra	£m	1.844	0.245	-	-	32.146	34.235
16	Maintaining the long term capability of the assets - non-infra	£m	6.306	1.313	0.157	21.535	76.973	106.284
17	Total base capital expenditure	£m	8.150	1.558	0.157	21.535	109.119	140.519
	Traffic Management Act							
18	Projects incurring costs associated with Traffic Management Act	nr	-	-	-	-	13167	13167

Power

1 The power cost decreased in 2024/25 compared to 2023/24 due to our hedging strategy of buying multiple forward contracts for future years usage, over time in incremental blocks. These are purchased on the forward wholesale market and via market reflective power purchase agreements. This in effect fixes our wholesale cost at an average price of all the forward contracts for the relevant year. In volatile market conditions, forecasting the direction of future prices is a risk decision, and we spread the risk by building up our purchase of future energy use over time, and we do so to ensure financial certainty, not to outperform the market. A hedging strategy of this nature, by its design, avoids the highs, but also the lows in markets through the multiple purchase of small volumes of energy over time. The agreements protected us from the worst impacts of open market peaks in 2022/23 but meant energy cost for 2023/24 included many contracts purchased during this peak with this reducing slightly in 2024/25. Overall costs have remained high for 2024/25 compared with base year of 2019/20 regardless of open market movements.

Water resources capital expenditure

Infra

2 Capital expenditure on Infra water resources asset maintenance decreased in 2024/25 compared to 2023/24 due to a non-recurring spend of £1.6 million in 2023/24 for works carried out on the concrete bank of Cadney reservoir. This work was largely concluded in 2023/24, with only £0.01 million incurred in 2024/25. The decrease in spend was partially offset by an increase in spend on the Grafham Dam Draw-Down Failure scheme, which increased by £0.8 million vs 2023/24.

Non-infra

3 Capital expenditure on Non-Infra water resources asset maintenance decreased in 2024/25 compared to 2023/24 due to a reduction in the value of reactive Surface Water asset maintenance.

Raw Water Distribution capital expenditure

4 Capital expenditure on Raw Water Distribution asset maintenance increased in 2024/25 compared to 2023/24 due to higher Treated Water Distribution Energy Optimisation vs 2023/24.

Raw Water Storage capital expenditure

5 Capital expenditure on Raw Water Storage asset maintenance increased in 2024/25 compared to 2023/24 due to an increase in Reservoir Act spend.

Water treatment capital expenditure

6 Capital expenditure on Water Treatment asset maintenance increased in 2024/25 compared to 2023/24. This was driven partly by higher expenditure on the replacement of activated carbon filters, which are used as part of the treatment process to remove chemicals and odours from water. There was also a significant increase in our storage point maintenance programme in 2024/25 compared to 2023/24. These were the largest drivers of the increase in spend compared to 2023/24, alongside a number of smaller schemes where equivalent expenditure was higher in 2024/25.

Treated water distribution capital expenditure

Infra

7 Capital expenditure on Treated Water Distribution Infra assets increased in 2024/25 compared to 2023/24.This was predominately driven by capitalisation of cut piece burst main repairs and Shotley and Steeple Bumpstead planned works, offset by Emergent Needs due to capital reprioritisation.

Non-infra

8 Capital expenditure on Treated Water Distribution Non-Infra assets increased in 2024/25 compared to 2023/24. This was mainly driven by proactive meter exchanges offset by Storage Points, Energy Optimisation and increased painshare on Stop Taps.

Table 4K - Base expenditure analysis for the 12 months ended 31 March 2025 - wastewater network + and bioresources

	Line description	Units	Expenditure in report year								
			Wastewater network+					Bioresources			Total
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge Transport	Sludge Treatment	Sludge Disposal	
	Operating expenditure										
1	Power	£m	16.759	4.857	2.408	48.137	2.088	0.000	-1.703	0.000	72.546
2	Income treated as negative expenditure	£m	0.071	0.020	0.010	-1.044	-	-	-9.206	-2.319	-12.468
3	Bulk Supply/Bulk discharge	£m	-	-	-	-	-	-	-	-	-
4	Renewals expensed in year (infrastructure)	£m	13.211	3.829	1.898	0.008	0.000	0.002	0.002	0.001	18.951
5	Renewals expensed in year (non-infrastructure)	£m	-	-	-	-	-	-	-	-	-
6	Other operating expenditure	£m	42.912	13.176	6.635	94.476	4.095	36.983	49.161	17.052	264.489
7	Local authority and Cumulo rates	£m	0.047	0.019	0.014	28.095	1.084	0.106	4.441	0.122	33.929
	Service Charges										
8	Canal & River Trust abstraction charges/ discharge consents	£m	0.110	0.032	0.016	-	-	-	-	-	0.158
9	EA / NRW abstraction charges/ discharge consents	£m	2.415	0.700	0.347	10.578	0.118	-	0.186	-	14.344
10	Other abstraction charges/ discharge consents	£m	-	-	-	-	-	-	-	-	-
	Location specific costs & obligations										
11	Costs associated with Traffic Management Act	£m	0.050	-	-	-	-	-	-	-	0.050
12	Costs associated with lane rental schemes	£m	-	-	-	-	-	-	-	-	-
13	Costs associated with Industrial emissions directive	£m	-	-	-	-	-	-	-	-	-
14	Total base operating expenditure	£m	75.575	22.634	11.328	180.250	7.385	37.091	42.881	14.856	392.000
	Capital expenditure										
15	Maintaining the long term capability of the assets - infra	£m	46.134	13.373	6.629	0.041	-	-	-	-	66.177
16	Maintaining the long term capability of the assets - non-infra	£m	21.895	6.346	3.146	125.634	-	2.127	33.485	0.596	193.229
17	Total base capital expenditure	£m	68.029	19.719	9.775	125.675	-	2.127	33.485	0.596	259.406
	Traffic Management Act										
18	Projects incurring costs associated with Traffic Management Act	nr	-	-	-	-	-	-	-	-	-
	Operating expenditure (AMP 7 shadow reported values)										
19	Power	£m	-	-	-	9.524	-	-	14.256	-	23.780

20	Income treated as negative expenditure	£m	-	-	-	-	-	-	-22.512	-	-22.512

Power

1 The wholesale cost of power decreased in 2024/25 compared to 2023/24 due to our hedging strategy of buying multiple forward contracts for future years usage, over time in incremental blocks. These are purchased on the forward wholesale market and via market reflective power purchase agreements. The agreements protected us from the worst impacts of open market peaks in 2022/23 but meant energy cost for 2023/24 included many contracts purchased during this peak with this reducing slightly in 2024/25. Overall costs have remained high for 2024/25 compared with base year of 2019/20 regardless of open market movements.

Maintenance infra

2 The increase seen in Sewage Collection was driven principally by additional investment in capital maintenance for pollutions mitigation.

Maintenance non-infra

3 Maintenance non-infra spend increased by £26.3 million in real terms due additional investment in capital maintenance for pollutions mitigation.

Shadow Reporting Line 19 & 20

4 We have adjusted the values for Power and Income treated as negative operating expenditure to reflect the required shadow reporting position.

Table 4L - Enhancement Expenditure - Wholesale Water

	Line description		Units	Expenditure in report year (AMP7 only)					
				Water resources	Water network+				Total
					Raw water transport	Raw water storage	Water treatment	Treated water distribution	
	EA/NRW environmental programme (WINEP/NEP)								
1	Ecological improvements at abstractions	Capex	£m	0.150	0.018	-	-	-	0.168
2	Ecological improvements at abstractions	Opex	£m	-	-	-	-	-	-
3	Ecological improvements at abstractions	Totex	£m	0.150	0.018	-	-	-	0.168
4	Eels Regulations (measures at intakes)	Capex	£m	1.272	-	-	-	-	1.272
5	Eels Regulations (measures at intakes)	Opex	£m	0.021	-	-	-	-	0.021
6	Eels Regulations (measures at intakes)	Totex	£m	1.293	-	-	-	-	1.293
7	Invasive Non Native Species	Capex	£m	-	-	-	-	-	-
8	Invasive Non Native Species	Opex	£m	0.282	-	-	-	-	0.282
9	Invasive Non Native Species	Totex	£m	0.282	-	-	-	-	0.282
10	Drinking Water Protected Areas (schemes)	Capex	£m	-	-	-	-	-	-
11	Drinking Water Protected Areas (schemes)	Opex	£m	0.338	-	-	-	-	0.338
12	Drinking Water Protected Areas (schemes)	Totex	£m	0.338	-	-	-	-	0.338
13	Water Framework Directive measures	Capex	£m	6.596	2.020	-	-	-	8.616
14	Water Framework Directive measures	Opex	£m	-	-	-	-	0.232	0.232
15	Water Framework Directive measures	Totex	£m	6.596	2.020	-	-	0.232	8.848
16	Investigations	Capex	£m	-	-	-	-	-	-
17	Investigations	Opex	£m	-	-	-	-	-	-
18	Investigations	Totex	£m	-	-	-	-	-	-
19	Total environmental programme expenditure	Totex	£m	8.659	2.038	-	-	0.232	10.929

	Supply-demand balance								
20	Supply-side improvements delivering benefits in 2020-2025	Capex	£m	1.212	-	-	8.144	0.084	9.440
21	Supply-side improvements delivering benefits in 2020-2025	Opex	£m	-	-	-	-	-	-
22	Supply-side improvements delivering benefits in 2020-2025	Totex	£m	1.212	-	-	8.144	0.084	9.440
23	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	Capex	£m	-	-	-	-	-	-
24	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	Opex	£m	-	-	-	-	1.121	1.121
25	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	Totex	£m	-	-	-	-	1.121	1.121
26	Leakage improvements delivering benefits in 2020-2025	Capex	£m	-	-	-	-	15.312	15.312
27	Leakage improvements delivering benefits in 2020-2025	Opex	£m	-	-	-	-	2.429	2.429
28	Leakage improvements delivering benefits in 2020-2025	Totex	£m	-	-	-	-	17.741	17.741
29	Internal interconnectors delivering benefits in 2020-2025	Capex	£m	-	-	-	-	233.918	233.918
30	Internal interconnectors delivering benefits in 2020-2025	Opex	£m	1.042	-	-	-	-	1.042
31	Internal interconnectors delivering benefits in 2020-2025	Totex	£m	1.042	-	-	-	233.918	234.960
32	Supply demand balance improvements delivering benefits starting from 2026	Capex	£m	-	-	-	-	-	-
33	Supply demand balance improvements delivering benefits starting from 2026	Opex	£m	-	-	-	-	-	-
34	Supply demand balance improvements delivering benefits starting from 2026	Totex	£m	-	-	-	-	-	-
35	Strategic regional water resources	Capex	£m	36.788	-	-	-	-	36.788
36	Strategic regional water resources	Opex	£m	1.272	-	-	-	-	1.272
37	Strategic regional water resources	Totex	£m	38.060	-	-	-	-	38.060
38	Total supply demand expenditure	Totex	£m	40.314	-	-	8.144	252.864	301.322

	Metering								
39	New meters requested by existing customers (optants)	Capex	£m	-	-	-	-	2.135	2.135
40	New meters requested by existing customers (optants)	Opex	£m	-	-	-	-	-	-
41	New meters requested by existing customers (optants)	Totex	£m	-	-	-	-	2.135	2.135
42	New meters introduced by companies for existing customers	Capex	£m	-	-	-	-	0.169	0.169

43	New meters introduced by companies for existing customers	Opex	£m	-	-	-	-	-	-
44	New meters introduced by companies for existing customers	Totex	£m	-	-	-	-	0.169	0.169
45	New meters for existing customers - business	Capex	£m	-	-	-	-	-	-
46	New meters for existing customers - business	Opex	£m	-	-	-	-	-	-
47	New meters for existing customers - business	Totex	£m	-	-	-	-	-	-
48	Replacement of existing basic meters with AMR or AMI meters for household customers	Capex	£m	-	-	-	-	15.418	15.418
49	Replacement of existing basic meters with AMR or AMI meters for household customers	Opex	£m	-	-	-	-	-	-
50	Replacement of existing basic meters with AMR or AMI meters for household customers	Totex	£m	-	-	-	-	15.418	15.418
51	Replacement of existing AMR meters with AMI meters for household customers	Capex	£m	-	-	-	-	-	-
52	Replacement of existing AMR meters with AMI meters for household customers	Opex	£m	-	-	-	-	-	-
53	Replacement of existing AMR meters with AMI meters for household customers	Totex	£m	-	-	-	-	-	-
54	Replacement of existing basic meters with AMR or AMI meters for business customers	Capex	£m	-	-	-	-	-	-
55	Replacement of existing basic meters with AMR or AMI meters for business customers	Opex	£m	-	-	-	-	-	-
56	Replacement of existing basic meters with AMR or AMI meters for business customers	Totex	£m	-	-	-	-	-	-
57	Replacement of existing AMR meters with AMI meters for business customers	Capex	£m	-	-	-	-	-	-
58	Replacement of existing AMR meters with AMI meters for business customers	Opex	£m	-	-	-	-	-	-
59	Replacement of existing AMR meters with AMI meters for business customers	Totex	£m	-	-	-	-	-	-
60	Smart meter infrastructure	Capex	£m	-	-	-	-	12.856	12.856
61	Smart meter infrastructure	Opex	£m	-	-	-	-	3.931	3.931
62	Smart meter infrastructure	Totex	£m	-	-	-	-	16.787	16.787
63	Total metering expenditure	Totex	£m	-	-	-	-	34.509	34.509

	Other enhancement								
64	Improvements to taste, odour and colour	Capex	£m	-	-	-	-	-	-
65	Improvements to taste, odour and colour	Opex	£m	-	-	-	-	-	-
66	Improvements to taste, odour and colour	Totex	£m	-	-	-	-	-	-

67	Addressing raw water deterioration (grey solutions)	Capex	£m	-	-	-	0.117	-	0.117
68	Addressing raw water deterioration (grey solutions)	Opex	£m	-	-	-	0.186	-	0.186
69	Addressing raw water deterioration (grey solutions)	Totex	£m	-	-	-	0.303	-	0.303
70	Addressing raw water deterioration (green solutions)	Capex	£m	-	-	-	-	-	-
71	Addressing raw water deterioration (green solutions)	Opex	£m	-	-	-	-	-	-
72	Addressing raw water deterioration (green solutions)	Totex	£m	-	-	-	-	-	-
73	Addressing raw water deterioration (total)	Capex	£m	-	-	-	0.117	-	0.117
74	Addressing raw water deterioration (total)	Opex	£m	-	-	-	0.186	-	0.186
75	Addressing raw water deterioration (total)	Totex	£m	-	-	-	0.303	-	0.303
76	Improvements to river flow	Capex	£m	-	-	-	-	-	-
77	Improvements to river flow	Opex	£m	0.419	-	-	-	-	0.419
78	Improvements to river flow	Totex	£m	0.419	-	-	-	-	0.419
79	Enhancing resilience to low probability high consequence events	Capex	£m	0.187	-	-	0.500	2.026	2.713
80	Enhancing resilience to low probability high consequence events	Opex	£m	-	-	-	-	1.431	1.431
81	Enhancing resilience to low probability high consequence events	Totex	£m	0.187	-	-	0.500	3.457	4.144
82	Conditioning water to reduce plumbosolvency	Capex	£m	-	-	-	0.017	-	0.017
83	Conditioning water to reduce plumbosolvency	Opex	£m	-	-	-	-	-	-
84	Conditioning water to reduce plumbosolvency	Totex	£m	-	-	-	0.017	-	0.017
85	Lead communication pipes replaced or relined for water quality	Capex	£m	-	-	-	-	1.908	1.908
86	Lead communication pipes replaced or relined for water quality	Opex	£m	-	-	-	-	0.221	0.221
87	Lead communication pipes replaced or relined for water quality	Totex	£m	-	-	-	-	2.129	2.129
88	Other lead reduction related activity	Capex	£m	-	-	-	-	-	-
89	Other lead reduction related activity	Opex	£m	-	-	-	-	-	-
90	Other lead reduction related activity	Totex	£m	-	-	-	-	-	-
91	Meeting lead standards (total)	Capex	£m	-	-	-	0.017	1.908	1.925
92	Meeting lead standards (total)	Opex	£m	-	-	-	-	0.221	0.221

93	Meeting lead standards (total)	Totex	£m	-	-	-	0.017	2.129	2.146
94	Security - SEMD	Capex	£m	-	-	-	-	-	-
95	Security - SEMD	Opex	£m	-	-	-	-	-	-
96	Security - SEMD	Totex	£m	-	-	-	-	-	-
97	Security - Non-SEMD	Capex	£m	-	-	-	3.743	-	3.743
98	Security - Non-SEMD	Opex	£m	-	-	-	-	-	-
99	Security - Non-SEMD	Totex	£m	-	-	-	3.743	-	3.743
100	Additional line 1 - Low Pressure (DG2)	Capex	£m	-	-	-	-	0.124	0.124
101	Additional line 1 - Low Pressure (DG2)	Opex	£m	-	-	-	-	-	-
102	Additional line 2 - Supply demand balance improvements delivering benefits starting from 2031	Capex	£m	-	-	-	-	-	-
103	Additional line 2 - Supply demand balance improvements delivering benefits starting from 2031	Opex	£m	-	-	-	-	-	-
104	Additional line 3 - Internal interconnectors delivering benefits in 2025-2030	Capex	£m	-	-	-	-	-	-
105	Additional line 3 - Internal interconnectors delivering benefits in 2025-2030	Opex	£m	-	-	-	-	-	-
106	Additional line 4 - Innovation fund projects	Capex	£m	-	-	-	-	-	-
107	Additional line 4 - Innovation fund projects	Opex	£m	-	-	-	-	-	-
108	Additional line 5	Capex	£m	-	-	-	-	-	-
109	Additional line 5	Opex	£m	-	-	-	-	-	-
110	Additional line 6	Capex	£m	-	-	-	-	-	-
111	Additional line 6	Opex	£m	-	-	-	-	-	-
112	Additional line 7	Capex	£m	-	-	-	-	-	-
113	Additional line 7	Opex	£m	-	-	-	-	-	-
114	Additional line 8	Capex	£m	-	-	-	-	-	-
115	Additional line 8	Opex	£m	-	-	-	-	-	-
116	Additional line 9	Capex	£m	-	-	-	-	-	-
117	Additional line 9	Opex	£m	-	-	-	-	-	-
118	Additional line 10	Capex	£m	-	-	-	-	-	-

119	Additional line 10	Opex	£m	-	-	-	-	-	-
120	Total other enhancement expenditure	Totex	£m	0.606	-	-	4.563	5.710	10.879

	Total enhancement								
121	Total enhancement expenditure	Capex	£m	46.205	2.038	-	12.521	283.950	344.714
122	Total enhancement expenditure	Opex	£m	3.374	-	-	0.186	9.365	12.925
123	Total enhancement expenditure	Totex	£m	49.579	2.038	-	12.707	293.315	357.639

	Line description		Units	Expenditure in report year (AMP8 only)			Total (AMP7 & AMP8)
				Accelerated scheme costs	Transition costs	Total	
	EA/NRW environmental programme (WINEP/NEP)						
1	Ecological improvements at abstractions	Capex	£m	-	0.222	0.222	0.390
2	Ecological improvements at abstractions	Opex	£m	-	-	-	-
3	Ecological improvements at abstractions	Totex	£m	-	0.222	0.222	0.390
4	Eels Regulations (measures at intakes)	Capex	£m	-	-	-	1.272
5	Eels Regulations (measures at intakes)	Opex	£m	-	-	-	0.021
6	Eels Regulations (measures at intakes)	Totex	£m	-	-	-	1.293
7	Invasive Non Native Species	Capex	£m	-	-	-	-
8	Invasive Non Native Species	Opex	£m	-	-	-	0.282
9	Invasive Non Native Species	Totex	£m	-	-	-	0.282
10	Drinking Water Protected Areas (schemes)	Capex	£m	-	-	-	-
11	Drinking Water Protected Areas (schemes)	Opex	£m	-	-	-	0.338
12	Drinking Water Protected Areas (schemes)	Totex	£m	-	-	-	0.338
13	Water Framework Directive measures	Capex	£m	-	-	-	8.616
14	Water Framework Directive measures	Opex	£m	-	-	-	0.232
15	Water Framework Directive measures	Totex	£m	-	-	-	8.848
16	Investigations	Capex	£m	-	1.197	1.197	1.197
17	Investigations	Opex	£m	-	-	-	-
18	Investigations	Totex	£m	-	1.197	1.197	1.197
19	Total environmental programme expenditure	Totex	£m	-	1.419	1.419	12.348
	Supply-demand balance						
20	Supply-side improvements delivering benefits in 2020-2025	Capex	£m	-	4.123	4.123	13.563

21	Supply-side improvements delivering benefits in 2020-2025	Opex	£m	-	-	-	-
22	Supply-side improvements delivering benefits in 2020-2025	Totex	£m	-	4.123	4.123	13.563
23	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	Capex	£m	-	-	-	-
24	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	Opex	£m	-	-	-	1.121
25	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	Totex	£m	-	-	-	1.121
26	Leakage improvements delivering benefits in 2020-2025	Capex	£m	-	0.762	0.762	16.074
27	Leakage improvements delivering benefits in 2020-2025	Opex	£m	-	-	-	2.429
28	Leakage improvements delivering benefits in 2020-2025	Totex	£m	-	0.762	0.762	18.503
29	Internal interconnectors delivering benefits in 2020-2025	Capex	£m	-	0.711	0.711	234.629
30	Internal interconnectors delivering benefits in 2020-2025	Opex	£m	-	-	-	1.042
31	Internal interconnectors delivering benefits in 2020-2025	Totex	£m	-	0.711	0.711	235.671
32	Supply demand balance improvements delivering benefits starting from 2026	Capex	£m	-	1.441	1.441	1.441
33	Supply demand balance improvements delivering benefits starting from 2026	Opex	£m	-	-	-	-
34	Supply demand balance improvements delivering benefits starting from 2026	Totex	£m	-	1.441	1.441	1.441
35	Strategic regional water resources	Capex	£m	-	1.500	1.500	38.288
36	Strategic regional water resources	Opex	£m	-	-	-	1.272
37	Strategic regional water resources	Totex	£m	-	1.500	1.500	39.560
38	Total supply demand expenditure	Totex	£m	-	8.537	8.537	309.859

	Metering						
39	New meters requested by existing customers (optants)	Capex	£m	0.049	-	0.049	2.184
40	New meters requested by existing customers (optants)	Opex	£m	-	-	-	-
41	New meters requested by existing customers (optants)	Totex	£m	0.049	-	0.049	2.184
42	New meters introduced by companies for existing customers	Capex	£m	0.001	-	0.001	0.170
43	New meters introduced by companies for existing customers	Opex	£m	-	-	-	-
44	New meters introduced by companies for existing customers	Totex	£m	0.001	-	0.001	0.170

45	New meters for existing customers - business	Capex	£m	-	-	-	-
46	New meters for existing customers - business	Opex	£m	-	-	-	-
47	New meters for existing customers - business	Totex	£m	-	-	-	-
48	Replacement of existing basic meters with AMR or AMI meters for household customers	Capex	£m	5.397	-	5.397	20.815
49	Replacement of existing basic meters with AMR or AMI meters for household customers	Opex	£m	-	-	-	-
50	Replacement of existing basic meters with AMR or AMI meters for household customers	Totex	£m	5.397	-	5.397	20.815
51	Replacement of existing AMR meters with AMI meters for household customers	Capex	£m	1.051	-	1.051	1.051
52	Replacement of existing AMR meters with AMI meters for household customers	Opex	£m	-	-	-	-
53	Replacement of existing AMR meters with AMI meters for household customers	Totex	£m	1.051	-	1.051	1.051
54	Replacement of existing basic meters with AMR or AMI meters for business customers	Capex	£m	0.421	-	0.421	0.421
55	Replacement of existing basic meters with AMR or AMI meters for business customers	Opex	£m	-	-	-	-
56	Replacement of existing basic meters with AMR or AMI meters for business customers	Totex	£m	0.421	-	0.421	0.421
57	Replacement of existing AMR meters with AMI meters for business customers	Capex	£m	0.140	-	0.140	0.140
58	Replacement of existing AMR meters with AMI meters for business customers	Opex	£m	-	-	-	-
59	Replacement of existing AMR meters with AMI meters for business customers	Totex	£m	0.140	-	0.140	0.140
60	Smart meter infrastructure	Capex	£m	1.064	-	1.064	13.920
61	Smart meter infrastructure	Opex	£m	-	-	-	3.931
62	Smart meter infrastructure	Totex	£m	1.064	-	1.064	17.851
63	Total metering expenditure	Totex	£m	8.123	-	8.123	42.632

	Other enhancement						
64	Improvements to taste, odour and colour	Capex	£m	-	0.156	0.156	0.156
65	Improvements to taste, odour and colour	Opex	£m	-	-	-	-
66	Improvements to taste, odour and colour	Totex	£m	-	0.156	0.156	0.156
67	Addressing raw water deterioration (grey solutions)	Capex	£m	-	1.094	1.094	1.211
68	Addressing raw water deterioration (grey solutions)	Opex	£m	-	-	-	0.186

69	Addressing raw water deterioration (grey solutions)	Totex	£m	-	1.094	1.094	1.397
70	Addressing raw water deterioration (green solutions)	Capex	£m	-	-	-	-
71	Addressing raw water deterioration (green solutions)	Opex	£m	-	-	-	-
72	Addressing raw water deterioration (green solutions)	Totex	£m	-	-	-	-
73	Addressing raw water deterioration (total)	Capex	£m	-	1.094	1.094	1.211
74	Addressing raw water deterioration (total)	Opex	£m	-	-	-	0.186
75	Addressing raw water deterioration (total)	Totex	£m	-	1.094	1.094	1.397
76	Improvements to river flow	Capex	£m	-	0.279	0.279	0.279
77	Improvements to river flow	Opex	£m	-	-	-	0.419
78	Improvements to river flow	Totex	£m	-	0.279	0.279	0.698
79	Enhancing resilience to low probability high consequence events	Capex	£m	-	0.011	0.011	2.724
80	Enhancing resilience to low probability high consequence events	Opex	£m	-	-	-	1.431
81	Enhancing resilience to low probability high consequence events	Totex	£m	-	0.011	0.011	4.155
82	Conditioning water to reduce plumbosolvency	Capex	£m	-	-	-	0.017
83	Conditioning water to reduce plumbosolvency	Opex	£m	-	-	-	-
84	Conditioning water to reduce plumbosolvency	Totex	£m	-	-	-	0.017
85	Lead communication pipes replaced or relined for water quality	Capex	£m	-	0.137	0.137	2.045
86	Lead communication pipes replaced or relined for water quality	Opex	£m	-	-	-	0.221
87	Lead communication pipes replaced or relined for water quality	Totex	£m	-	0.137	0.137	2.266
88	Other lead reduction related activity	Capex	£m	-	-	-	-
89	Other lead reduction related activity	Opex	£m	-	-	-	-
90	Other lead reduction related activity	Totex	£m	-	-	-	-
91	Meeting lead standards (total)	Capex	£m	-	0.137	0.137	2.062
92	Meeting lead standards (total)	Opex	£m	-	-	-	0.221
93	Meeting lead standards (total)	Totex	£m	-	0.137	0.137	2.283
94	Security - SEMD	Capex	£m	-	-	-	-

95	Security - SEMD	Opex	£m	-	-	-	-
96	Security - SEMD	Totex	£m	-	-	-	-
97	Security - Non-SEMD	Capex	£m	-	-	-	3.743
98	Security - Non-SEMD	Opex	£m	-	-	-	-
99	Security - Non-SEMD	Totex	£m	-	-	-	3.743
100	Additional line 1 - Low Pressure (DG2)	Capex	£m	-	-	-	0.124
101	Additional line 1 - Low Pressure (DG2)	Opex	£m	-	-	-	-
102	Additional line 2 - Supply demand balance improvements delivering benefits starting from 2031	Capex	£m	4.245	-	4.245	4.245
103	Additional line 2 - Supply demand balance improvements delivering benefits starting from 2031	Opex	£m	-	-	-	-
104	Additional line 3 - Internal interconnectors delivering benefits in 2025-2030	Capex	£m	-	-0.917	-0.917	-0.917
105	Additional line 3 - Internal interconnectors delivering benefits in 2025-2030	Opex	£m	-	-	-	-
106	Additional line 4 - Innovation fund projects	Capex	£m	-	0.019	0.019	0.019
107	Additional line 4 - Innovation fund projects	Opex	£m	-	-	-	-
108	Additional line 5	Capex	£m	-	-	-	-
109	Additional line 5	Opex	£m	-	-	-	-
110	Additional line 6	Capex	£m	-	-	-	-
111	Additional line 6	Opex	£m	-	-	-	-
112	Additional line 7	Capex	£m	-	-	-	-
113	Additional line 7	Opex	£m	-	-	-	-
114	Additional line 8	Capex	£m	-	-	-	-
115	Additional line 8	Opex	£m	-	-	-	-
116	Additional line 9	Capex	£m	-	-	-	-
117	Additional line 9	Opex	£m	-	-	-	-
118	Additional line 10	Capex	£m	-	-	-	-
119	Additional line 10	Opex	£m	-	-	-	-
120	Total other enhancement expenditure	Totex	£m	4.245	0.779	5.024	15.903

	Total enhancement						
121	Total enhancement expenditure	Capex	£m	12.368	10.735	23.103	367.817
122	Total enhancement expenditure	Opex	£m	-	-	-	12.925
123	Total enhancement expenditure	Totex	£m	12.368	10.735	23.103	380.742

	Line description		Units	Cumulative expenditure on schemes completed in the report year (AMP7 only)						Cumulative expenditure on all schemes to reporting year end (AMP7 only)	Cumulative allowed expenditure on all schemes to reporting year end (AMP7 only)	Cumulative allowed expenditure on all schemes 2020-25 (AMP7 only)
				Water resources	Water network+				Total			
					Raw water transport	Raw water storage	Water treatment	Treated water distribution		Total	Total	Total
	EA/NRW environmental programme (WINEP/NEP)											
1	Ecological improvements at abstractions	Capex	£m	-	-	-	-	-	-	-	-	-
2	Ecological improvements at abstractions	Opex	£m	-	-	-	-	-	-	-	-	-
3	Ecological improvements at abstractions	Totex	£m	-	-	-	-	-	-	0.934	-	-
4	Eels Regulations (measures at intakes)	Capex	£m	-	-	-	-	-	-	-	-	-
5	Eels Regulations (measures at intakes)	Opex	£m	-	-	-	-	-	-	-	-	-
6	Eels Regulations (measures at intakes)	Totex	£m	-	-	-	-	-	-	5.294	9.472	9.472
7	Invasive Non Native Species	Capex	£m	-	-	-	-	-	-	-	-	-
8	Invasive Non Native Species	Opex	£m	-	-	-	-	-	-	-	-	-
9	Invasive Non Native Species	Totex	£m	-	-	-	-	-	-	1.412	5.629	5.629
10	Drinking Water Protected Areas (schemes)	Capex	£m	-	-	-	-	-	-	-	-	-
11	Drinking Water Protected Areas (schemes)	Opex	£m	-	-	-	-	-	-	-	-	-
12	Drinking Water Protected Areas (schemes)	Totex	£m	-	-	-	-	-	-	5.337	37.644	37.644
13	Water Framework Directive measures	Capex	£m	-	-	-	-	-	-	-	-	-
14	Water Framework Directive measures	Opex	£m	-	-	-	-	-	-	-	-	-
15	Water Framework Directive measures	Totex	£m	-	-	-	-	-	-	17.977	31.860	31.860
16	Investigations	Capex	£m	-	-	-	-	-	-	-	-	-
17	Investigations	Opex	£m	-	-	-	-	-	-	-	-	-
18	Investigations	Totex	£m	-	-	-	-	-	-	0.824	1.241	1.241
19	Total environmental programme expenditure	Totex	£m	-	-	-	-	-	-	31.778	85.846	85.846

	Supply-demand balance											
20	Supply-side improvements delivering benefits in 2020-2025	Capex	£m	-	-	-	0.718	-	0.718	-	-	-
21	Supply-side improvements delivering benefits in 2020-2025	Opex	£m	-	-	-	-	-	-	-	-	-
22	Supply-side improvements delivering benefits in 2020-2025	Totex	£m	-	-	-	0.718	-	0.718	32.563	90.142	90.142
23	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	Capex	£m	-	-	-	-	-	-	-	-	-
24	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	Opex	£m	-	-	-	-	-	-	-	-	-
25	Demand-side improvements delivering benefits in 2020-2025 (excl leakage and metering)	Totex	£m	-	-	-	-	-	-	4.030	-	-
26	Leakage improvements delivering benefits in 2020-2025	Capex	£m	-	-	-	-	-	-	-	-	-
27	Leakage improvements delivering benefits in 2020-2025	Opex	£m	-	-	-	-	-	-	-	-	-
28	Leakage improvements delivering benefits in 2020-2025	Totex	£m	-	-	-	-	-	-	133.393	82.424	82.424
29	Internal interconnectors delivering benefits in 2020-2025	Capex	£m	-	-	-	-	-	-	-	-	-
30	Internal interconnectors delivering benefits in 2020-2025	Opex	£m	-	-	-	-	-	-	-	-	-
31	Internal interconnectors delivering benefits in 2020-2025	Totex	£m	-	-	-	-	-	-	850.180	518.732	518.732
32	Supply demand balance improvements delivering benefits starting from 2026	Capex	£m	-	-	-	-	-	-	-	-	-
33	Supply demand balance improvements delivering benefits starting from 2026	Opex	£m	-	-	-	-	-	-	-	-	-
34	Supply demand balance improvements delivering benefits starting from 2026	Totex	£m	-	-	-	-	-	-	-	5.343	5.343
35	Strategic regional water resources	Capex	£m	-	-	-	-	-	-	-	-	-
36	Strategic regional water resources	Opex	£m	-	-	-	-	-	-	-	-	-
37	Strategic regional water resources	Totex	£m	-	-	-	-	-	-	71.765	31.889	31.889
38	Total supply demand expenditure	Totex	£m	-	-	-	-	-	-	1091.931	728.531	728.531

	Metering											
39	New meters requested by existing customers (optants)	Capex	£m	-	-	-	-	-	-	-	-	-
40	New meters requested by existing customers (optants)	Opex	£m	-	-	-	-	-	-	-	-	-
41	New meters requested by existing customers (optants)	Totex	£m	-	-	-	-	-	-	-	-	-
42	New meters introduced by companies for existing customers	Capex	£m	-	-	-	-	-	-	-	-	-

43	New meters introduced by companies for existing customers	Opex	£m	-	-	-	-	-	-	-	-	-
44	New meters introduced by companies for existing customers	Totex	£m	-	-	-	-	-	-	-	-	-
45	New meters for existing customers - business	Capex	£m	-	-	-	-	-	-	-	-	-
46	New meters for existing customers - business	Opex	£m	-	-	-	-	-	-	-	-	-
47	New meters for existing customers - business	Totex	£m	-	-	-	-	-	-	-	-	-
48	Replacement of existing basic meters with AMR or AMI meters for household customers	Capex	£m	-	-	-	-	-	-	-	-	-
49	Replacement of existing basic meters with AMR or AMI meters for household customers	Opex	£m	-	-	-	-	-	-	-	-	-
50	Replacement of existing basic meters with AMR or AMI meters for household customers	Totex	£m	-	-	-	-	-	-	-	-	-
51	Replacement of existing AMR meters with AMI meters for household customers	Capex	£m	-	-	-	-	-	-	-	-	-
52	Replacement of existing AMR meters with AMI meters for household customers	Opex	£m	-	-	-	-	-	-	-	-	-
53	Replacement of existing AMR meters with AMI meters for household customers	Totex	£m	-	-	-	-	-	-	-	-	-
54	Replacement of existing basic meters with AMR or AMI meters for business customers	Capex	£m	-	-	-	-	-	-	-	-	-
55	Replacement of existing basic meters with AMR or AMI meters for business customers	Opex	£m	-	-	-	-	-	-	-	-	-
56	Replacement of existing basic meters with AMR or AMI meters for business customers	Totex	£m	-	-	-	-	-	-	-	-	-
57	Replacement of existing AMR meters with AMI meters for business customers	Capex	£m	-	-	-	-	-	-	-	-	-
58	Replacement of existing AMR meters with AMI meters for business customers	Opex	£m	-	-	-	-	-	-	-	-	-
59	Replacement of existing AMR meters with AMI meters for business customers	Totex	£m	-	-	-	-	-	-	-	-	-
60	Smart meter infrastructure	Capex	£m	-	-	-	-	-	-	-	-	-
61	Smart meter infrastructure	Opex	£m	-	-	-	-	-	-	-	-	-
62	Smart meter infrastructure	Totex	£m	-	-	-	-	-	-	-	-	-
63	Total metering expenditure	Totex	£m	-	-	-	-	-	-	137.994	165.90	165.90

	Other enhancement											
64	Improvements to taste, odour and colour	Capex	£m	-	-	-	-	-	-	-	-	-
65	Improvements to taste, odour and colour	Opex	£m	-	-	-	-	-	-	-	-	-
66	Improvements to taste, odour and colour	Totex	£m	-	-	-	-	-	-	-	-	-

67	Addressing raw water deterioration (grey solutions)	Capex	£m	-	-	-	-	-	-	-	-	-
68	Addressing raw water deterioration (grey solutions)	Opex	£m	-	-	-	-	-	-	-	-	-
69	Addressing raw water deterioration (grey solutions)	Totex	£m	-	-	-	-	-	-	25.999	-	-
70	Addressing raw water deterioration (green solutions)	Capex	£m	-	-	-	-	-	-	-	-	-
71	Addressing raw water deterioration (green solutions)	Opex	£m	-	-	-	-	-	-	-	-	-
72	Addressing raw water deterioration (green solutions)	Totex	£m	-	-	-	-	-	-	0.025	-	-
73	Addressing raw water deterioration (total)	Capex	£m	-	-	-	-	-	-	-	-	-
74	Addressing raw water deterioration (total)	Opex	£m	-	-	-	-	-	-	-	-	-
75	Addressing raw water deterioration (total)	Totex	£m	-	-	-	-	-	-	25.034	25.741	25.741
76	Improvements to river flow	Capex	£m	-	-	-	-	-	-	-	-	-
77	Improvements to river flow	Opex	£m	-	-	-	-	-	-	-	-	-
78	Improvements to river flow	Totex	£m	-	-	-	-	-	-	1.412	-	-
79	Enhancing resilience to low probability high consequence events	Capex	£m	-	-	-	-	-	-	-	-	-
80	Enhancing resilience to low probability high consequence events	Opex	£m	-	-	-	-	-	-	-	-	-
81	Enhancing resilience to low probability high consequence events	Totex	£m	-	-	-	-	-	-	22.012	23.141	23.141
82	Conditioning water to reduce plumbosolvency	Capex	£m	-	-	-	-	-	-	-	-	-
83	Conditioning water to reduce plumbosolvency	Opex	£m	-	-	-	-	-	-	-	-	-
84	Conditioning water to reduce plumbosolvency	Totex	£m	-	-	-	-	-	-	3.962	-	-
85	Lead communication pipes replaced or relined for water quality	Capex	£m	-	-	-	-	-	-	-	-	-
86	Lead communication pipes replaced or relined for water quality	Opex	£m	-	-	-	-	-	-	-	-	-
87	Lead communication pipes replaced or relined for water quality	Totex	£m	-	-	-	-	-	-	7.290	-	-
88	Other lead reduction related activity	Capex	£m	-	-	-	-	-	-	-	-	-
89	Other lead reduction related activity	Opex	£m	-	-	-	-	-	-	-	-	-
90	Other lead reduction related activity	Totex	£m	-	-	-	-	-	-	-	-	-
91	Meeting lead standards (total)	Capex	£m	-	-	-	-	-	-	-	-	-
92	Meeting lead standards (total)	Opex	£m	-	-	-	-	-	-	-	-	-

93	Meeting lead standards (total)	Totex	£m	-	-	-	-	-	-	10.415	15.652	15.652
94	Security - SEMD	Capex	£m	-	-	-	-	-	-	-	-	-
95	Security - SEMD	Opex	£m	-	-	-	-	-	-	-	-	-
96	Security - SEMD	Totex	£m	-	-	-	-	-	-	-	-	-
97	Security - Non-SEMD	Capex	£m	-	-	-	-	-	-	-	-	-
98	Security - Non-SEMD	Opex	£m	-	-	-	-	-	-	-	-	-
99	Security - Non-SEMD	Totex	£m	-	-	-	-	-	-	11.420	17.952	17.952
100	Additional line 1 - Low Pressure (DG2)	Capex	£m	-	-	-	-	-	-	10.715	-	-
101	Additional line 1	Opex	£m	-	-	-	-	-	-	-	-	-
102	Additional line 2 - Supply demand balance improvements delivering benefits starting from 2031	Capex	£m	-	-	-	-	-	-	-	-	-
103	Additional line 2	Opex	£m	-	-	-	-	-	-	-	-	-
104	Additional line 3 - Internal interconnectors delivering benefits in 2025-2030	Capex	£m	-	-	-	-	-	-	-	-	-
105	Additional line 3	Opex	£m	-	-	-	-	-	-	-	-	-
106	Additional line 4 - Advanced WINEP	Capex	£m	-	-	-	-	-	-	-	-	-
107	Additional line 4	Opex	£m	-	-	-	-	-	-	-	-	-
108	Additional line 5	Capex	£m	-	-	-	-	-	-	-	-	-
109	Additional line 5	Opex	£m	-	-	-	-	-	-	-	-	-
110	Additional line 6	Capex	£m	-	-	-	-	-	-	-	-	-
111	Additional line 6	Opex	£m	-	-	-	-	-	-	-	-	-
112	Additional line 7	Capex	£m	-	-	-	-	-	-	-	-	-
113	Additional line 7	Opex	£m	-	-	-	-	-	-	-	-	-
114	Additional line 8	Capex	£m	-	-	-	-	-	-	-	-	-
115	Additional line 8	Opex	£m	-	-	-	-	-	-	-	-	-
116	Additional line 9	Capex	£m	-	-	-	-	-	-	-	-	-
117	Additional line 9	Opex	£m	-	-	-	-	-	-	-	-	-
118	Additional line 10	Capex	£m	-	-	-	-	-	-	-	-	-

119	Additional line 10	Opex	£m	-	-	-	-	-	-	-	-	-
120	Total other enhancement expenditure	Totex	£m	-	-	-	-	-	-	81.008	82.487	82.487

	Total enhancement											
121	Total enhancement expenditure	Capex	£m	-	-	-	-	-	-	-	-	-
122	Total enhancement expenditure	Opex	£m	-	-	-	-	-	-	-	-	-
123	Total enhancement expenditure	Totex	£m	-	-	-	-	-	-	1342.711	1062.766	1062.766

Enhancement expenditure by purpose

1 The source of the data is the project systems module of our SAP business management system. Each project holds as part of its master data Business Investment Category (BIC) codes which indicate the Ofwat categories of enhancement and maintenance, infrastructure and non infrastructure, and also align with accounting separation categories. The codes are mapped to their relevant lines in the table.

2 It is expected that capital expenditure profiles vary year on year significantly due to the strategic prioritisation of the investment programme. Large projects and stakeholder required investments can lead to variances in year on year comparisons of the same data point.

3 Some credits have occurred due to movements and payments to contractors for pain and gain share which are only confirmed when a project is final accounted.

4 Schemes addressing low pressure have been separately reported in 4L.100 and 4L.101 Additional line 1 - Low Pressure (DG2).

5 We record expenditure in the year in which it is incurred, which means that for many schemes expenditure is spread over a number of years. In contrast, we record outputs in the year that schemes are commissioned. This means that in some years we may show expenditure without any apparent output.

Variance against allowance

6 The below commentary compares our actual and allowed positions. Not all lines have been commented on as we have focused on those with the larger variances.

Eels Regulations (Measures at intakes) (4L.6)

7 Through the process we identified more efficient solution and ways to deliver.

Invasive Non Native Species (4L.9)

8 Budget and scope reduction meant we spent less on this programme than originally planned. This was largely a contribution to the overall budget challenge rather than a reduction in the need of the schemes themselves.

9 We worked hard to find more efficient ways of achieving the outcome for the environment. For example, for one scheme, the lower costs associated with having significantly reduced the distribution of Floating Pennywort. All schemes are on track for completion and sign off by the Environment Agency.

Drinking Water Protected Areas (schemes) (4L.12)

10 The Final Determination (FD) allowance for this line was predominantly enhancement opex for catchment management activities, much of which was required to mitigate metaldehyde in raw water sources. Since the ban was reintroduced by the Environment Agency we have scaled back activity in this area to deal with other raw water contaminants.

11 In addition, in 2020/21 and 2021/22 we were constrained by the opex-capex ratios in the PR19 FD, which were subsequently adjusted by the CMA FD. The CMA decisions were effective from 2022/23. In 2020/21 and 2021/22 we therefore sought to defer any non-essential enhancement opex into later years where possible.

12 Opex spend within 2024/25 relates largely to Helpston land remediation to mitigate the risk of contamination of our water source from a third-party site.

Water framework directives measures (4L.15)

13 In our WRMP19 and PR19 business plan we included £4 million (2017/18 price time basis) against WINEP obligation 7AW100089 as a mitigation of the effects of abstraction on river flow at the River Lark at Bury St. Edmunds. Subsequent to the Final Determination, a change in requirements at this location from the Environment Agency meant that the WRMP and business plan option, of installing equipment to recirculate river flows from downstream, was no longer viable. We therefore changed our option to resolve the need, instead choosing to upsize three strategic interconnectors (ELY9, BHV5 and NWM6). This is a higher cost option, and because the solution is part of the Strategic Interconnectors programme, the spend is now reported on APR line 4L.29 'Internal interconnectors delivering benefits in 2020-2025'.

Supply-side improvements delivering benefits in 2020-2025 (4L.22)

14 The FD allowance on this line was for four main items: Pyewipe (SHB2a), the treatment components of two interconnectors (ELY9 & RTS), and Elsham DPC. The Pyewipe scheme has now been stopped and is being replaced by the North Lincs Alternative Schemes which are in the process of being delivered alongside the interconnector programme(see table 6F commentary for more information). The spend profile will therefore be different from that in the business plan. As the ELY9&RTS interconnectors progress through detailed design the balance of costs between treatment spend and pipelines will vary, and the spend will now be incurred on line 4L.31 for interconnectors.

Leakage improvements delivering benefits in 2020-2025 (4L.28)

15 We have continued to invest more in leakage improvement to mitigate the level of leakage in year to ensure the leakage management demand side reductions can be met to enable supply demand balance to be maintained. Our continued investment also supports mitigating the impact of extreme weather, including extreme summer heat (>40 degrees centigrade) and multiple winter freeze/thaw events freeze thaw events.

Internal interconnectors delivering benefits in 2020-2025 (4L.31)

16 As part of the PR24 final determination this programme has been reprofiled to complete in AMP8, Ofwat have provided an ex ante allowance in AMP8 recognising that the total cost of this programme will now far exceed the PR19 allowances

Supply demand balance improvements delivering benefits starting from 2026 (4L.34)

17 This investment comprises our Adaptive Planning work to look at future water resources. In our PR19 business plan this programme included the Fens Reservoir which has subsequently been removed from this programme and is being developed separately under the RAPID programme and reported in line 4L.37.

Strategic regional water resources (4L.37)

18 The allowance at PR19 did not include anything for the Fens Reservoir and from Gate three we have sole responsibility for the South Lincolnshire Reservoir rather than a shared arrangement with Affinity.

Replacement of existing meters (4L.50 - 4L.59)

19 Accelerated scheme costs for replacement meters includes £3.3 million of capital expenditure which would ordinarily be classified as Maintenance expenditure and reported within Maintaining the long term capability of the assets in table 4J but because they are Accelerated scheme costs it is not appropriate to include them in 4J.

Addressing raw water deterioration (total) (4L.75)

20 Through the process we identified more efficient solution and ways to deliver.

Meeting lead standards (total) (4L.93)

21 Through the process we identified more efficient solution and ways to deliver.

Security - Non-SEMD (4L.99)

22 Spend is related to SEMD Compliance assessments conducted by external authorised auditors.

Alignment with Blind Year Adjustment SRO tables

23 Ofwat has provided an additional guideline in the 'Guidance' tab of the Blind-Year-Adjustment (BYA) SRO data tables' template. This guideline states:

24 *"We do not expect companies to populate the relevant line in the Annual Performance Review Table 4L. If companies wish to do so, we expect the information included to be consistent with this template."*

25 While both our BYA and APR Submissions are consistent with Ofwat's guidance, the APR submission's cumulative spend included in lines 4L.35-37 (which correspond to SRO Totex spend) are not the only ones with SRO spend elements. In the absence of further guidance/clarification by Ofwat regarding which 4L lines are referred to in the above extract, in earlier years of AMP7 cost elements of other lines had included spend related to the early option development work for future projects that might or might not turn out to be SRO projects (e.g. Fens Reservoir). These contribute to cumulative spend reported in lines other than 4L.35-37 (e.g. 4L.32/4L.20). Therefore, we believe that the assured BYA SRO true up model and BYA SRO data tables should be the main reference of Ofwat for SRO-related cost elements.

26 In line with Ofwat's additional guidance provided on 20 June 2025 (in response to our query on the matter), the SRO Land Spend costs which are only applicable for the Lincs Reservoir have been included in 2024/25 Transition costs in our APR 2025 Submission.

Table 4M - Enhancement Expenditure - Wholesale Wastewater

	Line description		Units	Expenditure in report year (AMP7 only)									Expenditure in report year (AMP8 only)			Total (AMP7 & AMP8)
				Wastewater network+					Bioresources			Total	Accelerated scheme costs	Transition costs	Total	
				Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal					
	EA/NRW environmental programme (WINEP/NEP)															
1	Conservation drivers	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Conservation drivers	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Conservation drivers	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Event Duration Monitoring at intermittent discharges	Capex	£m	0.212	0.061	0.030	-	-	-	-	-	0.303	0.088	0.678	0.766	1.069
5	Event Duration Monitoring at intermittent discharges	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Event Duration Monitoring at intermittent discharges	Totex	£m	0.212	0.061	0.030	-	-	-	-	-	0.303	0.088	0.678	0.766	1.069
7	Flow monitoring at sewage treatment works	Capex	£m	-	-	-	16.903	-	-	-	-	16.903	-	2.311	2.311	19.214
8	Flow monitoring at sewage treatment works	Opex	£m	-	-	-	0.020	-	-	-	-	0.020	-	-	-	0.020
9	Flow monitoring at sewage treatment works	Totex	£m	-	-	-	16.923	-	-	-	-	16.923	-	2.311	2.311	19.234
10	Schemes to increase flow to full treatment	Capex	£m	-	-	-	19.897	-	-	-	-	19.897	-	0.023	0.023	19.920
11	Schemes to increase flow to full treatment	Opex	£m	-	-	-	0.409	-	-	-	-	0.409	-	-	-	0.409
12	Schemes to increase flow to full treatment	Totex	£m	-	-	-	20.306	-	-	-	-	20.306	-	0.023	0.023	20.329
13	Schemes to increase storm tank capacity	Capex	£m	-	-	-	8.178	-	-	-	-	8.178	0.705	1.334	2.039	10.217
14	Schemes to increase storm tank capacity	Opex	£m	-	-	-	0.648	-	-	-	-	0.648	-	-	-	0.648
15	Schemes to increase storm tank capacity	Totex	£m	-	-	-	8.826	-	-	-	-	8.826	0.705	1.334	2.039	10.865
16	Schemes to provide additional effective storage at sewage treatment works through green infrastructure.	Capex	£m	-	-	-	-	-	-	-	-	-	0.595	0.104	0.699	0.699
17	Schemes to provide additional effective storage at sewage treatment works through green infrastructure.	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Schemes to provide additional effective storage at sewage treatment works through green infrastructure.	Totex	£m	-	-	-	-	-	-	-	-	-	0.595	0.104	0.699	0.699
19	Storage in the network to reduce spill frequency at CSOs etc (grey solutions)	Capex	£m	-	3.001	-	1.716	-	-	-	-	4.717	-	-	-	4.717

20	Storage in the network to reduce spill frequency at CSOs etc (grey solutions)	Opex	£m	0.004	0.001	0.001	0.060	-	-	-	-	0.066	-	-	-	0.066
21	Storage in the network to reduce spill frequency at CSOs etc (grey solutions)	Totex	£m	0.004	3.002	0.001	1.776	-	-	-	-	4.783	-	-	-	4.783
22	Effective storage in the network to reduce spill frequency at CSOs etc (green solutions)	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Effective storage in the network to reduce spill frequency at CSOs etc (green solutions)	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Effective storage in the network to reduce spill frequency at CSOs etc (green solutions)	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Total for storage schemes in the network to reduce spill frequency at CSOs etc (grey + green)	Totex	£m	0.004	3.002	0.001	1.776	-	-	-	-	4.783	-	-	-	4.783
26	Chemical removals schemes	Capex	£m	-	-	-	-	-	-	-	-	-	-	0.917	0.917	0.917
27	Chemical removals schemes	Opex	£m	-	-	-	0.042	-	-	-	-	0.042	-	-	-	0.042
28	Chemical removals schemes	Totex	£m	-	-	-	0.042	-	-	-	-	0.042	-	0.917	0.917	0.959
29	Chemicals monitoring/ investigations/ options appraisals	Capex	£m	-	-	-	0.260	-	-	-	-	0.260	-	-	-	0.260
30	Chemicals monitoring/ investigations/ options appraisals	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Chemicals monitoring/ investigations/ options appraisals	Totex	£m	-	-	-	0.260	-	-	-	-	0.260	-	-	-	0.260
32	Nitrogen removal	Capex	£m	-	-	-	-	-	-	-	-	-	-	0.097	0.097	0.097
33	Nitrogen removal	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Nitrogen removal	Totex	£m	-	-	-	-	-	-	-	-	-	-	0.097	0.097	0.097
35	Phosphorus removal	Capex	£m	-	-	-	107.192	-	-	-	-	107.192	5.639	9.763	15.402	122.594
36	Phosphorus removal	Opex	£m	-	-	-	3.773	-	-	-	-	3.773	-	-	-	3.773
37	Phosphorus removal	Totex	£m	-	-	-	110.965	-	-	-	-	110.965	5.639	9.763	15.402	126.367
38	Reduction of sanitary parameters	Capex	£m	-	-	-	3.157	-	-	-	-	3.157	-	0.204	0.204	3.361
39	Reduction of sanitary parameters	Opex	£m	-	-	-	0.441	-	-	-	-	0.441	-	-	-	0.441
40	Reduction of sanitary parameters	Totex	£m	-	-	-	3.598	-	-	-	-	3.598	-	0.204	0.204	3.802
41	UV disinfection (or similar)	Capex	£m	0.583	0.169	0.084	-0.048	-	-	-	-	0.788	0.624	0.308	0.932	1.720
42	UV disinfection (or similar)	Opex	£m	0.052	0.015	0.007	-	-	-	-	-	0.074	-	-	-	0.074
43	UV disinfection (or similar)	Totex	£m	0.635	0.184	0.091	-0.048	-	-	-	-	0.862	0.624	0.308	0.932	1.794
44	Investigations	Capex	£m	0.094	0.027	0.014	0.041	-	-	-	-	0.176	0.255	2.766	3.021	3.197

45	Investigations	Opex	£m	0.003	0.001	0.000	-	-	-	-	-	0.004	-	-	-	0.004
46	Investigations	Totex	£m	0.097	0.028	0.014	0.041	-	-	-	-	0.180	0.255	2.766	3.021	3.201
47	Total environmental programme expenditure	Totex	£m	0.948	3.275	0.136	162.689	-	-	-	-	167.048	7.906	18.505	26.411	193.459
	Other enhancement															
48	Growth at sewage treatment works (excluding sludge treatment)	Capex	£m	-	-	-	10.995	-	-	-	-	10.995	-	0.244	0.244	11.239
49	Growth at sewage treatment works (excluding sludge treatment)	Opex	£m	-	-	-	0.154	-	-	-	-	0.154	-	-	-	0.154
50	Growth at sewage treatment works (excluding sludge treatment)	Totex	£m	-	-	-	11.149	-	-	-	-	11.149	-	0.244	0.244	11.393
51	Reduce flooding risk for properties	Capex	£m	15.930	3.774	2.289	-	-	-	-	-	21.993	-	0.114	0.114	22.107
52	Reduce flooding risk for properties	Opex	£m	2.235	0.641	0.320	-	-	-	-	-	3.196	-	-	-	3.196
53	Reduce flooding risk for properties	Totex	£m	18.165	4.415	2.609	-	-	-	-	-	25.189	-	0.114	0.114	25.303
54	First time sewerage	Capex	£m	2.005	0.581	0.288	-0.002	-	-	-	-	2.872	-	-	-	2.872
55	First time sewerage	Opex	£m	0.081	0.023	0.012	-	-	-	-	-	0.116	-	-	-	0.116
56	First time sewerage	Totex	£m	2.086	0.604	0.300	-0.002	-	-	-	-	2.988	-	-	-	2.988
57	Sludge enhancement (quality)	Capex	£m	-	-	-	-	-	-	1.498	-	1.498	-	-	-	1.498
58	Sludge enhancement (quality)	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Sludge enhancement (quality)	Totex	£m	-	-	-	-	-	-	1.498	-	1.498	-	-	-	1.498
60	Sludge enhancement (growth)	Capex	£m	-	-	-	-	-	-	5.856	-	5.856	-	-	-	5.856
61	Sludge enhancement (growth)	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
62	Sludge enhancement (growth)	Totex	£m	-	-	-	-	-	-	5.856	-	5.856	-	-	-	5.856
63	Odour	Capex	£m	0.089	0.026	0.013	-0.077	-	-	-	-	0.051	-	-	-	0.051
64	Odour	Opex	£m	-	-	-	0.093	-	-	-	-	0.093	-	-	-	0.093
65	Odour	Totex	£m	0.089	0.026	0.013	0.016	-	-	-	-	0.144	-	-	-	0.144
66	Enhancing resilience to low probability high consequence events	Capex	£m	-	-	-	-0.002	-	-	-	-	-0.002	-	-	-	-0.002
67	Enhancing resilience to low probability high consequence events	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
68	Enhancing resilience to low probability high consequence events	Totex	£m	-	-	-	-0.002	-	-	-	-	-0.002	-	-	-	-0.002
69	Security - SEMD	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-

70	Security - SEMD	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
71	Security - SEMD	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
72	Security - Non-SEMD	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
73	Security - Non-SEMD	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
74	Security - Non-SEMD	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
75	Additional line 1 - NEP Groundwater	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
76	Additional line 1 - NEP Groundwater	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
77	Additional line 2 - Current Quality Obligations - Other	Capex	£m	-	-	-	0.118	-	-	-	-	0.118	0.256	-	0.256	0.374
78	Additional line 2 - Current Quality Obligations - Other	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
79	Additional line 3 - MCERTs monitoring at emergency sewage pumping station overflows	Capex	£m	-	-	-	-	-	-	-	-	-	-	0.018	0.018	0.018
80	Additional line 3 - MCERTs monitoring at emergency sewage pumping station overflows	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
81	Additional line 4 - Storm overflow - sewer flow management and control	Capex	£m	-	-	-	-	-	-	-	-	-	0.693	0.088	0.781	0.781
82	Additional line 4 - Storm overflow - sewer flow management and control	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
83	Additional line 5 - Advanced WINEP	Capex	£m	-	-	-	-	-	-	-	-	-	-	0.074	0.074	0.074
84	Additional line 5 - Advanced WINEP	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
85	Additional line 6 - Storm overflow - new / upgraded screens (WINEP/NEP)	Capex	£m	-	-	-	-	-	-	-	-	-	-	0.028	0.028	0.028
86	Additional line 6 - Storm overflow - new / upgraded screens (WINEP/NEP)	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
87	Additional line 7 - Storm overflow - increase in combined sewer / trunk sewer capacity	Capex	£m	-	-	-	-	-	-	-	-	-	0.855	-	0.855	0.855
88	Additional line 7 - Storm overflow - increase in combined sewer / trunk sewer capacity	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
89	Additional line 8 - Storm overflow - sustainable drainage / attenuation in the network	Capex	£m	-	-	-	-	-	-	-	-	-	0.054	0.719	0.773	0.773
90	Additional line 8 - Storm overflow - sustainable drainage / attenuation in the network	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
91	Additional line 9	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
92	Additional line 9	Opex	£m	0.953	0.143	0.284	2.263	0.103	-	-	-	3.745	-	-	-	3.745
93	Additional line 10	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-
94	Additional line 10	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-	-

95	Total other enhancement expenditure	Totex	£m	21.293	5.188	3.206	13.542	0.103	-	7.354	-	50.685	1.858	1.285	3.143	53.828

	Total enhancement														
96	Total enhancement expenditure	Capex	£m	18.913	7.639	2.718	168.328	-	-	7.354	-	204.952	9.764	19.790	29.554	234.506
97	Total enhancement expenditure	Opex	£m	3.328	0.823	0.625	7.903	0.103	-	-	-	12.781	-	-	-	12.781
98	Total enhancement expenditure	Totex	£m	22.241	8.462	3.343	176.231	0.103	-	7.354	-	217.733	9.764	19.790	29.554	247.287

	Line description		Units	Cumulative expenditure on schemes completed in the report year (AMP7 only)									Cumulative expenditure on all schemes to reporting year end (AMP7 only)	Cumulative allowed expenditure on all schemes to reporting year end (AMP7 only)	Cumulative allowed expenditure on all schemes 2020-25 (AMP7 only)
				Wastewater network+					Bioresources			Total			
				Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal		Total	Total	Total
	EA/NRW environmental programme (WINEP/NEP)														
1	Conservation drivers	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
2	Conservation drivers	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
3	Conservation drivers	Totex	£m	-	-	-	-	-	-	-	-	-	-	0.152	0.152
4	Event Duration Monitoring at intermittent discharges	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
5	Event Duration Monitoring at intermittent discharges	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
6	Event Duration Monitoring at intermittent discharges	Totex	£m	-	-	-	-	-	-	-	-	-	9.245	11.435	11.435
7	Flow monitoring at sewage treatment works	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
8	Flow monitoring at sewage treatment works	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
9	Flow monitoring at sewage treatment works	Totex	£m	-	-	-	-	-	-	-	-	-	33.611	17.128	17.128
10	Schemes to increase flow to full treatment	Capex	£m	-	-	-	1.253	-	-	-	-	1.253	-	-	-
11	Schemes to increase flow to full treatment	Opex	£m	-	-	-	0.777	-	-	-	-	0.777	-	-	-
12	Schemes to increase flow to full treatment	Totex	£m	-	-	-	2.030	-	-	-	-	2.030	60.722	99.013	99.013
13	Schemes to increase storm tank capacity	Capex	£m	-	-	-	10.491	-	-	-	-	10.491	-	-	-
14	Schemes to increase storm tank capacity	Opex	£m	-	-	-	1.913	-	-	-	-	1.913	-	-	-
15	Schemes to increase storm tank capacity	Totex	£m	-	-	-	12.404	-	-	-	-	12.404	101.357	151.601	151.601
16	Schemes to provide additional effective storage at sewage treatment works through green infrastructure.	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
17	Schemes to provide additional effective storage at sewage treatment works through green infrastructure.	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
18	Schemes to provide additional effective storage at sewage treatment works through green infrastructure.	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-
19	Storage in the network to reduce spill frequency at CSOs etc (grey solutions)	Capex	£m	-	3.865	-	1.707	-	-	-	-	5.572	-	-	-

20	Storage in the network to reduce spill frequency at CSOs etc (grey solutions)	Opex	£m	-	-	-	0.066	-	-	-	-	0.066	-	-	-
21	Storage in the network to reduce spill frequency at CSOs etc (grey solutions)	Totex	£m	-	3.865	-	1.773	-	-	-	-	5.638	-	-	-
22	Effective storage in the network to reduce spill frequency at CSOs etc (green solutions)	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
23	Effective storage in the network to reduce spill frequency at CSOs etc (green solutions)	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
24	Effective storage in the network to reduce spill frequency at CSOs etc (green solutions)	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-
25	Total for storage schemes in the network to reduce spill frequency at CSOs etc (grey + green)	Totex	£m	-	3.865	-	1.773	-	-	-	-	5.638	9.910	10.041	10.041
26	Chemical removals schemes	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
27	Chemical removals schemes	Opex	£m	-	-	-	0.060	-	-	-	-	0.060	-	-	-
28	Chemical removals schemes	Totex	£m	-	-	-	0.060	-	-	-	-	0.060	0.019	17.907	17.907
29	Chemicals monitoring/ investigations/ options appraisals	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
30	Chemicals monitoring/ investigations/ options appraisals	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
31	Chemicals monitoring/ investigations/ options appraisals	Totex	£m	-	-	-	-	-	-	-	-	-	2.388	4.827	4.827
32	Nitrogen removal	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
33	Nitrogen removal	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
34	Nitrogen removal	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-
35	Phosphorus removal	Capex	£m	-	-	-	73.572	-	-	-	-	73.572	-	-	-
36	Phosphorus removal	Opex	£m	-	-	-	6.683	-	-	-	-	6.683	-	-	-
37	Phosphorus removal	Totex	£m	-	-	-	80.255	-	-	-	-	80.255	312.108	503.952	503.952
38	Reduction of sanitary parameters	Capex	£m	-	-	-	4.597	-	-	-	-	4.597	-	-	-
39	Reduction of sanitary parameters	Opex	£m	0.037	0.014	0.004	1.162	-	-	-	-	1.217	-	-	-
40	Reduction of sanitary parameters	Totex	£m	0.037	0.014	0.004	5.759	-	-	-	-	5.814	28.598	41.622	41.622
41	UV disinfection (or similar)	Capex	£m	0.645	0.462	0.424	-	-	-	-	-	1.531	-	-	-
42	UV disinfection (or similar)	Opex	£m	0.052	0.015	0.007	-	-	-	-	-	0.074	-	-	-
43	UV disinfection (or similar)	Totex	£m	0.697	0.477	0.431	-	-	-	-	-	1.605	3.310	30.980	30.980

44	Investigations	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
45	Investigations	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
46	Investigations	Totex	£m	-	-	-	-	-	-	-	-	-	6.537	0.348	0.348
47	Total environmental programme expenditure	Totex	£m	-	-	-	-	-	-	-	-	-	567.805	889.005	889.005
	Other enhancement														
48	Growth at sewage treatment works (excluding sludge treatment)	Capex	£m	-	-	-	4.384	-	-	-	-	4.384	-	-	-
49	Growth at sewage treatment works (excluding sludge treatment)	Opex	£m	-	-	-	0.619	-	-	-	-	0.619	-	-	-
50	Growth at sewage treatment works (excluding sludge treatment)	Totex	£m	-	-	-	5.003	-	-	-	-	5.003	-	-	-
51	Reduce flooding risk for properties	Capex	£m	1.357	1.030	0.962	-	-	-	-	-	3.349	-	-	-
52	Reduce flooding risk for properties	Opex	£m	5.076	1.464	0.835	-	-	-	-	-	7.375	-	-	-
53	Reduce flooding risk for properties	Totex	£m	6.433	2.494	1.797	-	-	-	-	-	10.724	-	-	-
54	First time sewerage	Capex	£m	7.174	4.237	3.632	-	-	-	-	-	15.043	-	-	-
55	First time sewerage	Opex	£m	0.267	0.073	0.039	-	-	-	-	-	0.380	-	-	-
56	First time sewerage	Totex	£m	7.441	4.310	3.671	-	-	-	-	-	15.423	25.547	24.132	24.132
57	Sludge enhancement (quality)	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
58	Sludge enhancement (quality)	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
59	Sludge enhancement (quality)	Totex	£m	-	-	-	-	-	-	-	-	-	1.201	-	-
60	Sludge enhancement (growth)	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
61	Sludge enhancement (growth)	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
62	Sludge enhancement (growth)	Totex	£m	-	-	-	-	-	-	-	-	-	7.288	13.352	13.352
63	Odour	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
64	Odour	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
65	Odour	Totex	£m	-	-	-	-	-	-	-	-	-	2.699	15.846	15.846
66	Enhancing resilience to low probability high consequence events	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
67	Enhancing resilience to low probability high consequence events	Opex	£m	-	-	-	0.005	-	-	-	-	0.005	-	-	-

68	Enhancing resilience to low probability high consequence events	Totex	£m	-	-	-	0.005	-	-	-	-	0.005	0.780	16.544	16.544
69	Security - SEMD	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
70	Security - SEMD	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
71	Security - SEMD	Totex	£m	-	-	-	-	-	-	-	-	-	-	1.499	1.499
72	Security - Non-SEMD	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
73	Security - Non-SEMD	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
74	Security - Non-SEMD	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-
75	Additional line 1 - NEP Groundwater	Capex	£m	-	-	-	-	-	-	-	-	-	0.020	-	-
76	Additional line 1 - NEP Groundwater	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
77	Additional line 2 - MCERTs monitoring at emergency sewage pumping station overflows	Capex	£m	-	-	-	-	-	-	-	-	-	0.300	-	-
78	Additional line 2 - MCERTs monitoring at emergency sewage pumping station overflows	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
79	Additional line 3 - Storm overflow - sewer flow management and control	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
80	Additional line 3 - Storm overflow - sewer flow management and control	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
81	Additional line 4 - innovation fund projects	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
82	Additional line 4 - innovation fund projects	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
83	Additional line 5	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
84	Additional line 5	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
85	Additional line 6	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
86	Additional line 6	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
87	Additional line 7	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
88	Additional line 7	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
89	Additional line 8	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
90	Additional line 8	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
91	Additional line 9	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
92	Additional line 9	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-

93	Additional line 10	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
94	Additional line 10	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
95	Total other enhancement expenditure	Totex	£m	-	-	-	-	-	-	-	-	-	37.835	71.375	71.375

	Total enhancement													
96	Total enhancement expenditure	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
97	Total enhancement expenditure	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
98	Total enhancement expenditure	Totex	£m	-	-	-	-	-	-	-	-	-	605.640	960.380	960.380

Enhancement capital expenditure by purpose

1 The source of the data is the project systems module of our SAP business management system. Each project holds as part of its master data Business Investment Category (BIC) codes which indicate the Ofwat categories of enhancement and maintenance, infrastructure and non-infrastructure, and also align with accounting separation categories. The codes are mapped to their relevant lines in the table.

2 It is expected that capital expenditure profiles vary year on year significantly due to the strategic prioritisation of the investment programme. Large projects and stakeholder required investments can lead to variances in year on year comparisons of the same data point.

3 We record expenditure in the year in which it is incurred, which means that for many schemes expenditure is spread over a number of years. In contrast, we record outputs in the year that schemes are commissioned. This means that in some years we may show expenditure without any apparent output.

4 Some credits have occurred due to movements and payments to contractors for pain and gain share, insurance claims and accrual movements which are only confirmed when a project is final accounted.

5 An allocation was required for the foul, surface water drainage and highway drainage split. The allocation was based on flow estimate models provided by our modelling team.

6 We previously allocated cost to between sewage treatment and imported sludge liquor treatment, this is now changed and now follows the principle use asset rule and these costs are now 100 per cent to sewage treatment & disposal.

7 As per Ofwat guidance, we only report cumulative expenditure on selected output types.

Enhancement opex expenditure by purpose

8 The majority of enhancement opex is coming from three key areas of the plan: Phosphorus removal, schemes to increase storm tank capacity and schemes to reduce flooding risk for properties.

9 Partnership funding which was originally in enhancement opex has met the criteria of an intangible asset and is therefore reported in enhancement capex.

10 Enhancement opex and capex can be affected by accounting rules, delays in the plan, alternative solutions etc. so may differ from proposed costs splits in our original plans.

Variance against allowance

11 The below commentary compares our actual and allowed positions. Not all lines have been commented on as we have focused on those with the larger variances.

Event Duration Monitoring at intermittent discharges (4M.6)

12 While we are underspent for our EDMs compared to our PR19 allowance, we have found more efficient ways of working, as a result have overdelivered against our output profile.

Flow monitoring at sewage treatment works (4M.9)

13 Additional expenditure was anticipated due to the additional work required on measuring liquor and storm return flows at sites where the obligation was already met

Schemes to increase flow to full treatment (4M.12)

14 This programme has been delivered efficiently . A small number of sites are included for early delivery in AMP8.

Schemes to increase storm tank capacity (4M.15)

15 This programme has been delivered efficiently and during the AMP it was confirmed that our volume requirements to meet the permit were reduced.

Total for storage schemes in the network to reduce spill frequency at CSOs etc (grey + green) (4M.25)

16 Slight increase in actual costs to deliver storage vs forecasted costs.

Phosphorus removal (4M.37)

17 All but one obligation was delivered against the phosphorus programme. Through conversations with the EA some schemes move into AMP8 with a new obligation date of March 2027. Overall there have been efficiencies within the programme. Table 7F outlines all of the schemes in detail. There is some carryover from the AMP7 programme into AMP8.

Reduction of sanitary parameters (4M.40)

18 This programme has been delivered efficiently against the programme allowances.

UV disinfection (or similar) (4M.43)

19 We had an allowance for investigations in this line, some of which are being reported on 4M.46 Investigations. There has been a delay to spend on some Bathing Water improvement schemes due to the initial investigations taking longer than anticipated

Investigations (4M.46)

20 With the changing format of data tables between PR19 and APR24 some work has been allocated by internal teams to lines matching that definition, but which don't match the allocation of the equivalent FD allowance. Line 4M.39 is particularly affected by this with investigations for other drivers such as coastal and nutrient reduction being allocated to this line whereas at PR19 the line was only used for WFD No Deterioration investigations.

First time sewerage (4M.56)

21 An increase in costs for this area of enhancement expenditure was expected. This is due to the unit rates allowed by Ofwat being lower than those experienced by our business.

Sludge enhancement (quality) (4M.59)

22 This performance commitment incentivises us to ensure that customers have sufficient sludge treatment capacity in the future. The commitment will be fulfilled once completed works to install capacity to treat an additional 6.4 ttds of sludge per year at Whitlingham sludge treatment centre, Norwich. Additional capacity has been provided by upgrading the existing Cambi THP pre-treatment plant from Mk I to Mk II and installation of an innovative digester control system to increase digester capacity.

23 In Dec-23, during the course of construction, a asset condition assessment found that two existing digesters which are essential to the operation of the new plant needed to be replaced within 2-3 years on safety grounds. The innovative digester control element requires the two new digesters to be fully built before it can be commissioned as it is a digester control upgrade as opposed to a fully physical asset base constructed on a site.The new digesters and innovative control are forecast to be fully commissioned during AMP8. External Auditors have visited the site and confirmed that the solution provides best value for customer, as required by the performance commitment, and that the asset base is on site but still to be commissioned.

Sludge enhancement (growth) (4M.62)

24 Please see above as this forms part of the additional digestion capacity scheme.

Enhancing resilience to low probability high consequence events (4M.68)

25 Re-assessment of the pluvial fluvial risk led to a reallocation of enhancement funding to other risks.

Table 4N - Developer services expenditure for the 12 months ended 31 March 2025 - water network+

	Line description	Units	Water network+		
			Treated water distribution		
			Capex	Opex	Totex
1	New connections	£m	24.942	0.105	25.047
2	Requisition mains	£m	11.064	0.114	11.178
3	Infrastructure network reinforcement	£m	5.547	0.046	5.593
4	s185 diversions	£m	4.012	0.017	4.029
5	Other price controlled activities	£m	-	-	-
6	Total developer services expenditure	£m	45.565	0.282	45.847

1 The number of new connections increased slightly compared in 2024/25, which has led to a increase in expenditure of £0.4 million compared to 2023/24.

2 Across mains requisition delivery, we saw a downturn in commissioned onsite mains. In 2024/25 producing a cost reduction of £1.4 million.

S185 Diversions

3 These schemes can be driven by local authority spend as well as developer activity with total costs increasing by £1.1 million compared to 2023/24.

Infrastructure network reinforcement

4 The difference between 2024/25 and the start of AMP7 is due to our changing methodology for determining the most efficient time to complete network reinforcement. This was first seen in the results from 2021/22. We continue to use hydraulic modelling and include additional data on development progress along with intelligence gathered from other stakeholders. Our modelling specifications are now in line with the latest guidance on minimum pressures and this has delayed the need for some network reinforcement work.

Table 4O - Developer services expenditure for the 12 months ended 31 March 2025 - wastewater network+ and bioresources

	Line description	Units	Wastewater network+					Total
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	
	Capex							
1	New connections	£m	1.379	-	-	-	-	1.379
2	Requisition sewers	£m	4.515	-	-	-	-	4.515
3	Infrastructure network reinforcement	£m	6.223	-	-	-	-	6.223
4	s185 diversions	£m	0.803	-	-	-	-	0.803
5	Other price controlled activities	£m	-	-	-	-	-	-
6	Total total developer services capex	£m	12.920	-	-	-	-	12.920
	Opex							
7	New connections	£m	-	-	-	-	-	-
8	Requisition sewers	£m	-	-	-	-	-	-
9	Infrastructure network reinforcement	£m	-	-	-	-	-	-
10	s185 diversions	£m	-	-	-	-	-	-
11	Other price controlled activities	£m	-	-	-	-	-	-
12	Total developer services opex	£m	-	-	-	-	-	-
	Totex							
13	Total developer services expenditure	£m	12.920	-	-	-	-	12.920

1 New wastewater connections increased in line with new water connections; 25,559 for 2024/25, which was broadly consistent with the number of connections in 2023/24 (25,933). This was expected as house building continued to be suppressed due to the wider economic outlook. However, growth in the region remains consistent and is expected to return to higher levels in coming years.

2 Spend on Infrastructure Network Reinforcement in 2024/25 increased compared to the prior year. However, this remains at lower levels than seen historically. Delivery of infrastructure network reinforcement is largely dependent on developers' plans, therefore, depending on activity, it can result in irregular and uneven expenditure patterns.

Table 4P - Expenditure on non-price control diversions for the 12 months ended 31 March 2025

	Line description	Units	Water resources	Water network+	Wastewater network+	Total
	Capex					
1	Capex associated with NSWRA diversions	£m	-	11.215	0.862	12.077
2	Capex associated with other non-price control diversions	£m	0.042	0.039	-0.242	-0.161
3	Other developer services non-price control capex	£m	-	-	-	-
4	Developer services non-price control capex	£m	0.042	11.254	0.620	11.916
	Opex					
5	Opex associated with NSWRA diversions	£m	-	-	-	-
6	Opex associated with other non-price control diversions	£m	-	-	-	-
7	Other developer services non-price control opex	£m	-	-	-	-
8	Developer services non-price control opex	£m	-	-	-	-
	Totex					
9	Costs associated with NSWRA diversions	£m	-	11.215	0.862	12.077
10	Costs associated with other non-price control diversions	£m	0.042	0.039	-0.242	-0.161
11	Other developer services non-price control totex	£m	-	-	-	-
12	Developer services non-price control totex	£m	0.042	11.254	0.620	11.916

1 Reported expenditure reflects the size of the infrastructure programme and varies year to year. We expect the size of the overall programme in AMP7 to be larger than AMP6.

Table 4Q - Developer services - New connections, properties and mains

	Line description	Units	Water	Wastewater	Total
	Connections volume data				
1	New connections (residential – excluding NAVs)	nr	12,809	15,042	27,851
2	New connections (business – excluding NAVs)	nr	848	998	1,846
3	Total new connections served by incumbent	nr	13,657	16,040	29,697
4	New connections – SLPs	nr	7,358	0	0
	Properties volume data				
5	New properties (residential - excluding NAVs)	nr	14,896	17,269	32,165
6	New properties (business - excluding NAVs)	nr	759	892	1,651
7	Total new properties served by incumbent	nr	15,655	18,161	33,816
8	New residential properties served by NAVs	nr	8,633	7,383	16,016
9	New business properties served by NAVs	nr	15	15	30
10	Total new properties served by NAVs	nr	8,648	7,398	16,046
11	Total new properties	nr	24,303	25,559	49,862
12	New properties – SLP connections	nr	7,318	0	0
	New water mains data				
13	Length of new mains (km) - requisitions	nr	33	0	0
14	Length of new mains (km) - SLPs	nr	33	0	0

New connections, properties and length of Mains (4Q.1 - 4Q.14)

1 A strong Q1 provided optimism at the start of the year, however the General Election introduced a degree of uncertainty in the housing market. Housebuilders faced a challenging environment marked by higher interest rates and cautious consumer sentiment. In response, many reduced land acquisitions and delayed new site openings to manage risks and preserve margins on existing projects.

2 Despite this, we saw 24,303 properties connect to our water network and 25,559[(1)] connected for water recycling. These numbers include properties connected by Self-lay Providers and connections by New Appointment and Variation companies (NAVs).

3 Self-lay Providers were down 13 per cent on Year 4 with NAV connections up 24 per cent. SLP & NAV delivery routes accounted for 65 per cent of the total properties connected, a 3 per cent increase on 2023-24.

1 25,795 properties were connected in Year 5 for Water Recycling; the number reflects 236 overstated Water Recycling connections in Year 4

4 Our third-party planning data suggests that the housing market is expected to experience gradual recovery, supported by anticipated interest rate cuts and stabilising mortgage rates. Challenges will persist for our developer customers and homebuyers including regulatory hurdles, economic pressures such as the reversion of stamp duty thresholds, and the need for substantial policy interventions to boost housing supply and affordability to meet ambitious housing targets.

Table 4R - Connected properties, customers and population

	Line description	Units	Unmeasured	Measured	Total	Voids
	Customer numbers - average during the year					
1	Residential water only customers	000s	80.864	167.225	248.089	5.445
2	Residential wastewater only customers	000s	215.008	667.220	882.228	35.046
3	Residential water and wastewater customers	000s	188.342	1691.141	1879.483	39.477
4	Total residential customers	000s	484.214	2525.586	3009.800	79.968
5	Business water only customers	000s	0.535	34.435	34.970	7.394
6	Business wastewater only customers	000s	1.788	32.421	34.209	5.845
7	Business water & wastewater customers	000s	0.872	71.468	72.340	15.111
8	Total business customers	000s	3.195	138.324	141.519	28.350
9	Total customers	000s	487.409	2663.910	3151.319	108.318

	Line description	Units	Water			Wastewater		
			Unmeasured	Measured	Total	Unmeasured	Measured	Total
	Property numbers - average during the year							
10	Residential properties billed	000s	269.206	1858.366	2127.572	403.350	2358.361	2761.711
11	Residential void properties	000s	-	-	44.922	-	-	74.523
12	Total connected residential properties	000s	-	-	2172.494	-	-	2836.234
13	Business properties billed	000s	1.407	105.903	107.310	2.660	103.889	106.549
14	Business void properties	000s	-	-	22.505	-	-	20.956
15	Total connected business properties	000s	-	-	129.815	-	-	127.505

16	Total connected properties	000s	-	-	2302.309	-	-	2963.739

Line description	Units	Water															
		Unmeasured						Measured						Unbilled			Total
		No meter	Basic meter	AMR meter	AMI meter (capable)	AMI meter (active)	Total	No meter	Basic meter	AMR meter	AMI meter (capable)	AMI meter (active)	Total	Unbilled to bill	Other	Total	
	Property and meter numbers - at end of year (31 March)																
17	Total new residential properties connected in year	000s	-	-	-	-	-	-	1.968	3.373	0.013	9.542	-	14.896	-	-	-	14.896
18	Total number of new business properties connections	000s	-	-	-	-	-	-	0.229	0.199	-	0.331	-	0.759	-	-	-	0.759
19	Residential properties billed at year end	000s	182.710	35.502	2.753	3.697	36.956	261.618	-	700.645	124.376	99.119	946.514	1870.654	-	-	-	2132.272
20	Residential properties unbilled at year end	000s	-	-	-	-	-	-	-	-	-	-	-	-	-	15.768	15.768	15.768
21	Residential void properties at year end	000s	-	-	-	-	-	6.905	-	-	-	-	-	42.992	-	-	-	49.897
22	Total connected residential properties at year end	000s	-	-	-	-	-	268.523	-	-	-	-	-	1913.646	-	-	-	2197.937
23	Business properties billed at year end	000s	1.394	-	-	-	-	1.394	-	44.965	8.662	7.637	43.874	105.138	-	-	-	106.532
24	Business properties unbilled at year end	000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Business void properties at year end	000s	-	-	-	-	-	1.013	-	-	-	-	-	22.855	-	-	-	23.868
26	Total connected business properties at year end	000s	-	-	-	-	-	2.407	-	-	-	-	-	127.993	-	-	-	130.400

27	Total connected properties at year end	000s	-	-	-	-	-	270.930	-	-	-	-	-	2041.639	-	-	-	2328.337

	Line description	Units	Water	Wastewater
	Population data			
28	Resident population	000s	5146.076	6737.596
29	Non-resident population (wastewater)	000s	-	220.827

			Water		
	Household population data	Units	Resident population	Non-resident population	Total
30	Household population	000s	5,066.751	168.664	5,235.415
31	Household measured population (water only)	000s	4,324.159	143.945	4,468.104
32	Household unmeasured population (water only)	000s	742.592	24.720	767.312

Customer numbers - average during the year - unmeasured, measured and total columns (4R.1-9)

1 The movement in the average number of residential customers reflects the switching from unmeasured to measured, changes in void properties and new connections that have become billable in the year. The level of switching and new connections is in line with historical levels.

2 In lines five to eight we report the number of business properties for which we have reported revenue. We did not bill these. We exited the non-household retail market at the start of 2017/18 so all our connected non-household properties are now billed by licensed retailers. The average number of business properties billed in the current year is lower than the previous year. During the current year there has been an increase in the number of void properties.

Property numbers - average during the year - unmeasured, measured and total columns (4R.10 and 4R.13)

3 The movement in the average number of residential customers reflects the switching from unmeasured to measured, changes in void properties and new connections that have become billable in the year. For business properties the average number of properties billed in the current year has decreased over the report year 2023/24.

Residential void properties (4R.11)

4 The reduction in residential voids may be caused by a genuine reduction in empty properties, as well as a year-on-year reduction of false voids due to improved processes and systems. The total number of residential voids has increased over last year. The increase is in the wastewater figures, where customers are now billed by Essex and Suffolk Water on our behalf. Where we bill directly there has been a reduction in residential voids, which may be caused by a genuine reduction in empty properties, as well as a year-on-year reduction of false voids due to improved processes and systems, particularly the increase in the number of fixed network meters giving earlier indication that a property has become occupied.

Business void properties (4R.14).

Source of Data

5 The Non-Household (NHH) void premises figures have been calculated using data taken from the Central Market Operating System (CMOS) which is managed by the Market Operator (MOSL) for the Business Retail market. AWS are responsible for maintaining data associated

with a business premise such as address, services provided, and meter details and retailers are responsible for maintaining data associated with the occupancy of the premise and this includes any vacant period.

6 Data have been taken from standard reports published by the central market. These reports, known as Market Data Set reports, are available from the central market on any day in a calendar year. This report includes details of all the market data set on a specific day and includes if the premise was reported as occupied or vacant and if the supply was measured or unmeasured. Data from these reports have been used to derive the NHH void figures for 2024/25 in accordance with our methodology.

7 The occupancy status of a business property registered in the central market system is controlled by the appointed retailer through market transactions carried out in CMOS. As the wholesaler, we do not have access to alter this data.

Methodology

8 The table on the following page presents the 13 specific published Market Data Set reports used to calculate the average business customer premises and supplies void figures for the financial year 2024-2 and the figure reported on 01 April 2025.

MDS Published Date	Number of Void Premises	Number of Void Water Supplies	Number of Void Sewerage Supplies
3rd April 2024	27567	21846	20324
30th April 2024	27687	21941	20407
31st May 2024	27710	21956	20441
28th June 2024	27804	22025	20532
31st July 2024	27966	22164	20660
30th August 2024	27991	22193	20680
30th September 2024	28103	22284	20759
31st October 2024	28240	22366	20879
29th November 2024	28546	22628	21133
30th December 2024	28739	22788	21286
31st January 2025	29058	23105	21547
28th February 2025	29330	23399	21740
1st April 2025	29811	23868	22042
Average	28350	22505	20956

Methodology 1 – Calculation of year end void figure

9 The Market Data Set reports for WSPID and SSPID published on 3 April 2024 are used to identify if a business premise has a status of 'vacant' (as opposed to occupied) in the central market system. These supplies are then mapped to other Market Data Sets reports WSSCO and SSSCO to identify if the supply is measured or unmeasured. The final part of the methodology is to calculate the figures for void business premises. The WSPID and SSPID are mapped to identify unique core SPID references to provide the premise figures.

Methodology 2 - Calculation of the average void figure over the year

10 To calculate the average figures the above is repeated for each of the other 11 calendar months using the same Market Data Set reports.

Methodology 3 – Identification of unbilled business premises

11 All premises included in CMOS at the time of producing the monthly market Settlement charges are included in the published Settlement reports which are used to produce Retailer invoices therefore there can be no unbilled business premises. Where a premise is not registered in the central market but is subject to a review of its billing status these premises are marked in SAP as "Account class 6" and are included in the household APR tables figures either as unbilled or void.

Performance Summary

12 The number of vacant business premises in the AWS region on 01 April 2025 was 29,811 (17.51 per cent), an increase of circa 2,243 premises compared to last year, when the vacancy rate was 16.21 per cent. The increase in vacant premises increased each month through the year, with the biggest increase seen in the last quarter, accounting for 1,072 of the overall 2,243 increase.

13
The average number of vacant business premises across the year was 28,350, this is an increase in the previous average of circa 362 premises.
The MOSL reported market vacancy rate in March 2025 was 15.64 per cent. This is a slight reduction on the rate reported in March 2024 of 15.61 per cent, a reduction of around 0.03 per cent.

14
The AWS rate over the year reflects an increase in contrast to the overall market vacancy rate.

15
Since April 2023 AWS does not charge for consumption recorded from actual meter readings taken from vacant premises. MOSL reporting includes a measure of vacant premises recording consumption above the minimum level that can accurately be measured for a meter size. In April 2023 the number of AWS vacant premises recording consumption was circa 5.5k. In March 2024 this number was a little under 6k. In April 2025 this number has risen to 6.5k.

16
The number of premises recording consumption demonstrate the vacant premises which could be occupied and require further investigation by the Retailer. AWS monitor premises which show significant consumption when marked vacant, providing Retailers with information where this is available on review of the information.

17
AWS will continue the focus in this area with the aim of improving the rate of vacant premises.

New properties connected in year (4R.17 and 4R.18)

18 We saw 33 per cent increase in new properties being connected with a smart meter and a reduction of 37 per cent for properties being fitted with a standard visual meter.

19 We have seen an decrease in new properties being connected without a meter. Our data shows that there is a lag of 6 months between a connection being delivered and the meter being installed on those delivered by Anglian Water.

20 This is an area we will be focusing on as we move into AMP8, aligning with our smart meter strategy and to be more proactive in fitting meters on completed new connections for household properties whilst supporting other water efficiency and environmental incentives.

Residential and business properties billed at year end (4R.19 and 4R.23)

21 Meters have been split by the type of meter installed at the property and include meters at unmeasured properties which are not currently used for billing. The table also shows the number of smart meters installed and includes those installed as part of the AMP7 programme along with those that were there at the start of the AMP. The smart meters are split into AMR and AMI capable and active. There has been an increase in AMI meters (up 318,000 on last year) as the AMP7 installation programme continued.

Unbilled properties (4R.20, 4R.24)

22 We include in line 20 (residential unbilled) properties that we classify as 'Non-chargeable' on the basis that either:

- although the property is furnished, there is no consumption and the occupier is deceased, or the property is long term vacant (over three months) due to hospitalisation, admittance to a care home, imprisonment with HMPs, or the property is uninhabitable due to fire/flood; or
- the property is demolished and/or pending disconnection and removal of the meter.

23 No charge is calculated for these premises and no bill issued. This is based on a "fairness" principle given that, whilst the property is connected, no service is provided.

24 There has been a decrease in the number of non-chargeable properties when compared with 2023/24. An increase in the number of properties now supplied through a meter, particularly those with a smart meter, has helped to identify more instances where the property should no longer be non-chargeable. This has contributed to a year-on-year decrease of 2,508 unbilled water premises.

Residential void properties at year end (4R.21)

25 The number of unmeasured residential water voids is unchanged from 2023/2024. There has been a small increase in measured residential voids compared with 2023/2024 (3932 or 0.02 per cent)

Resident population (4R.28)

26 Population is calculated based upon our SAP customer information, our assessment of the number of households and Office of National Statistics (ONS) population and local authority household data.

27 Population is derived using the in-year assessment of households we serve as a percentage of the ONS dwelling totals, as derived from the ONS Local Authority and Unitary Authority (LAUA) property tables.

28 The total population is then derived by applying ONS occupancy rates, which are produced by combining ONS LAUA (Local Authority, Unitary Authority) property totals and ONS sub-national population projection figures for the LAUA for the appropriate year.

29 Additional account is taken of non-household communal population, which is derived using census data and demographic data from our demographic consultants.

30 In detail, the estimate of household population is based on the updated 2018 (2024 issued) sub-national population projections (snpp) and the 2018 (June 2024 Issue) household projections from the ONS, which are used to derive LAUA occupancy rates which are then applied to the relevant AWS generated property total for that LAUA for that year.

- Baseline population and property figures are derived for each LAUA, utilising ONS population and household data
- Actual recorded properties in our 'billing' system for the base-year are then compared to the LAUA household official totals, initially directly though GIS and then by attributed postcode to each LAUA. We apportion our property count data for the districts we serve to derive an estimate of both the water and the waste-water properties and populations in the Anglian Water region
- This allows the percentage of households we serve to be determined for our statutory water and sewerage areas
- These property totals for the our statutory water and wastewater geographies, once derived, are confirmed with the 'billing data' and 'Water balance' teams and are then used to provide the in year value for the reporting year
- Base-line population totals are then be derived using the known household percentages derived from the comparison of ours and ONS household totals and applying these to the ONS snpp population figures (per LAUA). In effect by applying ONS derived occupancy rates
- Note that the ONS snpp population projections have been amended to reflect the current 2024 ONS mid-year population estimates.

31 The estimate of non-household population is based on the latest census data published by the ONS. This 'communal' population covers prisons, care homes and military bases among many categories. These projections have been revised in line with the paper 'Updating the Department for Communities and Local Government's Household Projections', specifically annex two 'Improving Institutional Population Estimates and Projections'. In addition we have added an estimate of people resident in mixed properties. This value is now based upon new estimates derived by our demographic consultants.

32 Note that for this years derivation of the total number of households served we have slightly revised our SAP derived assessment based upon additional analysis of property totals. Property totals have been extracted from our SAP system, and reconciled with 'billing data' total numbers of billed properties. However, we have now included properties which have a single meter/billing point, but include multiple dwellings (and, consequently multiple numbers of households with a population). This population has previously been under-represented in our previous assessments. The analysis has identified this number to be an additional 14,716 (19,265 - 2023/24) dwellings/households, giving an overall total of 2,142,288 households served for water(as opposed to 2,127,572 from the 'billing data' systems), including Hartlepool.

33 Previously, as part of WRMP24 Edge Analytics have produced a number of forecasts for Anglian Water (at PZ level for WRMP24), which in their raw, un-reconciled form all tend to indicate significantly more household dwellings in the Anglian Water Region than currently accounted for in the 'billing data'/'water balance' total. There are a number of properties that are considered unoccupied (approx. 100,000) and we would expect that a number of properties will be self-serve. This gives confidence that the overall total for households/dwellings is not an over estimate of the current position.

Edge VICUS Property counts total by PZ (WRMP 2024 forecasts)

Scenario	Properties - 2024/25
Housing Plan_P	2355659
Housing Plan-r-P	2355899
ONS-18-Rebased_P	2303814
OxCam-1b-r_P	2355899

34
To reiterate:

- Our revised 'billing data estimate of properties/dwellings has been reported at 2,142,288 including HPL for our water customers; (2,131,553 including HPL - 2023/24)

35 This estimation of the number of household properties, 2 142,288 is;

- 213,371 less than the Housing-Plan-P total (note this difference will include unoccupied and self-serve customers)
- 213,611 less than Housing-Plan-r-P (as above)
- 161,526 less than ONS-18-Rebase-P (as above)
- 213,611 less than OxCam1b-r-P – WRMP24 preferred trajectory (as above).

36 Note that the Edge Analytics totals, will included void properties that we internally assess to be over 100,000 and properties who are not reliant on us for their supply (self-serve properties) and NAV properties.

37 This will account for the approximate 200,000 variance we see between our assessed 'billed' property total and external estimation.

38 We would, consequently, suggest that the review of our household/dwelling total realigns with our view with external assessment.

39 Edge also generated a number of scenarios for population growth for the Anglian Water region for WRMP24 (at PZ scale). Similarly, these all give higher forecasts for the 2024/25 household population total. Again these theoretical forecasts all indicate that population could be higher than that currently assessed using our internal methodology (tying population back to known property 'billed' totals)

Edge VICUS Population variants - total by PZ (WRMP 2024 forecasts)

Scenario	Population 2024/25
Housing Plan-P	5171328
Housing Plan-r-P	5137474
ONS-18 Rebase-P	5047060
OxCam1b-r-P	5137474

40 The current estimation of the number of the household population based upon our property total for water (SAP adjusted) is 5,066,751, (4,985,509 for 2023/24):

- 104577 less than the Housing-Plan-P forecast
- 70723 less than the Housing-Plan-r-P forecast
- 19691 more than ONS-18-Rebased-P
- (including communal population70723 less than the OxCam-1b-r-P forecast (the WRMP24 preferred plan trajectory).

41 These figures give confidence that we are not overestimating either properties or population and the current reassessment, is realigning our overall totals with externally assessed demographic data.

42 We, therefore expect our total population to be 5,146,076 including communal population (5,064,108 2023/24).

43 Our Water customers population has increased by 81,968 from 5,064,108 to 5,146,076 (Household and communal Non-Household). This reflects revised ONS increased occupancy rates at LAUA level based upon the new mid-year estimate data.

44 For wastewater we have reassessed property totals in line with the readjustment for water households/dwellings, taking into account the single meter, multiple dwelling analysis. Without additional intelligence which would allow us to scale this figure, we have applied the known water value of 14,716 uplift to the wastewater household/dwelling total.

45 This has led to our Water recycling population increasing by 132,320 from 6,605,276 to 6,737,596 (Household and Communal/Non-Household).

46 Note that this value also accounts for our 'WOC' customers in addition to those on our billing system.

47 The water customer population has increased by 81,968 (as opposed to 91,311 2023/24) (Household and Non-Household) in line with:

- additional connected properties
- year-on-year changes in occupancy rates for the LAUAs in the Anglian Water region (impacted the whole population)
- the reassessment of single meter (multiple dwelling properties)
- reassessment of non-household population.

48 The water recycling population has increased by 132,320 (111,075 for 2023/24) (Household and Non-Household) in line with:

- additional connected properties
- year-on-year changes in occupancy rates for the LAUAs in the Anglian Water region (impacted the whole population)
- the reassessment of single meter (multiple dwelling properties)
- reassessment of non-household population.

49 The total population for 2024/25 can be split and shown as follows, based upon 'Billing' information and occupancy rates derived using external demographic intelligence (Edge Analytics) to determine measured/unmeasured populations.

Description	Unit	2021/22	2022/23	2023/24	2024/25
Population (water only)	(000)	509.816	487.025	509.426	537.696
Population (sewerage only)	(000)	1997.309	2008.429	2050.594	2075.701
Population (water and sewerage)	(000)	4399.724	4485.773	4554.682	4608.380
Total population (water)	(000)	4909.539	4972.797	5064.108	5146.076
Total population (sewerage)	(000)	6397.033	6494.202	6605.276	6684.081
Total population (water and sewerage)	(000)	6906.849	6981.226	7114.702	7221.777

50
For our water customers population can be shown:

Description	Unit	2021/22	2022/23	2023/24	2024/25
Population household billed unmeasured water	(000)	817.028	775.608	772.628	742.592
Population household billed measured water	(000)	4021.130	4119.400	4212.881	4324.159
Population non-household billed unmeasured water	(000)	0	0	0	0
Population non-household billed measured water	(000)	71.381	77.790	78.559	79.325
Population - Total	(000)	4909.531	4972.797	5064.108	5146.076

51 For our water recycling customers population can be shown:

Description	Unit	2021/22	2022/23	2023/24	2024/25
Population household billed unmeasured sewerage	(000)	1065.689	1014.080	1099.381	973.403
Population household billed measured sewerage	(000)	5224.953	5385.974	5410.770	5668.188
Population non-household billed unmeasured sewerage	(000)	0	0	0	0
Population non-household billed measured sewerage	(000)	86.391	94.148	95.126	96.005
Population - Total	(000)	6397.033	6494.202	6605.276	6737.596

Non resident population (4R.29)

52 The non-resident population for 2024/25 is 220,827, which is a slight increase compared to last year's number of 219,249. This is mostly attributed to general growth in our region, with more people visiting friends and family, rather than staying in hotels and B&Bs.

Measured household population (4R.31)

53 The total measured population has been derived using internal assessments of occupancy rates for both measured and unmeasured cohorts of customer (based upon AWS billing data and per property occupancy data provided by Edge analytics (utilising 'Sagacity' data intelligence), with an understanding that the measured customer cohort will tend to have a lower occupancy rate on average than the unmeasured cohort. These occupancy rates have been derived at the property level and aggregated to AWS Planning Zone geographies for use in Water Balance and Per Capita Consumption (PCC) derivation.

54 This has given a Measured Occupancy rate of 2.309.

55 This split has then been apportioned to the overall regional population figure derived as above. The total population of measured water customers for 2024/25 is 4,324,159, as opposed to 4,212,881 for 2023/24

Unmeasured household population (4R.32)

56 The total unmeasured population has been derived using internal assessments of occupancy rates for both measured and unmeasured cohorts of customer (based upon our billing data and per property occupancy data provided by Edge analytics (utilising 'Sagacity' data intelligence)), with an understanding that the unmeasured customer cohort will tend to have a higher occupancy rate on average than the measured cohort. We expect this occupancy rate to increase over time as lower occupancy customers tend to opt to becoming measured, leaving the higher occupancy customers in the unmeasured cohort.

57 These occupancy rates have been derived at the property level and aggregated to Anglian Water Planning Zone geographies for use in Water Balance and Per Capita Consumption (PCC) derivation.

58 This has given an Unmeasured Occupancy rate of 2.758.

59 This split has then been apportioned to the overall regional population figure derived as above. The total population of unmeasured water customers for 2024/25 is 742,592 as opposed to 772,628 for 2023/24.

60 Overall occupancy for our customers for 2024/25 has been derived from ONS local authority datasets to be 2.365.

Table 4S, 4T and 4U - Green recovery expenditure and RCV

Table 4S, 4T and 4U

1 We do not report any figures for these tables as we did not propose projects under the Green Recovery scheme.

Table 4V - Mark-to-market of financial derivatives analysed based on payment dates

	Line description	Units	Derivatives - Analysed by earliest payment date			
			Net settled	Gross Settled outflows	Gross Settled inflows	Total
1	Due within one year	£m	5.331	-	-	5.331
2	Between one and two years	£m	6.671	131.137	(142.738)	(4.930)
3	Between two and three years	£m	10.992	-	-	10.992
4	Between three and four years	£m	11.833	38.369	(41.554)	8.648
5	Between four and five years	£m	106.890	-	-	106.890
6	After five years	£m	445.827	338.225	(290.355)	493.697
7	Total	£m	587.544	507.731	(474.646)	620.628

	Line description	Units	Derivatives - Analysed by expected maturity date			
			Net settled	Gross Settled outflows	Gross Settled inflows	Total
1	Due within one year	£m	5.331	-	-	5.331
2	Between one and two years	£m	4.467	131.137	(142.738)	(7.134)
3	Between two and three years	£m	10.992	-	-	10.992
4	Between three and four years	£m	11.833	38.369	(41.554)	8.648
5	Between four and five years	£m	106.890	-	-	106.890
6	After five years	£m	448.031	338.225	(290.355)	495.902
7	Total	£m	587.544	507.731	(474.646)	620.628

Financial derivatives analysed based on payment dates (4V.1 - 4V.7)

1 Derivatives analysed by earliest payment date and derivatives analysed by expected maturity date have the same classification for all but one interest rate swap which has a mutual break clause and has a fair value of £2.205 million. The overall mark-to-market ties back to Table 4I.

Table 4W - Defined Benefit Pension Scheme – Additional Information

	Line description	Units	Defined benefit pension schemes		
			Pension scheme 1	Pension scheme 2	Pension scheme 3
	Scheme details				
1	Scheme name	Text	Anglian Water Group Pension Scheme	-	-
2	Scheme status	Text	Closed to new members (2002) and future accruals (2018)	-	-
	Scheme valuation under IAS/IFRS/FRS				
3	Scheme assets	£m	985.950	-	-
4	Scheme liabilities	£m	866.446	-	-
5	Scheme surplus / (deficit) Total	£m	119.504	-	-
6	Scheme surplus / (deficit) Appointed business	£m	115.928	-	-
7	Pension deficit recovery payments	£m	24.500	-	-
	Scheme valuation under part 3 of Pensions Act 2004				
8	Scheme funding valuation date	Date	45,016.000	-	-
9	Assets	£m	1118.000	-	-
10	Technical Provisions	£m	1178.000	-	-
11	Scheme surplus / (deficit)	£m	-60.000	-	-
12	Discount rate assumptions	Text	Gilts plus 0.55%	-	-
	Recovery plan (where applicable)				
13	Recovery Plan Structure	Text	Recovery plan agreed on 14 June 2024. The company will pay the following deficit contributions arising from the latest triennial valuation carried out as at 31 March 2023: £17.5m each year from 01 April 2024 to 31 October 2025. The sum is adjusted in 2025 with reference to the increase in RPI over ther 12-Month period to the previous November. Additionally fixed £5m pa (non indexed) from 01 April 2024 to 31 October 2025 and £9m due by 31 October 2026.	-	-
14	Recovery plan end date	Date	10-31-2026	-	-
15	Asset Backed Funding (ABF) arrangements	Text	n/a	-	-
16	Responsibility for ABF arrangements	Text	n/a	-	-

Scheme Details (4W.1-4W.2)

1 The defined benefit arrangements closed to new pension accrual with effect from 31 March 2018 and employees who were members of these arrangements are eligible for entry to the Group's defined contribution schemes.

Scheme valuations under IAS/IFRS/FRS (4W.3-4W.6)

2 The IAS scheme surplus improved over the past 12 months. This increase in surplus reflects a decrease in the scheme's liabilities resulting from an increase in the corporate bond rate used to discount those liabilities on an accounting basis.

Pension deficit recovery payments (4W.7)

3 Deficit repair payments totalling £24.5 million were paid under the schedule of contributions in the 12 months to 31 March 2025.

Scheme valuations under part 3 of Pensions Act 2004 (4W.8-4W.12)

4 The latest Valuation for the Scheme calculated the funding position as at 31 March 2023. This identified a Technical Provision Deficit of £60 million. The Scheme and Company agreed an updated recovery plan to close the deficit by 31 October 2026.

Recovery plan (4W.13-4W.14)

5 The deficit recovery plan between the company and scheme expects to close the technical provisions deficit by October 2026

Table 4X - Accelerated Infrastructure delivery project expenditure for the 12 months ended 31 March 2025

	Line description		Units	Expenditure in report year						Cumulative expenditure on schemes completed in the report year					
				Water resources	Water network+				Total	Water resources	Water network+				Total
					Raw water transport	Raw water storage	Water treatment	Treated water distribution			Raw water transport	Raw water storage	Water treatment	Treated water distribution	
	Accelerated infrastructure delivery project														
1	Colchester Re-use	Capex	£m	4.245	-	-	-	-	4.245	5.189	-	-	-	-	5.189
2	Colchester Re-use	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
3	Colchester Re-use	Totex	£m	4.245	-	-	-	-	4.245	5.189	-	-	-	-	5.189
4	Smart Metering	Capex	£m	-	-	-	-	8.123	8.123	-	-	-	-	8.123	8.123
5	Smart Metering	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
6	Smart Metering	Totex	£m	-	-	-	-	8.123	8.123	-	-	-	-	8.123	8.123
7	Accelerated scheme 3	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
8	Accelerated scheme 3	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
9	Accelerated scheme 3	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-
10	Accelerated scheme 4	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
11	Accelerated scheme 4	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
12	Accelerated scheme 4	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-
13	Accelerated scheme 5	Capex	£m	-	-	-	-	-	-	-	-	-	-	-	-
14	Accelerated scheme 5	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-
15	Accelerated scheme 5	Totex	£m	-	-	-	-	-	-	-	-	-	-	-	-
16	Total accelerated programme capex	Capex	£m	4.245	-	-	-	8.123	12.368	5.189	-	-	-	8.123	13.312
17	Total accelerated programme opex	Opex	£m	-	-	-	-	-	-	-	-	-	-	-	-

18	Total accelerated programme expenditure	Totex	£m	4.245	-	-	-	8.123	12.368	5.189	-	-	-	8.123	13.312

1 Work is progressing on the Accelerated Infrastructure Delivery project for Colchester re-use.

Table 4Y - Accelerated Infrastructure delivery project expenditure for the 12 months ended 31 March 2025 - wastewater network+ and bioresources

	Line description		Units	Expenditure in report year								
				Wastewater network+					Bioresources			Total
				Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	
	Accelerated infrastructure delivery project											
1	Nutrient Neutrality	Capex	£m	-	-	-	6.349	-	-	-	-	6.349
2	Nutrient Neutrality	Opex	£m	-	-	-	-	-	-	-	-	-
3	Nutrient Neutrality	Totex	£m	-	-	-	6.349	-	-	-	-	6.349
4	Regional Overflow Reduction	Capex	£m	1.330	0.442	0.191	2.346	-	-	-	-	4.309
5	Regional Overflow Reduction	Opex	£m	-	-	-	-	-	-	-	-	-
6	Regional Overflow Reduction	Totex	£m	1.330	0.442	0.191	2.346	-	-	-	-	4.309
16	Total accelerated programme capex	Capex	£m	1.287	0.428	0.185	7.864	-	-	-	-	9.764
17	Total accelerated programme opex	Opex	£m	-	-	-	-	-	-	-	-	-
18	Total accelerated programme expenditure	Totex	£m	1.287	0.428	0.185	7.864	-	-	-	-	9.764

	Line description		Units	Cumulative expenditure on schemes completed in the report year									
				Wastewater network+					Bioresources			Total
				Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	
	Accelerated infrastructure delivery project											
1	Accelerated scheme 1	Capex	£m	-	-	-	6.417	-	-	-	-	6.417
2	Accelerated scheme 1	Opex	£m	-	-	-	-	-	-	-	-	-
3	Accelerated scheme 1	Totex	£m	-	-	-	6.417	-	-	-	-	6.417
4	Accelerated scheme 2	Capex	£m	1.330	0.442	0.191	2.346	-	-	-	-	4.309
5	Accelerated scheme 2	Opex	£m	-	-	-	-	-	-	-	-	-
6	Accelerated scheme 2	Totex	£m	1.330	0.442	0.191	2.346	-	-	-	-	4.309
16	Total accelerated programme capex	Capex	£m	1.332	0.443	0.191	8.776	-	-	-	-	10.742
17	Total accelerated programme opex	Opex	£m	-	-	-	-	-	-	-	-	-
18	Total accelerated programme expenditure	Totex	£m	1.332	0.443	0.191	8.776	-	-	-	-	10.742

1 Work is proceeding on the Accelerated Infrastructure Delivery project for regional overflow reduction.

Table 4Z - Household bill reduction schemes, debt and Guaranteed Standard Scheme (GSS) payments

Section A - other direct bill reduction schemes for household customers struggling to pay

Other bill reduction schemes

	Line description	Target households	Number of unique households helped by scheme	Total amount bills reduced by through scheme	Funding source
	Units	Text	number	£'000s	Text
A1	Aquacare Plus	Customers in receipt of specific income-related state benefits	61.881	8.325	Customer cross subsidy

Section B - debt metrics

Total number of household customers served - active and final accounts

	Line description	Water only	Wastewater only	Dual service
	Units	number	number	number
B1	Number of household customers served – active accounts	225.265	869.102	1,886.886
B2	Number of household customers served – final accounts	19.497	70.321	177.604

Household customers in arrears

	Line description	Number of households	Total amount of debt
	Units	number	£'000s
B3	Households in arrears – active accounts with debt repayment arrangements	61.522	58.739
B4	Households in arrears – final accounts with debt repayment arrangements	11.242	7.843
B5	Households in arrears – active accounts without debt repayment arrangements	149.947	153.146
B6	Households in arrears – final accounts without debt repayment arrangements	251.868	134.937
B7	Households not having made any payment for the year – active accounts	53.449	82.709
B8	Households not having made any payment for the year – final accounts	183.850	91.758

	Temporary payment suspension		
	Line description	Number of households	Total amount deferred
	Units	number	£'000s
B9	Households with temporarily suspended payments – payment break arrangements	2.543	1.606
B10	Households with temporarily suspended payments – breathing space arrangements	2.994	3.275

	Household debt collection through third party agents where water company remains creditor		
	Line description	Number of households	Total value of debt
	Units	number	£'000s
B11	Debt collected by external agents – active accounts	36.232	21.500
B12	Debt collected by external agents – final accounts	14.944	6.827

B13	PSR customers with debt passed on to external debt collection agents – active and final accounts	8.520	6.071

	Household debt sold to external agencies			
	Line description	Number of accounts	Total value of debt	Total sale value of debt
	Units	number	£'000s	£'000s
B14	Debt sold to an external agency / third party debt purchaser – active accounts	-	-	-
B15	Debt sold to an external agency / third party debt purchaser – final accounts	-	-	-
B16	Active and final PSR accounts (and total debt involved) referred to an external agency that has bought the customer debt from the water company during the reporting year.	-	-	-

	Payment matching activities		
	Line description	Number of accounts	Total value of payment matches
	Units	number	£'000s
B17	Active accounts supported through the matched payment schemes and the total contribution of matched payments made by the water company for the reporting year	2.511	1.206
B18	Final accounts supported through the matched payment schemes and the total contribution of matched payments made by the water company for the reporting year	0.287	0.292

	Unpaid household bills referred to courts		
	Line description	Number of accounts	Total amount involved

	Units	number	£'000s
B19	Number of county court claims	10.139	11.541
B20	Number of county court judgements	13.333	18.478
B21	Number of county court judgement enforcements	9.385	13.019
B22	Number of high court claims	-	-
B23	Number of high court judgements	-	-
B24	Number of high court judgement enforcements	5.030	8.894

Section C - Payments to household customers made in accordance with the Guaranteed Standards Scheme (GSS)

GSS payments to household customers

	Line description	Number of payments	Total amount	Number of unique households
	Units	number	£'000s	number
C1	Total value of payments made to household customers under GSS	-	309.201	-
C2	Total number of payments made to household customers under GSS	4452	-	-
C3	Total number of unique household customers receiving GSS payments	-	-	4250

Number and value of statutory payments and other payments in excess of the statutory amounts for events that are currently part of the GSS to household customers by type in the reporting period

Line description	Total number of times the statutory GSS amounts were paid to	Total value of payments made in relation to column 1	Total number of times amounts higher than the statutory GSS amounts were paid to	Total value of payments made in relation to column 3	Total number of times the statutory GSS penalty payments were made to	Total value of payments made in relation to column 5

		household customers		household customers for GSS related events.		household customers	
	Units	number	£'000s	number	£'000s	number	£'000s
C4	Appointments not kept	1,852.000	37.100	-	-	73.000	1.040
C5	Appointment notification not given	-	-	-	-	-	-
C6	Incidences of low water pressure	-	-	-	-	-	-
C7	Incorrect notice of planned interruptions to supply	-	-	-	-	-	-
C8	Supply not restored - initial period	1,504.000	30.080	1,504.000	15.040	88.000	1.330
C9	Supply not restored - each 24 hr period	6.000	0.060	6.000	0.300	-	-
C10	Account/billing queries not responded to	-	-	-	-	-	-
C11	Requests for changes to payment arrangements not responded to	-	-	-	-	-	-
C12	Written complaints not responded to within 10 working days	4.000	0.080	-	-	-	-
C13	Properties sewer flooded internally	362.000	109.319	-	-	59.000	1.650
C14	Properties sewer flooded externally	730.000	117.222	-	-	129.000	3.740

Number and value of payments made to household customers for events that are currently not part of the GSS

	Line description	Total number of payments for all events that are not part of the current GSS scheme	Total value of payments made in relation to column 1
	Units	number	£'000s
C15	Payment type_1	0.000	0.000
C16	Payment type_2	0.000	0.000

C17	Payment type_3	0.000	0.000
C18	Payment type_4	30.000	0.900
C19	Payment type_5	0.000	0.000
C20	Payment type_6	0.000	0.000
C21	Payment type_7	328.000	32.800
C22	Payment type_8	0.000	0.000
C23	Payment type_9	247.000	7.410
C24	Payment type_10	162.000	46.261

	Number and value of statutory GSS penalty payments made to household customers		
	Line description	Total number of penalty payments made under the current GSS scheme	Total value of payments made in relation to column 1
	Units	number	£'000s
C25	Penalty payments made under the current GSS scheme	349.000	7.760

Debt Metrics (4Z.B1 - B24)

1 The information provided is for directly billed customers only, and excludes customers billed by other water companies on our behalf.

2 In some categories the volumes and values have reduced against the APR for 2024/25, this is where Essex and Suffolk customers have been moved to be billed by Northumbrian Water.

3 The new category for debt forgiveness and payment matching schemes includes Anglian Water Assistance Fund, and Back on Track payment matching. Next year this will include the medical needs discounts.

4 All other data has been calculated using the same process as year 2023/24.

GSS payments to household customers (4Z.C1 - 4Z.C3)

5 We made 4,452 payments under GSS to household customers in the report year a decrease of 61.7 per cent from 11,622 in report year 2023-24. Of the 4,452 payments made, 4,250 were made to unique household customers.

6 There was a reduction of 79 per cent in the customers receiving more than one GSS payment, from 979 in report year 2023/24 to 202 in this report year.

7 The main reasons for these reductions in payments are attributed to us not being affected so adversely by prolonged rainfall and named storms, which had knock effects in the previous report year with large supply incidents and a high number of sewers overloading and leading to flooding.

Number and value of GSS and other payments to household customers by type in the reporting period

Supply not restored (4Z.C8 and 4Z.C9)

8 We've made 1,504 GSS payments in the report year. Four payments were made for events in the report year 2023/2024. This is a reduction of 81 per cent from 8,027 payments made in the report year 2023/24, when we had two large incidents accounting for 5,731 of those payments.

9 In addition to the payments made under GSS, we also made the decision to make goodwill payments of £30 to a further 247 customers, who didn't qualify for GSS because their water was restored in under 12 hours, but were affected by an event that did qualify for GSS for other customers. These have been reported in Line 4Z.C23 of the table.

10 We enhance the payments we make for supply interruptions from the minimum standards, and we pay our customers £30 for every 12 hours they are without water. A breakdown of the statutory and enhanced payments has been reported in the table.

11 Payments made to customers under our enhanced payments, over the statutory period of 12 hours but not the additional 24 hour period, have been reported in line 4Z.C18 of the table.

Properties sewer flooded (4Z.C13 and 4Z.C14)

12 We've made 362 internal flooding payments in the report year. 30 payments were made for events in 2023/24 and 322 were paid for events in 2024/25.

13 This is a reduction of 31 per cent from 524 payments in the report year 2023/24.

14 We've made goodwill payments of £100 to 328 customers under our commitment to the "End sewer flooding misery" campaign. This is to cover any additional costs incurred and/or for the inconvenience experienced. This has been reported in Line 4Z.C21 of the table.

15 We've made 730 external flooding payments in the report year. 147 payments were made for events in 2023/24 and 583 were paid for events in 2024/25. This is a reduction of 41 per cent from the previous report year when 1,240 payments were made.

16 We've continued to make automatic payments for external flooding caused by overloaded sewers in the report year, this is another commitment under the "End sewer flooding misery" campaign.

Goodwill payments (4Z.C24)

17 Under the "End sewer misery" campaign we committed to waive the yearly sewerage charges for customers who experience repeat flooding incidents, or where mitigation hasn't been put in place to prevent further flooding. This is in addition to the statutory GSS payment and any subsequent GSS payments if they experience flooding again.

18 In the report year we made payments (equivalent to annual sewerage charges) to 162 customers for this reason.

Late payment penalties (4Z.C4 - 4Z.C14 and 4Z.C25)

19 We made 349 late penalty payments in the report year, a reduction of 94.6 per cent from the previous report year where 6,472 penalty payments were made.

20 The reduction can be attributed to no having large supply interruption events in the report year and less sewer flooding instances. This meant modelling and verification was completed in a more timely manner, leading to more payments being made within the required levels of service.

Table 5A - Water resources asset and volumes data for the 12 months ended 31 March 2025

	Line description	Units	Input
	Water resources		
1	Water from impounding reservoirs	Ml/d	28.42
2	Water from pumped storage reservoirs	Ml/d	586.87
3	Water from river abstractions	Ml/d	651.98
4	Water from groundwater works,excluding managed aquifer recharge (MAR) water supply schemes	Ml/d	633.69
5	Water from artificial recharge (AR) water supply schemes	Ml/d	-
6	Water from aquifer storage and recovery (ASR) water supply schemes	Ml/d	-
7	Water from saline abstractions	Ml/d	-
8	Water from water reuse schemes	Ml/d	-
9	Number of impounding reservoirs	nr	2
10	Number of pumped storage reservoirs	nr	8
11	Number of river abstractions	nr	17
12	Number of groundwater works excluding managed aquifer recharge (MAR) water supply schemes	nr	197
13	Number of artificial recharge (AR) water supply schemes	nr	-
14	Number of aquifer storage and recovery (ASR) water supply schemes	nr	-
15	Number of saline abstraction schemes	nr	-
16	Number of reuse schemes	nr	-
17	Total number of sources	nr	224
18	Total number of water reservoirs	nr	10
19	Total volumetric capacity of water reservoirs	Ml	227252.70
20	Total number of intake and source pumping stations	nr	217
21	Total installed power capacity of intake and source pumping stations	kW	41472.00
22	Total length of raw water abstraction mains and other conveyors	km	109.60
23	Average pumping head – raw water abstraction	m.hd	27.31
24	Energy consumption - water resources (MWh)	MWh	82568.765
25	Total number of raw water abstraction imports	nr	-
26	Water imported from 3rd parties to raw water abstraction systems	Ml/d	-
27	Total number of raw water abstraction exports	nr	-
28	Water exported to 3rd parties from raw water abstraction systems	Ml/d	-
29	Water resources capacity (measured using water resources yield)	Ml/d	1738.20
30	Total number of completed investigations (WINEP/NEP), cumulative for AMP	nr	136

Water from impounding reservoirs (5A.1)

1 The sum of the water abstracted cannot be directly compared to Distribution Input (DI) as it includes imports/exports, non potable, water treatment works losses and excludes the MLE adjustment to DI.

Water from pumped storage reservoirs (5A.2)

2 The sum of the water abstracted cannot be directly compared to DI as it includes imports/exports, non potable water treatment works losses and excludes the MLE adjustment to Distribution Input. For some of our larger river abstraction works (such as Wing and Grafham) we have only included in this line the volume of water delivered from the pumped storage into the works.

Water from river abstractions (5A.3)

3 The sum of the water abstracted cannot be directly compared to distribution input as it includes imports/exports, non potable, water treatment works losses and excludes the MLE adjustment to Distribution Input. The total volume of water from lines 5A.1-5A.8 is more than the total volume of water abstracted as we have included water that is firstly abstracted from the rivers and then again abstracted from the pumped storage.

Water from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes (5A.4)

4 The sum of the water abstracted cannot be directly compared to DI as it includes imports/exports, non potable, water treatment works losses and excludes the MLE adjustment to Distribution Input.

Water from artificial recharge (AR) water supply schemes (5A.5)

5 We do not operate any such schemes.

Water from aquifer storage and recovery (ASR) water supply schemes (5A.6)

6 We do not operate any such schemes.

Water from saline abstractions (5A.7)

7 We do not operate any such schemes.

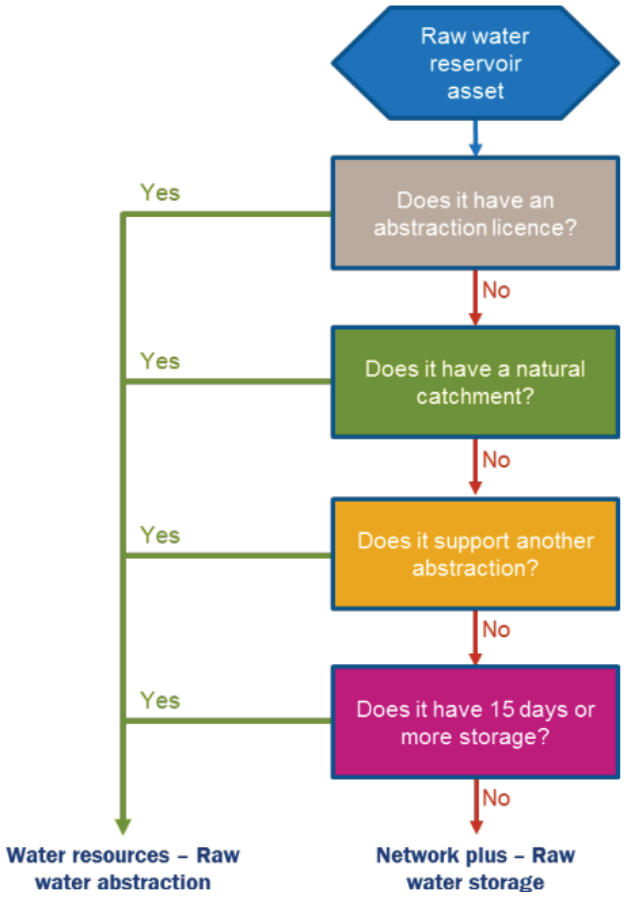
Water from water reuse schemes (5A.8)

8 There are no sites that abstract water using this method. As a result, we have reported the volume of water for this line as zero.

Number of impounding reservoirs and pumped storage reservoirs (5A.9 and 5A.10)

9 The reported numbers reflect the number of reservoirs classified as raw water abstraction based on the following RAG 4.09 flow chart:

RAG 4.09 flow chart to classify raw water reservoir assets as either water resources or network+



Impounding Reservoirs

- Ravensthorpe reservoir (Ruthamford North RZ): 100 per cent inflow
- Hollowell reservoir (Ruthamford North RZ): 100 per cent inflow

Pumped Storage Reservoirs

- Alton Water (East Suffolk RZ): 69 per cent pumped
- Ardleigh reservoir (South Essex RZ): 82 per cent pumped
- Covenham reservoir (East Lincolnshire RZ): 100 per cent pumped
- Grafham Water (Ruthamford South RZ): 99 per cent pumped
- Pitsford reservoir (Ruthamford North RZ): 56 per cent pumped
- Rutland Water (Ruthamford North RZ): 88 per cent pumped
- Cadney Carrs (East Lincolnshire RZ): 100 per cent pumped
- Costessey Pits (Norwich & the Broads RZ): 100 per cent pumped

10 The RAG 4.09 guidance means we also class Cadney Carrs and Costessey Pits as raw water reservoirs. Cadney has storage >15 days, and Costessey Pits has an abstraction licence.

11 The definition for Line 9 specifies that the reservoirs should be classified as either pumped or impounding, on the basis of the majority of the type of flow that they receive.

Number of river abstractions (5A.11)

12 We are reporting seventeen river abstractions for the reporting period 2024/25.This is the same as 2023/24 as Clapham (Bedford) abstraction was in supply for the period of 1st April to 17th July 2024.

13 This consists of direct river intakes and also ten indirect supporting river abstractions. This reflects the full complement of our surface water intake assets.

1. Cadney (River Ancholme)
2. Clapham (Bedford Ouse)
3. Hall (River Trent)
4. Heigham (River Wensum)
5. Costessey (River Wensum)
6. Marham (River Nar)
7. Stoke Ferry (River Wissey)
8. Tinwell (River Welland for Rutland Water)
9. Wansford (River Nene for Rutland Water)
10. Offord (River Great Ouse for Grafham Water)
11. Duston Mill (River Nene for Pitsford reservoir)
12. Sproughton (River Gipping for Alton Water)
13. Bucklesham (Mill River for Alton Water)
14. East Mills (River Colne for Ardleigh)
15. Covenham intake (Louth Canal for Covenham reservoir)
16. Cloves Bridge (River Great Eau for support to Covenham)
17. Cut-off-Channel (for support to Stoke Ferry)

14 Bath Springs and Cringle Brook intake at Saltersford, and Foxcote reservoir, do not enter supply so are not included in the reported list.

Number of groundwater works, excluding managed aquifer recharge (MAR) water supply schemes (5A.12)

15 We report 197 groundwater sources for 2024/25 which is different to the 196 that was reported for 2023/24. A source is defined as an independent raw water supply that directly supplies a treatment works. Standby or mothballed sources from which no water has been obtained in the year are not included. The total number of sources included the reintroduction of:

- Riggingale
- Winterton Carrs No.1
- Winterton Carrs No.2
- Winterton Holmes

16 The following sources were also removed from the operational source list based on the above source definition:

- East Ruston (Abstraction licence revoked)
- Witton (Hole House) (Abstraction licence revoked)
- Waddingham (Capital investment at WTW)

17 Of these, 187 are in the Anglian region and 10 are in the Hartlepool region.

Number of artificial recharge (AR) water supply schemes (5A.13)

18 We do not operate any such schemes.

Number of aquifer storage and recovery schemes (ASR) water supply schemes (5A.14)

19 We do not operate any such schemes.

Number of saline abstraction schemes (5A.15)

20 We do not operate any such schemes.

Number of reuse schemes (5A.16)

21 We do not currently operate any such schemes.

Total number sources (5A.17)

22 The reported number is summed from lines nine to 16.

Total number of water reservoirs (5A.18)

23 For 2024/25 the reported number has not changed.

24 Line 18 includes the impounding and pumped storage reservoirs reported in lines nine and 10.

Total capacity of water reservoirs (5A.19)

25 The value for 2023/24 has not changed from 2022/2023.

Total number of intake and source pumping stations (5A.20)

26 Following guidance in the Ofwat Guidelines & Appendices, we have identified raw water transport pumps within surface water systems and groundwater sources. Surface water transport has been split between abstraction to reservoir and abstraction from reservoir to treatment. Groundwater sources have been split based on the proportion of pumping head that that goes to treatment (considered to be raw water abstraction) and the proportion that goes to supply (considered to be water distribution).

27 In line with the disaggregation of raw water transport pumps, for 2024/25 we are reporting:

- 20 intake and source pumping stations including one gravity intake system at Ravensthorpe Reservoir
- 197 groundwater sources

28 This is an increase of one source from what was reported for 2023/24.

Total installed power capacity of intake and source pumping stations (5A.21)

29 The number of pumps, rated power for each pump, location and asset status have been used where this information was held in corporate databases. Where the rated power was not available in the corporate databases historical records held by the Water Resources team were used. The qualifying assets were determined by the Water Resources team. For those borehole pumps that both abstract and boost into the network only the proportion of the rated power relating to abstraction has been included. The slight change in rated power, when compared to 2023/24, is primarily due to the changing status of operational borehole sources.

Total length of raw water abstraction mains and other conveyors (5A.22)

30 This data has been reviewed and refined for PR24. This line has been calculated using the latest raw water mains data out of our corporate mapping system (G/water). The lengths have also been calculated using the guidance provided in RAG 4.13. There is a small decrease of eight km for 2024/25 compared to 2023/24 this is due to constant improvements to on-site pipe classifications.

Average Pumping Head - Raw Water Abstraction (5A.23)

31 For Average Pumping Head (APH) reporting, we have built steadily on the progress made between 2022-2024. The assessment and validation tools and processes have been consistently applied and, as a result, there is high confidence in the validity of the reported data and transparency of the level of measurement versus estimation for each of the price

controls. We have made incremental upgrades to the proportion of pump sets measured, however, failure of monitoring on some significant pumping sets has had an impact on the overall proportion of measured data when normalised to flow.

Measured and Estimated Values

32 The system approach to optimisation and other activities has led to the identification of three sites previously not captured in the calculation. This, coupled with an additional 26 sensors maintained or installed over the period, have given a small increase in capability with the amount of measured data overall increasing by approximately two per cent.

33 There is a noticeable decrease in the overall measured element of data when rationalised for flow due to monitor issues on higher flow pumping assets. It is recognised that a targeted approach to repair and maintenance for these high rated assets is required to prevent these types of issue in the future. This also aligns with management of operational risk in these areas.

Validation

34 Validation tools and processes are built inherently into the tooling, however, we have carried out a number of different additional validation tasks throughout the year to ensure validity of the submission. These include reviews of data quality, where poorly performing assets are identified and flagged for inspection and analysis of proportion of measured data to ensure reporting accuracy and correctly state confidence in the overall figures.

Improvement Areas for Further Review

35 Moving into AMP8, we will be taking a systems based approach to optimisation. This will include an initial deep dive into performance and reliability of assets and instruments in areas where outcomes are deemed to be suboptimal.

36 Gap analysis and data quality analysis will be completed as part of these reviews and this presents the opportunity to gain extra value from investment in sensing equipment. This will allow us to better monitor and manage assets and systems and also to enhance the level of measured data across the price controls, maximising the value achieved from investments made.

37 It is clear from the impact seen on the overall measured to estimated ratio for this years' submission, that sensor health is critical going forwards to give increased assurance of data quality. This is also vital to a data lead systems approach to optimisation. There is currently a capability that has been developed as an output of the Ofwat Innovation Fund project called Safe Smart Systems, which enables assessment and categorisation of sensor health. This will be built into the data review process going forwards and will be a key additional value consideration when making investment decisions.

Future Planning: APH as a Lead Measure

38 The systems approach to optimisation will also allow us to use APH as a lead measure to drive efficiencies into engineering solutions. The granular understanding that has been achieved during AMP7, combined with enhancements to data supporting pressure managed areas will give clear identification of the relative cost of water delivered to specific areas of the distribution network as described below -

39 "APH is used to measure the amount of pressure added to every litre of water within an area or system. It looks at the pressure added through gravity feeds and directly compares that to pressure added through pumping activities. Unfortunately, the calculation is limited to the area in question, and does not take into account the pressure added to the water as it passes from abstraction through to the area in question. Subsequently, an additional measure which sums the total pressure added via pumping between its abstraction to its distribution would allow for an understanding of the energy requirement from a system

view. Systems with more repumping or areas where the water must travel a significant distance would show with a higher value, where water supplied directly very close to the treatment would have a much lower value"

40 When considering performance at a system level, APH becomes a lead performance measure and, due to the updated approach we are taking to the calculation, we are now in a stronger position to build this into situational awareness and system performance reporting platforms going forwards. This will enable us to use APH to help drive operational decision making and process optimisation opportunities for the first time. This will be central to data driven ops and optimisation strategies for AMP8.

41 Raw water abstraction APH: 27.31

42 Percentage of APH derived from measured data: 39.1 per cent.

43 There has been a noted decrease in the APH for Raw Water Abstraction, coupled with an increase in the calculation for Raw Water Transport. Identification of additional measured data in these areas were on relatively low flow assets and are believed to be only partly contributory. Data loss has had a significant impact due to identified monitor failures on high mass transfer assets.

Energy Consumption – Raw Water Abstraction (5A.24)

44 The energy consumption was **82,569 MWh**. The equivalent number for 2023/24 was 78,177 MWh so there has been an increase of 4,392 MWh or 5.62 per cent.

45 The main component of this change has been the electricity usage for raw water abstraction which increased by 3,607 MWh or 5.02 per cent. The first half of the year was wetter than average, as had been 2023/24, however, the second half was closer to average rainfall, if a little below. Abstraction from rivers into impounding reservoirs was, therefore, a little higher than in 2023/24 when managers sought to take advantage of river levels ahead of the important winter recharge season.

46 A number of assumptions have been made in calculating the raw water abstraction energy consumption data.

- For the whole of the water function, we have applied a financial split from regulatory accounts between abstraction, raw water transport, water treatment and treated water distribution for electricity consumption. This financial split is based upon assessments of proportional use by different business units made by the finance team and operational managers. Because of the more significant volumes of solar electricity being generated on sites at a lower price than grid electricity, the solar costs were deducted from this calculation. Solar consumption was added back to complete the consumption picture.

- Grid electricity and fuel (oil and natural gas) used in offices has been included and split equally between the water and water recycling functions.

- Fuel oil is not recorded on our corporate systems against Ofwat's business units and therefore the same split used for electricity has been assumed for each fuel type with the exception of gas oil and diesel delivered to water recycling sites.

- We have assumed a 35 per cent thermal efficiency for natural gas consumption in converting to energy output (boilers and Combined Heat and Power Plant).

- Transport (claimed mileage and fleet fuel purchased on fuel cards) is not recorded in our corporate systems against Ofwat's business units and therefore we have split the total 50/50 between water and water recycling and then assumed that they split in the same proportions as electricity between the business units.

- Transport for company cars is collected as mileage. We have converted mileage into kWh through using the Department for Energy Security and Net Zero's greenhouse gas reporting conversion factors for 2024.

- For electric vehicles, a small but growing volume of energy is collected via fuel cards or is metered at employees' homes. For the remaining, larger volume we have made the assumption that the mileage claimed relates to charging at home or on public charging points, rather than using the charging points at our offices. Many people are still working from home a lot of the time and we do not have a reliable source to tell us how many miles are being claimed from charging at our sites. We believe this assumption to be safe and not capable of skewing the overall figures since (i) electric car consumption from claimed mileage totals just 782,054 kWh across the whole of Anglian Water and (ii) wherever cars are charged, the driver may be charging for domestic and commuting miles (which cannot be claimed) as well as for business. While there may be an overlap with the electricity consumption data, we consider that this will be de-minimus. We are looking to improve our processes in order to better capture consumption by electric cars charged at home and Anglian Water infrastructure.

Total number of raw water abstraction imports (5A.25)

47 There are currently no raw water abstraction imports so this figure is zero.

Water imported from 3rd parties' raw water abstraction systems (5A.26)

48 The volume of raw water imported from third party systems is zero.

Total number of raw water abstraction exports (5A.27)

49 There are currently no raw water abstraction exports so this figure is zero.

Water exported to third parties from raw water abstraction systems (5A.28)

50 The volume of raw water exported to third party systems is zero.

Water resources capacity (measured using water resources yield) (5A.29)

51 The report year value has been provided for the company water resources capacity, based on the hydrological yields for all sources contributing to the Water Resources Management Plan (WRMP) 2024 deployable output supply forecast.

52 The total annual average water resources capacity is 1738.2 Ml/d, which is made up of groundwater and direct surface water intakes (1011.8 Ml/d) and surface water reservoirs, including their surface water intakes (726.4Ml/d). This has reduced by 2.8 Ml/d from 2023/24 (all from groundwater licence reductions). This also could be compared to the WRMP company deployable output of 1556.38Ml/d (pre-losses) as submitted within the Annual Review. There are important differences between the two values to be aware of, such as water resources capacity does not account for water treatment works constraints or raw water network constraints. Additionally, deployable output can be constrained by the relative proximity of the population in respect to sources and assets. As a result, deployable output will always be less than water resources capacity.

Total number of completed investigations (Water Industry National Environment Programme and National Environment Programme), cumulative for AMP (5A.30)

53 There were two additional investigations delivered under the eels driver in 2024/25, as part of the water price control.

Table 5B - Water resources operating cost analysis for the 12 months ended 31 March 2025

	Line description	Units	Impounding Reservoir	Pumped Storage	River Abstractions	Groundwater, excluding MAR water supply schemes	Artificial Recharge (AR) water supply schemes	Aquifer Storage and Recovery (ASR) water supply schemes	Other	Total
1	Power	£m	0.009	-	7.654	6.569	-	-	-	14.232
2	Income treated as negative expenditure	£m	-	-0.016	-0.068	-0.150	-	-	-	-0.234
3	Abstraction charges/ discharge consents	£m	0.186	0.500	3.932	4.957	-	-	-	9.575
4	Bulk supply	£m	-	-	-	-	-	-	-	-
	Other operating expenditure									
5	Renewals expensed in year (Infrastructure)	£m	-	-	-	-	-	-	-	-
6	Renewals expensed in year (Non-Infrastructure)	£m	-	-	-	-	-	-	-	-
7	Other operating expenditure excluding renewals	£m	0.769	2.145	6.961	13.414	-	-	-	23.289
8	Local authority and Cumulo rates	£m	0.043	-	0.289	2.162	-	-	-	2.494
9	Total operating expenditure (excluding 3rd party)	£m	1.007	2.629	18.768	26.952	-	-	-	49.356

Power

1 The power cost decreased in 2024/25 compared to 2023/24 due to our hedging strategy of buying multiple forward contracts for future years' usage, over time in incremental blocks. These are purchased on the forward wholesale market and via market reflective power purchase agreements. This in effect fixes our wholesale cost at an average price of all the forward contracts for the relevant year. In volatile market conditions, forecasting the direction of future prices is a risk decision, and we spread the risk by building up our purchase of future energy use over time, and we do so to ensure financial certainty, not to outperform the market. A hedging strategy of this nature, by its design, avoids the highs, but also the lows in markets through the multiple purchase of small volumes of energy over time. The agreements protected us from the worst impacts of open market peaks in 2022/23 but meant energy cost for 2023/24 included some impact of the higher costs seen in 2022/23.

Table 6A - Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 2025

	Line description	Units	Input	
	Raw water transport and storage			
1	Total number of balancing reservoirs	nr	4	-
2	Total volumetric capacity of balancing reservoirs	Ml	413.000	-
3	Total number of raw water transport stations	nr	10	-
4	Total installed power capacity of raw water transport pumping stations	kW	12870	-
5	Total length of raw water transport mains and other conveyors	km	543.40	-
6	Average pumping head ~ raw water transport	m.hd	47.21	-
7	Energy consumption – raw water transport (MWh)	MWh	40353.467	-
8	Total number of raw water transport imports	nr	-	-
9	Water imported from 3rd parties to raw water transport systems	Ml/d	-	-
10	Total number of raw water transport exports	nr	-	-
11	Water exported to 3rd parties from raw water transport systems	Ml/d	-	-
12	Total length of raw and pre-treated (non-potable) water transport mains for supplying customers	km	62.29	-

	Water treatment - treatment type analysis	Surface water		Ground water	
		Water treated	Number of works	Water treated	Number of works
	Units	Ml/d	nr	Ml/d	nr
13	All simple disinfection works	-	-	3.68	3
14	W1 works	-	-	-	-
15	W2 works	-	-	151.67	40
16	W3 works	-	-	130.27	31
17	W4 works	0.33	1	174.41	27
18	W5 works	581.18	12	104.73	12
19	W6 works	8.38	1	-	-

	Water treatment - works size	% of total DI	Number of works		
	Units	DI	nr		
20	WTWs in size band 1	0.8	11	-	-
21	WTWs in size band 2	4.0	27	-	-

22	WTWs in size band 3	11.2	38	-	-
23	WTWs in size band 4	14.9	27	-	-
24	WTWs in size band 5	14.8	13	-	-
25	WTWs in size band 6	18.3	8	-	-
26	WTWs in size band 7	5.7	1	-	-
27	WTWs in size band 8	30.3	2	-	-

	Water treatment - other information	Units	Input	
28	Peak week production capacity (PWPC)	Ml/d	1799.25	-
29	Total peak week production capacity (PWPC) having enhancement expenditure for grey solution improvements to address raw water quality deterioration	Ml/d	-	-
30	Total peak week production capacity (PWPC) having enhancement expenditure for green solutions improvements to address raw water quality deterioration	Ml/d	-	-
31	Total water treated at more than one type of works	Ml/d	-	-
32	Number of treatment works requiring remedial action because of raw water deterioration	nr	-	-
33	Zonal population receiving water treated with orthophosphate	000's	5146.076	-
34	Average pumping head – water treatment	m.hd	11.41	-
35	Energy consumption - water treatment (MWh)	MWh	94297.929	-
36	Total number of water treatment imports	nr	-	-
37	Water imported from 3rd parties to water treatment works	Ml/d	-	-
38	Total number of water treatment exports	nr	-	-
39	Water exported to 3rd parties from water treatment works	Ml/d	-	-

Total number of balancing reservoirs (6A.1)

1 The reported numbers reflect the number of reservoirs classified as Network and Raw water storage as set out in RAG 4.09 guidance (Figure 1). We only include reservoirs which have one or more days' storage. For 2024/25, Clapham (Bedford) is included in this number.

1. Heigham Large Deposit Reservoir – for Heigham
2. WTW Bedford – for Clapham
3. WTW South Clifton – for Hall WTW
4. Saltersford Raw Water Reservoir – for Saltersford WTW

2 The purpose of these reservoirs is to provide resilience rather than storage and as such they do not have an abstraction licence or a natural catchment. Saltersford was a new addition to the list for 2020/21 following review of the guidance. The total number is: four.

Total volumetric capacity of balancing reservoirs (6A.2)

3 The capacity of balancing reservoirs reflects the design and construction capacity of the reservoir where possible and is clarified by our Reservoir Safety Manager. This value is 414Ml, with no change from 2023/24.

Total number of raw water transport stations (6A.3)

4 In line with guidance as described above, reporting for 2024/25 has not changed since 2021/22 and the figure remains:

- 10 transfer pumping stations including one gravity intake system at Ravensthorpe Reservoir.

5 This increased by one in 2020/21, following review of the guidance including Empingham raw water transfer to Saltersford raw water reservoir. This was unchanged for 2024/25.

Total installed power capacity of raw water transport pumping stations (6A.4)

6 The number of pumps, rated power for each pump, location and asset status have been used where this information was held in corporate databases. The assets qualifying for inclusion were determined by the Water Resources team.

Total length of raw water transport mains and other conveyors (6A.5)

7 This data was reviewed and refined for the Price Review 2019. The lengths have been calculated using the guidance provided in RAG 4.13.

8 Constant improvement to on-site pipe classification has led to a two km decrease from the figure quoted in the 2023/24 length.

Average pumping head (APH) ~ raw water transport (6A.6)

9 For an overview on how we have reported average pumping head please see the commentary for 5A.23.

10 Raw water transport APH: 47.21

11 Percentage of APH derived from measured data: 62.5 per cent.

12 There has been a noted decrease in the APH for Raw Water Abstraction, coupled with an increase in the calculation for Raw Water Transport. Identification of additional measured data in these areas were on relatively low flow assets and are believed to be only partly contributory. Data loss has had a significant impact due to identified monitor failures on high mass transfer assets.

Energy Consumption – Raw Water Transport and Water Treatment (6A.7 and 6A.35)

13 The total energy consumption across both lines was 134,651 MWh. The equivalent number for 2023/24 was 132,766 MWh so there has been a small increase of 1,885 MWh or 1.42 per cent. For Raw Water Transport there has been a decrease of -1,863 MWh (-4.41 per cent) and for Water Treatment there was an increase of 3,749 MWh (4.14 per cent).

14 The main drivers of this change have been changes in electricity consumption; while this increased on water treatment sites, it decreased for raw water transport. Since we used the financial split from the regulatory accounts to allocate consumption between different categories of consumption, small year on year relative differences in that explain why one went up and the other down. Electricity accounted for 1,033 MWh (0.85 per cent) of the increase. There has also been an increase in fuel usage of 447 MWh or 15.07 per cent and an increase in consumption for Transport purposes of 405 MWh or 5.19 per cent due to an increase in mileage claimed versus 2023/24.

15 A number of assumptions have been made in calculating the Raw Water Transport and Water Treatment energy consumption data. We have applied the same assumptions as we did in calculating Raw Water Abstraction (see commentary for 5A.24). In addition, we have included energy from solar sources generated and used on site.

Total number of raw water transport imports (6A.8)

16 There have been no raw water transport imports.

Water imported from third parties' raw water transport systems (6A.9)

17 There is no water imported from third parties' raw water transport systems.

Total number of raw water transport exports (6A.10)

18 There has been no water transported.

Water exported to third parties' raw water transport systems (6A.11)

19 There has been no water transported to third parties.

Total length of raw and pre-treated (non-potable) water transport mains for supplying customers (6A.12)

20 The pipes for this line mainly consist of the system that supplies the Humber Bank industrial area with non-potable water. The length quoted of 62km has remained stable when compared to 2023/24.

Water treatment - treatment type analysis (6A.13 - 6A.19)

21 The number of sites in each specified Water Treatment Works (WTW) category (based upon Ml/d DI) is defined based upon our Source Works Output Reporting System (SWORPS) data.

22 Volumes per WTW have been calculated using 2024/25 year values. WTWs have then been grouped by category, as described, giving total numbers of WTWs per category and the volume of water in Ml/d by either ground or surface water.

23 Significant changes to categories are explained below:

- W3 ERUSWW- site is decommissioned so is no longer in service and removed from the count,
- W3 GAYTWW has now moved to a W4 site.

WTWs by category (6A.20 - 6A.27)

24 We have spoken to production operatives in each region to discuss the Peak Week production capacity for each works irrespective of the licences that are in place. The production capacity was calculated over a seven-day period and then reproportioned over 24 hours.

25 Volumes per WTW have been calculated using 2024/25 year values. WTWs have then been grouped by size band, as described, giving total numbers of WTWs per band and the percentage of DI associated with each band calculated.

26 A summary of changes to bandings from 2023/24 to 2024/25 are summarised below:

- ERUSWW has been removed from Band 2 as it is no longer in service

Peak week production capacity (PWPC) (6A.28)

27 PWPC numbers are calculated using validated data from our Telemetry system via our Integrated Leakage & Pressure Management system reporting platform. These numbers are taken from Surface Works output (SWORPS) data. In 2023/24 we responded to feedback from Ofwat (in its Final Determination of in-period outcome delivery incentives for 2022/23) surrounding PWPC calculations, in place of using the most recent five year period, the PWPC number is now generated by taking the maximum seven day rolling average output using SWORPS data from a rolling 10 year period. The PWPC is reduced if there has been a process or asset change which results in the Water Treatment Works (WTW) being unable to achieve the historic PWPC. Our external assurance provider, Jacobs, questioned whether sites that have been offline or with reduced output for an extended period of time could be counted as transient changes in water quality due to pollution. We have a small number of groundwater sources where third party pollution of the groundwater has caused an unplanned outage, which could be considered both transient and long-term due to the slow flow rate in the aquifers (creating a grey area about whether it should be excluded or not). Jacobs recommended that we remove the works from the company total PWPC in line with the Environment Agency's guidance for Supply-Demand Balance Index outages. Through further discussions we decided not to take this approach as it was felt it was not be representative of the true total company PWPC and our intentions to return works to full capacity once the pollution event has passed. The impact of removing long term excludable outages from last year was calculated and was found only to impact performance by 0.02 per cent.

28 PWPC Numbers are reviewed on an annual basis by the Asset Health team and then a further review of the number is undertaken in conjunction with the Local Supply Manager to confirm accuracy.

29 In further response to the Ofwat feedback the requirement for testing individual WTW capacity will be reviewed annually. This will be part of a wider procedure on how annual flow reviews are conducted. Where it is deemed too operationally risky to increase total site output in order to test capacity of a site, individual processes through the works will be tested. This is only predicted to be a small proportion of sites.

30 Overall Company PWPC saw a 2.25Ml/d increase from 1797.001Ml/d in 2023/24 to 1799.251Ml/d. This overall increase is due to an increase in customer demand and due to some remedial works increasing output. One site was decommissioned which contributed a 2.206Ml/d reduction.

Total peak week production capacity (PWPC) having enhancement expenditure for grey solution improvements to address raw water quality deterioration (6A.29)

31 For the financial year 2024/25 there were no schemes which had investment and fall into the grey category of improvements.

Total peak week production capacity (PWPC) having enhancement expenditure for green solutions improvements to address raw water quality deterioration (6A.30)

32 For the financial year 2024/25 there were no schemes which had investment and fall into the green category of improvements.

Total water treated at more than one type of works (6A.31)

33 We do not operate any schemes where water is treated at more than one type of works.

Number of treatment works requiring remedial action because of raw water deterioration (6A.32)

34 For the financial year 2024/25 there were no schemes which required remedial action due to raw water deterioration.

Zonal population receiving water treated with orthophosphate (6A.33)

35 The zonal population receiving water treated with orthophosphate is calculated from the information reported to the Drinking Water Inspectorate in the Details Tables provided annually in accordance with the Information Direction. All Public Water Supply Zones (PWSZ) receiving orthophosphate dosed water are identified in the Details Tables which also document the population of each PWSZ.

36 There has been a steady increase in the population receiving orthophosphate dosed water, which is partly due to the increase in the number of WTWs with orthophosphate dosing plant in operation, as well as the general increase in total population we serve. This now stands at 100 per cent for 2024/25 as in 2023/24, up from 98.58 per cent for 2021/22, meaning that the population served is 5,146,076.

Average pumping head – water treatment (6A.34)

37 For an overview on how we have reported average pumping head please see the commentary for 5A.23.

38 Water treatment APH: 11.41

39 Percentage of APH derived from measured data: 11.6 per cent.

40 There has been very little change in the calculation or the proportion of measured data for Water Treatment and the long term performance for this price control is very stable. Proportion of measured data remains low and this will be an area for targeted improvement in AMP8.

Total number of water treatment imports (6A.36)

41 There are no water treatment imports.

Water imported from third parties' to water treatment works (6A.37)

42 There is no raw water imported from third parties to water treatment works.

Total number of water treatment exports (6A.38)

43 There are no water treatment exports.

Water exported to third parties' water treatment works (6A.39)

44 There is no raw water exported to third parties' water treatment works.

Table 6B - Treated water distribution - assets and operations for the 12 months ended 31 March 2025

	Line description	Units	Input
	Assets and operations		
1	Total installed power capacity of potable water pumping stations	kW	76,124
2	Total volumetric capacity of service reservoirs	Ml	1,764.8
3	Total volumetric capacity of water towers	Ml	117.6
4	Water delivered (non-potable)	Ml/d	49.62
5	Water delivered (potable)	Ml/d	996.83
6	Water delivered (billed measured residential properties)	Ml/d	538.77
7	Water delivered (billed measured businesses)	Ml/d	299.98
8	Proportion of distribution input derived from impounding reservoirs	Propn 0 to 1	0.016
9	Proportion of distribution input derived from pumped storage reservoirs	Propn 0 to 1	0.420
10	Proportion of distribution input derived from river abstractions	Propn 0 to 1	0.075
11	Proportion of distribution input derived from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	Propn 0 to 1	0.489
12	Proportion of distribution input derived from artificial recharge (AR) water supply schemes	Propn 0 to 1	-
13	Proportion of distribution input derived from aquifer storage and recovery (ASR) water supply schemes	Propn 0 to 1	-
14	Proportion of distribution input derived from saline abstractions	Propn 0 to 1	-
15	Proportion of distribution input derived from water reuse schemes	Propn 0 to 1	-
16	Total number of potable water pumping stations that pump into and within the treated water distribution system	nr	462
17	Number of potable water pumping stations delivering treated groundwater into the treated water distribution system	nr	127
18	Number of potable water pumping stations delivering surface water into the treated water distribution system	nr	12
19	Number of potable water pumping stations that re-pump water already within the treated water distribution system	nr	320
20	Number of potable water pumping stations that pump water imported from a 3rd party supply into the treated water distribution system	nr	3
21	Total number of service reservoirs	nr	253
22	Number of water towers	nr	124
23	Energy consumption – treated water distribution (MWh)	MWh	157,910.255
24	Average pumping head – treated water distribution	m.hd	66.45
25	Total number of treated water distribution imports	nr	20
26	Water imported from 3rd parties to treated water distribution systems	Ml/d	4.17
27	Total number of treated water distribution exports	nr	248
28	Water exported to 3rd parties from treated water distribution systems	Ml/d	77.16
29	Peak 7 day rolling average distribution input	Ml/d	1,298.41
30	Peak 7 day rolling average distribution input / annual average distribution input	%	111.00%

	Water balance - company level

31	Measured household consumption (excluding supply pipe leakage)	Ml/d	518.00
32	Unmeasured household consumption (excluding supply pipe leakage)	Ml/d	121.60
33	Measured non-household consumption (excluding supply pipe leakage)	Ml/d	298.95
34	Unmeasured non-household consumption (excluding supply pipe leakage)	Ml/d	1.94
35	Total annual leakage	Ml/d	187.04
36	Distribution system operational use	Ml/d	6.94
37	Water taken unbilled	Ml/d	20.58
38	Distribution input	Ml/d	1,154.67
39	Distribution input (pre-MLE)	Ml/d	1,169.77

	Water balance - region 1		
40	Measured household consumption (excluding supply pipe leakage)	Ml/d	-
41	Unmeasured household consumption (excluding supply pipe leakage)	Ml/d	-
42	Measured non-household consumption (excluding supply pipe leakage)	Ml/d	-
43	Unmeasured non-household consumption (excluding supply pipe leakage)	Ml/d	-
44	Total annual leakage	Ml/d	-
45	Distribution system operational use	Ml/d	-
46	Water taken unbilled	Ml/d	-
47	Distribution input	Ml/d	-
48	Distribution input (pre-MLE)	Ml/d	-

	Water balance - region 2		
49	Measured household consumption (excluding supply pipe leakage)	Ml/d	-
50	Unmeasured household consumption (excluding supply pipe leakage)	Ml/d	-
51	Measured non-household consumption (excluding supply pipe leakage)	Ml/d	-
52	Unmeasured non-household consumption (excluding supply pipe leakage)	Ml/d	-
53	Total annual leakage	Ml/d	-
54	Distribution system operational use	Ml/d	-
55	Water taken unbilled	Ml/d	-
56	Distribution input	Ml/d	-
57	Distribution input (pre-MLE)	Ml/d	-

	Components of total leakage (post MLE) - company level		
58	Leakage upstream of DMA	Ml/day	7.57
59	Distribution main losses	Ml/day	143.33
60	Customer supply pipe losses – measured households excluding void properties	Ml/day	21.16
61	Customer supply pipe losses – unmeasured households excluding void properties	Ml/day	10.92
62	Customer supply pipe losses – measured non-households excluding void properties	Ml/day	1.03
63	Customer supply pipe losses – unmeasured non-households excluding void properties	Ml/day	0.06
64	Customer supply pipe losses – void measured households	Ml/day	2.14

65	Customer supply pipe losses – void unmeasured households	Ml/day	0.24
66	Customer supply pipe losses – void measured non-households	Ml/day	0.57
67	Customer supply pipe losses – void unmeasured non-households	Ml/day	0.03

	Components of total leakage (post MLE) - region 1		
68	Leakage upstream of DMA	Ml/day	-
69	Distribution main losses	Ml/day	-
70	Customer supply pipe losses – measured households excluding void properties	Ml/day	-
71	Customer supply pipe losses – unmeasured households excluding void properties	Ml/day	-
72	Customer supply pipe losses – measured non-households excluding void properties	Ml/day	-
73	Customer supply pipe losses – unmeasured non-households excluding void properties	Ml/day	-
74	Customer supply pipe losses – void measured households	Ml/day	-
75	Customer supply pipe losses – void unmeasured households	Ml/day	-
76	Customer supply pipe losses – void measured non-households	Ml/day	-
77	Customer supply pipe losses – void unmeasured non-households	Ml/day	-

	Components of total leakage (post MLE) - region 2		
78	Leakage upstream of DMA	Ml/day	-
79	Distribution main losses	Ml/day	-
80	Customer supply pipe losses – measured households excluding void properties	Ml/day	-
81	Customer supply pipe losses – unmeasured households excluding void properties	Ml/day	-
82	Customer supply pipe losses – measured non-households excluding void properties	Ml/day	-
83	Customer supply pipe losses – unmeasured non-households excluding void properties	Ml/day	-
84	Customer supply pipe losses – void measured households	Ml/day	-
85	Customer supply pipe losses – void unmeasured households	Ml/day	-
86	Customer supply pipe losses – void measured non-households	Ml/day	-
87	Customer supply pipe losses – void unmeasured non-households	Ml/day	-

Power capacity and number of potable water pumping stations (6B.1 and 6B.16-20)

1 The number of pumps, rated power for each pump, location and asset status have been used where this information was held in corporate databases. This includes those borehole pumps that both abstract and boost into the network and apportions a percentage split of the borehole rated power to distribution.

2 The number of sites was calculated based on this more granular pump specific asset data and applying a "co-located" logic to align with the Ofwat definition of a "site". A categorisation of each site has been applied so to allow for the total number of booster stations to be split into the four categories of ground water, surface water, relift and import.

3 The significant drop in rated power is due to application of a new data cleansing technique which identified errors in the corporate record for three water boosters. The previous rated power for these water boosters was 10 times the credible rated power meaning that, through this amendment, 3000kW of rated power was reduced to 300kW. This explains 2700kW of the reduction with other, more minor amendments accounting for the rest.

4 The drop in site number is primarily due to an improved assessment of boreholes which also boost into distribution, both in terms of qualifying sites and the operational status of sites.

Number and capacity of service reservoirs (6B.2 and 6B.21)

5 For 2024/25 There are 253 Service Reservoirs

6 The count of reservoirs has increased by one due STRUWR - Decommissioned in 2023/24 so was not counted but was put back into Service November 2024.

7 For 2024/25 we are reporting 1764.793Ml which rounds to 1764.8 as reported in the table. There is a decrease compared to 2023/24 which was 1775.663Ml. The changes are due to STRUMPSHAW WR – STRUWR being placed back into service in November 2024 and BOUGHTON #2 WR - BGH2WR used to be 22.73 when it was in service – it was demolished and in its place are two tanks with a total capacity of 8Ml.

Site	Capacity	Comments
BOUGHTON #2 WR - BGH2WR	8	WR was demolished was 22.73 and in its place are now two tanks each tank has a capacity of 4Ml and equals to 8Ml.
STRUMPSHAW WR - STRUWR	3.86	Back in service November 2024

Total volumetric capacity of water towers (6B.3 and 6B.22).

8 For 2024/25 we are reporting 124 Water Towers. The count of Water Towers has decreased by one since 2023/24 due to RUSHMERE HEATH WT – RUSHWT Decommissioned March 2025. The value of 126 Water Towers in 2023/24 should have been 125 as we had counted the header row in error.

9 For 2024/25 we are reporting 117.647Ml which rounds to 117.6Ml as reported in the table. There is a decrease in capacity due to RUSHMERE-HEATH WT – RUSHWT being decommissioned.

Site	Capacity	Comments
RUSHMERE-HEATH WT – RUSHWT	1.136	Structure decommissioned March 2025

Water delivered non-potable (6B.4)

10 The amount of water delivered to our non-potable customers is similar to 2023/24. This water is used to supply large industrial customers on the Humber bank and in the Hartlepool region.

Water delivered billed measured potable (6B.5-7)

11 Water delivered to measured residential properties decreased in 2024/25 as a result of our smart metering and water efficiency programmes and the impact of a colder summer compared to 2024/25. This is partially offset as customers switch from unmeasured to measured billing and by new domestic connections to the network.

12 Water delivered to measured business customers has reduced slightly in 2024/25 due to working with customers with smart meters to reduce continuous flows into their businesses. As in previous years we have used data from loggers and additional meter reads to improve our understanding of non household consumption.

Proportion of distribution input derived from impounding reservoirs (6B.8)

13 Data is derived from post MLE DI and is similar to 2023/24. The proportions do not add exactly to one due to rounding.

Proportion of distribution input derived from pumped storage reservoirs (6B.9)

14 Data is derived from post MLE DI and is similar to 2023/24. The proportions do not add exactly to one due to rounding.

Proportion of distribution input derived from river abstractions (6B.10)

15 Data is derived from post MLE Distribution Input (DI) and is similar to 2023/24. The proportions do not add exactly to one due to rounding.

Proportion of distribution input derived from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes (6B.11)

16 Data is derived from post MLE DI and is similar to 2023/24. The proportions do not add exactly to one due to rounding.

Proportion of distribution input derived from artificial recharge (AR) and aquifer storage and recovery water supply schemes (6B.12 and 6B.13)

17 No such schemes are operated by the company.

Proportion of distribution input derived from saline abstractions and water reuse schemes (6B.14 and 6B.15)

18 No such schemes are operated by the company.

Energy Consumption – Treated Water Distribution (6B.23)

19 The total energy consumption was **157,910 MWh**. The equivalent number for 2023/24 was 150,108MWh so there has been an increase of 7,802 MWh or 5.20 per cent.

20 The main component of this change has been the increased electricity usage compared to 2023/24. 2023/24 was a very wet year so water demand would have been reduced compared to 2024/25, which was less wet. Electricity accounted for 6,349 MWh (4.60 per cent) of the increase. There was an increase in consumption for Transport purposes of 804 MWh or 9.11 per cent due to an increase in mileage claimed versus 2023/24, and an increase in fuel consumption of 648 MWh or 19.35 per cent.

21 A number of assumptions have been made in calculating the Treated Water Distribution energy consumption data. Please refer to the commentary for Table 5A, line 24.

Average pumping head: treated water distribution (6B.24)

22 For an overview on how we have reported average pumping head please see the commentary for 5A.23.

23 Treated water distribution APH: 66.45

24 Percentage of APH derived from measured data: 81.5 per cent.

25 There has been very little change in the calculation or the proportion of measured data for Treated Water Distribution and the long term performance for this price control is very stable. Confidence is high that we are achieving an accurate calculation due to the very high coverage of measured data in this area.

Total number of treated water distribution imports (6B.25)

26 The total number of treated water distribution imports for 2024/25 is 20. An increase of 1 from 2023/24.

Water imported from third parties' treated water distribution systems (6B.26)

27 The total volume of imported water has increased slightly in 2024/25 in line with overall DI.

Total number of treated water distribution exports (6B.27)

28 The total number of treated water distribution exports for 2024/25 is 248 (up from 193 in prior year). This is due to continued increase in the number of exports to NAVs.

Water exported to third parties' treated water distribution systems (6B.28)

29 The total volume of exported water for 2024/25 is slightly higher than 2023/24 but in line with the overall increase in DI.

Peak seven day rolling average distribution input (6B.29)

30 The peak seven day rolling average distribution input for 2024/25 is lower that 2023/24 which is expected as we did not have the same peak month summer weather as seen in June 2023.

Peak seven day rolling average distribution input/annual average distribution input (6B.30)

31 The peak seven day rolling figure as a percentage of the annual average distribution input is lower than 2024/25 which is expected as we did not have the same extreme summer weather.

Water balance company level measured and unmeasured consumption excluding supply pipe leakage (6B.31-6B.34)

32 Measured Consumption data is reported using a mixture of visual read meter data, smart meter data and for non household data, from loggers. The methodology has remained the same as in previous years.

33 For unmeasured domestic consumption we use data from our cohort of customers that have a meter but have chosen to remain on unmeasured charges.

34 For Unmeasured non household consumption we run a model, updated every year, that calculates average consumption per non-household sector and apply that figure to the unmeasured properties. Note that we only have 1,407 unmeasured non household properties.

Total annual leakage (6B.35)

35 Leakage for 2024/25 is assessed at 187.0 Ml/d. Performance in 2024-25 represents a 4.9 Ml/d increase from 2023/24 figure.

36 The weather during 2024/25 has impacted our network and our customers supply pipes adversely. From mid-July to October the ground was dry causing increases in burst levels and leakage. We mostly recovered from this by winter but then in the second week of January we experienced very cold weather. This caused the third highest spike in leakage in the last 20 years, only exceeded by the winters of 2010/11 and 2022/23. We quickly recovered from the peak without any large impact to customer supplies. However continued close to freezing temperatures during February saw elevated burst numbers continue and a higher level of leakage persisting through the end of 2024/25. The combination of both these events means that in-year leakage rose.

37 Leakage at 187.0 Ml/d is above our business plan target and our Water Resources Management Plan profile.

Common methodology compliance

38 We have assessed our compliance against the 76 sub-components and 16 high level components defined in the Price Review 2019 Leakage reporting methodology document. At the high level we are reporting 15 as green and one red. At the sub-components level there are two components not reported as green:

13c - Unmeasured domestic consumption survey is representative

We have for AMP7 used our cohort of around 80,000 properties that have a meter but choose to remain on unmeasured charges to derive our unmeasured domestic consumption figures. Whilst this survey matches the overall unmeasured cohort well in terms of property type, acorn and occupancy we are concerned that it may not capture large rural properties, likely with higher than average consumption fully. So for 2024/25 we have rated this measure as amber pending further work to investigate the issue during 2025/26.

16e - Water balance discrepancy -

- Our water balance gap is greater than three per cent and so is classed as red.

Distribution system operational use (6B.36)

39 This number is similar to 2024/25.

Water taken unbilled (6B.37)

40 This number is similar to 2024/25.

41 The data excludes supply pipe leakage from void properties as per the latest RAG guidance.

Distribution input (6B.38)

42 DI has increased in 2024/25 in line with increased leakage.

Distribution input (pre-MLE) (6B.39)

43 DI has increased in 2024/25 in line with increased leakage.

Components of total leakage (post MLE) - company level (6B.58-67)

44 In 2024/25 we have used data from smart meters for the first time to reassess customer supply pipe leakage for those customers on a smart meter to allow us to reflect the fact that by working with our customer we are reducing supply pipe leakage. For non smart customers our approach remains the same

45 We have reviewed our approach to calculating leakage upstream of District Metered Areas (DMA) and discussed it with our assurance provider. As we report leakage zonally we have a low proportion of leakage upstream of DMAs. We track the number of trunk main bursts and the speed of our response and the number of bursts has been stable over 20 years and our response time has improved. We plan to move to upstream balances during the course of AMP8.

Table 6C - Water network+ - Mains, communication pipes and other data for the 12 months ended 31 March 2025

	Line description	Units	Input
	Treated water distribution - mains analysis		
1	Total length of potable mains as at 31 March	km	39,604.3
2	Total length of potable mains relined	km	-
3	Total length of potable mains renewed	km	30.7
4	Total length of new potable mains	km	94.6
5	Total length of potable water mains (≤320mm)	km	36,526.0
6	Total length of potable water mains (>320mm and ≤ 450mm)	km	1,777.3
7	Total length of potable water mains (>450mm and ≤610mm)	km	675.8
8	Total length of potable water mains (> 610mm)	km	625.2
	Treated water distribution - mains age profile		
9	Total length of potable mains laid or structurally refurbished pre-1880	km	19.0
10	Total length of potable mains laid or structurally refurbished between 1881 and 1900	km	8,655.2
11	Total length of potable mains laid or structurally refurbished between 1901 and 1920	km	900.3
12	Total length of potable mains laid or structurally refurbished between 1921 and 1940	km	709.8
13	Total length of potable mains laid or structurally refurbished between 1941 and 1960	km	6,956.5
14	Total length of potable mains laid or structurally refurbished between 1961 and 1980	km	3,213.5
15	Total length of potable mains laid or structurally refurbished between 1981 and 2000	km	13,267.0
16	Total length of potable mains laid or structurally refurbished between 2001 and 2020	km	5,157.1
17	Total length of potable mains laid or structurally refurbished ~~post~~ during and after 2021	km	725.8
	Communication pipes		
18	Number of lead communication pipes	nr	513,788.0
19	Number of galvanised iron communication pipes	nr	184,508.0
20	Number of other communication pipes	nr	1,630,041.0
21	Number of lead communication pipes replaced or relined for water quality	nr	726.0
	Other		
22	Company area	km^2	22,747.0
23	Compliance Risk Index	nr	2.1

24	Event Risk Index	nr	318.4
25	Properties below reference level at end of year	nr	62.0

Total length of potable mains as at 31 March (6C.1)

1 The length from the previous year has increased by approximately 207km to 39604.3 km for 2024/25. This is due to a combination of factors, including clearing a backlog of schemes and introducing a more efficient process of how we capture data.

Total length of potable mains relined and renewed (6C.2 and 6C.3)

2 For 2024/25 we are reporting 30.7km of mains renewal. We continue to target mains which frequently fail as well as efforts to target and removed leakage from our network. We are unable to separate out lengths of mains relined and renewed, and so lines two and three are combined.

Total length of new potable mains (6C.4)

3 We report 94.6km of new mains laid in 2024/25. This is predominantly from housing estate mains and self-lay work, undertaken in the year (65.6km). There were also several standalone projects where new mains were laid in order to ensure water supply security/resilience following developer driven growth.

Potable mains by diameter band (6C.5- 6C.8)

4 These lines have been calculated using the latest in-service company-owned potable water mains data out of G/water (our corporate mapping system). All bands have experienced a small increase, the largest being the smallest diameter band with a 191km increase, including clearing a backlog of schemes and introducing a more efficient process of how we capture data.

Total length of mains laid or structurally refurbished (6C.9 - 6C.17)

5 All age band lengths have remained stable when compared to 2023/24. These changes have all been small with the exception of total length of potable mains post 2021. This has increased by 237km which is mainly due to the clearing a backlog of schemes and introducing a more efficient process of how we capture data.

Number of lead, galvanised iron and other communication pipes (6C.18 - 6C.20)

6 Our communication pipe stock was last modelled in 2012 for the 2014 Price Review. That report has been used as a starting point and the number of replaced lead and galvanized iron communication pipe has been subtracted from the 2012 modelled totals.

7 Lines 6C.18 and 6C.19 have experienced a small decrease, which falls in line with previous years, whereas line 6C.20 has experienced a small increase, which again falls in line with previous years as we replace our lead and galvanised iron stock.

Number of lead communication pipes replaced for water quality (6C.21)

8 In 2024/25 we have replaced 726 lead communication pipes. Over 470 of these replacements were proactive replacements of our planned programme of work, targeting streets in Norwich with known lead communication pipes. The remaining have been replaced following compliance failures of the lead standard, notification from a customer that they have replaced their lead supply pipe or opportunistic replacement during planned work on the network.

9 As part of our 2021 IDoK, we increased our investment in lead pipe replacement in AMP7 by £1.4 million with the aim to replace pipes at a further 280 properties. As part of this commitment, we have offered customers in Norwich the opportunity to have their external supply pipe replaced to the point where it enters the property. 126 of these pipe

replacements were completed in 2024/25, giving an overall total of 292 properties becoming lead free to the point of entry. These lead communication pipes replacements are included with the total pipe replacements for the year of 726.

Number of lead communication pipes replaced or relined for Water Quality	673
Number of lead communication pipes replaced for other reasons	53
Number of external lead supply pipes replaced or relined	126
Number of internal lead supply pipes replaced or relined	12

Company area (6C.22)

10 The figure reported as the area served for water is our appointed area. For the avoidance of doubt, this includes Hartlepool. No adjustment has been made for areas served by NAVs.

Compliance Risk Index (6C.23)

11 Please see the commentary for 3A.1.

Event Risk Index (6C.24)

12 Please see the commentary for 3E.11.

Properties below reference level at end of year (6C.25)

13 Please see the commentary for 3A.8.

Table 6D - Demand management - Metering and leakage activities for the 12 months ended 31 March 2025

	Line description	Units	Basic meter	AMR meter	AMI meter
	Metering activities - Totex expenditure				
1	New optant meter installation for existing customers	£m	0.606	0.329	1.618
2	New selective meter installation for existing customers	£m	0.007	0.004	0.060
3	New business meter installation for existing customers	£m	0.020	0.004	0.042
4	Residential meters renewed	£m	1.272	1.144	43.137
5	Business meters renewed	£m	0.933	0.069	4.608
	Metering activities - Explanatory variables				
6	New optant meters installed for existing customers	000s	1.293	0.956	3.994
7	New selective meters installed for existing customers	000s	0.031	0.007	0.134
8	New business meters installed for existing customers	000s	0.057	0.007	0.105
9	Residential meters renewed	000s	7.827	4.316	319.931
10	Business meters renewed	000s	1.641	0.196	22.153
11	Replacement of basic meters with smart meters for residential customers	000s	-	2.861	298.011
12	Replacement of AMR meter with AMI meters for residential customers	000s	-	-	21.724
13	Replacement of basic meters with smart meters for business customers	000s	-	0.141	20.978
14	Replacement of AMR meter with AMI meters for business customers	000s	-	-	0.779
15	New residential meters installed for existing customers – supply-demand balance benefit	Ml/d	0.04	0.03	0.17
16	New business meters install ed for existing customers – supply-demand balance benefit	Ml/d	-	-	-
17	Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	Ml/d	-	-	2.08
18	Replacement of AMR meter with AMI meter for residential customers– supply-demand balance benefit	Ml/d	-	-	0.14
19	Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	Ml/d	-	-	0.11
20	Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	Ml/d	-	-	0.00
21	Residential properties - meter penetration	%	32.9	5.8	49.0

	Leakage activities	Units	Maintaining leakage	Reducing leakage	Total
22	Total leakage activity	£m	69.884	16.895	86.779
23	Leakage improvements delivering benefits in 2020-25	Ml/d	-	-	-4.97

	Per capita consumption (excluding supply pipe leakage)				
24	Per capita consumption (measured)	l/h/d	119.70	-	-
25	Per capita consumption (unmeasured)	l/h/d	163.77	-	-

Metering activities - totex expenditure (6D.1 - 6D.5)

1 We have put contractual arrangements in place for the delivery of our smart metering and basic metering programmes during AMP7 and as such, the key variable on totex costs is the volume installed. The commentary below explains the delivery of our metering programme in the fifth year of the AMP.

Meters installed and renewed (6D.6 – 6D.14)

2 The number of new optants has decreased from the prior year at 6,243 (2023/24: 6,338), of which 64 per cent were fitted as AMI meters and 15 per cent were AMR. Whether we fit a AMI, visual read or AMR meter depends on whether the customer property is in an area where we can receive remote readings via the installed masts.

3 The number of selective meters (installed at our behest) has seen another downward trend from 2023/24. Although we have seen an increased percentage that were AMI installed at 78 per cent.

4 62 per cent of new non-household meters were AMI meters which has grown from 2023/24.

5 We have installed 540 Pulse Radio Frequency (PRF) devices to our meters 30mm or above across the domestic and business customers which is a slight increase over 2023/24.

6 It is currently our solution to turn meters that are larger than 30mm into a meter that can transmit data to our AMI network as we have no out of the box AMI meters that are 30mm or above.

7 These devices are included in our numbers for 6D.9 and 6D.10

8 96 per cent of residential meters renewed were AMI meters. Of these, 98 per cent involved replacing basic meters.

9 We have seen an increase in volume of business meter renewed this year, and increase in AMI meters fitted of which 22,153 (92 per cent) compared to 82 per cent in year 2023/24. Of these, 99 per cent were replacements for basic meters.

10 The number of AMI meters in 6D.6-10 total 346,317 of which 540 were PRF devices. In addition, we fitted 11,966 meters to new connections, giving a total number of AMI meters fitted in the year of 358,283.

11 Through a PR24 Ofwat query Ofwat has clarified that progress towards our SMART metering performance commitment level should be assessed via figures reported on lines 6D.6 through 6D8, 6D.11 through 6D.14 and new AMI connections. Ofwat has supported our consistent view that AMR meters do not constitute a SMART meter and therefore replacing an AMR meter with an AMI meter counts towards our PCL. The lines 6D.11 through to 6D.14 were not requested in the first two years of AMP 7, but we have managed to retrospectively provide these lines for these years.

New residential meters installed – supply-demand balance benefit (6D.15)

12 As part of our meter replacement and smart meter installation program we have installed 358,283 smart meters to household customers, along with non-smart traditional meter replacement.

13 We have assumed that the installation of smart meters will enable a 2.5 per cent change in customer behaviour. Additionally this year we have aligned our assumptions for savings from plumbing loss and customer supply pipe leakage with our WRMP24 assumptions which are now available and informed by our latest smart meter data outputs. This gives a saving of 10.34 l/prop/day. This is equivalent to approximately 4 per cent of additional saving per property. These savings should be calculated as applying to each meter for an average of six months (for example, half a year), to account for the overall installation rate.

14 WRMP24 plumbing loss/cspl savings assumption

10 year profile	2022	2023	2024	2025
cspl saving profile (l/prop/d)	2.68	3.015	3.35	3.685
plumbing loss profile (l/prop/d)	4.84	5.445	6.05	6.655
total saving (ex. Behaviour) (l/prop/d)	7.52	8.46	9.4	10.34

15 For customers who have opted to have a visual read meter we have assumed a saving of 15 per cent as a change from being unmeasured to measured (in line with WRMP19/WRMP24 assumptions). Note that we automatically switch customers from unmeasured to measured status upon 'move in' of a new occupier.

16 Savings have been calculated based upon 2024/25 per capita consumption and occupancy rates.

17 Note that Measured and Unmeasured occupancy rates are now derived using additional per property occupancy rate intelligence provided by Edge Analytics (Demographic consultants). This has provided more detail regarding the sub-regional occupancy rates (Occupancies have ultimately been re-aligned with those garnered from ONS data at the LAUA level). The assessment for this years occupancy split between measured and unmeasured properties has altered slightly from last years values of 2.28 (measured) and 2.73 (unmeasured).

18 2025 Values

- Measured PCC – 119.70l/h/d
- Unmeasured PCC – 163.77 l/h/d:
- Measured Occupancy Rate 2024/25- 2.31 persons/property
- Unmeasured Occupancy rate 2024/25 - 2.76 persons/property

19 For residential meter installations we have, consequently, calculated savings of 0.07 Ml/d (0.04 Ml/d + 0.03 Ml/d) for optants who have switched from being unmeasured:

- to being billed on a visual read meter,
- AMR meter (15 per cent saving from being unmeasured)
- or AMI meter (17.5 per cent saving + continuous flow reduction)

20 For customers having an AMI meter installed we have calculated savings of 0.17 Ml/d for 2024/25 (a 17.5 per cent saving (plus PL/cspl) from being unmeasured. i.e. visual read (15 per cent) + smart meter savings (2.5 per cent + PL/cspl)) combined)).

21 The combined saving for optants (both to smart and visual read meters) would be 0.24 Ml/d.

22 Note that these savings will be cumulative on top of the savings already made due to previous smart meter installations for the previous year. The cumulative AMP7 savings that can be attributed to the introduction of smart meters is 9.01 Ml/d for meters replaced and 1.05 Ml/d for customers who have opted to have a smart meter from previously being unmeasured.

23 A straightforward and conservative approach has been adopted which applies assumed savings to the number of installed meters. As additional smart meter data becomes available we will look to use this directly observed data, (potentially using meter readings to determine the actual savings which could then be aggregated and reported). This approach is an aspiration, but will currently require significant effort to understand other impacts within those numbers (for example, the potential impact of weather on savings recorded each year). Additionally, considerable thought will be needed to assess base-lines from which savings can be assessed. We are currently designing assessment protocols in order to assess statistically significant variations and demand management option impacts.

New business meters installed – supply-demand balance benefit (6D.16)

24 As part of our meter installation and smart meter installation programme we have installed 105 smart meters to our business customers and 64 visual read (and AMR) meters.

25 We currently have not attributed water efficiency savings to the installation of non-household meters, however, we are now conducting leakage reduction measures based upon smart meters to identify continuous flow (plumbing loss and cspl) through our Customer Leakage Tool (customer journey). We are still assessing savings, but have assumed that for smaller business customers, where smart meters are currently being installed PL/cspl savings will be in line with the 10.34l/prop/d assumed for domestic households.

26 For new business smart meters installed this would imply a saving of 0.0005 Ml/d which rounds to zero.

Replacement of basic meter with smart meters for household customers – supply-demand balance benefit (6D.17)

27 As part of our meter replacement and smart meter installation program we have installed 319,931 smart meters to household customers (with an additional 22,153 smart meters to business customers), along with non-smart traditional meter replacement.

28 We have assumed that the installation of smart meters will enable a 2.5 per cent change in customer behaviour (in alignment with WRMP24 assumptions) and a further saving for plumbing losses and customer supply pipe leaks of 10.34l/prop/day (in alignment with WRMP24) and that these savings should be calculated as applying to each meter for an average of six months (i.e. half a year), to account for the overall installation rate. This is in effect an additional 6.5 per cent saving over and above the 15 per cent saving expected from those customers who are measured as opposed to unmeasured.

29 Note that these savings will be cumulative on top of the savings already made due to previous smart meter installations.

30 Savings have been calculated based upon 2024/25 per capita consumption and occupancy rates.

31 Note that Measured and Unmeasured occupancy rates are now derived using additional per property occupancy rate intelligence provided by Edge Analytics (Demographic consultants). This has provided more detail regarding the sub-regional occupancy rates (Occupancies have ultimately been re-aligned with those garnered from ONS data at the LAUA level). The assessment for this year's occupancy split between measured and unmeasured properties has changed slightly from last year's values of 2.28 (measured) and 2.73 (unmeasured).

32 2025 Values

- Measured PCC – 119.70l/h/d
- Unmeasured PCC – 163.77 l/h/d:
- Measured Occupancy Rate 2024/25- 2.31 persons/property
- Unmeasured Occupancy rate 2024/25 - 2.76 persons/property

33 Consequently, for residential meter renewals, we have calculated savings of 2.08 Ml/d.

Replacement of AMR meter with AMI meter for household customers– supply-demand balance benefit (6D.18)

34 As part of our meter replacement and smart meter installation program we have replaced 21,724 AMR residential meters with AMI smart meters for household customers.

35 We have assumed that the installation of AMI smart meters as opposed to AMR meters will enable a 2.5 per cent change in customer behaviour and a further saving for plumbing losses and customer supply pipe leaks (in alignment with WRMP24) of 10.34l/prop/d, and that these savings should be calculated as applying to each meter for an average of six months (i.e. half a year), to account for the overall installation rate. This is in effect an additional 6.5 per cent saving over and above the 15 per cent saving expected from those customers who are measured with an AMR meter, as opposed to unmeasured.

36 Consequently, for residential AMR meter replacement, we have calculated savings of 0.14 Ml/d.

Replacement of basic meter with smart meters for business customers – supply-demand balance benefit (6D.19)

37 As part of our meter renewal and smart meter installation programme we have installed 20,987 smart meters to our business customers (along with 1,641 visual read meters and 196 AMR meters).

38 We currently have not attributed water efficiency savings to the installation of non-household meters, however, we are now conducting leakage reduction measures based upon smart meters to identify continuous flow (plumbing loss and cspl) through our Customer Leakage Tool (customer journey).

39 We are still assessing savings, but have assumed that for smaller business customers, where smart meters are currently being installed PL/cspl savings will be in line with the 10.34l/prop/d assumed for domestic households, and that these savings should be calculated as applying to each meter for an average of six months (i.e. half a year), to account for the overall installation rate.

40 For new business smart meters installed this would imply a saving of 0.11 Ml/d

Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit (6D.20)

41 As part of our meter replacement and smart meter installation program we have replaced 779 AMR meters with AMI smart meters for business customers.

42 We currently have not attributed water efficiency savings to the installation of non-household meters, however, we are now conducting leakage reduction measures based upon smart meters to identify continuous flow (plumbing loss and cspl) through our Customer Leakage Tool (customer journey).

43 We are still assessing savings, but have assumed that for smaller business customers, where smart meters are currently being installed PL/cspl savings will be in line with the 10.34l/prop/d assumed for domestic households, and that these savings should be calculated as applying to each meter for an average of 6 months (i.e. half a year), to account for the overall installation rate..

44 For new business smart meters installed this would imply a saving of 0.004 Ml/d. Note due to the number of decimal places in the table this figure appears as a zero.

Residential properties - meter penetration (6D.21)

45 Overall meter penetration increased from 87 per cent to 87.7 per cent at the end of 2024/25. The proportion of residential water customers paying on a basic meter fell from 45.2 per cent to 32.9 per cent as we continued to exchange them for smart meters. Almost half of our water customers are now paying bills based on an AMI smart meter, which is up from a third.

Total leakage activity - totex expenditure (6D.22)

46 We have reported costs to maintain leakage and costs to reduce leakage.

47 Leakage improvements delivering benefits in 2020-25 (6D.23)

48 The definition for this line requires us to report the difference between 2023/24 and 2024/25 leakage which we have done. We report a negative leakage figure following the guidance as leakage has risen this year.

49 We do not feel that this is the best way to reflect the outputs from leakage improvement initiatives. The definition assumes that the total of any change in leakage is as a result of direct activity where as in reality the weather plays a large part in determining how many leaks break out and the level of leakage from year to year.

Per capita consumption (measured customers) (6D.24) and (unmeasured customers) (6D.25)

50 Per capita consumption is derived from the water balance and follows the reporting guidelines as set out during the PR19 process. We have assessed our compliance with the guidance against each of the 24 components and are reporting all as green apart from 4c which is assessed as amber:

51 *4c - unmeasured sample representation* - We have for AMP7 used our cohort of around 80k properties that have a meter but choose to remain on unmeasured charges to derive our unmeasured domestic consumption figures. Whilst this survey matches the overall unmeasured cohort well in terms of property type, acorn and occupancy we are concerned that it may not capture large rural properties, likely with higher than average consumption fully. So this year we have rated this measure as amber pending further work to investigate the issue during 2025/26

52 For further details about activities we have undertaken to drive PCC down please refer to the commentary in table 3A.4.

Table 6F - WRMP annual reporting on delivery - non-leakage activities

1 Table 6F has not been published in this document. The published version of the Ofwat tables can be viewed through the Our reports section on our website.

Internal Interconnector Programme Update

2 Cost pressures continue to materially affect this programme and we are currently forecasting an overspend of around £641 million against the original PR19 £614 million enhancement totex allowance (adjusted to 2024/25 price time basis).

3 Following the previously reported challenges and delays associated with our interconnector programme throughout AMP7, we have worked closely with the Environment Agency and Ofwat to reprofile the remainder of the programme and deliver the customer benefits. We remain committed to delivering he programme which will now be completed in AMP8 in line with the revised milestone dates as agreed with the Environment Agency, and the revised PCD date for the complete programme of 31st Dec 2028.

4 As part of our PR24 Draft Determination representations (Reference ANH_DD_01 Our Representations) we provided an update on the delivery pressures that have affected this programme, the expected total cost of the programme and the split between AMP7 and AMP8. We outlined our latest programme and expected AMP8 spend of £340 million, in our Final Determination Ofwat provided an ex ante allowance of £204 million in 2022/23 price base to reflect this and stated that any additional reconciliation adjustments will be made at PR29. This AMP8 spend included our latest forecasts of costs at that time which we have updated again for APR25.

5 Our PR24 Final Determination includes a Price Control Deliverable (PCD) to ensure delivery of the remainder of the revised programme (PR19 Outcome Delivery Incentive (legacy) PCD published December 2024). We are now reporting against this revised PCD.

6 We have also commenced work on a programme of temporary mitigation measures agreed with the Environment Agency to minimise the impacts of the delay on the environment and our customers.

Delivery of Outcomes

7 We are progressing with the delivery of the outcomes of our WRMP19 through the delivery of the schemes included in our PR19 business plan. As we have sought to optimise these schemes, we have taken forward some changes to the capacity of the individual schemes compared to the WRMP which we detailed in our commentary at APR22 and APR23. These changes have now been incorporated into the revised performance commitment through the PR24 Final Determination. We expect our overall total additional capacity delivered to exceed the 469.4 Ml/d target.

Changes to WRMP19 Capacities

8 We remain committed and on track to deliver the overall increase in capacity as reflected in the revised Performance Commitment, and to deliver our WRMP customer outcomes. During the reporting year there have been no further changes to the planned capacity to be delivered for any of the schemes.

Schemes completed and benefits realised to date

9 All the WRMP schemes continue to progress through delivery by our strategic alliances.

10 In 2024/25 We have completed the non infrastructure assets for the East Ruston scheme (which is listed as Norwich & the Broads to Happisburgh WRZ (5M/ld) in the Performance Commitment Appendix) which originally went into supply under gravity in October 2023, increasing the total capacity delivered from 2.4 Ml/d to 5 Ml/d

11 The total capacity benefit delivered in AMP7 is 11.5 Ml/d as reported in Table 3A. This total excludes the benefits reported for the demand side improvements – water efficiency measures, and North Lincolnshire schemes (CLN18 and CLN19) which are reported in table 6F but are not part of the Performance Commitment, so the sum at the bottom of the 2024/25 benefits does not align with the figure reported in Table 3A Line 13.

Construction Progress

12 We have made good progress on pipelaying in the reporting year, the cumulative pipe laid to the end of the reporting year is 247km which is 65 per cent of the total for the programme. Alongside the pipelaying, we are delivering a significant non-infrastructure programme which is continuing to progress with sites established and civils work under construction on a number of sites. The table below shows the current construction status for each scheme.

Scheme	WRMP Reference	Current Construction Status
South Fenland WRZ to North Fenland WRZ	NFN4	Scheme in design/ enabling stage
Bury Haverhill WRZ to East Suffolk WRZ	ESU8	Pipelaying in progress, non-infrastructure enabling works commenced
East Suffolk WRZ to South Essex WRZ	SEX4	Pipelaying substantially complete
Norwich & the Broads WRZ to Norfolk Rural North WRZ	NNR8	Scheme complete
Ruthamford South WRZ – Meppershall	RTS Intra2	Pipelaying complete
Bury Haverhill – Haverhill PZ	BHV Intra1	Pipelaying complete, non-infrastructure enabling works commenced
Norwich & the Broads WRZ to Happisburgh WRZ (Ludham)	HPB1	Scheme complete
Bury Haverhill WRZ to Ixworth WRZ to Thetford WRZ	THT1a	Scheme in design/ enabling stage
Norwich & the Broads WRZ to Happisburgh WRZ (East Ruston)	E Ruston	Scheme complete
Hall WTW	NTM1	In construction stage
North Fenland WRZ to Ely WRZ	ELY9	Pipelaying substantially complete, non-infrastructure in construction stage
Ely WRZ to Newmarket WRZ	NWM6	Pipelaying substantially complete, non-infrastructure in construction stage
Newmarket WRZ to Bury Haverhill WRZ	BHV5	Pipelaying in progress, non-infrastructure in construction stage
North Fenland WRZ to Ely WRZ treatment	ELY9 T	In construction stage
Ruthamford South WRZ to Ruthamford Central WRZ	RTC2	Pipelaying substantially complete, non-infrastructure in design stage
North Ruthamford WRZ to South Fenland WRZ	SFN4	Pipelaying in progress, non-infrastructure in construction stage
Ruthamford South WRZ – Woburn PZ	RTS Intra1	Pipelaying substantially complete, non-infrastructure enabling works commenced
Ruthamford South WRZ – Meppershall Treatment	RTS Intra 2 T	Scheme in design/ enabling stage

Scheme	WRMP Reference	Current Construction Status
CLN15 – treatment for ELN transfer	CLN15	In construction stage
Newmarket to Chevely WRZ	CVY1	Scheme in design/ enabling stage
North Norfolk Rural WRZ – Diddlington	NNR Intra1	Scheme in design/ enabling stage
CLN16 – New Elsham WTW to new North Lincoln SR	CLN16	Pipelaying in progress
Central Lincolnshire WRZ to South Lincolnshire WRZ	SLN6	Pipelaying substantially complete
South Lincolnshire WRZ to North Ruthamford WRZ (incl Covenham)	RTN27	Pipelaying in progress
South Humber Bank WRZ – transfer from Pyewipe to non-potable network	SHB2b	Stopped and replaced by N Lincs Alternative
South Humber Bank WRZ – Pyewipe	SHB2a	Stopped and replaced by N Lincs Alternative
Central Lincolnshire (N Lincs Alternative)	CLN18	In construction stage
Central Lincolnshire (N Lincs Alternative)	CLN19	In construction stage

Scheme status	No. of schemes	Associated capacity benefit
Completed	3	11.5
In construction (at least partly)	17	450.18
In design/ onsite enabling	6	33.2
Stopped	2	0
TOTAL	28	494.88* 472.7

13 *Total of 494.88 Ml/d includes 7 Ml/d for the Covenham transfer and 15.18 Ml/d for the N Lincolnshire Alternative, these are not part of the revised performance commitment. 472.7 Ml/d is the total for the schemes in the PC

Digital Twin (DT)

14 As previously reported in APR22 and APR23, the digital twin is continuing to progress as an integrated part of our delivery programme and includes an industry leading regional SCADA to control and operate the strategic pipeline.

Sustainability / carbon

15 The Strategic Pipeline Alliance (SPA) exceeded the 65 per cent capital carbon reduction target that was set for AMP7, achieving a 66.7 per cent reduction across all schemes. This translates to approximately 210,000 tCO2e of savings across the AMP. An estimated 165,000 tCO2e of savings were achieved through efficient design work, such as re-routing pipelines, using different materials, and reducing pipeline diameters. A further 10,000 tCO2e is estimated to be from the construction phase of schemes, where v-buckets were used for excavation, to minimise the amount of excavated material, and significant work was done to crush and recycle excavated materials as pipe bedding – reducing the need to import virgin aggregates. Additionally, pipe wastage was minimised across each scheme, enabling carbon savings. Further savings are associated with procurement of lower carbon materials, non-infrastructure design and delivery, and trialling of different fuels and installation techniques such as using the biofuel Hydrotreated Vegetable Oil (HVO) instead of diesel, and pipe plough.

16 The work of SPA was audited as part of Anglian Water's most recent PAS2080 verification and remains on track for an industry leading capital carbon reduction in AMP8.

Demand-side Improvements (excluding leakage and Smart Metering)

17 We understand that the purpose of Ofwat collecting the information in table 6F is to provide an updated view on the forecast costs of investment that was funded within the PR19 Final Determination under the enhancement model 'Supply Demand Balance' (SDB). For some companies this cost assessment model covered both strategic supply side water resource schemes such as interconnectors as well as demand side options. For Anglian Water the model only covered strategic supply side options and made no allowance for demand side options as these were covered by the smart metering cost assessment model. We have provided costs here for the demand side options as requested but would like to flag to Ofwat that these costs are not comparable with the SDB allowance in the adjusted Final Determination.

Supply demand balance improvements delivering benefits starting from 2026

18 Costs exclude those associated with the Fens Reservoir and associated transfers which have been moved into the RAPID process. The costs included here in table 6F include the early development of desalination, water re-use and aquifer recharge schemes through the adaptive planning process.

Table Comments

19 Actual costs are included for the years 2020/21 to 2024/25. Costs incurred prior to 2020/21 have been included in the 2020/21 column. All costs are presented in 2024/25 price time base in accordance with the reporting requirements.

20 The nature of this programme means that the schemes are at different stages in our investment process with some more advanced than others. We therefore expect continued movements in the forward-looking costs as the schemes progress. Forecast opex costs have been adjusted to reflect the latest power unit rates which are in some cases lower than those previously forecast.

21 The methodology for completing this table was updated in 2022/23 to ensure alignment with table 4L.20 and 4L.29 as per the RAG. There are two projects (THT1a and CVY1) where some expenditure is coded to additional lines in various tables as we have aligned needs to deliver a single solution to meet multiple needs. The full cost of the solution is included in 6F to align with the scope data but the costs have been split between multiple lines in table 4J, 4L and 4N.

22 Lines 6F.1 to 6F.25 contain those schemes that are included in the Internal Interconnector Performance Commitment. Lines 6F.26-6F.28 are not part of the performance commitment calculation. We are still planning to deliver the 472.7 Ml/d against the 25 of the 27 original named schemes in the performance commitment. Note that line 6F.20 scheme RTN27 contains the costs and benefits that include the additional 7 Ml/d benefit provided by the Covenham Transfer as this is integral to meeting our WRMP outcomes, however the additional 7 Ml/d benefit is not part of the performance commitment calculation.

23 The AMP8 schemes that form part of the North Lincs Alternative Strategy were included in our PR24 business plan submission and are not reported in this table. All North Lincs Alternative Strategy costs in the 'After 2024-25' column in row 6F.26 are those associated with the reprogrammed AMP7 North Lincs schemes which are separate to the AMP8 schemes. The benefits in this row are not part of the performance commitment calculation but are included here for continuity with previous years.

24 Benefits are forecast in the year where construction is complete. There are no benefits reported against the Adaptive Planning line as this is development work for future AMP benefits.

25 The benefit previously forecast in year 2024/25 on Line 6F.16 has been moved to the after 2024/25 column. The mainlaying for this scheme has been completed as planned but the pipeline has not yet been put into supply and the non-infrastructure assets that are part of this scheme are not yet complete.

26 Data in the scope section has been updated where relevant to reflect the latest designs; these will be finally confirmed for each scheme as construction is completed. As a result of this exercise, the diameter reported for the ELY9 scheme (Row 6F.12) has been corrected from 537mm to 603mm (this pipeline is a combination of both diameters is the greater part of the total is expected to be 603mm. This will be finally confirmed at APR26 as this pipeline is expected to be fully constructed by then.

27 For schemes where there are multiple pipeline diameters and materials the predominant diameter and material has been included in the table. All pipeline diameters continue to be reported as internal.

28 Pumping station power reported (kW) is the total for each interconnector scheme: in some cases this is the sum of several pumping stations. This has been calculated on the same basis as table 6B. The data has been updated to reflect the latest design resulting in an increase in the planned kw for four of the schemes 6F.5, 6F.9, 6F.22 and 6F.23. Note that some of these assets are still in the detailed design process and therefore the kw may change again as a result of this process.

29 There are no green recovery schemes included in this table.

30 Strategic regional solutions schemes have not been included in this table as they were separately funded under the Strategic Regional Solutions enhancement allowance.

31 Our target remains at 469.4 Ml/d as per the Ofwat published Consolidated PR19 final determinations: Anglian Water – Outcomes performance commitment appendix published 28 February 2023 The target was confirmed by Ofwat at the PR24 Final Determination in the PR19 Outcome Delivery Incentive (legacy) PCD published December 2024.

Programme Assurance

32 We continue to work with Aqua Consultants Ltd to provide third party independent assurance of the programme. An initial report was submitted to Ofwat in January 2023 and a further review was submitted to Ofwat in May 2024. We continue to work with our assurance provider to maintain external oversight of the programme and provide an updated assurance report for progress to the end of AMP7 alongside this APR.

Table 7A - Wastewater network+ - Functional expenditure for the 12 months ended 31 March 2025

	Line description	Units	£'000
	Costs of STWs in size bands 1 to 5		
1	Direct costs of STWs in size band 1	000s	6,067.000
2	Direct costs of STWs in size band 2	000s	4,882.000
3	Direct costs of STWs in size band 3	000s	16,398.000
4	Direct costs of STWs in size band 4	000s	29,903.000
5	Direct costs of STWs in size band 5	000s	23,165.000
6	General & support costs of STWs in size bands 1 to 5	000s	12,404.000
7	Functional expenditure of STWs in size bands 1 to 5 (excluding 3rd party services)	000s	92,819.000
	Costs of large STWs (size band 6)		
8	Service charges for STWs in size band 6	000s	2,277.000
9	Estimated terminal pumping costs size band 6 works	000s	6,786.000
10	Other direct costs of STWs in size band 6	000s	52,988.000
11	Direct costs of STWs in size band 6	000s	62,051.000
12	General & support costs of STWs in size band 6	000s	11,557.000
13	Functional expenditure of STWs in size band 6 (excluding 3rd party services)	000s	73,608.000
	Costs of STWs - all sizes		
14	Total operating functional expenditure (excluding 3rd party services)	000s	166,427.000

Table 7B - Wastewater network+ - Large sewage treatment works for the 12 months ended 31 March 2025

			Large STW1	Large STW2	Large STW3	Large STW4	Large STW5	Large STW6	Large STW7	Large STW8	Large STW9	Large STW10	Large STW11	Large STW12	Large STW13
	Sewage treatment works - Explanatory variables														
	Works name (existing works)	text	ANWICK STW	BASILDON STW	BEDFORD STW	BENFLEET STW	BOSTON STW	BOURNE STW	BRACKLEY STW (NEW)	BRAINTREE STW	BROADHOLME STW	CAISTER - PUMP LANE STW	CAMBRIDGE STW	CANVEY ISLAND STW	CANWICK STW
1	Works name (new works)	text	0	0	0	0	0	0	0	0	0	0	0	0	0
	Works name	text	ANWICK STW	BASILDON STW	BEDFORD STW	BENFLEET STW	BOSTON STW	BOURNE STW	BRACKLEY STW (NEW)	BRAINTREE STW	BROADHOLME STW	CAISTER - PUMP LANE STW	CAMBRIDGE STW	CANVEY ISLAND STW	CANWICK STW
2	Classification of treatment works	text	TA2	SAS	TA2	SB	SB	TA2	TA2	TA2	TA2	SAS	SAS	SAS	TB2
3	Population equivalent of total load received	000s	34	126	202	28	61	29	36	33	235	112	219	40	136
4	Suspended solids consent	mg/l	26	45	30	80	70	22	25	16	30	0	20	0	30
5	BOD_3 consent	mg/l	13	25	20	25	25	11	11	8	17	25	15	25	10
6	Ammonia consent	mg/l	6	10	7	20	0	3	3	3	3	0	5	0	3
7	Phosphorus consent	mg/l	2	0	1	0	0	2	2	2	0	0	1	0	1
8	UV consent	mWs/cm^2	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Load received by STW	kgBOD/d	2,011	7,589	12,146	1,705	3,664	1,736	2,157	1,994	14,109	6,725	13,146	2,409	8,151
10	Flow passed to full treatment	m^3/d	5,132	26,405	55,520	6,766	11,505	8,031	6,383	7,502	65,036	29,336	49,122	9,898	34,311
	Sewage treatment works - Functional expenditure														
11	Service charges	£000s	30	54	54	32	30	36	32	35	54	81	54	32	54
12	Estimated terminal pumping expenditure	£000s	1	209	357	0	10	0	0	0	38	0	464	0	409
13	Other direct expenditure	£000s	991	1,526	1,789	339	356	603	650	760	1,620	1,020	1,713	513	673
14	Total direct expenditure	£000s	1,022	1,789	2,200	371	396	639	682	795	1,712	1,101	2,231	545	1,136
15	General and support expenditure	£000s	158	317	370	57	69	99	106	123	333	174	489	84	222

16	Functional expenditure	£000s	1,180	2,106	2,570	428	465	738	788	918	2,045	1,275	2,720	629	1,358

	Line description	Units	Large STW14	Large STW15	Large STW16	Large STW17	Large STW18	Large STW19	Large STW20	Large STW21	Large STW22	Large STW23	Large STW24	Large STW25	Large STW26
	Sewage treatment works - Explanatory variables														
	Works name (existing works)	text	CHELMSFORD STW	CLACTON-HOLLAND HAVEN STW	COLCHESTER STW	CORBY STW	COTTON VALLEY STW	DEEPDALE FARM ROAD STW	DUNSTABLE STW	FELIXSTOWE STW	FLITWICK STW	FORNHAM ALL SAINTS STW	GREAT BILLING STW	GRIMSBY-PYEWIPE STW	HAVERHILL STW
1	Works name (new works)	text	0	0	0	0	0	0	0	0	0	0	0	0	0
	Works name	text	CHELMSFORD STW	CLACTON-HOLLAND HAVEN STW	COLCHESTER STW	CORBY STW	COTTON VALLEY STW	DEEPDALE FARM ROAD STW	DUNSTABLE STW	FELIXSTOWE STW	FLITWICK STW	FORNHAM ALL SAINTS STW	GREAT BILLING STW	GRIMSBY-PYEWIPE STW	HAVERHILL STW
2	Classification of treatment works	text	SAS	SAS	SAS	TA2	TA2	TB2	TA2	SAS	TA2	TB2	TA2	SAS	TB2
3	Population equivalent of total load received	000s	158	52	145	79	372	27	66	32	34	93	368	142	34
4	Suspended solids consent	mg/l	40	0	60	20	25	20	20	120	25	16	25	0	20
5	BOD_5 consent	mg/l	20	25	25	10	12	10	12	25	15	8	13	25	10
6	Ammonia consent	mg/l	10	0	15	1	5	4	3	50	5	2	5	0	4
7	Phosphorus consent	mg/l	0	0	0	0	1	1	1	0	2	2	1	0	0
8	UV consent	mWs/cm^2	0	0	30	0	0	0	0	0	0	0	0	0	0
9	Load received by STW	kgBOD_5/d	9,479	3,108	8,679	4,765	22,318	1,604	3,986	1,891	2,044	5,608	22,059	8,507	2,025
10	Flow passed to full treatment	m^3/d	42,394	14,273	40,344	18,777	93,251	4,807	14,881	6,970	7,148	10,672	92,421	43,680	6,553
	Sewage treatment works - Functional expenditure														
11	Service charges	£000s	55	35	59	33	94	16	32	30	32	32	90	59	33
12	Estimated terminal pumping expenditure	£000s	75	23	702	9	431	0	0	0	0	14	1,380	533	154
13	Other direct expenditure	£000s	1,116	501	1,764	1,600	3,627	319	805	549	522	996	3,566	1,528	213
14	Total direct expenditure	£000s	1,246	559	2,525	1,642	4,152	335	837	579	554	1,042	5,036	2,120	400
15	General and support expenditure	£000s	206	100	453	255	734	52	138	90	86	162	1,069	447	64
16	Functional expenditure	£000s	1,452	659	2,978	1,897	4,886	387	975	669	640	1,204	6,105	2,567	464

	Line description	Units	Large STW27	Large STW28	Large STW29	Large STW30	Large STW31	Large STW32	Large STW33	Large STW34	Large STW35	Large STW36	Large STW37	Large STW38	Large STW39
	Sewage treatment works - Explanatory variables														
	Works name (existing works)	text	HITCHIN STW	HUNTINGDON (GODMANCHESTER) STW	INGOLDMELLS STW	IPSWICH-CLIFF QUAY RAEBURN ST	KINGS LYNN STW	LEIGHTON LINSLADE STW	LETCHWORTH STW	LOWESTOFT STW	MARKET HARBOROUGH STW	MARSTON STW (LINCS)	NEWMARKET STW	PETERBOROUGH (FLAG FEN) STW	ROCHFORD STW
1	Works name (new works)	text	-	-	-	-	-	-	-	-	-	-	-	-	-
	Works name	text	HITCHIN STW	HUNTINGDON (GODMANCHESTER) STW	INGOLDMELLS STW	IPSWICH-CLIFF QUAY RAEBURN ST	KINGS LYNN STW	LEIGHTON LINSLADE STW	LETCHWORTH STW	LOWESTOFT STW	MARKET HARBOROUGH STW	MARSTON STW (LINCS)	NEWMARKET STW	PETERBOROUGH (FLAG FEN) STW	ROCHFORD STW
2	Classification of treatment works	text	TA2	TA2	SAS	SAS	TA2	TB2	TA2	SAS	TA2	TB2	TA2	TA1	TA1
3	Population equivalent of total load received	000s	41	46	52	150	66	46	50	97	29	62	30	300	34
4	Suspended solids consent	mg/l	30	30	-	200	100	35	25	-	20	15	20	24	60
5	BOD_3 consent	mg/l	15	20	25	25	25	25	13	25	10	10	12	9	25
6	Ammonia consent	mg/l	4	7	-	50	-	8	3	-	5	3	4	3	-
7	Phosphorus consent	mg/l	1	1	-	-	-	2	1	-	0	2	2	-	-
8	UV consent	mWs/cm^2	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Load received by STW	kgBOD/d	2466	2766	3121	8971	3968	2736	2997	5814	1763	3703	1772	18020	2062
10	Flow passed to full treatment	m^3/d	11009	18110	15711	35677	20313	8072	7467	18924	9805	17981	5443	68494	9556
	Sewage treatment works - Functional expenditure														
11	Service charges	£000s	34	32	66	58	55	34	32	51	32	32	35	59	30
12	Estimated terminal pumping expenditure	£000s	69	8	99	374	-	17	72	-	-	5	-	321	-
13	Other direct expenditure	£000s	578	750	363	2267	1885	463	658	1575	507	412	412	2686	359
14	Total direct expenditure	£000s	681	790	528	2699	1940	514	762	1626	539	449	447	3066	389
15	General and support expenditure	£000s	106	122	100	460	468	79	136	285	87	76	69	703	68
16	Functional expenditure	£000s	787	912	628	3159	2408	593	898	1911	626	525	516	3769	457

Large STW42	Large STW43	Large STW44	Large STW45	Large STW46	Large STW47	Large STW48	Large STW49	Large STW50	Large STW51	Large STW52	Total

SPALDING STW	ST NEOTS STW	STOWMARKET STW	TETNEY-NEWTON MARSH STW	THETFORD STW	TILBURY STW	WEST WALTON STW	WHILTON STW	WHITLINGHAM TROWSE STW	WICKFORD STW	WITHAM STW	-
-	-	-	-	-	-	-	-	-	-	-	-
SPALDING STW	ST NEOTS STW	STOWMARKET STW	TETNEY-NEWTON MARSH STW	THETFORD STW	TILBURY STW	WEST WALTON STW	WHILTON STW	WHITLINGHAM TROWSE STW	WICKFORD STW	WITHAM STW	-
SB	TB2	TB2	TA2	TA2	SAS	SAS	TB2	TA2	TA1	SAS	-
81	40	27	56	34	158	155	31	337	44	35	-
120	90	30	45	50	-	80	24	40	45	40	-
25	25	13	25	25	25	25	12	20	22	20	-
-	-	6	-	16	65	20	3	7	10	10	-
-	1	2	-	1	-	-	2	1	-	-	-
-	-	-	30	-	-	-	-	-	30	-	-
4878	2429	1604	3378	2024	9474	9287	1853	20232	2632	2088	-
11317	13125	5175	17709	6701	34637	16168	6914	78125	12053	9925	-

32	32	32	54	35	54	32	32	90	32	33	2277
53	2	-	1	6	270	105	-	44	-	45	6786
184	374	373	742	417	1100	1244	386	1723	670	446	52988
269	408	405	797	458	1424	1381	418	1857	702	524	62051
42	63	62	123	118	510	233	64	395	109	81	11557
311	471	467	920	576	1934	1614	482	2252	811	605	73608

Works name, classification of treatment works and population equivalent of total load received (7B.1- 7B.3)

1 We have calculated the population equivalent (PE) and the loads consistent with guidance provided by Ofwat in response to our query on the PR24 Large STW cost assessment data set in October 2022. As such, the assessment of size banding excludes imported effluents (tankered loads from septic tanks and cesspools) as they are considered non-appointed business. The PE and loads reported in lines three and nine also include an assessment of non-resident (holiday) population loads.

2 The number of WRCs remains unchanged from APR 2023/24. But there are two works which are close to the band 6 threshold and we expect to join this list in the next couple of years. These are Uttons Drove WRC and Jaywick New WRC.

Large STW Consents (7B.4-8)

3 We maintain an internal system (PACE) which summarises details of the permit limits relating to our WRC discharges. These are the limits which are detailed in the Environmental Permits issued to us by the Environment Agency.

4 Tightened Phosphorus limits of 0.25mg/l came into force at Broadholme, Corby, Haverhill and Market Harborough WRCs. In addition, a new Phosphorus limit of 0.9mg/l was applied at Thetford WRC

BOD5 Consent (7B.5)

5 For a number of water recycling centres the UWWTD BOD limit of 25 Mg/l is tighter than the normal BOD limit specified in the Environmental Permit. In these situations, we have therefore reported the UWWTD BOD limit as we believe this is more appropriate to use for comparative efficiency purposes. This approach is consistent with that taken when the data used to be provided as part of the June Return.

Flow passed to full treatment (7B.10)

6 The flow reported for many of our STW has reduced noticeably when compared with those reported in 2023/24. We believe this is mainly due to the natural variance associated with different rainfall patterns from year to year. In our region the later part of the reporting (January to March 2025) was much drier than the comparable period in 2024.

7 At Basildon WRC the flow data is based upon the sum of values from 3 flow meters. A telemetry fault was identified which meant that the data from one of these meters was being recorded correctly on site, but not when it is recorded on our flow data system. The issue was corrected in May 2023, but this meant that flows reported for 2023/24 were high. The flow data for 2024/25 has returned to more normal level, hence the reason for the drop in flows.

Service charges (7B.11)

8 Service charges in total for large works agrees to table 7A sewage treatment (line 7A.8).

Table 7C - Wastewater network+ - Sewer and volume data for the 12 months ended 31 March 2025

	Line description	Units	Input
	Wastewater network (as at 31 March)		
1	Connectable properties served by s101A schemes completed in the report year	nr	186
2	Number of s101A schemes delivered in the report year	nr	4
3	Total pumping station capacity	kW	133393
4	Number of network pumping stations	nr	6762
5	Total number of sewer blockages	nr	35245
6	Total number of gravity sewer collapses	nr	252
7	Total number of sewer rising main bursts	nr	103
8	Number of combined sewer overflows	nr	1081
9	Number of emergency overflows - sewage pumping stations	nr	882
10	Number of settled storm overflows	nr	361
11	Sewer age profile (constructed post 2001)	km	2522
12	Volume of trade effluent	Ml/yr	20481.10
13	Volume of wastewater receiving treatment at sewage treatment works	Ml/yr	755686.24
14	Length of gravity sewers rehabilitated	km	20
15	Length of rising mains replaced or structurally refurbished	km	11
16	Length of foul (only) public sewers	km	19659
17	Length of surface water (only) public sewers	km	12149
18	Length of combined public sewers	km	10328
19	Length of rising mains	km	4977
20	Length of other wastewater network pipework	km	6
21	Total length of "legacy" public sewers as at 31 March	km	47119
22	Length of formerly private sewers and lateral drains (s105A sewers)	km	31200
	Storm overflows - additional reporting (as at 1 January)		
23	Number of combined sewer overflows (as at 1 January)	nr	1086
24	Number of settled storm overflows (as at 1 January)	nr	359
25	Number of storm overflows - other (as at 1 January)	nr	0
26	Number of storm overflows - pending investigation (as at 1 January)	nr	0
27	Number of permitted storm overflows closed in the previous reporting year (as at 1 January)	nr	2
28	Number of storm overflows - consistent with PR24 performance commitment definition	nr	1447
29	Number of storm overflows closed in the previous reporting year - (as at 1 January)	nr	0
30	Number of storm overflows with event duration monitors installed (as at 1 January)	nr	1431
31	Proportion of the time that event duration monitors on storm overflows were operational (from 1 January to 31 December)	%	96.75%

32	Number of spills from storm overflows (from 1 January to 31 December)	nr	43919

	Emergency overflows - additional reporting (as at 1 January)		
33	Number of emergency overflows - sewage pumping stations (as at 1 January)	nr	886
34	Number of emergency overflows - network (as at 1 January)	nr	0
35	Number of emergency overflows - other (as at 1 January)	nr	0
36	Number of emergency overflows - all (as at 1 January)	nr	886
37	Number of emergency overflows with event duration monitors installed (as at 1 January)	nr	27
38	Number of emergency overflows with an MCERTS certified event duration monitors installed (as at 1 January)	nr	0
39	Proportion of the time that event duration monitors on emergency overflows were operational (from 1 January to 31 December)	%	78.45%
40	Number of spills from emergency overflows (from 1 January to 31 December)	nr	44

s101A Schemes completed in the report year (7C.1 and 7C.2)

1 Four s101A schemes were delivered within the reporting year for 186 connected properties:

- Little Bealings, 22 connected properties.
- Wormegay, 86 connected properties.
- Shepreth Meldreth, 3 connected properties.
- Belstead, 75 connected properties.

Capacity and number of network pumping stations (7C.3 and 7C.4)

2 The number of pumps, rated power for each pump, location and asset status have been used where this information was held in corporate databases. The rated power of the remaining pumps, where data was not currently centrally held, was estimated through extrapolation based on site annual energy consumption (and pump hours run where available). Where there is no data available on a pump an estimated 2.5kW has been applied.

3 The number of sites was calculated based on this more granular pump specific asset data. New techniques for data quality have been employed to improve the data held in the corporate systems.

4 In previous APR submissions inlet pumping stations (sited on sewage treatment works) have been excluded because they were considered to be inter-stage pumping stations. Given these inlet pumping stations are equivalent to terminal pumping stations sited beyond the sewage treatment works boundary fence we have adjusted our methodology and included them in this years numbers.

5 Also, it was noted that some vacuum and all ejector pumping stations had previously been omitted due the "pumping" being achieved using compressors. We have adjusted our methodology to include these in this years numbers.

6 Adding the Inlet TPS's, ejector and vac pumping stations accounts for the significant increase in both the number of sites and the rated power. The number of sites of the newly included site types are: 370 Inlet TPS's, 32 Ejectors, 84 Vacuum Sites (486 total).

Total number of sewer blockages (7C.5)

7 In 2024/25 we had 35,245 blockages, which was approximately two per cent lower than the 36,171 in 2023/24. We continue to be strongly focused on reducing blockages through better understanding of our network and public initiatives such as our Keep it Clear campaign and Environmental Compliance and Services engagement with food serving establishments, as well as installing flow level monitors at key points on our network.

8 We continue to focus on proactive measures to prevent blockages through planned preventative maintenance, with better analytical techniques being used to more effectively identify blockage hotspots and ensuring sewers that are more likely to have blockages are jetted more frequently.

Total number of sewer rising main bursts (7C.6)

9 Data recorded in this table includes the total number of gravity sewer collapses on the current network, including public and transferred assets.

10 There were 252 reactive sewer collapses reported in 2024/25. This is an decrease compared to 2023/24 when we reported 308. The decrease of sewer collapses and burst rising mains in 2024/25 is due to the approval for increased jetting and CCTV work which allowed us to CCTV 692km of our highest risk assets, of which 200km was proactively jetted and cleaned and 2725 defects and 254 structural repairs were identified (compared to 60km/976 defects proactively identified in 2023/24).

11 We also continued with our monitor installation parcels of work to enable us to proactively identify issues with our assets. This enabled us to install an additional 20,000 sewer monitors in 2024/25 and we are installing a further 25,000 sewer monitors in 2025/26.

12 The 252 reactive sewer collapses reported in 2024/25 includes 26 open sewer collapses that have not been closed by the 31st March 2025.

Total number of sewer rising main bursts (7C.7)

13 Data recorded in this table includes the total number of rising mains bursts on the current network, including public and transferred assets.

14 There were 103 reactive burst rising mains reported in 2024/25 in comparison to 2023/24 when we reported 114, this includes 1 open burst rising main that have not been closed by the 31st March 2025. The decrease in burst rising mains in 2024/25 is from our monitor installation parcel of work which enables us to proactively identify issues with our assets. This enabled us to install 850 burst rising mains monitors in 2024/25 compared to 67 in 2023/24.

Numbers of overflows (7C.8 - 7C.10)

15 We have chosen to align the figures reported for Lines 8 and 10 with those which are included within our annual storm overflow Event Duration Monitoring (EDM) report than we provide to the Environment Agency. We are mindful, however, of the need to subtract those permits for storm overflows that were surrendered during 2024. In our return to you this year we are therefore reporting 1081 storm overflows (which includes the 12 Unpermitted Combined Sewer Overflows (UCSO's) referred to below. We are also reporting 361 storm tanks discharges.

16 There has been a significant reduction in the number of storm overflows we are reporting this year. Investigations carried out in delivering our programme of providing 100 per cent EDM coverage of our CSOs by the end of 2023 identified that a number of CSOs did not exist and the Environmental Permits were therefore surrendered.

17 We have continuously collaborated with the Environment Agency on developing an appropriate process for screening, assessing and permitting proactively identified UCSOs. These 12 live applications have been confirmed as UCOs and accepted by the EA National Permitting Service team where they are currently being processed.

18 There has been no change in the methodology used for reporting the number of emergency overflows.

Sewer age profile (constructed post 2001) (7C.11)

19 The best estimated year laid of every mapped sewer has been maintained. Our approach is iterative based on our corporate systems, historical development polygons, deed dates (for non-infra sites to sub-catchments) and the length weighted median year for each material.

20 These lengths have remained consistent, with an increase of 224 km in this band age compared to 2023/24. This growth is attributed to improvements in our data capture process, which now combines redlining with the inclusion of new scheme data.

21 We have assumed that the age profile of modelled lengths of section 24 and transferred sewers is spread across the age bands and have used a weighted average method.

Volume of trade effluent (7C.12)

22 The volume of trade effluent varies from year to year. The figure for 2024/25 is in line with historical norms.

Volume of wastewater receiving treatment at sewage treatment works (7C.13)

23 For smaller WRCs (serving less than 250 population equivalent) an estimate has been made of the flow discharged per year. The numbers for this line were then produced by combining the separate values for the measured flows from larger WRCs with this estimated flow from the smaller WRCs.

24 The definition for this line within the RAG 4.13 Guidelines requires us to reflect the flow data reported to the EA in the annual OMA report. Measured flow data is reported to the EA on a calendar year basis consequently data for the 2024 calendar year has been used for this line.

Length of gravity sewers rehabilitated (7C.14)

25 In 2024/2025 20 km of sewers were proactively replaced or refurbished. This is approximately a 10 per cent improvement to the 18km reported in 2023/2024.

26 We have continued our focus on large diameter gravity sewers where possible/cost effective and sewers with high levels of infiltration/bursts/blockages. We have also proactively replaced or relined smaller diameter sewers, when they were identified whilst carrying out emergency repairs on adjoining sewers that had already failed. Additionally, we have prioritised more assets that were potentially contributing to pollution events, similar to our rising mains.

27 The 2024/25 value is much lower than anticipated and previously forecast (e.g. PR24 data tables). As mentioned in the PR24 data commentary, scope estimations were initially based on corporate costing data allowances only which were very limited at that point in time, similar to the rising mains ones. Although this partly explains the difference, the other reason is that some of the planned work has been delayed into Y1 of AMP8 (7 km+).

28 These planned outputs are expected to be claimed in year one or two of AMP8 once they are finished and if we were to include these it would be a potential of 27km against a forecast of 30 km (a -10 per cent accuracy error).

Length of rising mains replaced or structurally refurbished (7C.15)

29 In 2024/25, as clarified through additional comms with OFWAT, we have been asked to report only the value of full or partial reline or replaced assets. In 2024/25 this value approximately 10km.

30 In 2023/24 this equivalent value was only 3km (as mentioned in our Y4 commentary).

31 The 2024/25 value is much lower than anticipated and previously forecast (e.g. PR24 data tables). As mentioned in the PR24 data commentary, scope estimations were initially based on corporate costing data allowances only which were very limited at that point in time and was also inclusive of life extension interventions.

32 If we were to include the way AW previously reported data (i.e. to include structure refurbished/life extended interventions), an additional 25 km would be added to the value in the current table for a total of approx. 35 km, bringing it above our PR24 forecast figure of 27km (a +25 per cent accuracy error); This value would be more similar to our historical Y3 figure and above our Y4 of 23km.

33 We believe tracking this information still reflects the continuation in our approach to mitigate rising mains to extend asset life, rather than solely pursuing a binary strategy based solely on rising main replacement and that can still bring benefit for our customers.

34 Due to our performance in year four, our we have generally prioritised more assets that were potentially contributing to pollution events.

35 Lastly, our reporting does not include some outputs that have been started or planned but not yet finished. These outputs are expected to be claimed in years one or two of AMP8 once they are finished.

Length of wastewater network pipework (7C.16 - 7C.21)

36 Our modelled estimate of ex-Section 24 sewer lengths have been included in our reported sewer lengths since 2002/03 and are included in these lines. Our modelled length includes an assessment of the surface water sewers and we have assumed, given the typical sewer practice at the time, the remainder are combined sewers.

37 Compared to 2023/24 we report increases of 215km for Line 16 and 232km for line 17. These increases are due to a more efficient process of how we capture data, included having additional capturing systems such as MAP16, along with visualising and highlighting new assets captured.

38 Lines 18 to 20 have all remained stable for 2024/25.

Length of formerly private sewers and lateral drains (s.105A sewers) (7C.22)

39 We are reporting our total estimated length of modelled transferred sewers. These are 26,700km of laterals and 4,500km of private drains. This estimate is based on the findings of a number of studies we undertook prior to 2011.

40 Our estimate of our length of formerly private sewers is based on initial assessments made before the transfer for PR09. We are aware that our approach is consistent with most of the industry in that we continue to use the modelled lengths calculated at that time. However, we believe that new technologies and approaches can be used to improve upon the modelling carried out for PR09. As a result we continue to explore ways to improve our modelled estimates for transferred sewer and section 24 sewer lengths.

Number of Combined Sewer Overflows (as at 1 January) (7C.23)

41 The number we are reporting for this line aligns with the figure submitted for table 7C line 8 in APR2024. This is because for APR 2024 we based our number of CSOs on the number of EDM's that we reported in our 2023 EDM data submission to the Environment Agency - i.e. the number of CSO permits that we had in place 31 December 2023 (essentially the same as on 01 January 2024).

Number of Settled Storm Overflows (as at 1 January) (7C.24)

42 The number we are reporting for this line aligns with the figure submitted for Table 7C line 10 in APR2024. This is because for APR2024 we based our number of storm tanks on the number of EDMs that we reported in our 2023 data submission to the Environment Agency - i.e. the number of storm tank permits that we had on 31 December 2023 (essentially the same as 01 January 2024).

Number of permitted overflows closed in the previous reporting year (as at 1 January) (7C.27)

43 The number we are reporting for this line reflects those CSO permits which were surrendered during the period 01 January 2024 to 31 December 2024 and which were still included in our 2024 EDM data submission to the EA.

Number of storm overflows closed in the previous reporting year (as at 1 January) (7C.29)

44 All of the CSOs that were closed were permitted and were surrendered after providing evidence to the EA that they were no longer required. These have been included in Line 7C.27 and we have no others to report under this line.

Number of emergency overflows – sewage pumping stations (as at 1 January) (7C.33)

45 This number that we are reporting for this line equates to the number of EOs that we reported for table 7C.9 in our APR2024 return. There were no EO permits surrendered between 01 January 2024 and 31 March 2024 that need to be added.

Number of emergency overflows – network (as at 1 January) (7C.34)

46 All of our EOs are associated with pumping stations.

Number of emergency overflows – other (as at 1 January) (7C.35)

47 There are no EOs which fall into this category.

Number of Emergency overflows with EDM's installed as at 1 January (7C.37)

48 This number was provided by identifying which sites from the 2024 EO return are EO only, there were 27 sites in total on the 2024 EO Annual Return, 9 of these are EO only the remaining 18 are CSO/EO and their data is listed under the 2024 Storm overflow Annual Return.

Proportion of the time that event duration monitors on emergency overflows were operational from 1 January to 31 December (7C.39)

49 This figure is the percentage operational for the 9 EO ONLY sites referenced in 7C.37 4 sites were below the 90 per cent operational target and have either been rectified or planned in for a maintenance visit

Number of spills from emergency overflows from 1 January to 31 December (7C.40)

50 This figure is the number of spills from the 2024 EO Annual Return from the 9 EO only sites referenced in 7C.37 & 7C.39

Table 7D - Wastewater network+ - Sewage treatment works data for the 12 months ended 31 March 2025

	Line description	Units	Treatment categories							
			Primary	Secondary		Tertiary				Total
				Activated Sludge	Biological	A1	A2	B1	B2	
	Load received at sewage treatment works									
1	Load received by STWs in size band 1	kg BOD_5/day	23	355	1596	217	9	338	-	2538
2	Load received by STWs in size band 2	kg BOD_5/day	-	384	1261	284	24	738	49	2740
3	Load received by STWs in size band 3	kg BOD_5/day	-	1731	6504	1555	363	6749	801	17703
4	Load received by STWs in size band 4	kg BOD_5/day	-	9394	18545	4759	2893	15575	9891	61057
5	Load received by STWs in size band 5	kg BOD_5/day	-	12310	8019	5860	14379	4026	26104	70698
6	Load received by STWs above size band 5	kg BOD_5/day	-	112135	10247	22715	133593	-	29713	308403
7	Total load received	kg BOD_5/day	23	136309	46172	35390	151261	27426	66558	463139
8	Load received from trade effluent customers at treatment works	kg BOD_5/day	-	-	-	-	-	-	-	45632
	Number of sewage treatment works									
9	STWs in size band 1	nr	6	48	293	26	1	42	-	416
10	STWs in size band 2	nr	-	17	54	12	1	34	2	120
11	STWs in size band 3	nr	-	26	99	24	4	100	10	263

12	STWs in size band 4	nr	-	29	69	15	7	59	30	209
13	STWs in size band 5	nr	-	11	9	5	13	4	26	68
14	STWs above size band 5	nr	-	16	3	3	21	-	9	52
15	Total number of works	nr	6	147	527	85	47	239	77	1128

	Population equivalent									
16	Current population equivalent served by STWs	000s	7526.007	-	-	-	-	-	-	-
17	Current population equivalent served by STWs with tightened/new P consents	000s	1519355.000	-	-	-	-	-	-	-
18	Current population equivalent served by STWs with tightened/new N consents	000s	-	-	-	-	-	-	-	-
19	Current population equivalent served by STWs with tightened/new sanitary parameter consents	000s	102857.000	-	-	-	-	-	-	-
20	Current population equivalent served by STWs with tightened/new microbiological treatment consents (for example UV, ozone etc)	000s	-	-	-	-	-	-	-	-
21	Population equivalent treatment capacity enhancement	000s	-	-	-	-	-	-	-	-
22	Current population equivalent served by STWs with tightened/new consents for chemicals or other hazardous substances.	000s	24762.000	-	-	-	-	-	-	-

Line description	Units	Treatment works consents		
		Phosphorus	BOD_5	Ammonia

			<=0.5mg/l	>0.5 to <=1mg/l	>1mg/l	No permit	Total	<=7mg/l	>7 to <=10mg/l	>10 to <=20mg/l	>20mg/l	No permit	Total	<=1mg/l	>1 to <=3mg/l	>3 to <=10mg/l	>10mg/l	No permit	Total
	Load received at sewage treatment works																		
1	Load received by STWs in size band 1	kg BOD_5/day	-	28	-	2507	2535	-	-	163	177	2195	2535	-	-	79	194	2263	2536
2	Load received by STWs in size band 2	kg BOD_5/day	66	323	112	2223	2724	-	54	732	1449	488	2723	-	24	251	480	1969	2724
3	Load received by STWs in size band 3	kg BOD_5/day	1523	3483	1115	11370	17491	143	500	8279	8497	72	17491	-	630	4722	5428	6711	17491
4	Load received by STWs in size band 4	kg BOD_5/day	14699	12875	4883	27659	60116	511	10344	28424	20568	270	60117	1157	7371	28348	10599	12642	60117
5	Load received by STWs in size band 5	kg BOD_5/day	7724	11996	26298	24678	70696	-	8935	34089	26573	-	70597	2941	9240	38565	13293	12558	70597
6	Load received by STWs above size band 5	kg BOD_5/day	22662	116324	30120	139296	308402	-	50536	140989	116878	-	308403	4765	6726	12481	42031	69910	308403
7	Total load received	kg BOD_5/day	46674	145029	62528	207733	461964	654	70369	212656	167662	3025	463866	8863	8481	19976	72025	95453	463866
8	Load received from trade effluent customers at treatment works	kg BOD_5/day	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Number of sewage treatment works																		
9	STWs in size band 1	nr	-	2	-	412	414	-	-	13	19	382	414	-	-	6	19	389	414
10	STWs in size band 2	nr	3	13	5	98	119	-	2	32	60	25	119	-	1	11	22	85	119
11	STWs in size band 3	nr	22	45	14	179	260	2	7	120	129	2	260	-	8	62	81	109	260

12	STWs in size band 4	nr	45	45	13	103	206	2	30	103	70	1	206	3	23	95	38	47	206
13	STWs in size band 5	nr	8	12	27	21	68	-	9	33	26	-	68	3	9	32	14	10	68
14	STWs above size band 5	nr	4	13	12	23	52	-	10	19	23	-	52	1	12	19	7	13	52
15	Total number of works	nr	82	130	71	836	1119	4	58	320	327	410	1119	7	53	225	181	653	1119

	Population equivalent																	
16	Current population equivalent served by STWs	000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Current population equivalent served by STWs with tightened/new P consents	000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Current population equivalent served by STWs with tightened/new N consents	000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Current population equivalent served by STWs with tightened/new sanitary parameter consents	000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Current population equivalent served by STWs with tightened/new microbiological treatment consents (for example UV, ozone etc)	000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Population equivalent treatment capacity enhancement	000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Current population equivalent served by STWs with tightened/new consents for chemicals or	000s	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

other hazardous substances.																		

Loads received (7D.1-7D.7)

1 The loads reported in this table provide a consistent record which aligns with how we historically reported tables 17C and 17D in the June Return.

2 The size banding of the individual Water Recycling Centres (WRCs) has been determined using the total resident population, which is comprised of domestic population and trade effluent loads. Historically, we used to include septic tank and cesspool imports (tankered loads) to determine size bands, but following confirmation from Ofwat that they should be excluded, we can confirm the numbers do not include tankered loads.

3 Non-resident population has not been included when determining the size banding of the works, in line with the guidance.

4 The treatment types at our WRCs are assumed to be the same as prior years, unless evidence from operations has been provided. There have been no changes to treatment types in 2024/25.

5 The loads received volumes in lines 7D.1-7D.7 include non-resident population. The numbers in these lines include loads from nine additional WRCs, which belong to other water companies but to which our customers drain and we receive a charge for the treatment of this load. These WRCs are summarised below:

Works Name	Shortcode	Population Equivalent	Owner	Treatment Type	Load/Kg/BOD/day
ALKBOROUGH STW	ALKBST	635	Severn Trent	SCB	38.07
BRENTWOOD NAG HEAD LN STW THAM	BRWDST	6,943	Thames	TB1	416.59
CHEVELEY PARK STW	CHEVST	23	Private	PRM	1.38
STANSTED MOUNTFICHET STW	STMFST	2,340	Thames	TB1	140.43
STEVENAGE STW	STEVST	1,614	Thames	TA2	96.84
GT WHELNETHAM-STANFLD RD STW	GWESST	8	Private	SCB	0.47
HALSE STW	HATWST	1,281	Thames	SCB	76.89
SEVERN TRENT STW	SWTWST	277	Severn Trent	SCB	16.63
WINGRAVE STW	WITWST	6,392	Thames	SCB	383.50

Load received from trade effluent customers at treatment works (7D.8)

6 In 2024/25, the population equivalent (PE) emanating from trade effluent customers has increased by 2657PE compared to 2024/25. This is a marginal increase of less than one per cent.

Number of works (7D.9-7D.15)

7 Consent information is provided by an extract from our PACE database, which is a live document and holds all the consent limits for the WRCs the company operate. Some parameters have multiple consent values, and where this occurs we use the tightest consent limit the works is constrained to. As we do not have the consent information for the nine WRCs which are not in our control, we have not assigned these loads to any consent banding, and so they are excluded from the consents tables.

Current population equivalent served by filter bed or activated sludge STWs with tightened/new P consents (7D.17)

8 153 schemes have been delivered in 2024/25 - this includes 16 duplicates that have been removed from the reporting numbers.

Current population equivalent served by STWs with tightened/new N consents (7D.18)

9 No schemes of this description were delivered in 2024/25.

Current population equivalent served by STWs with tightened/new sanitary parameter consents (7D.19)

10 15 schemes have been delivered in 2024/25. 8 of these have new/tightening permit limits, whilst 7 have new permitted monitoring and reporting conditions - this includes 1 duplicate that has been removed from the reporting numbers.

Current population equivalent served by STWs with tightened/new microbiological treatment consents (for example UV, ozone etc) (7D.20).

11 There were no schemes delivered during the reporting year which involved the tightening, or introduction, of new or tightened consent conditions for microbiological parameters to meet the requirements of the EU Shellfish Waters or revised Bathing Water Directives.

Population equivalent treatment capacity enhancement (7D.21)

12 In 2024/25 there was no additional population equivalent capacity added. Schemes are progressing through design and construction however, no growth schemes have been completed within the AMP.

Current population equivalent served by STW with tightened / new consents for chemicals or other hazardous substances (7D.22)

13 Two schemes have been delivered in 2024/25, including new chemical limits and additional reporting requirements at Tuddenham and Rayleigh East.

Table 7E - Wastewater network+ - Energy consumption and other data for the 12 months ended 31 March 2025

	Line description	Units	Input
	Other		
1	Total sewerage catchment area	km^2	4,221
2	Designated bathing waters (inland and coastal)	nr	54
3	Number of intermittent discharge event duration monitoring	nr	5
4	Number of monitors for flow monitoring at STWs	nr	18
5	Number of odour related complaints	nr	2,888
	Energy consumption		
6	Energy consumption - sewage collection	MWh	119,810.565
7	Energy consumption - sewage treatment	MWh	238,445.711
8	Energy consumption - wastewater network +	MWh	358,256.276
	Scheme delivery		
9	Cumulative shortfall in FFT addressed by WINEP / NEP schemes to increase STW capacity	l/s	249.971
10	Number of sites with an increase in sewage treatment works capacity delivered to address a shortfall in FFT	nr	13
11	Additional storm tank capacity provided at sewage treatment works (grey infrastructure)	m3	82,502.000
12	Additional effective storm storage capacity at sewage treatment works (green infrastructure)	m3	-
13	Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m3	654.000
14	Additional effective storage in the network delivered through green infrastructure	m3	-
15	Total number of sewage treatment works sites where additional storage has been delivered (grey infrastructure)	nr	19
16	Number of sewage treatment works sites where additional storage has been delivered with pumping (grey infrastructure)	nr	8
17	Number of sewage treatment works benefitting from green infrastructure replacing the need for storm tank storage	nr	-
18	Number of sites delivering additional network storage (grey infrastructure)	nr	3
19	Number of sites delivering additional network storage including pumping (grey infrastructure)	nr	3
20	Number of sites delivering additional network storage through green infrastructure	nr	-
21	Surface water separation drainage area removed	m2	27,644.000
22	Number of schemes delivered to meet tightened or new sanitary consents	nr	15
23	Number of installations requiring civils for flow monitoring at sewage treatment works	nr	11
24	Number of installations requiring civils for event duration monitoring at intermittent discharges	nr	-
25	Number of storm overflows where improvements have been made to reduce harm or reduce spill frequencies	nr	10

Total sewerage catchment area (7E.1)

The aggregate sewer catchment area is unchanged on the number reported in 2024. It is the total of all the catchment areas of the circa 1,100 Water Recycling Centres across the Anglian Water region.

Designated bathing waters (7E.2)

1 There are currently 54 designated bathing waters in the Anglian Water region, 48 coastal sites, 2 estuarine and 4 inland. At the start of the 2024 bathing water season there were 3 newly designated bathing waters - Sheep's Green on the River Cam, Sudbury on the River Stour, and Manningtree on the River Stour.

2 The application process for new designated bathing waters was suspended by Defra in 2024. This is due to reopen in May 2025. Applications are generally submitted by local authorities or swimming groups. Anglian Waters work with community groups suggests that applications for new bathing waters are likely in 2025, resulting in new bathing waters in 2026.

Number of intermittent discharge sites with event duration monitoring (EDM) (7E.3)

3 Event Duration Monitors (EDM) were installed at five locations to meet obligations in the Environment Agency's Water Industry National Environment Programme (WINEP).

Number of monitors for flow monitoring at STWs (7E.4)

4 We have delivered 18 obligations for flow monitoring in 2024/ 2025, all under the WINEP U_MON4 driver. Each of these have a single monitor delivered.

Number of odour related complaints (7E.5)

5 Telephone odour complaints saw a slight decline from last year and written complaints have increased slightly when compared with last year however they are lower than other recent years.

Energy consumption - sewage collection, sewage treatment and wastewater network plus (7E.6-8)

6 The total energy consumption across both lines was **358,256 MWh**. The equivalent number for 2023/24 was 357,322 MWh so there has been a small increase of 933 MWh or 0.26 per cent. For Sewage Collection there has been a decrease of -4,686 MWh (-3.76 per cent) and for Sewage Treatment there has been an increase of 5,620 MWh (2.41 per cent).

7 Underlying this was a decrease in electricity consumption, most of which was observed in sewage collection sites. This was due to reduced pumping which reflected the change in rainfall pattern since 2023/24, which had exceptionally high rainfall. This was offset by an increase in fuel oil consumption which is taken from reporting generated by our SAP system on orders placed and delivered. Administrative delays associated with placing orders after delivery of fuel has influenced the apparent increase in fuel consumption.

8 There was also an increase in consumption from transport of 1,122 MWh (6.35 per cent) reflecting higher mileage claimed compared to 2023/24.

9 A number of assumptions have been made in calculating the water recycling energy consumption data:

- For the whole of the water recycling function, we have applied a financial split from regulatory accounts between bioresources and wastewater network plus for electricity consumption. This financial split is based upon assessments of proportional use by different Ofwat business units made by operational experts.

- We have included energy from renewable sources generated and used on site, including CHP (combined heat and power), wind and solar.
- Grid electricity and fuel (oil and natural gas) used in offices has been included and split equally between water and water recycling.
- Fuel oil is not recorded on our corporate systems against Ofwat's business units and therefore the same split used for electricity has been assumed for each fuel type with the exception of gas oil delivered to water recycling sites.
- We have assumed a 35 per cent thermal efficiency for natural gas consumption in converting to energy output (boilers and CHP).
- As in 2023/24, we have been able to allocate accurately the split in consumption of diesel and gas oil between sludge and wastewater network plus through developments in our SAP reporting system. Note that due to changes in fuel taxation, we can no longer purchase gas oil, but must purchase diesel instead, however, we have also purchased 193 thousand litres of 'Therma 35' – an alternative to gas-oil – for a trial at Cliff Quay sludge treatment centre.
- Transport (claimed mileage and fleet fuel purchased on fuel cards) is not recorded in our corporate systems against Ofwat's business units and therefore we have split the total 50/50 between water and water recycling and then assumed that they split in the same proportions as electricity between the business units. This is with the exception of RES fleet Biosolids haulage which has been allocated entirely to bioresources.
- Sub contracted transport (bioresources and cake) has not been included, only fleet (directly operated) vehicles.
- Transport for company cars is collected as mileage. We have converted mileage into kWh through using DESNZ's greenhouse gas reporting conversion factors for 2024.
- For electric vehicles, a small but growing volume of energy is collected via fuel cards or is metered at employees' homes. For the remaining, larger volume we have made the assumption that the mileage claimed relates to charging at home or on public charging points, rather than using the charging points at our offices. Many people are still working from home a lot of the time and we don't have a reliable source to tell us how many miles are being claimed from charging at Anglian Water sites. We believe this assumption to be safe and not capable of skewing the overall figures since (i) electric car consumption from claimed mileage totals just 782,054 kWh across the whole of Anglian Water and (ii) wherever cars are charged, the driver may be charging for domestic and commuting miles (which cannot be claimed) as well as for business. While there may be an overlap with the electricity consumption data, we consider that this will be de-minimus. We are looking to improve our processes in order to better capture consumption by electric cars charged at home and AW infrastructure.
- Electricity figures used in lines 7E.6-8 are all metered so there is a high confidence in them. There has been some use of estimated data at a minority of half-hourly metered sites caused by transitional issues between metering providers in December 2024, however, since estimating algorithms are carefully controlled by the electricity industry regulators, this is considered de-minimus.

Cumulative shortfall in FFT addressed by WINEP / NEP schemes to increase STW capacity (7E.9)

10 13 Full Flow to Treatment (FFT) shortfall schemes were delivered in 2024/25, all under the U_IMP5 WINEP driver. This figure was calculated by subtracting the original FFT from the required FFT of the sites (3 x DWF) as stated in the permit details, and adding to the figure provided for 2023/24. This totals 249.971 l/s.

Number of sites with an increase in sewage treatment works capacity delivered to address a shortfall in FFT (7E.10)

11 The 13 sites we delivered FFT increases to account for shortfall under the U_IMP5 driver in 2024/24 are:

- ASHBROOK STW,
- BURNHAM MARKET STW,
- HECKINGTON STW,
- KIMBOLTON STW,
- LEISTON-VALLEY RD STW,
- OAKHAM STW,
- REEPHAM STW (NORFOLK),
- SAFFRON WALDEN STW,
- STONHAM ASPAL STW,
- TEMPSFORD STW,
- WELLS-FREEMAN STREET STW,
- WEST MERSEA STW,
- YARDLEY HASTINGS STW

Additional storm tank capacity provided at sewage treatment works (grey infrastructure) (7E.11)

12 19 storm storage capacity schemes were delivered in 2024/25, under the U_IMP4 and U_IMP6 WINEP drivers. This figure was calculated from the as-built sizes of storm storage provided to the EA as part sign-off evidence requirements.

13 This totals 82,502 cubic meters of storage.

Additional effective storm storage capacity at sewage treatment works (green infrastructure) (7E.12)

14 No schemes of this description were delivered in 2024/25.

Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure) (7E.13)

15 The number provided in this line for 2024/25 corresponds to U_IMP4 delivery at Runton Water Lane, Horncastle Sports Ground, and Frinton Upper Second Avenue.

16 This totals an additional 654 cubic meters of additional storm storage.

Additional effective storage in the network delivered through green infrastructure (7E.14)

17 No schemes of this description were delivered in 2024/25.

Total number of sewage treatment works sites where additional storage has been delivered (grey infrastructure) (7E.15)

18 The 19 sites where increased storm storage was delivered under the U_IMP6 and U_IMP4 WINEP drivers in 2024/25 are:

- CONINGSBY STW,
- FELTWELL STW,
- HARLAXTON STW,
- HOLBEACH STW,
- LATCHINGDON STW,
- WHADDON STW,
- OAKHAM STW,
- BRIXWORTH STW,

- CHATTERIS-NIGHTLAYER FEN STW,
- CORBY STW,
- COTTON VALLEY STW,
- FLITWICK STW,
- GREAT BILLING STW,
- KINGS LYNN STW,
- MALDON STW,
- PETERBOROUGH (FLAG FEN) STW,
- RAMSEY STW,
- REEPHAM STW (NORFOLK),
- WATTON STW.

Number of sewage treatment works sites where additional storage has been delivered with pumping (grey infrastructure) (7E.16)

19 The U_IMP6 schemes with pumping included as part of the delivery in 2024/24 were: Oakham WRC, Brixworth STW, CORBY STW, COTTON VALLEY STW, GREAT BILLING STW, MALDON STW, RAMSEY STW, WATTON STW.

Number of sewage treatment works benefitting from green infrastructure replacing the need for storm tank storage (7E.17)

20 No schemes of this description were delivered in 2024/25.

Number of sites delivering additional network storage (grey infrastructure) (7E.18)

21 The number provided in this line for 2024/25 corresponds to U_IMP4 delivery at Runton Water Lane, Horncastle Sports Ground, and Frinton Upper Second Avenue.

Number of sites delivering additional network storage including pumping (grey infrastructure) (7E.19)

22 The number provided in this line for 2024/25 corresponds to U_IMP4 delivery at Runton Water Lane, Horncastle Sports Ground, and Frinton Upper Second Avenue.

Number of sites delivering additional network storage through green infrastructure (7E.20)

23 No schemes of this description were delivered in 2024/25.

Surface water separation drainage area removed (7E.21)

24 These schemes are delivered outside of our WINEP programme, delivering 27,644 square metres of drainage area removed. In addition, contributions have been made to a number of partnership schemes which will help deliver the removal of 135,249 square metres of drainage area.

Number of schemes delivered to meet tightened or new sanitary consents (7E.22)

25 The 15 schemes delivered under WFD_IMP, WFD_ND, and U_IMP1 WINEP drivers in 2024/25 are:

- BRACKLEY STW,
- EAST HARLING STW,
- HANSLOPE STW,
- OAKHAM STW (ammonia),
- OVER STW,
- CORBY
- GLEN STW,
- OAKHAM STW (BOD),
- UPPINGHAM STW,

- GAZELEY STW,
- LANGHAM STW (ESSEX),
- MUNDFORD STW,
- SHOTLEY-OVERHALL FM STW,
- WEETING STW,
- HOLBROOK STW,
- HOLLESLEY STW.

Number of installations requiring civils for flow monitoring at sewage treatment works (7E.23)

26 We have delivered 18 obligations for flow monitoring in 2024/ 2025, all under the WINEP U_MON4 driver. Each of these have a single monitor delivered.

Number of installations requiring civils for event duration monitoring at intermittent discharges (7E.24)

27 All schemes included in this line are a subset of the number provided under APR line 7E.4.

Number of storm overflows where improvements have been made to reduce harm or reduce spill frequencies (7E.25)

28 The schemes delivered under the U_IMP4 WINEP driver for Storm Overflow Action Framework (SOAF) improvement are:

- CONINGSBY STW,
- FELTWELL STW,
- Frinton - Upper Second Avenue - The Close overflow,
- HARLAXTON STW,
- HOLBEACH STW,
- HORNCASTLE-SPORTS GROUND SSO,
- LATCHINGDON STW,
- OAKHAM STW,
- Runton Water Lane overflow,
- WHADDON STW.

Table 7F - Wastewater network+ - WINEP phosphorus removal scheme costs and cost drivers

1 Table 7F has not been published in this document. The published version of the Ofwat tables can be viewed through the Our reports section on our website.

2 Actual capital expenditure costs are included for the years 2019/20, 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25. Cost data for 2019/20, 2020/21 and 2021/22 has been inflated to 2022/23 prices using CPIH as per Ofwat's guidance. Similarly, cost data for 2023/24 and 2024/25 has been deflated to 2022/23 prices using CPIH. Schemes already released to our supply chain forecast costs are based on our delivery plans and status of design work as of April 2024. This includes some projects where we are adopting a least regrets approach involving a phased delivery strategy, delivering the chemical dosing first before monitoring performance and using the observed sample data to inform a later decision on the need for tertiary solids removal. The forecast costs are based on costs from our corporate systems and have been adjusted using CPIH to the common 2022/23 price time basis for APR24.

3 Actual operational expenditure costs for schemes released to our supply chain are based on estimates calculated at design stage.

4 The nature of the programme means that the schemes are at different stages in our investment process with some more advanced than others, we therefore expect movements in the forward looking costs as the schemes progress. As schemes have progressed through the process, the values used in the table have changed from estimates based on models within our planning tool C55 to planned actual expenditure costs. As the design progresses for each site, these costs will become more refined.

Scheme development / optimisation

5 The AMP7 Phosphorous removal programme is significantly larger than previous AMP programmes and seeks in many places to achieve levels of phosphorus removal never before seen at scale in the UK. Following the AMP6 UKWIR National P Trials a new Technically Achievable Limit (TAL) was agreed at 0.25 Mg/l. Cost data from the National P Trials were used to inform the PR19 totex forecasts for schemes with the tightest consents. For schemes above the previous TAL (1 Mg/l) were inputted into the business plan using cost models built up of cost data from schemes previously completed.

6 This programme's objective is to improve the Ecological Status of waterbodies in our region under the Water Framework Directive classification by reducing levels of Phosphorus in treated water discharged into those waterbodies. At the end of AMP7 approximately 1,650km of watercourses have been protected or improved along with 4,100 hectares of Designated Site (HD/RAMSAR/SSSI).

7 During PR19 business planning, given the limited time available for detailed feasibility work at a site level, a matrix was developed to determine high level solutions for each of the 182 WINEP phosphorous obligations.

Activated Sludge / Oxidation Ditch

<table>
<tr><th colspan="2">Existing P permit</th><th colspan="2">New P permit</th><th></th></tr>
<tr><td>No tertiary</td><td>Existing tertiary (solids removal)</td><td>Existing tertiary (solids removal)</td><td>No tertiary solids removal</td><td>New Permit limit</td></tr>
<tr><td>New technology - Mecana</td><td>New technology - Mecana</td><td>New technology - Mecana</td><td>New technology - Mecana</td><td>0.25</td></tr>
<tr><td>New technology - Dynasand</td><td rowspan="6">Optimise, consider use of stretch targets</td><td rowspan="6">Install chemical removal - optimise tertiary process and dosing, consider use of stretch targets</td><td>New technology - Dynasand</td><td>0.35</td></tr>
<tr><td rowspan="5">Optimise, consider use of stretch targets</td><td rowspan="5">Chemical dosing, optimise - no tertiary</td><td>0.50</td></tr>
<tr><td>0.75</td></tr>
<tr><td>1.00</td></tr>
<tr><td>1.25</td></tr>
<tr><td>1.50</td></tr>
</table>

Tracking Filters

<table>
<tr><th colspan="3">Existing P permit</th><th colspan="3">New P permit</th><th></th></tr>
<tr><td>Existing Tertiary (solids removal)</td><td>Less than 30mg/l TSS current performance or permit limit</td><td>Greater than 30mg/l TSS current performance or permit limit</td><td>Existing Tertiary</td><td>Less than 30mg/l TSS current performance or permit limit</td><td>Greater than 30mg/l TSS current performance or permit limit</td><td>New Permit limit</td></tr>
<tr><td>New technology - Mecana</td><td>New technology - Mecana</td><td>New technology - Mecana</td><td>New technology - Mecana</td><td>New technology - Mecana</td><td>New technology - Mecana</td><td>0.25</td></tr>
<tr><td>New technology - Dynasand</td><td>New technology - Dynasand</td><td>New technology - Dynasand</td><td>New technology - Dynasand</td><td>New technology - Dynasand</td><td>New technology - Dynasand</td><td>0.35</td></tr>
<tr><td rowspan="4">Optimise existing tertiary and chemical dosing. Consider use of stretch targets</td><td>New technology - Dynasand</td><td rowspan="2">New technology - Dynasand</td><td rowspan="4">Install chemical dosing and optimise</td><td>New technology - Dynasand</td><td>New technology - Dynasand</td><td>0.50</td></tr>
<tr><td rowspan="3">Optimise existing tertiary and chemical dosing. Consider use of stretch targets</td><td rowspan="3">Install checmical dosing</td><td></td><td>0.75</td></tr>
<tr><td rowspan="3">Install chemical dosing</td><td>1.00</td></tr>
<tr><td>Optimise existing. Consider use of stretch targets</td><td>1.25</td></tr>
<tr><td>1.50</td></tr>
</table>

8 As an additional level of challenge prior to business plan submission, each project was discussed with the site manager to ensure assets that already existed on site and were serviceable were not included in the requested totex. For sites with the tightest consents, a check was also carried out to determine whether any existing assets had a process guarantee for the new limit. Where the assets did not, technology with a process guarantee identified from the UKWIR National P Trials was included in the cost build up.

9 Once in the delivery phase in AMP7 the schemes are taken through an initial investigation phase which includes site visits and increased sampling and then a Risk, Opportunity and Value (ROV) process to ensure the best value solution is selected for each site.

10 ROV provides a framework to collaboratively make best value totex investment decisions through:

- Fully understanding problems at a service/risk level
- Establishing root causes
- Creatively coming up with lots of options
- Making best value choices, balancing costs and benefits
- Challenging for greater value across the Six Capitals
- Identifying Lessons Learned during and after project completion, and
- Reviewing the benefits achieved.

11 Solution capital and operational expenditure are refined after the best value solution has been selected and agreed with all stakeholders.

12 Nine schemes were originally raised as transition schemes, however as they were coded as Amber in WINEP, they were paused until their requirement had been confirmed by Defra in December 2020. There was a small amount of costs on these schemes, which was not accounted for in APR23. These schemes have now been re-promoted and delivered, with the previous costs added to the new schemes. This will show an increase in the previously reported costs.

Scheme design

13 Scheme design population equivalent, included under Cost Driver 1 - We typically use a 2025 time horizon when designing the phosphorus removal schemes. The design of the scheme is not generally based on the total PE served, but is based on a combination of flow and load data and anticipated increase in PE. The design PE quoted is used for reference, but not in detailed design and this is taken at the point of scheme design and our forecasts may subsequently be updated.

14 For some sites a permit change only option is being explored, included under Cost Driver 4. These obligations are met through optimisation of existing treatment processes.

15 In our AMP7 programme, where transferred flow is being considered under Cost Driver 6, we have delivered a number of schemes. Flows have been transferred from Rougham to Fornham All-Saints, Withersfield to Haverhill, Stambourne to Haverhill, Tiffield to Towcester, and Draughton to Brixworth.

Delivery strategy

16 Through collaborative planning sessions with key stakeholders a number of efficiency strategies were developed and agreed.

#	Efficiency Reason	Comment	Applicability
Developed best practice from AMP6:			
A	Phased minimal build approach to solutions delivery	Implementation of chemical dosing solution where performance data supports, with subsequent monitoring to inform whether tertiary solids removal is necessary.	Schemes >0.5 mg/l P limit
B	Adoption of Standard Products and application of Minimum Asset Standards	Working to Minimum Asset Standards and adoption of standard product based solutions enables bulk purchase savings and minimal design effort.	All P Schemes
C	Optimised Team Structure	Team structured to deliver a standard product based portfolio by using a production line approach to scheme delivery.	All P Schemes
D	Offsite build and testing	Reduced time on site and reduced rework costs.	All P Schemes
E	Pump Away solution	Divert flows from smaller Water Recycling Centres to larger ones via new pipelines. Unable to be considered during PR19 due to time required to negotiate consent changes.	All P Schemes
AMP7 Initiatives:			

F	Delivery Optimisation	Improved delivery management process.	All P Schemes
G	Programme Optimisation	Delivery of schemes concurrently with other works on site to minimise resource requirements. Note at Draft Determination our requested totex was reduced by £37.6m in anticipation of programme synergies across large programmes.	Linked P Schemes
H	Streamlined Governance	Optimised governance process with reduced deliverables for standard schemes.	Non-linked P Schemes
I	Least regret/ Phased approach to solutions delivery	Implementation of chemical dosing solution where performance data supports, with subsequent monitoring to inform whether tertiary solids removal is necessary and if necessary optimise type of tertiary treatment required.	Schemes <0.5 mg/l P limit
J	Alternative Technologies and Nature Based Solutions	Alternative Technologies such as Algae and Wetlands may offer totex efficiencies.	All P schemes

Schemes completed and benefits realised to date

17 All but one of the P schemes due for delivery by March 2025 has now been completed and signed off by the EA. Delivery of the P scheme at Clipston WRC will continue into 2026, along with previously extended obligations (as agreed with the Environment Agency). These schemes provide improvement or protection to over 1000km of river length including chalk streams across our region.

Wetland schemes and Nature Based Solutions

18 After the successes of our new wetland at Ingoldisthorpe, at business planning a further 34 schemes were identified for wetland investigations. Through enhanced analysis of the portfolio, three additional sites were identified for wetland feasibility studies, with seven sites identified for delivery in 2025. Delivery of these schemes continues beyond March 2025, with all sites operating at new permit limits whilst wetlands begin to come online.

Table 7F and Table 4M (line 35) Reconciliation

19 We recognise the total expenditure between Table 7F and Table 4M (line 35) do not align as required by the APR validation rules, this is due to:

- WINEP investigations expenditure reported in 7F, but reported in 4M.44 "Investigations" rather than 4M.35 "Phosphorus removal" - this includes funding for wetland investigations that were within the PR19 P Removal cost assessment model and we have therefore included in table 7F.

- AMP6 carryover expenditure reported in Table 4M - we have excluded these projects from table 7F as they were not funded within the PR19 P Removal cost assessment model.

Transition Schemes

20 In preparation for the delivery of AMP8, we have released several schemes as part of our transition programme. The following phosphorus removal schemes have been released and are listed under a single line "AMP8 Transition" in table 7F. These schemes total £791,000 for 2023/24. The forecasted spend for future years has also been included in this line.

- Fakenham WRC Nutrient Neutrality P
- Potton WRC WFD ND_P
- Copford WRC WFD ND_P
- Gosfield WRC WFD_ND Ammonia
- Shenfield WRC WFD ND_P
- Wymondham WRC WFD ND_P
- Gamlingay WRC WFD ND_P
- Whitlingham WRC Nutrient Neutrality P
- Dereham WRC Nutrient Neutrality P.

WINEP Programme Updates

21 Following a collaboration review of the remaining AMP7 projects, a number of schemes were re-scheduled for delivery. The review undertaken categorised schemes into Design AMP7 Construct AMP8, Swap schemes or move schemes into AMP8. In table 7F there are 22 phosphorus removal schemes that are fall into the Design AMP7 and Construct AMP8 category. These projects have small amount of capex in AMP7 and do not have capex showing after 2024/25. These projects do also not have any Opex associated to them in AMP7. Olney and Old Buckenham schemes have been moved into AMP8, the costs in table 7F are the actual costs incurred in AMP7. Further spend will occur in AMP8 via PR24 determination.

Table 8A - Bioresources sludge data for the 12 months ended 31 March 2025

	Line description	Units	Total
1	Total sewage sludge produced, treated by incumbents	ttds/ year	147.4
2	Total sewage sludge produced, treated by 3rd party sludge service provider	ttds/ year	1.5
3	Total sewage sludge produced	ttds/ year	148.9
4	Total sewage sludge produced from non-appointed liquid waste treatment	ttds/ year	2.5
5	Percentage of sludge produced and treated at a site of STW and STC co-location	%	28.75
6	Total sewage sludge disposed by incumbents	ttds/ year	85.9
7	Total sewage sludge disposed by 3rd party sludge service provider	ttds/ year	1.9
8	Total sewage sludge disposed	ttds/ year	87.8
9	Total measure of intersiting 'work' done by pipeline	ttds*km/year	-
10	Total measure of intersiting 'work' done by tanker	ttds*km/year	3,004
11	Total measure of intersiting 'work' done by truck	ttds*km/year	7,128
12	Total measure of intersiting 'work' done (all forms of transportation)	ttds*km/year	10,132
13	Total measure of intersiting 'work' done by tanker (by volume transported)	m^3*km/yr	94,179,804
14	Total measure of 'work' done in sludge disposal operations by pipeline	ttds*km/year	-
15	Total measure of 'work' done in sludge disposal operations by tanker	ttds*km/year	-
16	Total measure of 'work' done in sludge disposal operations by truck	ttds*km/year	5,013
17	Total measure of 'work' done in sludge disposal operations (all forms of transportation)	ttds*km/year	5,013
18	Total measure of 'work' done by tanker in sludge disposal operations (by volume transported)	m^3*km/yr	-
19	Chemical P sludge as % of sludge produced at STWs	%	53.11

Farming Rules for Water: Backlog of biosolids effecting disposals.

1 In the autumn of 2021, the Environment Agency placed additional restrictions on the use of biosolids (treated sewage sludge) under the Farming Rules for Water, particularly in relation to its application to land in the autumn. This resulted in the creation of significant stockpiles of material at Anglian Water's STCs and other sites within our region, under a Regulatory Position Statement issued by the EA (RPS253). The industry responded by developing and implementing a package of additional measures to ensure full compliance with the EA's interpretation of the Farming Rules for Water. The industry's package of measures prompted the Environment Agency to relax restrictions around biosolids use,

allowing the industry to spread the stockpiled backlog of material in the autumn of 2022. Therefore, in 2022/23 our disposals to agriculture were high, as we cleared these stored stocks in addition to recycling the normal period's production.

2 In 2023/24 our disposals returned to normal levels. However, the ongoing situation is that in having to agree addition rules regarding spreading practice, greater closed areas due to nutrient status, minimum cake dry solids etc. cake has generally had to go further to land due to more restricted landbank. This situation is now considered a new normal which is not foreseeably going to reverse.

Total sludge produced, treated by incumbents (8A.1)

3 The number reported was calculated in the same way as in 2023/24. This is at the point of treatment (e.g. thickened blended sludge entering sludge treatment such as the advanced digestion (AD) process, conventional digester feed or liming), rather than the exact defined boundary of network plus and bioresources. Cross-boundary raw cake or liquid sludge imports are excluded in line with the line definition, although in 2024/25 there were none; in previous years we have imported sludge from Yorkshire Water (YKY) and Severn Trent Water (SVE). We would also include sludge that was transferred to land reclamation scheme during, however in 2024/25, there was none.

4 The amount of sludge treated by us was slightly lower (2.2 ttds) than the prior year. The drop was relatively minor as we adjusted other STCs to accommodate a major upgrade to Whitlingham STC, which had a significantly lower throughput. There was also a consequent increase in contract Liming at March WRC (see 8A.2 commentary).

5 At two water recycling centres (WRCs) we receive wastewater flows from customers of another water company (TMS). In common with previous practice, we have included the sludge arising from these flows in this line.

Total sewage sludge produced, treated by 3rd party sludge service provider (8A.2)

6 In 2024/25 we had 8.4 ttds of raw sludge limed at March WRCs by a managed liming contractor. As this is a managed contract, where we deliver raw cake and manage the transfer to land and recycling, this does not count as a third-party sludge service under the RAG and is therefore included in 8A.1.

7 We have, however, included raw sludge cake that was exported to SVE (1.4 ttds) and NES (0.1 ttds) during 2024/25. As a business, increasingly, we do not have sufficient treatment capacity to cope with peak periods of sludge production, which typically occurs between November and March each year. During this period, it is necessary to either lime treat via a third-party managed contractor and/or export surplus sludge to other WaSCs and/or land reclamation schemes, when available.

Total sewage sludge produced from non-appointed liquid waste treatment (8A.4)

8 The only non-appointed liquid waste we have received in the reporting period is domestic (cess and septic tank) waste. We have calculated the sludge produced from this by taking the total wet tonnage recorded (497.227 thousand wet tonnes) and applying the average Total Suspended Solids (TSS) of randomly sampled loads at the receiving WRCs (5111 mg/l, n=332) in a similar manner to 2023/24. The value obtained is comparable with the mean from the past 3 years.

Percentage of sludge produced and treated at a site of WRC and STC co-location (8A.5)

9 We have included the percentage of sludge produced on a co-located WRC and STC only when sludge treatment is permanently present (i.e. not raw dewatering sites). We have therefore counted our nine advanced AD sites and one conventional AD site (Chelmsford). The one operational lime plants (at March WRCs - operated for liming by a

managed contractor) has not been included: March WRC does not have any indigenous dewatering, with sludge being tankered to other sites, and therefore could not be considered as co-location.

10 The 2024/25 value of 28.75 per cent is marginally lower than 28.97 per cent in 2023/24, reflecting growth on other sites.

11 As in previous submissions, we have adhered to the updated definition following clarification from Ofwat in 2019, namely:

12 "The percentage of the sludge quantity reported in 8A.5 (previously 4R.25) that is produced at co-located sites. For the purposes of this definition: i) "co-located" includes sites where the STC is physically separate but the sludge is transferred from a wastewater treatment site by pipeline; and ii) STC means any site where sludge is treated to a standard such that it can be recycled to the environment or disposed of without any further treatment. Note that sludge that is dewatered but disposed of without being treated should not be included in this line."

Total sewage sludge, disposed by incumbents (8A.6)

13 The number reported was calculated in the same way as in prior years in line with the definition, based on treated material hauled to agricultural land (but not necessarily spread), into our own composting (zero this year) and into our own land reclamation (zero this year) as now defined. This number would include the treated equivalent of the raw sludge received from third parties; however, we did not receive any such imports in the reporting year.

14 In 2022/23 the amount of sludge disposed was 46 per cent higher than the prior year (33.7 ttds increase). As explained in the opening paragraph, this was due to a return to treatment normality after the Great Billing temporary closure, and the clearance of large quantities of treated material that had been stored because of the issues with Farming Rules for Water in 2021/22. A significant quantity of the material that had been stored was lime treated which has a further additive effect on the amount of material to be recycled. This is because of the lack of solids destruction (compared with digestion) and addition of lime mass. These effects were in addition to a normal year's production.

15 2023/24 saw a return to a more normal disposal levels (85.4 ttds), which was consistent with 2019/20 and 2020/21 when the disposals were 84.1 and 85.6 ttds respectively. 2024/25 was very similar to the previous year at 85.9 ttds.

Total sludge disposed by third party sludge service provider (8A.7)

16 In 2024/25 we exported 1.11 ttds of non-compliant cake to a third-party composting facility. We also exported raw sludge to other WaSCs for treatment by anaerobic digestion: namely SVE (1.41 ttds) and NES (0.11 ttds): For the purposes of reporting in accordance with the RAG a 50 per cent solids reduction has been assumed prior to disposal to agriculture and therefore this has been included in the line as 0.76 ttds. This gives the total reported in 2023/24 as 1.9 ttds.

17 We would also include here any amounts of sludge transferred to third parties for activated sludge or digester plant seeding if material. In 2024/25 there were no such movements. We would also include raw sludge to third party land reclamation, however, in 2024/25 there was also none.

Total measure of intersiting 'work' done by pipeline (8A.9)

18 In previous years we have included here sludge transferred by pipeline from Southend WRC to Rochford WRC for dewatering. This had stopped but resumed in 2021/22 due to the opening of a sinkhole at Southend WRC which required the centrifuges to be moved and pumping to resume for part of that year. In 2024/25, 2023/24 and 2022/23 this pumped transfer was not used.

Truck and tanker distances (8A.10, 11, 13, 15 and 16)

19 All our 'trucked' distance is estimated road distance (km), based on straight line distance x 1.35, which we have assessed as the average relationship between straight line and road distance. All tankered lines use measured road distance.

Total measure of intersiting 'work' done by tanker (8A.10)

20 We measure tankering work volumetrically, so to convert cubic metres to ttds we have used an average percentage of dry solids (DS) of 3.19 per cent, this was average of measured data for the 2024/25 reporting period. This compared favourably with 2023/24, 2.84 per cent, due to improved responsiveness to mechanical thickening issues and active management of sludge movement. This meant that every load moved was on average 12.3 per cent more efficient in solids removal. Our systems now allow us to update the thickness on an annual basis.

21 In the reporting year 2024/25 tankered sludge distances were increased due to operational disruption caused by the partial closure of Whitlingham STC as the Cambi was upgraded, new digesters built and the failure of one of the existing (70+ year old) digesters.

22 Table 8A line 13 is unadjusted for dry solids content equivalent number.

Total measure of intersiting 'work' done by truck (8A.11)

23 We have included all raw cake transfers between dewatering centres and STCs in this line. We have included raw cake exported to other WaSCs for treatment (SVE and NES) which in 2024/25 was 1.5 ttds (see 8A.7 commentary above). As the quantity and destination distances increased significantly this explains the increase in the reported number. Increased liming (see 8A.2 commentary) and the issues at Whitlingham (see 8A.10) also resulted in greater in area distances for raw cake transport.

Total measure of 'work' done in sludge disposal operations by tanker and by volume transported (8A.15 and 8A.18)

24 There were no tanker transfers to third parties in the reporting year. We have previously included transfers to other WaSCs, private digesters or for activated sludge process seeding in these lines.

Total measure of 'work' done in sludge disposal operations by truck (8A.16)

25 Treated cake that is transferred to intermediate storage, as well as from STC direct to the landbank, has been included. We would also include transfers to land reclamation, although none was done in 2024/25. A small amount of non-compliant cake to a third-party composting facility (see 8A.7 commentary above) has been included.

26 Land-bank restrictions are increasingly influencing how far treated sludge cake is having to be hauled for recycling. In 2024/25 we moved treated cake an average of 41 km (a further 11 per cent increase) compared with 37 km in 2023/24, 36 km in 2022/23, and 29 km in 2021/22.

27 In 2022/23 we made an improvement to the calculation of ttds by using product-specific dry solids percentages for each treated cake product transfer rather than an estimated 24 per cent dry solids regional average applied to all. We have continued with this improved approach in 2024/25, as we did in 2023/24.

Chemical P sludge as percentage of sludge produced at STWs (8A.19)

28 The number reported was calculated in the same way as in 2023/24 in line with the definition.

29 We have not included sludge arising from phosphorus (P) removal at Whitlingham WRC (Norwich), either now or previously, as this site has a biological nutrient removal plant, and we do not dose chemicals there. Similarly, we do not include iron salt dosing at Clacton WRC, which is for enhanced settlement.

30 In 2023/24 we reported that 'It should be noted that this line is a measure of 'the total quantity of sludge produced at WRCs which use chemical dosing for phosphorus removal expressed as a percentage of total sludge produced at all in-area WRCs', not a measure of the proportion of additional chemical P sludge which results on those sites. Therefore, additional P removal schemes at WRCs do not necessarily have much of an impact on this line because either a) they are a tightening of the consent on a WRC that already has a P removal consent - no effect, or b) their impact is yet to be seen because schemes will not complete until the last two years of the price control period. Furthermore, the impact on the metric is unlikely to be large as those in a) are often larger WRCs whilst those in b) are typically smaller WRCs.' However, in 2024/25 an increase (8 per cent) of some 3.93 percentage points was seen, showing that the increased number of P schemes is starting to have a more marked effect. We expect this trend to continue into AMP 8.

Table 8B - Bioresources operating expenditure analysis for the 12 months ended 31 March 2025

	Line description	Units	Pipeline	Tanker	Truck	Total
	Sludge transport method					
1	Power	£m	-	-	-	-
2	Income treated as negative expenditure	£m	-	-	-	-
3	Discharge consents	£m	-	-	-	-
4	Bulk discharge	£m	-	-	-	-
	Other operating expenditure					
5	Renewals expensed in year (Infrastructure)	£m	-	0.002	-	0.002
6	Renewals expensed in year (Non-Infrastructure)	£m	-	-	-	-
7	Other operating expenditure excluding renewals	£m	-	37.047	-	37.047
8	Total functional expenditure	£m	-	37.049	-	37.049
9	Local authority and Cumulo rates	£m	-	-	-	-
10	Total operating expenditure (excluding 3rd party)	£m	-	37.049	-	37.049

	Line description	Units	Untreated Sludge	Raw Sludge liming	Conventional AD	Incineration of raw sludge	Photoconditioning/ composting	Advanced Anaerobic Digestion	Other	Total
	Sludge treatment type									
11	Power	£m	-	0.132	0.153	0.553	-	-	-	0.838
12	Income treated as negative expenditure	£m	-	-0.001	-0.031	-8.337	-	-	-	-8.369
13	Discharge consents	£m	-	-	0.006	0.269	-	-	-	0.275
14	Bulk discharge	£m	-	-	-	-	-	-	-	-
	Other operating expenditure									
15	Renewals expensed in year (Infrastructure)	£m	-	-	-	-	-	-	-	-
16	Renewals expensed in year (Non-Infrastructure)	£m	-	-	-	-	-	-	-	-
17	Other operating expenditure excluding renewals	£m	-	0.257	1.045	44.073	-	-	-	45.375
18	Total functional expenditure	£m	-	0.388	1.173	36.558	-	-	-	38.119
19	Local authority and Cumulo rates	£m	-	0.027	0.127	4.675	-	-	-	4.829
20	Total operating expenditure (excluding 3rd party)	£m	-	0.415	1.300	41.233	-	-	-	42.948

Line description	Units	Landfill, raw	Landfill, partly treated	Land restoration/ reclamation	Sludge recycled to farmland	Incineration of digested Sludge	Other	Total
Sludge disposal route								

21	Power	£m	-	-	-	-	-	-	-
22	Income treated as negative expenditure	£m	-	-	-	-2.314	-	-	-2.314
23	Discharge consents	£m	-	-	-	-	-	-	-
24	Bulk discharge	£m	-	-	-	-	-	-	-

	Other operating expenditure								
25	Renewals expensed in year (Infrastructure)	£m	-	-	-	-	-	-	-
26	Renewals expensed in year (Non-Infrastructure)	£m	-	-	-	-	-	-	-
27	Other operating expenditure excluding renewals	£m	-	0.257	1.045	44.073	-	-	-
28	Total functional expenditure	£m	-	0.388	1.173	36.558	-	-	-
29	Local authority and Cumulo rates	£m	-	0.027	0.127	4.675	-	-	-
30	Total operating expenditure (excluding 3rd party)	£m	-	0.415	1.300	41.233	-	-	-

1 See Table 4E for commentary on bioresources expenditure.

Table 8C - Bioresources energy and liquors analysis for the 12 months ended 31 March 2025

	Line description	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total
		MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)
	Energy								
1	Energy consumption - bioresources	72,383	119,085	-	243,245	16.139	7.805	-	29.288
2	Energy generated by and used in bioresources control	30,110	83,021	-	113,131	6.736	5.441	-	12.177
3	Energy generated by bioresources and used in network plus control	48,408	-	-	48,408	10.830	-	-	10.830
4	Energy generated by bioresources and exported to the grid or third party	31,690	-	-	31,690	2.786	-	-	2.786
5	Energy generated by bioresources that is unused	-	48,380	-	48,380	-	-	-	-
6	Energy bought from grid or third party and used in bioresources control	42,035	36,064	-	78,099	9.349	2.364	-	11.713

	Income from renewable energy subsidies	Unit	Value
7	Income claimed from Renewable Energy Certificates (ROCs)	£m	6.326
8	Income claimed from Renewable Heat Incentives (RHIs)	£m	-
9	Income claimed from [other renewable energy subsidy (1)]	£m	-
10	Income claimed from [other renewable energy subsidy (2)]	£m	-
11	Income claimed from [other renewable energy subsidy (3)]	£m	-
12	Total income claimed from renewable energy subsidies	£m	6.326
13	% of total number of renewable energy subsidies due to expire in the next 2 financial years	%	4%
14	This year's value of renewable energy subsidies due to expire in the next 2 financial years	£m	0.234

Note: Companies to input specific subsidy which is being referenced in lines 8C.8 - 8C.10.

	Bioresources liquors treated by network plus (shadow reported)	Unit	Value
15	BOD load of liquor or partially treated liquor returned from bioresources to network plus	kg/d	24583
16	Ammonia load of liquor or partially treated liquor returned from bioresources to network plus	kg Amm-N/d	4976
17	Recharge to Bioresources by network plus for costs of handling and treating bioresources liquors	£m	18.927

	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total

		MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)
	Energy (AMP 7 shadow reported values)								
18	Energy consumption - bioresources	72,383	119,085	-	243,245	16.139	7.805	-	29.288
19	Energy generated by and used in bioresources control	30,110	83,021	-	113,131	6.736	5.441	-	12.177
20	Energy generated by bioresources and used in network plus control	48,408	-	-	48,408	10.830	-	-	10.830
21	Energy generated by bioresources and exported to the grid or third party	31,690	-	-	31,690	2.786	-	-	2.786
22	Energy generated by bioresources that is unused	-	48,380	-	48,380	-	-	-	-
23	Energy bought from grid or third party and used in bioresources control	42,035	36,064	-	78,099	9.349	2.364	-	11.713

		%
24	Percentage of bioresources energy consumption that is metered	60.245%

Energy generation and use - bioresources (8C.1-6)

1 The Bioresources business unit consumes energy from a number of sources, both externally sourced from third parties, such as grid electricity, natural gas and liquid fuels, and generated on site.

2 All energy generated by bioresources is from biogas, which is –

a. Converted into electricity and heat in combined heat and power (CHP) engines, or
b. Converted into heat in boilers, or
c. Converted into heat via waste gas burner (Flared).

3 Electricity generated is used by bioresources and network plus first with any surplus being exported to the grid (line 8C.4). We do not export any biomethane or heat energy from Bioresources (line 8C.3); it is either used or unused (line 8C.5).

4 For electricity, we record the MWh of electricity generated by each CHP using electricity-industry standard, approved metering systems. The same is true of all electricity imported to the sites and that exported back to the grid.

Energy Consumption in 2024/25 Compared with 2023/24

5 The total energy consumption shown in line 8C.1 was **243,245 MWh**. This is made up of **72,383 MWh** of grid electricity and self-generated electricity, **119,085 MWh** of heat generated from biogas, gas and fuel used in the boilers and **51,777 MWh** which is the remaining energy consumed by bioresources including remaining fuel and transport. Because line 8C.1 includes remaining fuel and transport and an allocation of consumption from administrative buildings and head office function, it is, therefore, **not** the total of lines 8C.2 and 8C.6.

6 The equivalent numbers for 2023/24 were 69,589 MWh for electricity, 124,655 MWh for heat generated from biogas, gas and fuel and 49,925 MWh from the remaining energy consumed – i.e. fuel and transport – a total of 244,655 MWh. There has been small reduction in energy consumed of **-1,410 MWh** or -0.57 per cent.

7 The total cost associated with the above was **£29.288 million**, which includes costs for electricity, gas, fuel and transport, including an allocation of costs from the administrative buildings and head office function, and an assessment of the cost of the heating the boilers with biogas. The equivalent figure for 2023/24 was £32.451 million.

8 Electricity usage by bioresources increased by **2,794 MWh** or 4.02 per cent, with imports of grid electricity reducing slightly and with an increase in CHP electricity used on site. The main reason for the small decrease in total energy consumption was the reduction of **-5,570 MWh**(-4.47 per cent) in the consumption of heat energy generated.

9 We saw an increase in CHP output compared to 2023/24; that year was impacted by maintenance on gas bags at Cotton Valley and Grimsby Pyewipe sludge treatment centres (STC's), however, 2024/25 was impacted by downtime associated with capital works at Whitlingham. This can be seen in lines 8C.2 to 8C.6. Electricity generated by bioresources through CHP and used in bioresources was **30,110 MWh** which was higher than in 2023/24 at 27,231 MWh (line 8C.2). The CHP electricity used by wastewater network plus also increased to **48,408 MWh** versus 46,680 MWh in 2023/25 (line 8C.3). There was a slightly increased export of electricity to the grid – **31,690 MWh** in 2024/25 compared to 31,625 MWh in 2023/24 (line 8C.4). **None** of the generated electricity was unused, as in 2023/24 (line 8C.5). Finally, slightly less electricity was imported from the grid to bioresources in 2024/25 – **42,035 MWh** compared to 42,135 MWh in 2023/24 (line 8C.6), slightly offsetting the higher usage of CHP generated electricity already mentioned (line 8C.2).

10 Costs for the electricity consumed were **£6.736 million** in line 8C.2, **£10,830 million** in line 8C.3 and **£9.349 million** in line 8C.6. These sums were calculated using the average unit cost for half-hourly metered electricity for 2024/25 of £223.72/MWh. Prices for imported electricity in 2024/25 were 9.77 per cent lower than in 2023/24, reflecting the lower

wholesale prices, although prices remain high in the aftermath of Russia's invasion of Ukraine. In line with the Ofwat guidance, it is assumed that CHP generated electricity which was used on site has the same unit cost as imported grid electricity. For sales of exported electricity, the sum used is that received from the export supplier of **£2.786 million**, which was identical to the £2.786 million received in 2023/24. The average price achieved for exported electricity in 2024/25 was the same as in 2023/24 as both years' prices were fixed at the same time.

11 A number of assumptions have been made in calculating the water recycling energy consumption data.

- For the whole of the water recycling function, we have applied a financial split from regulatory accounts between bioresources and wastewater network plus for electricity consumption. This financial split is based upon assessments of proportional use by different Ofwat business units made by operational experts.
- We have included energy from renewable sources generated and used on site, including CHP (combined heat and power), wind and solar.
- Grid electricity and fuel (oil and natural gas) used in offices has been included and split equally between water and water recycling.
- Fuel oil is not recorded on our corporate systems against Ofwat's business units and therefore the same split used for electricity has been assumed for each fuel type with the exception of gas oil and diesel delivered to water recycling sites.
- We have assumed a 35 per cent thermal efficiency for natural gas consumption in converting to energy output (boilers and CHP).
- As in 2023/24, we have been able to allocate accurately the split in consumption of diesel and gas oil between sludge and wastewater network plus through developments in our SAP reporting system. Note that due to changes in fuel taxation, we can no longer purchase gas oil, but must purchase diesel instead, however, we have also purchased 193 thousand litres of 'Therma 35' – an alternative to gas-oil – for a trial at Cliff Quay sludge treatment centre.
- Transport (claimed mileage and fleet fuel purchased on fuel cards) is not recorded in our corporate systems against Ofwat's business units and therefore we have split the total 50/50 between water and water recycling and then assumed that they split in the same proportions as electricity between the business units. This is with the exception of RES fleet Biosolids haulage which has been allocated entirely to bioresources.
- Sub contracted transport (bioresources and cake) has not been included, only fleet (directly operated) vehicles.
- Transport for company cars is collected as mileage. We have converted mileage into kWh through using DESNZ's greenhouse gas reporting conversion factors for 2024.
- For electric vehicles, a small but growing volume of energy is collected via fuel cards or is metered at employees' homes. For the remaining, larger volume we have made the assumption that the mileage claimed relates to charging at home or on public charging points, rather than using the charging points at our offices. Many people are still working from home a lot of the time and we don't have a reliable source to tell us how many miles are being claimed from charging at Anglian Water sites. We believe this assumption to be safe and not capable of skewing the overall figures since (i) electric car consumption from claimed mileage totals just 782,054 kWh across the whole of Anglian Water and (ii) wherever cars are charged, the driver may be charging for domestic and commuting miles (which cannot be claimed) as well as for business.

While there may be an overlap with the electricity consumption data, we consider that this will be de-minimus. We are looking to improve our processes in order to better capture consumption by electric cars charged at home and AW infrastructure.

- Electricity figures used in table 8C.2 to 6 – grid import, CHP generation and export – are all metered so there is a high confidence in them. Just two grid import supplies have had estimated data this year caused by transitional issues with a change in metering provider – Cambridge Main Supply and Whitlingham Supply 3. Our analysis suggests that an over-estimate of 229 MWh may have occurred which, at 0.31 per cent of electricity consumption allocated to bioresources, is considered de-minimus.

Heat generated and used in bioresources (8C.2)

12 For heat we have used a calculation for the mass balance of our STC's, with assumptions that CHP's are 90 per cent efficient and 20 per cent of heat energy is lost in transfer through availability of asset, fouling etc. The calculation is based on the maximum available heat from CHP capacity pro-rata to actual CHP output and then divided by throughput (measured as tonnes of dry solids, tDS) to give a MWh/tDS ratio. This is then multiplied by total tDS to give a total heat generated. With the addition of Cambridge CHP 3, heat supply has been factored to 0.75 as the engine does not provide waste heat for use in the Low-Temperature Hot Water (LTHW) circuit. This is done at 0.75 as the ratio of CHP 3 output of total GWh from site.

13 In the Heat column of line 8C.2, we have also added the MWh of heat generated in Bioresources through steam or hot water boilers using biogas as the fuel. This heat energy is calculated based on m^3 of biogas used in boilers (captured via flowmeters) which is equivalent of 6.7 kWh/m^3. An 85 per cent efficiency is then applied for the boilers converting into heat energy.

14 Heat generated and used in Bioresources (line 8C.2) for 2024/25 has increased following the successful reinstatement of gas holders and CHP's at Cotton Valley and Grimsby Pyewipe which impacted heat inputs last year. The change since 2023/24 is an increase of 2,961 MWh (which is also 565 MWh higher than 2022-23). The value of this heat recovered and reused in the process has decreased with reductions in cost of fossil fuels over the last 2 years.

Energy unused (8C.5)

15 Heat generated by bioresources is used by bioresources and our calculations show that some of our site processes will generate more heat than is required in bioresources; this heat is then unused.

16 Gas is only flared if CHP's and/or boilers are offline or the biogas production exceeds the capacity of the CHP's and boilers (line 8C.5). Volumes are taken from on-site readings. (There are no readings for Chelmsford waste gas burner with meters being installed). Flared gas accounts for 8.3 per cent of total biogas production – this has decreased by 5.4 per cent since 2023/24, which was largely inflated due to the gas holder failures at Cotton Valley and Grimsby Pyewipe. This brings us back into levels of 2022-23 for biogas unused and includes planned maintenance for installations of new gas holders at 3 sites.

17 To calculate the MWh value of the biogas flared we have used Biogas flowmeter recordings to measure volume (m^3) and then multiplied by 6.7 kWh/m^3 and then divided by 1000 to convert into MWh of heat energy through the waste gas burner.

18 Note that the measurement of biogas through flow meters is challenging due to biogas properties (variance in methane and gas moisture content) causing inaccuracies in flowmeters and therefore subject to error.

Energy Bought from the Grid (8C.6)

19 In certain periods, natural gas and white diesel have been purchased (line 8C.6) to meet the required heat demand of the STC processes, where instantaneous heat demand is greater than instantaneous heat available from the CHP engines. This could be due to inefficiencies in processes, such as LTHW circuits or downtime of assets for events such as maintenance of CHP's or waste heat boilers.

20 Overall, the energy bought-in from the grid or third party for supplying heat to bioresources processes shows a decrease of 17.2 per cent. This is largely due to the return to service of Grimsby Pyewipe and Cotton Valley CHP's as previously mentioned. Cambridge CHP 3 continues to have an impact on fossil fuel consumption since it has no heat recovery process, that was previously provided by CHP 1, which it superseded. Cliff Quay heat exchanger replacement in February 2024 can be directly correlated to a 57 per cent reduction in fossil fuel consumption. Chelmsford saw a 90 per cent reduction in fuel consumption in 2024/25 due to change in the site's operating philosophy to run biogas to boilers as priority over CHP. The LTHW failure at King's Lynn also resulted in increases to fossil fuel usage per tDS processed; a hired boiler was used in place of the LTHW system, using 69,824 litres of fuel which would normally be off-set by CHP heat recovery.

21 Fossil fuel prices have continued a slight downward trend with white diesel £1.15/l to £1.08/l, whilst unit gas prices have also dropped from £0.057/kWh to £0.047/kWh. Cliff Quay continues to operate on Therma35 gas oil which has the added cost efficiency of £0.641/l rather than £1.08/l of white diesel used at the other sites with ongoing fuel efficiency assessment taking place on asset condition impacts.

Income from renewable energy subsidies (8C.7 to 8C.14)

22 This was a new APR line in 2020/21. It captures the income for the bioresources function from the sale of Renewable Obligation Certificates (ROC's), from the Renewable Heat Incentive (RHI) and from any other Renewable Energy (RE) subsidies.

23 The income for the period April 2024 to March 2025 totals **£6.326 million**, all of which came from ROC's; no other income was claimed or received. This is £0.636 million higher than the equivalent figure calculated for financial year 2023/24. The increase is due to both the higher price achieved for the ROC's generated and the increased generation of ROC's.

24 The number of ROC's generated in 2024/25 was 765 higher (0.81 per cent) than in 2024/25; this was from increased generation at bioresources sites, notably at Cotton Valley and Grimsby Pyewipe Sludge Treatment Centres which had required additional maintenance in 2023/24 due to issues with the gas storage bags. Offsetting that were reductions at other sites, notably Whitlingham Sludge Treatment Centre where ongoing maintenance reduced output for more months than expected.

25 No income was gained for RHI as we do not have any facilities at bioresources sites which are registered for RHI. No other RE subsidies were applied for nor obtained. In 2022/23 we took a policy decision to retain all of the REGO's obtained from CHP generation instead of selling those associated with the exported electricity. These are either actively retired or allowed to expire as our carbon accounting rules allow us to use them to offset our emissions.

26 Because Ofgem issues ROC's three months in arrears, the ROC's for March 2025 are yet to be issued at the time of writing. Instead, for that month only, we have used the numbers of ROC's that we have already applied to Ofgem for on the basis of the metered records of electricity generated and exported. Normally, any differences between applied for and issued certificates are only very small and due to rounding.

27 Lines 8C.13 and 8C.14 show the per centage and this year's value of RE subsidies due to expire on bioresources sites in the next two financial years. Line 8C.13 totals **4 per cent** and 8C.14 totals **£0.234** million. This reflects the 3,506 ROC's generated at:-

- Cotton Valley Sludge Treatment Centre CHP 1 between 01/04/2024 and 31/03/2025, where the ROC accreditation is due to expire on 01/07/2025.

BOD and ammonia loads of liquor or partially treated liquor returned from bioresources to network plus (8C.15, 8C.16)

28 The data sources and methodology for this year's calculations have remained very similar to 2022/23, continuing the use of the existing data model held in Power BI which connects established data sources from corporate systems: PACE, IREM, Measuring Points, STC-Mate and WROL.

29 Extra steps have been taken to cleanse the data of errors. It was noticed when updating the values that some negative loading had been produced, which is impossible. After a deeper dive into the data, erroneous entries had been made for dried solids percentages. This has been mitigated by applying filters to those values: sludge dried solids must now be within zero and 10 per cent, cake feed dried solids must be within zero and 10 per cent and cake production dried solids must be within 15 and 40 per cent. What originally highlighted this was a sludge dried solids value of 1,094 per cent having been entered. Furthermore, checks for outliers in the sample data have been introduced. Any results greater or less than 10 times the average for a parameter and liquor type are excluded from the calculations.

30 Following last year's review, guidance from Jacobs has been followed. Calculations now use sample data from a 36 month rolling period. In addition to this, before the average for the entire period is calculated, the sample data is smoothed by averaging per quarter first. The intention here is to reduce the impact of on-site issues, as it can be assumed that in those cases increased sampling would occur and bias the sample data towards a site condition that is not 'business as usual'.

31 We have noted a significant increase in the ammonia returned; Cambridge, Great Billing and Whitlingham STCs were identified as the main contributors to this increase. Discussions were had about these sites with the Biosolids scientist. Cambridge has had a blockage removed from its first digestor and now has improved digestion performance which can lead to increased ammonia production. Great Billing would previously have had a proportion of its raw cake limed, but instead this has all been processed through its digestors, and Whitlingham's STC process continues to not treat for ammonia as the SHARON plant is offline, meaning a higher than usual load of ammonia is received by the WRC. These are all large ammonia treating sites and due to this, their ammonia values are used, unlike the carbonaceous sites which fall out of scope for ammonia. This can contribute to an ammonia-biased increase in load, while the STCs have been worked harder in the reporting year than previous to mitigate sludge stock levels issues across the region.

32 The data sources have remained the same this year, PACE, IREM, Measuring Points, STC-Mate and WROL, all have been checked for quality, the Cake – WROL tables have been simplified. Largely the same data quality checks have been left in place with a slight modification to the feed per cent dried solids of RAW and Treated cake dewatering, raising the lower limit of accepted values to 1 per cent up from 0 per cent.

33 The inlet flow volume calculations have been enhanced. If the TDV meter is Outlet, the returned liquor volumes are subtracted from the WRC inlet flow volume. Also added calculation to replace flow volumes of verification flags F and E with the average of the previous and next non F or E flow volumes for that site. If either of these are blank, it uses the non blank, if both are blank, it uses the original value.

34 Issues from last year for Ingoldmells, Caister and Boston have been fixed. Ingoldmells and Caister had incorrectly assigned raw cake volumes and Boston has been incorrectly assigned as an Ammonia consented site.

35 Sampling of returned liquors has been deficient this year, often when the logistics team sampler attends a site the thickening or dewatering equipment is not running. There are also issues with access to some sample points due to the nature of the site, such as

DSEAR zones. We have a made a decision to move the sampling over to works technicians as this will significantly increase the likelihood of a sample being taken at regular intervals, furthermore we are increasing the sample frequency from 4 to 8 per year.

36 We have seen an increase in load for treating returned liquors as a whole. This is due to running the STCs at 90 per cent capacity, and a continued push to thicken and dewater more to reduce costs from tankering and hauling.

37 It's become apparent this year that STCs can sometimes not treat all of their stock and need to create raw cake and send it to another STC for treatment. Whitlingham has been at 1 out of 2 digestors for a long time and has been sending raw cake to other STCs. The STC manager confirmed the treated cake sample data could be used as representative and combined with the raw cake volumes. It was confirmed that the raw cake returns are discharged into the returns well so the sample data is appropriate. To manage this in the model the treated cake concentration data is added to the raw cake concentration data. No site will have both raw cake and treated cake sample result data, so this is safe to add together.

38 Boston load is up 90 per cent, raw cake hauled away is up 40 per cent, the bod kg load in the returned liquors is up 45 per cent, but the load on the site is a factor of both the increased bod load of the returned liquors and the reduced inlet load, which was more in 2023/2024 which was 20 per cent more. This exaggerates the load on the works when comparing a lower returned liquor load to a higher inlet load.

39 West Walton Both hauled away more cake this year (20 per cent more) and had much stronger ammonia and bod samples for the returned liquor.

40 Lowestoft Raw cake production and inlet volumes are similar to last year. However sample concentration is slightly higher and raw cake feed DS per cent is considerably lower meaning more dewatering and therefore more returned liquor volume.

41 Jaywick Slightly higher BOD sample concentration, slightly higher raw cake production and slightly lower raw cake feed DS per cent. Feed DS per cent differences have a big impact on the calculations. BOD concentration is 30 per cent higher.

Recharge to Bioresources by network plus for costs of handling and treating bioresources liquors (8C.17)

42 The data sources and methodology used to calculate the sludge liquors costs has remained the same as in 2023/24. The driver for the sludge liquor recharge increasing by £5.7million (43 per cent) in real terms to £18.9 million is predominantly linked to the increased imports at a lower average DS per cent, and cake production on site at a higher DS per cent resulting in increased returns back into the works, at an increased concentration.

43 The recharge is in accordance with the methodology set out in the Jacobs report ('Setting a standardised methodology for quantifying the cost of sludge liquor treatment in the water industry', Jacobs, December 2020). Under the old methodology, the value of the recharge would have been £12.5 million. The old methodology uses population equivalent data, whereas the new shadow reporting used in table 8C.17 uses sample data from a 36 month rolling period.

Energy Consumption – bioresources (AMP7 Shadow Reported Values, 8C.18-23)

44 These lines were new for 2021/22 and are a shadow reporting requirement for the remainder of AMP7. The definitions supplied by Ofwat in RAG4 for lines 8C.18 to 8C.23 match the definitions for lines 8C.1 to 8C.6, save that the former are to be based upon improved allocation of revenues and costs between the Wastewater Network + price control and the bioresources price control. This is to be achieved through improved metering of the bioresources assets on our sites.

45 We already have sub-metering to measure the electricity used on many of the bioresources assets and this has been used as part of the assessment to allocate revenues and costs since 2016/17, however, this isn't yet sufficient to meet Ofwat's target of 80 per cent metered consumption. For 2024/25, therefore, the values for lines 8C.18 to 8C.23 are identical to lines 8C.1 to 8C.6. Please refer to the commentary for these lines, including for the assumptions made in calculating the values.

Percentage of energy consumption that is metered (8C.24)

46 Line 8C.24 measures the percentage of energy consumption in bioresources that is metered as opposed to being estimated. The value for 2024/25 is **60.2 per cent**. In 2023/24 the value was 58.0 per cent. The methodology used was as follows:-

- For electricity, this has been assessed using the percentage of the total electricity cost in the regulated accounts for those sites where the costs have been allocated based upon sub-metered data collected from meters connected to IRIS in January 2017. This is considered the most accurate of the assessment methodologies that we currently use to allocate revenues and costs for electricity. While the electricity data used in the 2024/25 allocation of costs and consumption has not been taken from those sub-meters in that period, our interpretation of the line description is that it represents the total from sites that have accurate metering.

- For gas, we have used the metered natural gas delivered to bioresources facilities. We have assumed a 35 per cent thermal efficiency for natural gas consumption in converting to energy output (boilers and CHP).

- For diesel fuel, we have used the volumes actually delivered to our bioresources facilities. We have converted the litres delivered to an equivalent energy output using the UK Government's conversion factors.

- For diesel transport fuel, we have used the volume of diesel purchased through fuel cards for the bioresources transport vehicles. We have converted the litres consumed to an equivalent energy output using the UK Government's conversion factors.

- For heat, we have used the gas volume measured at boiler biogas flow meters. A thermal efficiency factor has been applied to convert to energy output.

47 In future years, the level of submetering will increase and the approach will change to include the actual sub-metered data for the period.

Table 8D - Bioresources sludge treatment and disposal data for the 12 months ended 31 March 2025

	Line description	Units	By incumbent	By 3rd party sludge service providers
	Sludge treatment process			
1	% Sludge - untreated	%	-	-
2	% Sludge treatment process - raw sludge liming	%	5.6%	-
3	% Sludge treatment process - conventional AD	%	1.4%	-
4	% Sludge treatment process - advanced AD	%	92.0%	1.0%
5	% Sludge treatment process - incineration of raw sludge	%	-	-
6	% Sludge treatment process - other (specify)	%	-	-
7	% Sludge treatment process - Total	%	99.0%	1.0%
	(Un-incinerated) sludge disposal and recycling route			
8	% Sludge disposal route - landfill, raw	%	-	-
9	% Sludge disposal route - landfill, partly treated	%	-	-
10	% Sludge disposal route - land restoration/ reclamation	%	-	-
11	% Sludge disposal route - sludge recycled to farmland	%	1.0	0.009
12	% Sludge disposal route - other (specify)	%	-	0.013
13	% Sludge disposal route - Total	%	1.0	0.022

Sludge treatment process

1 We confirm that the percentages reported in lines one to seven (inclusive) relate to the sludge production figures reported in table 8A, lines one to three.

Percentage Sludge - untreated (8D.1)

2 We would include here raw sludge that was disposed to a land reclamation scheme without treatment. However, there was none in 2024/25.

Percentage Sludge – raw sludge liming (8D.2)

3 We have used liming for peak lopping of raw sludge cake loads in the last few years. As such, 5.6 per cent was limed in 2024/25, compared with 2.8 per cent, 3.4 per cent, 1.5 per cent and 4.4 per cent in 2023/24, 2022/23, 2020/21 and 2019/20, respectively. The increase in liming was mainly due the upgrade work being conducted at Whitlingham STC in the reporting year (see 8A.2 and 8A.11 commentary).

4 As a business we do not have sufficient treatment capacity to cope with peak periods of sludge production, which typically occurs between November and March each year. During this period, it is necessary to either lime treat via a third-party managed contractor and/or export surplus sludge to other WaSCs and/or land reclamation schemes. In 2021/22 the temporary closure of Great Billing STC, our biggest STC, required diversion of raw cake imports and export of indigenous sludge as raw cake for treatment elsewhere. We therefore limed substantially more sludge (14.0 per cent) in that year than we had done for a few years.

Percentage Sludge treatment process - conventional AD (8D.3)

5 1.4 per cent of our total sludge production was conventionally digested in 2024/25 - which was similar to 2023/24 (1.2 per cent) and 2022/23 (1.4 per cent). This is the proportion of sludge treated through our pasteurisation and digestion process at Chelmsford STC, which was commissioned in February 2021. The process was designed to upgrade from the previous conventional treatment achieved by raw sludge digestion with secondary batch liquid storage to produce enhanced treated product. However, as there is no significant hydrolysis occurring, we do not consider this process to be advanced anaerobic digestion (AD).

6 We would also include here total sludge production that was exported to other WaSCs for conventional digestion. However, there was none in 2024/25.

% Sludge treatment process - advanced AD (8D.4)

7 Our continued focus on active management of STC performance had reaped benefits in recent years, allowing us to process 96.7 per cent of our sludge production through advanced AD in 2020/21, up from 94.0 per cent in 2019/20, 90.9 per cent in 2018/19 and 82.2 per cent in 2017/18. The temporary closure of Great Billing STC saw this fall to 81.8 per cent in 2020/21. However, as expected, 2022/23 saw a return to more normal throughputs, namely 94.1 per cent. This was despite having a digester offline at Basildon STC for most of the year and clean-outs of the EEH plants at Cambridge and Kings Lynn STCs. At 94.8 per cent in 2023/24, we continued the return to a high level of performance on this line. In 2024/25 we saw a slight reduction to 92.0 per cent mainly due to upgrade work at Whitlingham STC (see 8A.2 and 8A.11 commentary).

8 1.0 per cent of our total sludge production was exported to Severn Trent Water (SVE: Nottingham and Coventry STCs) and Northumbrian Water (NES: Middlesbrough and Newcastle upon Tyne STCs) all for advanced digestion in 2024/25.

Percentage Sludge treatment process - incineration of raw sludge (8D.5)

9 We do not incinerate any sludge.

Sludge disposal and recycling route

10 We confirm that the percentages reported in lines eight to thirteen (inclusive) relate to the sludge disposal and recycling figures reported in 8A, lines six to eight.

Percentage Sludge disposal route - land restoration/reclamation (8D.10)

11 In 2024/25 there was no disposal of sludge to land restoration or reclamation. This is consistent with the reducing trend, where in 2023/24 sludge recycled (all raw cake) to out-of-area land reclamation schemes to 0.7 per cent, compared with some 1.7 per cent in 2022/23 and 4.4 per cent in 2021/22.

Percentage Sludge disposal route - sludge recycled to farmland (8D.11)

12 The majority (97.9 per cent) of our treated sludge was recycled to farmland in 2024/25 by us. An additional 0.9 per cent, assumed 50 per cent solids reduction of raw cake exported and was recycled to farmland, after advanced anaerobic digestion (AAD) by Severn Trent Water and Northumbrian Water.

Percentage Sludge disposal route - other (8D.12)

13 A small quantity of digested cake (1.1 ttds) which was deemed by us to be unsuitable for recycling to agriculture was sent for third party composting and this has been reported here.

14 We would also include sludge that went to third parties for activities such as digester seeding or for research projects in the 'by third party sludge service providers' sections. However, no sludge went to third parties for these purposes in the reporting year.

Table 9A - Innovation competition

	Line description	Units	Current year
	Allowed		
1	Allocated innovation competition fund price control revenue	£m	5.335
	Revenue collected for the purposes of the innovation competition		
2	Innovation fund income from customers	£m	5.335
3	Income from customers to fund innovation projects the company is leading on	£m	0.145
4	Income from customers as part of the inflation top-up mechanism	£m	0.056
5	Income from other water companies to fund innovation projects the company is leading on	£m	1.236
6	Income from customers that is transferred to other companies as part of the innovation fund	£m	4.244
7	Non-price control revenue (e.g. royalties)	£m	0.000
	Administration		
8	Administration charge for innovation partner	£m	

	Line description	Total amount of funding awarded to the lead company through the innovation fund	Total amount of inflation top-up funding received	Forecast expenditure on innovation fund projects in year (excl 10% partnership contribution)	Actual expenditure on innovation fund projects in year (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Forecast project lifecycle expenditure on innovation fund projects (excl 10% partnership contribution)	Cumulative actual expenditure on innovation fund projects (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Allowed future expenditure on innovation fund projects (excl 10% partnership contribution)	In year expenditure on innovation projects funded by shareholders of the lead water company	In year expenditure on innovation projects funded by project partner contributions	Cumulative expenditure on innovation projects funded by shareholders of the lead water company	Cumulative expenditure on innovation projects funded by project partner contributions	Total remaining funds (unspent) for completed projects
	Units	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
9	Whole Life Carbon	0.187	-	0.001	0.001	0.000	0.187	0.187	-	-	0.000	0.000	0.023	0.023	-
10	Safe Smart Systems	7.864	0.918	3.583	3.281	-0.302	8.782	6.430	-2.353	2.353	0.365	-	0.714	-	-
11	Triple Carbon Reduction	3.782	0.572	0.672	0.663	-0.009	4.354	3.632	-0.722	0.722	0.074	-	0.404	-	-
12	Enabling Water Smart Communities	5.535	-	1.409	1.408	-0.001	5.535	3.617	-1.918	1.918	0.064	-	0.163	-	-
13	Unlocking Bioresource Market Growth	0.314	-	-	-	-	0.314	0.314	-	-	-	-	0.035	-	-
14	Ecological Digital Twin	1.200	-	0.056	-0.013	-0.069	1.200	1.200	-	-	-0.001	-	0.100	0.179	-
15	Climate Resilience Demonstrator	0.913	-	0.519	0.701	0.181	0.913	0.913	-	-	0.006	0.091	0.010	0.091	-
16	All Streams HTO	1.381	-	0.718	0.201	-0.517	1.381	0.201	-1.180	1.180	0.007	-	0.007	-	-
17	Innovation project 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Innovation project 10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Innovation project 11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Innovation project 12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Innovation project 13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Innovation project 14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Innovation project 15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Total	21.176	1.490	6.958	6.241	-0.717	22.666	16.493	-6.172	6.172	0.514	0.092	1.457	0.294	-

1 All funding has been recovered through main charges. We do not currently receive or forecast to receive any royalties.

2 In Financial Year 2024/25 we were awarded:

- £1,380,591.00 for the All Streams HTO project via the Water Breakthrough Challenge
- £431,460.00 for the Safe Smart Systems project via the Inflation Top Up Award
- £104,475.00 for the Triple Carbon Reduction project via the Inflation Top Up Award

3 Delivery of the All Streams HTO Project and the previously funded projects that are still active is underway.

4 The following Projects have now concluded and the full awarded amount has been invested in the project:

- Whole Life Carbon
- Ecological Digital Twin
- Climate Resilience Demonstrator

5 Funding transfers not referenced in Table 9A for this year include the MOSL administration costs for each settlement. This may mean that there are discrepancies in the anticipated and recorded funding transfers.

6 We comply with the terms of any Innovation Fund competition funding decisions, including that Innovation funding is not being used for business as usual activities funded through TOTEX. Where we have recovered revenue from customers for the purposes of the Innovation competition, this revenue has been paid into the Innovation Competition Fund as requested.

Table 10A, 10B, 10C, 10D and 10E - Green recovery

Table 10A, 10B, 10C, 10D and 10E

1 We report no figures for these tables as we did not propose any projects under the Green Recovery programme.

Table 10F - Additional reporting to account for impacts of the accelerated infrastructure delivery projects for the 12 months ended 31 March 2025

Section 1: Water resources and water network+

From Table 6C

	Other	Unit	Input
1	Total length of new potable mains	km	-
2	Number of lead communication pipes replaced for water quality	nr	-

From Table 6D

		Units	Basic meter	AMR meter	AMI meter
	Metering activities - Totex expenditure				
3	New selective meter installation for existing customers	£m	-	-	0.001
4	New business meter installation for existing customers	£m	-	-	-
5	Residential meters renewed	£m	-	-	6.984
6	Business meters renewed	£m	-	-	-
	Metering activities - Explanatory variables	Units			
7	New selective meters installed for existing customers	000s	-	-	0.007
8	New business meters installed for existing customers	000s	-	-	-
9	Residential meters renewed	000s	-	-	61.690
10	Business meters renewed	000s	-	-	-
11	Replacement of basic meters with smart meters for residential customers	000s	-	-	56.314
12	Replacement of AMR meter with AMI meters for residential customers	000s	-	-	5.376
13	Replacement of basic meters with smart meters for business customers	000s	-	-	-
14	Replacement of AMR meter with AMI meters for business customers	000s	-	-	-
15	New residential meters installated for existing customers – supply-demand balance benefit	Ml/d	-	-	-
16	New business meters installed for existing customers – supply-demand balance benefit	Ml/d	-	-	-
17	Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	Ml/d	-	-	0.08
18	Replacement of AMR meter with AMI meter for residential customers– supply-demand balance benefit	Ml/d	-	-	0.01
19	Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	Ml/d	-	-	-
20	Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	Ml/d	-	-	0.00

	Metering activities - Impact on PCC and leakage performance	Units	
21	Per capita consumption reduction	l/h/d	0.022
22	Leakage reduction	Ml/d	0.018

	Leakage activities	Units	
23	Leakage improvements delivering benefits in 2020-25	Ml/d	-

Section 2: Wastewater network+ and bioresources

From Table 7B

	Sewage treatment works - Explanatory variables	Units	
24	Works name	text	-
25	Classification of treatment works	text	-
26	Population equivalent of total load received	000s	-
27	Phosphorus consent	mg/l	-
28	Load received by STW	kgBOD$_5$/d	-
29	Flow passed to full treatment	m^3/d	-

From Table 7D

	Population equivalent	Units	
30	Current population equivalent served by STWs	000s	-
31	Current population equivalent served by STWs with tightened/new P consents	000s	-
32	Current population equivalent served by STWs with tightened/new N consents	000s	-

From table 7E

		Units	
33	Number of monitors for flow monitoring at STWs	nr	-
34	Additional storm tank capacity provided at STWs (grey infrastructure)	m3	-
35	Additional effective storm storage capacity at sewage treatment work (delivered through green infrastructure)	m3	-
36	Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m3	-
37	Additional effective storage in the network delivered through green infrastructure	m3	-

1 We proposed a number of programmes of work under Defra's Accelerated Investment Delivery (AID) scheme. In June 2023 Ofwat granted approval for four of these;

- Colchester re-use; Acceleration of the detailed design and planning of a water re-use scheme which was already in our draft WRMP preferred programme, plus the construction of a re-use pilot plant and transfer main by March 2028
- Smart metering; installation of an additional 60,000 smart meters

- Nutrient neutrality; achievement of tighter phosphorus concentrations in the final effluent from Fakenham, Dereham and Whitlingham WRCs
- Storm overflow reduction; to undertake 21 storm overflow improvements to Storm Overflow Discharge Reduction Plan Act target levels and accelerate 143 investigations to confirm the root cause of high overflow spills.

2 Transitional and accelerated investment spend have enabled consistent capex from 24/25 to 25/26, supporting a smooth ramp-up to over £1.5bn annually from 26/27, in line with the PR24 deliverability strategy.

3 No outputs were delivered from any of the AID projects in 2024/25, with the exception of smart metering. Consequently, we are currently reporting no impact on areas unrelated to smart meters.

Nutrient Neutrality

4 No outputs were completed for any of the nutrient neutrality projects in 2024/25 so there was no associated change to the Phosphorus consent. The schemes at Fakenham and Dereham WRCs were due to be completed by 31 March 2025, but we have agreed revised output dates of 30 September 2025 with Ofwat.

Smart Metering

5 As part of our AID smart meter installation program we have installed 62,123 smart meters to household customers. 61,690 were replacements with 7 being new selective meters and 426 being new optant meter installed numbers.

6 The 426 new optant meters installed as part of our AID programme do not show in table 10F, which only show volume for residential meters renewed and new selective meters installed.

New residential meters installed – supply-demand balance benefit (10F.15)

7 As part of our AID smart meter installation program we have installed 426 additional smart meters to household customers.

8 We have assumed that the installation of smart meters will enable a 2.5 per cent change in customer behaviour. Additionally this year we have aligned our assumptions for savings from plumbing loss and customer supply pipe leakage with our WRMP24 assumptions which are now available and informed by our latest smart meter data outputs. This gives a saving of 10.34 l/prop/day. This is equivalent to approximately 4 per cent of additional saving per property. These savings should be calculated as applying to each meter for an average of one month (as the meters were installed at the end of 2024/25), to account for the overall installation rate.

WRMP24 plumbing loss/cspl savings assumption

10 year profile	2022	2023	2024	2025
cspl saving profile (l/prop/d)	2.68	3.015	3.35	3.685
plumbing loss profile (l/prop/d)	4.84	5.445	6.05	6.655
total saving (ex. Behaviour) (l/prop/d)	7.52	8.46	9.4	10.34

9 Savings have been calculated based upon 2024/25 per capita consumption and occupancy rates. Note that Measured and Unmeasured occupancy rates are now derived using additional per property occupancy rate intelligence provided by Edge Analytics (Demographic consultants). This has provided more detail regarding the sub-regional occupancy rates (Occupancies have ultimately been re-aligned with those garnered from ONS data at the

LAUA level). The assessment for this years occupancy split between measured and unmeasured properties has altered slightly from last years values of 2.28 (measured) and 2.73 (unmeasured).

10 2025 Values

- Measured PCC – 119.70l/h/d
- Unmeasured PCC – 163.77 l/h/d:
- Measured Occupancy Rate 2024/25- 2.31 persons/property
- Unmeasured Occupancy rate 2024/25 - 2.76 persons/property

11 For new residential customers with an AID installed smart meter savings for 2024/25 are too small to register to 2 d.p. (a 17.5 per cent saving (plus PL/cspl) from being unmeasured. i.e. visual read (15 per cent) + smart meter savings (2.5 per cent + PL/cspl)) combined)).

12 A straightforward and conservative approach has been adopted which applies assumed savings to the number of installed meters. As additional smart meter data becomes available we will look to use this directly observed data, (potentially using meter readings to determine the actual savings which could then be aggregated and reported). This approach is an aspiration, but will currently require significant effort to understand other impacts within those numbers (for example, the potential impact of weather on savings recorded each year). Additionally, considerable thought will be needed to assess base-lines from which savings can be assessed. We are currently designing assessment protocols in order to assess statistically significant variations and demand management option impacts.

New business meters installed – supply-demand balance benefit (10F.16)

13 We currently have not attributed water efficiency savings to the installation of AID non-household meters, however, we are now conducting leakage reduction measures based upon smart meters to identify continuous flow (plumbing loss and cspl) through our Customer Leakage Tool (customer journey).

Replacement of basic meter with smart meters for household customers – supply-demand balance benefit (10F.17)

14 As part of our AID meter replacement and smart meter installation program we have installed 56,314 smart meters to household customers.

15 We have assumed that the installation of smart meters will enable a 2.5 per cent change in customer behaviour (in alignment with WRMP24 assumptions) and a further saving for plumbing losses and customer supply pipe leaks of 10.34l/prop/day (in alignment with WRMP24) and that these savings should be calculated as applying to each meter for an average of one month (as the meters were installed at the end of 2024/25), to account for the overall installation rate. This is in effect an additional 6.5 per cent saving over and above the 15 per cent saving expected from those customers who are measured as opposed to unmeasured. Note that these savings will be cumulative on top of the savings already made due to previous smart meter installations. Savings have been calculated based upon 2024/25 per capita consumption and occupancy rates.

16 Consequently, for AID residential meter renewals, we have calculated savings of 0.08 Ml/d.

Replacement of AMR meter with AMI meter for household customers– supply-demand balance benefit (10F.18)

17 As part of our AID meter replacement and smart meter installation program we have replaced 5,376 AMR residential meters with AMI smart meters for household customers.

18 We have assumed that the installation of AMI smart meters as opposed to AMR meters will enable a 2.5 per cent change in customer behaviour and a further saving for plumbing losses and customer supply pipe leaks (in alignment with WRMP24) of 10.34l/prop/d, and

that these savings should be calculated as applying to each meter for an average of one months (as the meters were installed at the end of 2024/25), to account for the overall installation rate. This is in effect an additional 6.5 per cent saving over and above the 15 per cent saving expected from those customers who are measured with an AMR meter, as opposed to unmeasured.

19 Consequently, for AID residential AMR meter replacement, we have calculated savings of 0.01 Ml/d.

Replacement of basic meter with smart meters for business customers – supply-demand balance benefit (10F.19)

20 We currently have not attributed water efficiency savings to the installation of AID non-household meters, however, we are now conducting leakage reduction measures based upon smart meters to identify continuous flow (plumbing loss and cspl) through our Customer Leakage Tool (customer journey).

Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit (10F.20)

21 We currently have not attributed water efficiency savings to the installation of AID non-household meters, however, we are now conducting leakage reduction measures based upon smart meters to identify continuous flow (plumbing loss and cspl) through our Customer Leakage Tool (customer journey).

Per Capita Consumption Reduction (10F.21)

22 The impact of the AID smart meter cohort has been calculated in alignment with savings attributed in table 6D, and WRMP24 assumptions, such that:

- new installed meters save 15 per cent of consumption (unmeasured to measured) and an additional 2.5 per cent of PCC due to behaviour change, plus an additional saving of 10.34 l/prop/d due to continuous flow reduction saving of 10.34 l/prop/d from continuous flow reduction.

- replaced visual read and AMR meters save 2.5 per cent from additional behaviour change and a

23 For the 60K AID meters, we have attributed 1 months savings due to them being installed at the end of the year (1/12 of the yearly saving) in a similar fashion to the half year savings attributed to the full cohort.

24 In order to determine the PCC impact, we have subtracted this saving from the overall household consumption value, recalculated PCC and compared values.

25 This indicates an overall impact from the 1 month installation of the meters of 0.017 l/h/d

Leakage Reduction - metering impact on PCC and leakage (10F.22)

26 Smart meters and the associated customer data allow continuous flow to be identified and rectified. The impact of AID smart meters has been calculated in alignment with table 6D and WRMP24 assumptions. We assume for 2024/25 that smart meters save 10.34 l/prop/d from continuous flow reduction, of which 3.685l/prop/d is customer supply pipe leakage (cspl).

27 In order to calculate the impact of the AID smart meters we have assumed 1 months worth of savings as they were installed at the end of the year.

28 Consequently we can estimate the saving from the installation of 60,000 smart meters as:

29 60,000 x 3.685 x 1/12 (to account for the fact that these meters were installed in the last month of 2024/25)

30 The leakage (cspl) saving, therefore, is equivalent to 0.018 Ml/d

Leakage activities (10F.23)

31 We have assessed that there are no additional Leakage improvements (delivering benefits in 2020-25) to be added from AID activities.

Table 10G - Additional reporting to account for impacts of transition expenditure for the 12 months ended 31 March 2025

Section 1: Water resources and water network+

	From Table 6C		
	Other	Unit	Input
1	Total length of new potable mains	km	-
2	Number of lead communication pipes replaced for water quality	nr	146.0

From Table 6D

		Units	Basic meter	AMR meter	AMI meter
	Metering activities - Totex expenditure				
3	New selective meter installation for existing customers	£m	-	-	-
4	New business meter installation for existing customers	£m	-	-	-
5	Residential meters renewed	£m	-	-	-
6	Business meters renewed	£m	-	-	-
	Metering activities - Explanatory variables	Units			
7	New selective meters installed for existing customers	000s	-	-	-
8	New business meters installed for existing customers	000s	-	-	-
9	Residential meters renewed	000s	-	-	-
10	Business meters renewed	000s	-	-	-
11	Replacement of basic meters with smart meters for residential customers	000s	-	-	-
12	Replacement of AMR meter with AMI meters for residential customers	000s	-	-	-
13	Replacement of basic meters with smart meters for business customers	000s	-	-	-
14	Replacement of AMR meter with AMI meters for business customers	000s	-	-	-
15	New residential meters installated for existing customers – supply-demand balance benefit	Ml/d	-	-	-
16	New business meters installed for existing customers – supply-demand balance benefit	Ml/d	-	-	-
17	Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	Ml/d	-	-	-
18	Replacement of AMR meter with AMI meter for residential customers– supply-demand balance benefit	Ml/d	-	-	-
19	Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	Ml/d	-	-	-
20	Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	Ml/d	-	-	-

	Metering activities - Impact on PCC and leakage performance	Units	
21	Per capita consumption reduction	l/h/d	-
22	Leakage reduction	Ml/d	-

	Leakage activities	Units	
23	Leakage improvements delivering benefits in 2020-25	Ml/d	-

Section 2: Wastewater network+ and bioresources

From Table 7B

	Sewage treatment works - Explanatory variables	Units	
24	Works name	text	-
25	Classification of treatment works	text	-
26	Population equivalent of total load received	000s	-
27	Phosphorus consent	mg/l	-
28	Load received by STW	kgBOD_3/d	-
29	Flow passed to full treatment	m^3/d	-

From Table 7D

	Population equivalent	Units	
30	Current population equivalent served by STWs	000s	-
31	Current population equivalent served by STWs with tightened/new P consents	000s	-
32	Current population equivalent served by STWs with tightened/new N consents	000s	-

From table 7E

		Units	
33	Number of monitors for flow monitoring at STWs	nr	-
34	Additional storm tank capacity provided at STWs (grey infrastructure)	m3	-
35	Additional effective storm storage capacity at sewage treatment work (delivered through green infrastructure)	m3	-
36	Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m3	-
37	Additional effective storage in the network delivered through green infrastructure	m3	-

Other additional items not included in the lines above

		Units	
38	0	0	
39	0	0	
40	0	0	
41	0	0	

42	0	0	
43	0	0	
44	0	0	
45	0	0	
46	0	0	
47	0	0	
48	0	0	
49	0	0	
50	0	0	
51	0	0	
52	0	0	

1 Transitional and accelerated investment spend have enabled consistent capex from 24/25 to 25/26, supporting a smooth ramp-up to over £1.5bn annually from 26/27, in line with the PR24 deliverability strategy.

2 The expenditure we have made under the transition programme is set out in tables 4L and 4M. We have assessed that no other outputs were completed from any of the other transitional projects in 2024/25 so there was no additional impact from them on any performance measure as of yet. We are therefore reporting a zero for these lines.

Number of lead communication pipes replaced for water quality (10G.2)

3 Out of the 726 lead communication pipe replacements reported in line 6C.21, 146 of these were funded using transitional expenditure between 1 January and 31 March 2025. 103 of these replacements were part of our planned programme of work in Norwich. The remaining have been replaced following compliance failures of the lead standard or notification from a customer that they have replaced their lead supply pipe.

Table 10H - Accelerated programme data capture reconciliation model input for the 12 months ended 31 March 2025

Scheme 3	Cost 2022-25, £m
Colchester Reuse	

		Name	Unit	Component level at completion	2023-24	
					Component level to date	Percentage complete
1	Component 1	Detailed design and planning of re-use scheme including pilot plant and transfer main construction.	%	100	-	-

Scheme 4	Cost 2022-25, £m
Nutrient neutrality	9.04

		Name	Unit	Component level at completion	2023-24	
					Component level to date	Percentage complete
2	Component 1	Fakenham WwTW phosphorus nutrient pollution standard	mg/L	0.25	-	0%
3	Component 2	Dereham WwTW phosphorus nutrient pollution standard	mg/L	0.25	-	0%
4	Component 3	Whitlingham WwTW phosphorus nutrient pollution standard	mg/L	0.25	-	0%

Scheme 5	Cost 2022-25, £m
Regional overflow reduction plan	9.99

		Name	Unit	Component level at completion	2023-24	
					Component level to date	Percentage complete
5	Component 1	Scheme Percentage Delivered (cumulative)	%	100	3	3%
6	Component 2	Scheme outputs (cumulative)	Nr of modelled spills reduced through smart solutions	188	-	0%
7	Component 3	Total spill reduction (cumulative)	Nr	459	-	0%

Scheme 7	Cost 2022-25, £m
Smart metering	9.09

		Name	Unit	Component level at completion	2023-24	
					Component level to date	Percentage complete
8	Component 1	PR19 delivery basic meters – unmeasured properties	Nr	20,457	10387	50.8%
9	Component 2	PR19 delivery AMR meters – unmeasured properties	Nr	5,052	1824	36.1%
10	Component 3	PR19 delivery AMI meters – unmeasured properties	Nr	15,747	12301	78.1%
11	Component 4	PR19 delivery basic to AMI meter upgrades	Nr	224,126	244088	108.9%
12	Component 5	PR19 delivery AMR to AMI meter upgrades	Nr	22,152	3519	15.9%
13	Component 6	Acceleration new AMI smart meters installed	Nr	5,070	-	0.0%
14	Component 7	Acceleration AMI for AMR replacements	Nr	5,301	-	0.0%
15	Component 8	Acceleration AMI for basic replacements	Nr	49,629	-	0.0%

16	Component 9	Baseline basic meters	Nr	869,118	996298	114.6%
17	Component 10	Baseline AMR smart meters	Nr	150,535	212686	141.3%
18	Component 11	Baseline AMI smart meters	Nr	1,115,761	819609	73.5%
19	Component 12	Per capita consumption reduction	l/h/d (cum.)	0.10	-	0.0%
20	Component 13	Leakage reduction	Ml/d (cum.)	0.173	-	0.0%

1 We proposed a number of programmes of work under Defra's Accelerated Investment Delivery (AID) scheme. In June 2023 Ofwat granted approval for four of these;

- Colchester re-use; Acceleration of the detailed design and planning of a water re-use scheme which was already in our draft WRMP preferred programme, plus the construction of a re-use pilot plant and transfer main by March 2028
- Smart metering; installation of an additional 60,000 smart meters
- Nutrient neutrality; achievement of tighter phosphorus concentrations in the final effluent from Fakenham, Dereham and Whitlingham WRCs
- Storm overflow reduction; to undertake 21 storm overflow improvements to Storm Overflow Discharge Reduction Plan Act target levels and accelerate 143 investigations to confirm the root cause of high overflow spills.

2 Transitional and accelerated investment spend have enabled consistent capex from 24/25 to 25/26, supporting a smooth ramp-up to over £1.5bn annually from 26/27, in line with the PR24 deliverability strategy.

Colchester re-use

3 Outline design of the pipeline and pumping station has been progressed and routing defined to support planning and consenting of the Colchester water recycling planning application. The planning application will be submitted once the Recycling plant design has developed. We have reported expenditure of £4.245 million in table 4X. The scheme is no longer a PCD, as confirmed by Ofwat via query (IBQ ANH 023). We have as such not provided values in the APR tables. We would be happy to provide further comment on request.

Nutrient neutrality

4 In Ofwat's final determination, it was agreed that the schemes at Fakenham and Dereham WRCs would be deferred to September 2025, with Whitlingham WRC not due until 2027. Both Fakenham and Dereham remain on track to be delivered ahead of their respective obligation dates, with asset construction underway at both sites. Whitlingham is progressing through the design and planning permission phases. No progress will be made towards the 0.25 mg/l target until the schemes have finished and as such we have not completed the 'component level to date' column which aligns with the guidance issued to us by Ofwat on 14th May 2024. We have reported expenditure of £6.349 million in table 4Y.

Storm overflow reduction

5 We have continued with extensive hydraulic modelling, and some schemes are now approaching single solution. Progress towards the projected deliverables of the PCD stands at approximately 8 per cent component completion. The modelling process is taking longer than anticipated due to a combination of factors including adverse weather conditions, the complexity of the network, and the time required to run detailed simulations. To minimise the impact modelling delays have on delivering storm overflow spill reductions we have identified a number of lower complexity scheme for delivery without verified modelling which are on track to complete by March 2027. It is worth noting that the original project profile was always ambitious, and current progress reflects the challenges inherent in delivering such a technically demanding programme. We have reported expenditure of £4.309 million in table 4Y.

Smart metering

6 We delivered 62,123 AMI meters as part of our Accelerated Infrastructure Delivery. These were made up of 433 new meter installs, 56,314 basic for AMI meter replacements and 5,376 AMR for AMI meter replacements. The expenditure for the delivery of our AID programme can be seen below.

	Volume Complete	Expenditure £m
Acceleration new AMI smart meters installed	433	0.05

Acceleration AMI for AMR replacements	5376	0.609
Acceleration AMI for basic replacements	56314	6.375

7 Components 1, 2 and 6 did not meet the 100 per cent threshold for delivery due to a combination of factors which were principally demand-led. Lower customer demand for meter options , lower demand for developer new connections and increased connections done by NAVs were all contributing factors. Component 5 was under-delivered due to the meter type found in situ, i.e. a higher mix of basic meters, which therefore contributed to the over-delivery of component 4. Component 4 for the PR19 delivery of 'basic to AMI meter upgrades' has delivered more than the target level which therefore meant achievement of the aggregate AMI meter targets for the AMP.

Per Capita Consumption Reduction (10H.19)

8 The impact of the AID smart meter cohort has been calculated in alignment with savings attributed in table 6D, and WRMP24 assumptions, such that:

- new installed meters save 15 per cent of consumption (unmeasured to measured) and an additional 2.5 per cent of PCC due to behaviour change, plus an additional saving of 10.34 l/prop/d due to continuous flow reduction saving of 10.34 l/prop/d from continuous flow reduction.

- replaced visual read and AMR meters save 2.5 per cent from additional behaviour change

9 For the 62,123 AID meters, we have attributed 1 months savings due to them being installed at the end of the year (1/12 of the yearly saving) in a similar fashion to the half year savings attributed to the full cohort.

10 In order to determine the PCC impact, we have subtracted this saving from the overall household consumption value, recalculated PCC and compared values.

11 This indicates an overall impact from the 1 month installation of the meters of 0.022 l/h/d

Leakage Reduction (10H.20)

12 The impact of AID smart meters has been calculated in alignment with table 6D and WRMP24 assumptions. We assume for 2024/25 that smart meters save 10.34 l/prop/d from continuous flow reduction, of which 3.685l/prop/d is customer supply pipe leakage (cspl)

13 In order to calculate the impact of the AID smart meters we have assumed 1 months worth of savings as they were installed at the end of the year.

14 The leakage (cspl) saving, therefore, is equivalent to 0.018 Ml/d

15 Lines 10.28 and 10.29 of RAG 4.13 require us to exclude benefit derived to PCC and leakage from transition funding. Therefore we have run a second water balance with PCC and leakage increased by the amounts stated in 10G.21 and 10G.22. As this change only affects 60,000 properties for 1 month of the year the impact to annual average figures is minor and does not change the Leakage and PCC figures reported in table 3A and 3F.

Table 11A - Operational greenhouse gas emissions reporting for the 12 months ended 31 March 2025

	Line description	2024 - 25 Operational Emissions		
		Water	Wastewater	Total
	Unit	tCO_2e	tCO_2e	tCO_2e
	Scope one emissions			
1	Burning of fossil fuels (location-based)	3,119.364	14,868.225	17,987.589
2	Process and fugitive emissions	6,661.096	78,588.965	85,250.061
3	Vehicle transport	5,343.272	16,873.119	22,216.391
4	Emissions from land	-	-	-
5	Total scope one emissions (location-based)	15,123.732	110,330.309	125,454.041
6	Scope one emissions; GHG type CO_2	8,361.159	31,336.474	39,697.633
7	Scope one emissions; GHG type CH_4	2.972	41,164.278	41,167.250
8	Scope one emissions; GHG type N_2O	6,759.602	37,829.532	44,589.134
9	Scope one emissions; GHG other types	-	-	-
	Scope two emissions			
10	Purchased electricity (location-based)	68,538.254	65,290.881	133,829.135
11	Purchased electricity (market-based)	55,256.171	40,227.398	95,483.569
12	Purchased heat	-	-	-
13	Electric vehicles	76.905	83.519	160.424
14	Removal of electricity to charge electric vehicles at site	-	-	-
15	Total scope two emissions (location-based)	68,615.159	65,374.400	133,989.559

16	Total scope two emissions (market-based)	55,333.076	40,310.917	95,643.993

17	Scope two emissions; GHG type CO_2	67,912.531	64,704.953	132,617.484
18	Scope two emissions; GHG type CH_4	298.289	284.202	582.491
19	Scope two emissions; GHG type N_2O	404.339	385.244	789.583
20	Scope two emissions: GHG other types	-	-	-

	Scope three emissions			
21	Business travel	404.987	404.987	809.974
22	Outsourced activities	153.794	24,919.832	25,073.626
23	Purchased electricity; extraction, production, transmission and distribution (location-based)	22,745.630	21,676.451	44,422.081
24	Purchased heat; extraction, production, transmission and distribution	-	-	-
25	Purchased fuels; extraction, production, transmission and distribution	2,010.951	7,194.610	9,205.561
26	Chemicals	9,411.856	17,494.884	26,906.740
27	Disposal of waste	-	22,704.757	22,704.757
28	Total scope three emissions (location-based)	34,727.218	94,395.521	129,122.739

29	Scope three emissions; GHG type CO_2	6,397.074	30,123.648	36,520.722
30	Scope three emissions; GHG type CH_4	26.918	5,028.270	5,055.188
31	Scope three emissions; GHG type N_2O	38.709	18,494.560	18,533.269
32	Scope three emissions: GHG other types	-	-	-

	Gross operational emissions (Scopes 1,2 and 3)

33	Gross operational emissions (location-based)	118,466.109	270,100.230	388,566.339
34	Gross operational emissions (market-based)	105,184.026	245,036.747	350,220.773

	Emissions reductions			
35	Exported renewables	-	8,738.840	8,738.840
36	Exported biomethane	-	-	-
37	Insets	-	-	-
38	Other emissions reductions	-	-	-
39	Total emissions reductions	-	8,738.840	8,738.840

	Emissions reductions			
40	Green tariff electricity	-	-	-

	Net annual emissions			
41	Net annual emissions (location-based)	118,466.109	261,361.390	379,827.499

Line description	Water	Wastewater
Unit	$kgCO_2e/Ml$	$kgCO_2e/Ml$

	GHG intensity ratios			
42	Emissions per Ml of treated water	277.460	-	-
43	Emissions per Ml of sewage treated	-	345.860	-

	Line description	Embedded emissions		
		Water	Wastewater	Total
	Unit	tCO_2e	tCO_2e	tCO_2e
	Capital projects			
44	Capital projects (cradle-to-gate)	-	-	-
45	Capital projects (cradle-to-build)	60,308.317	22,247.496	82,555.813
	Purchased goods and services			
46	Purchased goods and services	15,289.590	15,289.590	30,579.179

Emissions reductions

1 Table 11A presents 2024/25 performance using both location-based and market-based methodologies and was generated using the latest version of the Carbon Accounting Workbook version 19 (CAWv19), using global warming potential values from IPCC Fifth Assessment Report (AR5) throughout.

2 For electricity purchased from the grid, location-based reporting uses the grid average CO2e emissions factor. Market-based reporting uses the grid CO2e emissions factor for the electricity supplier and the mix of electricity purchased (in our case, SSE). Due to the different electricity generation fuel mixes of the various suppliers, this CO2e emissions factor differs between suppliers and from the grid average. Therefore, location-based reporting and market-based reporting give different total emissions numbers.

3 Electricity consumption is one of the main emissions sources for our company. In 2024/25 we have consumed more grid energy than in the previous year. Location-based emissions have seen an increase owing to an increase in consumption, the carbon emissions factors of grid electricity remain similar to the previous year at 207kgCO2e/kWh.

4 From a market-based perspective we have benefited from the purchase of an increased portion of sleeved renewable energy in 2024/25 against 2023/24. The market-based residual factor from our supplier (SSE) increased to 373gCO2/kWh in 2024/25 from 363gCO2/kWh in 2023/24, however this was offset by the increased purchase of renewable electricity.

Scope three emissions (11A.21-28)

5 Scope three emissions from purchased electricity extraction, production, transmission & distribution have changed for 2024/25 over 2023/24 due to an increase in consumption.

6 Scope three emissions from chemicals have been reported. This number includes chemicals specified in the CAW with their associated emissions factors.

7 We first reported chemicals emissions in APR 2021/22 in the narrative accompanying table 11A paragraph 32.

8 Lines 11A.29 to 32 present information around the various greenhouse gas types (GHG) types for scope 3 emissions. For emissions where the breakdown of gases is not available then CO2e values have been added into the CO2 category.

Capital projects (11A.44-45)

9 Emissions for capital projects are provided as cradle-to-build. Our capital carbon approach has been developed over the last decade and, to provide the most comprehensive understanding of capital carbon, a cradle-to-build approach was adopted. We view this approach as more effective and comprehensive than a cradle-to-gate approach.

10 In order to calculate emissions for capital projects for 2024/25 we have included all projects where construction started and completed in the year. In addition, we have included on a pro-rata basis those projects underway in 2024/25 but not yet completed. Total tonnage has decreased in 2024/25 over 2023/24. 2023/24 included a number of large schemes under the Strategic Pipeline Alliance (SPA) programme.

Purchased good and services (11A.46)

11 For goods and services we have included emissions under the following categories: PPE/Uniform, catering services, professional fees, laboratory and office consumables and contract services. Chemicals are excluded as they are reported separately.

12 Every year we undertake an ISO14064-1 audit on our emissions for our regulatory boundary and have been undertaking this audit for over 10 years. This audit excludes the emissions from purchased goods and services but our auditor is supportive of the data collection processes employed. The numbers presented for purchased goods and services therefore are not audited but auditor feedback has been used in calculating the numbers.

Traffic light system

13 We assess ourselves to be 'green' against the embedded reporting criteria as we have met six of the reporting criteria as follows:

14 Reporting criteria one - Provision of embedded emissions data as it relates to capital projects (cradle-to-build). We anticipate good practice in this area being for companies to provide cradle-to-gate as well as cradle-to-build based data.

- Cradle-to-build embedded emissions data as it relates to capital projects has been provided.

15 Reporting criteria two – Clear evidence of external verification and accreditation as it relates to the use of standards and frameworks, and quality of data.

- Our capital carbon approach has been verified annually to PAS2080 since 2016. In October 2024 we were verified against the revised PAS2080 standard published in April 2023.

16 Reporting criteria three - Engagement with more than one recognised standard, framework or approach for managing and reporting on embedded emissions

- As above, our capital carbon approach is verified annually to PAS2080. In addition, in 2021 we also completed a maturity matrix Asset Management Maturity Assessment (AMMA) for Ofwat. The results of this exercise showed us as a top performer of water companies against the AMMA criteria. We submitted an updated AMMA to Ofwat in 2024. External accreditation underpins our approach. We are both ISO55001 and PAS55 certified. These standards form part of our Integrated Management System (IMS).

17 Reporting criteria four - Complete and detailed SWOT analysis referring to embedded emissions.

- Our SWOT analysis, combined for embedded and operational carbon is set out below.

18 Reporting criteria five - Purchased goods and services emissions information has been provided

- Purchased goods and services information has been provided.

19 Reporting criteria six - Evidence of clear stakeholder engagement and education on its GHG emissions management and reporting approach.

- The Climate and Carbon Steering Group meets monthly, made up of senior leaders and subject matter experts from around the business, chaired by a Director. The group monitors carbon performance and progress against our net zero and capital carbon targets and sets the trajectory for ongoing work. Updates are provided to the Environment and Sustainability executive sub-committee when required, for example on our net zero carbon trajectory. This group has been integral to the development of our Net Zero investment plans for AMP8, our 2024 Climate Change Adaptation Report ad progress against our 2030 carbon commitments. The Terms of Reference for this Steering Group (anonymised for membership) is attached

- A Leaders and Managers event is held quarterly for all staff at the level of manager and above. The update contains presentations on a host of business matters including by the CEO and CFO. The presentation by the CFO always contains an update on carbon performance

- A monthly report is generated detailing performance against a number of energy consumption, energy generation and capital carbon metrics. This is circulated to key stakeholders in the organisation and extracts of the report are included in a dashboard reviewed monthly by the Management Board. The report is made available on the Intranet and is accessible to all staff

- We maintain a Carbon Neutrality intranet site with a host of case studies, reports, information, performance metrics and the contact details of the carbon neutrality team. The intranet site is accessible to all staff

- Totex Delivery Workflow (TDW) is used to monitor capital project performance over time. Approvals are required from a host of stakeholders at each design stage gate around issues such as capital carbon performance, programme, financial performance etc. In this way a wide range of stakeholders understand the relationship between carbon performance and the other aspects influencing overall project delivery. When projects progress between design stage gates presentations on project performance, including capital and operational carbon performance, are made to approvals boards made up of senior leaders in the organisation

- In order to calculate and understand the capital carbon performance of projects we use a host of carbon models and a carbon modelling tool to model overall performance. Access to the modeller is granted to any staff involved in scheme design. Carbon modeller training for new users and masterclass training for more experienced users is provided regularly. Ad hoc queries are addressed through direct enquiries. For AMP8 the modeller has been refreshed and updated and now includes calculation of capital carbon specific to concrete. Concrete represents a large proportion of our total capital carbon and a the identification and focus on this performance will aid the delivery of lower carbon concrete solutions

- We have a group of carbon champions throughout the business who champion carbon reductions on their own projects and provide guidance and assistance to others in delivering carbon reductions. This group meets every six weeks and has over 25 members

- We have engaged with the Materials Processing Institute in Middlesborough and Celsa in Cardiff to better understand the opportunities for the greater adoption of 'green steel' within our construction programme. We are also engaging with steel users from other infrastructure sectors. We plan the development of partnership approaches going forward to best deliver change.
  The identification and development of the Net Zero investments included within our final determination required the input of a host of individuals within the organisation, many of whom are not generally involved in low carbon discussions and thinking. By setting out the carbon context and benefits we were able to gain buy-in to propose a host of relevant projects, 18 of which were approved by Ofwat. This demonstrates how engagement and education of wider teams on carbon issues can deliver low carbon outcomes

- The incorporation of the Lower Carbon Concrete bespoke ODI in our PR29 final determination was arrived at by collaboration form a host of actors within Anglian Water – engineers, procurement, carbon specialists, materials scientists, reporting specialists, etc as well as the concrete production and supply sector.

SWOT analysis

Our analysis covers both embedded and operational carbon emissions.

Strengths

- Accounting for embedded carbon is well established in our company processes and culture. In 2016 we became the first organisation globally to be externally verified (though LRQA) to PAS2080 Carbon Management in Infrastructure. The carbon framework at the heart of the PAS2080 standard ensures that our approach is aligned with key stakeholders within the value chain - including product suppliers, constructors and designers – in demanding and enabling low carbon solutions. We undertake an annual verification of PAS2080

- We participated in the steering group for the revision of PAS2080 published in April 2023 and in October 2023 were verified by our external auditors (BSI) to this revised standard

- As we have been measuring, managing and reducing capital carbon since 2010, we have access to significant levels of data to support our reporting and strategy for delivering against ambitious targets. Evidence has now been collated over a number of years, illustrating the relationship between reducing carbon and reducing cost

- We have over 1,300 carbon models which not only allow us to be consistent with baselines but also allow our alliances to identify areas of high carbon and to optioneer lower carbon solutions. The scope of these models is cradle to 'as built'. We believe this approach is more comprehensive than cradle to gate and allows for a more accurate understanding of performance and the identification of carbon reduction approaches in the construction phase

- The models contain a consistent data set sourced from the Inventory of Carbon and Energy, CESSM workbook, Defra emission factors and direct data from several product and material suppliers

- As per our Net Zero Carbon Routemap 2030 published in July 2021, we committed to achieving 70 per cent capital carbon reductions by 2030. We will also develop a strategy to further reduce these emissions post 2030

- In our PR24 final determination a bespoke lower carbon concrete ODI was approved. For a host of reasons this is an area which has proved problematic for the construction sector as a whole to reduce. We believe that we can build upon our extensive experience of capital carbon reductions over time to deliver groundbreaking solutions to this challenge which will benefit the wider water, infrastructure and construction sectors

- We have developed a host of additional carbon models and revised internal systems such that concrete specific carbon values can be generated ad modelled in our systems. This will allow us to best understand concrete performance and develop the most appropriate concrete carbon reduction approaches

- We have provided emissions data for chemicals. Whilst this reporting was new for APR 2022/23, we have been gathering chemical use data by annual volume for a number of years. We are confident that the data we have provided for chemicals, whilst not currently within scope of our ISO14064-1 audit, is robust

- We have a well-developed carbon culture and processes. We measure our operational carbon emissions using the UK Water Industry Research (UKWIR) Carbon Accounting Methodology through the Carbon Accounting Workbook (CAW). This is an industry standard approach which is updated annually and is reflective of carbon reporting and emissions guidance from Defra. Our annual emissions are verified to ISO-14064-1 through Achilles Carbon Reduce (powered by Toitū) Scheme (formerly CEMARS). We have achieved our carbon reduction targets over the last two AMP periods

- We have two performance commitments for carbon reductions since 2015
- We have well established energy optimisation processes which have proved successful, and we will continue to improve our performance in this area
- We submit an annual response to CDP (formerly Carbon Disclosure Programme). For 2023/24 we achieved a rating of B, down from an A- the previous year. Despite this, we achieved leadership scores (A) across the majority of the sections within the disclosure. Areas where we scored particularly well included Governance, Public Policy Engagement and Industry Collaboration, Emissions Reduction Initiatives and sections covering our impacts, dependencies, risks and opportunities. Our performance places us as one of the best performers in the UK water sector
- We report in line with the government's guidance on Streamlined Energy and Carbon Reporting (SECR), which seeks to align with the principles of the greenhouse gas (GHG) protocol corporate standard
- We produce an annual Task Force for Climate Related Disclosures (TCFD) submission contained within our Annual Integrated Report. Whilst climate-related financial disclosures are now mandatory, through the Companies Act, we have completed this disclosure for a number of years on a voluntary basis, illustrating the importance to the organisation of carbon reductions and wider climate related issues. For our 2024/25 Annual Integrated Report this section has been expanded to include our Task Force for Nature Related Disclosures (TNFD)
- From the beginning in understanding and delivering operational and embedded carbon reductions, there has been consistent support from our Board which has been vital in achieving the reductions we have seen and the commitments to future reductions we have made
- The importance of operational and embedded carbon emissions reductions are well communicated to and understood by staff. All staff understand that they can play a role in the delivery of carbon reductions. In addition, we have a dedicated Carbon Neutrality Team of committed and talented individuals specialising in investigating, analysing, delivering and communicating carbon reduction approaches
- Since early 2025 we have been trialling the use of electric HGV vehicles. In 2021 when we developed and published our net zero strategy, electric HGVs were unknown and our approach was to switch a proportion to LPG followed by an investigation into hydrogen powered trucks post 2030 when we assumed hydrogen technology would be suitably advanced. At this time we did not envisage viable electric HGVs. However, battery technology has advanced much faster than we assumed and we have adopted the technology. This is an example of the fast pace of change in carbon reduction technologies and in maintaining a flexible approach to ensure advantage of these opportunities can be taken
- Assessing N2O emissions from waste water treatment is a challenging area – both understanding the scale of these emissions and developing solutions to deliver reductions. The N2O net zero schemes approved at PR24 final determination will enable the delivery and measurement of N2O reduction approaches. The results of which can be shared with the wider sector to better deliver effective N2O reductions going forward.

Weaknesses

- There is currently a fragmented approach within the water sector in terms of approaches to capital carbon, ranging from limited experience through to global leadership. A future consistent methodology and framework across the sector will send strong signals to the supply chain, where innovations and opportunities need support in unlocking low carbon solutions

- The development of the supply of, and demand for, lower carbon products such as 'green steel' to deliver additional carbon savings is progressing slowly. There has been cross sector collaboration but the supply chain is extremely complex. Sector demand for this type of material needs to be better enhanced across infrastructure sectors to provide confidence for product suppliers to invest

- We have reported data on scope three (embedded emissions) which sit outside of our regulatory boundary. For much of the data around 'products and services' these are new areas for us to gather and report data. The numbers reported are the best available data. In order to better understand the data we possess we engaged our auditors to assess the data and make recommendations to improve data quality

- The understanding of, and the approach to, delivering process emissions (Nitrous Oxide (N2O)) reductions is progressing but at a pace which will delay a step change in emissions reductions until post 2030

- Outputs from N2O monitoring will mean that the sector has a better understanding of the issue and therefore a more robust mechanism for measuring and reporting emissions. However, this may mean that reported outputs rise, increasing the challenge of achieving net zero carbon.

Opportunities

- Through utilising historical information, and based on our experience of reducing capital carbon, we recognise that there are different opportunities in finding carbon reductions between above ground and below ground assets and between water and water recycling schemes. Information such as this can help us identify areas of greater challenge. The table below illustrates this with actual data from 2024/25

Water infra	64.16%
water non-infra	56.8%
water recycling infra	64.81%
water recycling non-infra	72.82%
Total	**66.1%**

- Additional use of datasets enables the focus on sustainable materials, by helping us understand carbon/cost tipping points

- Investors are increasing understanding the value of low capital carbon solutions. Being able to demonstrate savings and verification against PAS2080 allows access to green finance options. This was highlighted with us being the first utility to issue a sterling green bond in 2017. This leading position in the finance and investment community has been further reinforced with the issue of sustainably linked bonds, with KPIs on both Net Zero carbon and capital carbon

- Our @One Alliance is a partnership between Anglian Water and a number of construction companies developed to deliver our capital programme. This has proved a very successful model to deliver reduced capital carbon through collaboration across the value chain. The @One Alliance will continue into AMP8. We understand that to go even further in capital carbon reductions will require greater collaboration with our entire value chain

- Our longer-term aim is to achieve net zero carbon by 2030, a water sector ambition that was set out in a Public Interest Commitment with the other English Water companies in 2019. Consultants Mott McDonald and Ricardo, in collaboration with a steering group representing water companies, published an industry route map in

2020. This was followed by an Anglian Water-specific net zero Routemap in July 2021. This Routemap contains more details on the approaches we will undertake to reach our net zero goal. The Routemap is publicly available through our webpages

- There are a host of initiatives currently under way or in the development phase to further reduce our GHG emissions to achieve our net zero 2030 target. We will continue with our programme of developing renewable energy generation with a particular focus on solar photovoltaics (PV). Following the changes in planning emphasis for onshore wind, we are investigating the opportunities for wind turbine developments

- We are currently planning for a number of our water recycling centres (WRC) to export biogas into the gas network. This will result in carbon savings over and above those which could be achieved through energy generation from combined heat and power (CHP)

- Our energy optimisation programme will continue, driving out inefficiencies using increased understanding achieved through improved data quality. Some works have been brought in house to better deliver savings

- We are continuing with our programme to introduce electric vehicles (EV) into our fleet, with a programme for annual replacement of Internal Combustion Engine (ICE) vehicles to EV. This programme currently concentrates on our smaller fleet where EVs with adequate range are available. We are investigating the opportunities to use converted 'standard' EV vehicles instead of vans to increase EV penetration within our fleet

- We are currently trialling the use of electric heavy vehicles at one of our sites and have recently introduced 4 electric Volvo HGV vehicles. The performance of these HGVs and the charging issues will be analysed over time to understand how best to incorporate further electric HGVs into our fleet

- We have undertaken research to understand how best to engage with the production, storage and use of Hydrogen at our sites and in our vehicles. An important element of this is the availability of water in our region for the generation of Hydrogen; we are already an area of growing population and low rainfall and the availability of water, particularly in the context of climate change, will be a challenge which we need to prepare for as the interest in Hydrogen technologies increases

- We currently operate two sites where greenhouse operators extract heat from our final effluent for use in their facilities. Whilst this does not save Anglian Water any carbon emissions it does, by the displacement of fossil fuels, save carbon emissions for the greenhouse operators and therefore is of positive benefit to the efforts of UK plc to reduce emissions. This also has the added benefit of reducing the temperature of the final effluent before discharge into the water course

- The water sector has a great deal of 'low grade heat' in many areas – final effluent as above but also sewers, boreholes, reservoirs, etc and understanding the quantity, patterns of production and availability is key to understanding if/how this heat could be made available for heat networks. The Department of Energy Security and Net Zero (DESNZ) have proposed a methodology for 'carbon saving sharing' as a consequence of others extracting this heat and using it to replace fossil fuel use and thus deliver carbon savings. It is hoped that such an approach could make the development of systems more attractive to participants. We continue to engage with DESNZ and the wider water sector and are leading the Ofwat Innovation Fund Tool for Optimising decisions for Recovery of sewer Catchment Heat (TORCH) project

- We have introduced a programme to replace fossil fuels with hydrotreated vegetable oil (HVO) in our back-up generators, boilers and construction plant and equipment, thereby reducing carbon emissions

- We also plan to introduce natural capital solutions for the treatment of water to reduce operational energy, reduce the amount of capital carbon in their construction compared to a traditional solution, as well as deliver the associated biodiversity benefits

- Studies are also underway to understand opportunities for carbon sequestration at a local level. At present these studies involve soil carbon and seagrass. It is hoped that large scale carbon sequestration opportunities are identified. However, Anglian Water land holdings are small and therefore carbon sequestration opportunities on our land are limited. Any approach will likely involve the engagement of other landholding stakeholders.

Threats

- Lack of modelled carbon data for new products and techniques could provide a blocker to innovation as solutions engineers may be unable to compare the carbon impact against a standard solution

- Through detailed analysis in collaboration with our supply chain, we have identified that reductions approaching or in excess of 72 per cent result in a carbon/cost tipping point, leading to higher cost solutions to achieve lower carbon outcomes

- With the requirement to remove per and polyfluoroalkyl substances (PFAS) compounds there will be an increase in treatment requirements and a likely consequent increase in chemical and therefore carbon usage. Furthermore, it is possible that in the coming years additional PFAS compounds will be identified, increasing chemical requirements further

- As discussed above, process emissions from wastewater treatment are not currently well understood and are subject to further studies. It is possible that, following the conclusion of these studies, emissions factors for process emissions increase further, leading to a requirement for larger carbon reductions. In addition, the likely increase in wildfire frequency driven by climate change may result in increased pollutants, possibly including PFAS, from firefighting materials and destroyed property

- Population continues to grow in our region, with a forecast of approximately one million new homes to be built in the next 25 years. This will increase water demand and therefore the energy required to supply and recycle water

- There are also threats associated with national policies and regulations. The mandatory introduction of labels on taps, showers, dishwashers and washing machines will assist consumers in selecting low water use appliances but delays in its introduction will delay uptake and therefore the water and associated energy savings. Similarly, delays in changes to building regulations around water usage and planning policies around sustainable drainage for new developments will also reduce the opportunity for energy and carbon savings

- Changes to the green gas levy could undermine the business case for CHP and/or injecting gas into the grid. Further, the economics of scheme delivery could mean the carbon savings achieved are attributed to the buyer of the green gas certificates rather than the generator of the biogas

- Abstraction licence caps being imposed by the EA to protect sensitive environments (under the Water Framework Directive (WFD) no deterioration principle) can result in the construction of more infrastructure and the use of more energy to move water over longer distances

- Designation of inland bathing waters could lead to a need to treat effluent with carbon intensive options such as ozone, UV or carbon filtration at relevant WRCs. This would increase energy requirements

- 2024/25 year saw a stabilisation in the location-based carbon emissions factor which increased between 2022/23 and 2023/24. This is a new trend in location-based carbon emissions; the grid has previously been decarbonising over time. Given our reliance on electricity to power our assets, a slowing/reversal of grid decarbonisation presents a threat to ongoing carbon reductions

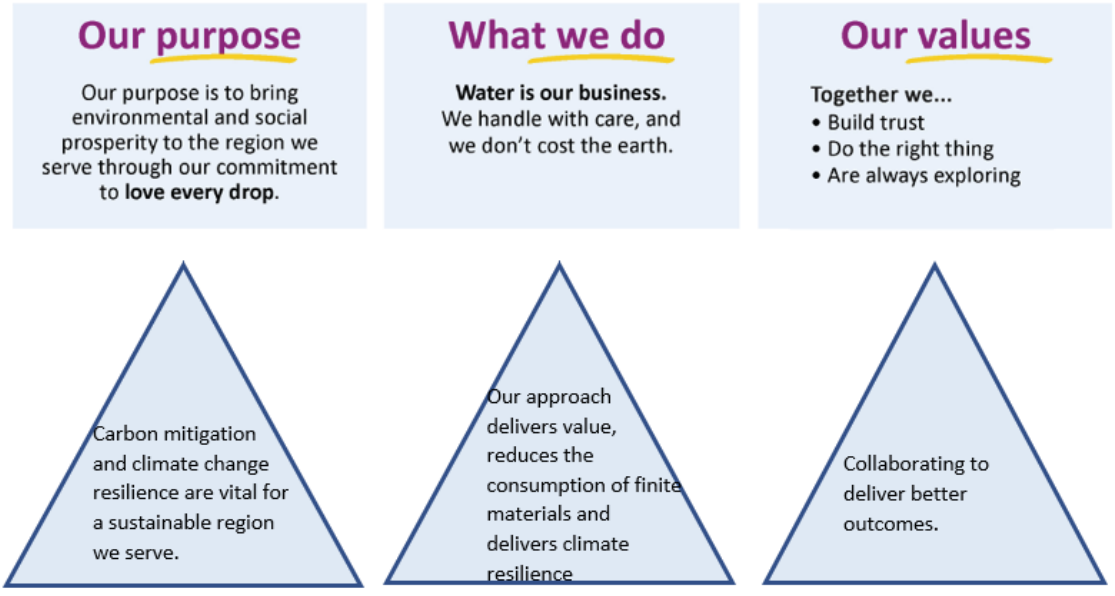
- 2024/25 saw an increase in our market-based carbon emissions factor to 373gCO2e/kWh from 363gCO2e/kWh in 2023/24 and 332gCO2e/kWh in 2022/23 – that is the carbon emissions factor associated with the electricity we procure from our supplier, in our case SSE. Given our reliance on electricity to power our assets, a slowing/reversal of grid decarbonisation presents a threat to ongoing carbon reductions

- 2024/25 was, in our region and across the UK, an extremely wet year, which followed 2023/24 with some areas experiencing the wettest 18 month period on record. In 2022 we had an extremely hot summer with temperatures exceeding 40 degrees centigrade in our region. These episodes resulted in higher energy consumption in order to deliver water and waste water services. This weather was likely driven by climate change and as we move forward is likely to increase in frequency, thus possibly driving energy consumption increases over time

- Changing in abstraction licences, increasing population and climate change all impact on water availability now and into the future. It is possible that desalination may become an option for the delivery of water to customers. Desalination is an energy intensive process and therefore could result in higher emissions as a consequence.

Appendix A - Climate and Carbon Steering Group – Terms of Reference

Vision



20 Leading and influencing on actions that will deliver climate change mitigation, adaptation and resilience through our journey to net zero carbon and beyond.

Objectives

- Understand how climate change impacts on our ability to deliver against our purpose
- Understand climate change implications at a system level and the actions we need to take in designing and maintaining assets to deliver resilience

- Lead and collaborate across our business, the water sector and the wider infrastructure sector to deliver Net Zero Carbon and 70 per cent capital carbon reductions by 2030
- Monitor performance and take appropriate action where required, ensuring carbon ODI performance targets are exceeded and Green Bond and Sustainable Linked Bond targets are met
- Horizon scan and review government energy and climate change policy to mitigate impacts and maximise opportunities
- Horizon scan and review innovation approaches so as to maximise carbon saving opportunities
- Support our Alliances and develop multi stakeholder partnerships to deliver carbon reductions and climate change resilient outcomes
- Ensure carbon reduction opportunities and climate resilient investments are an integral part of the PR24 submission including the development of a bespoke carbon related ODI
- Define the Anglian Water carbon position post 2030 to include scopes one, two and three and offsetting.

Scope and Deliverables

21 Scope includes:

- Operational and capital carbon measured within our regulatory activity. Influencing policy through Water UK and industry partnerships including the Green Construction Board, Infrastructure Client Group (ICE) and Corporate Leaders Group.

- Review and challenge performance against carbon ODI's and Net Zero 2030 trajectory. This includes ensuring definition and approach to carbon ODI's deliver value within the PR24 process and are supported by customers.

- With treasury, validate and ensure compliance against the suite of measures including carbon and climate change in accordance with requirements of the issuing of 'green and sustainable linked Bonds' and data provided through investment teams.

- Review forecasting, budgeting and efficiency of electricity, natural gas and other carbon related data across the business and challenge on under/over performance.

- Challenge and support actions and activities across the business, including renewable energy, energy efficiency, sustainable design, energy purchasing, vehicle fleet management, nature-based solutions, offsetting, etc, and aligned to our Net Zero Carbon Routemap.

- Reporting and communicating performance where required through regulation, or our leadership position, including Task Force for Climate Related Financial Disclosures (TCFD), Task Force for Nature Related Financial Disclosure (TNFD), Climate Change Adaptation Reporting (ARP4), Transition Plan, etc

- Challenge and support our strategy and performance in assessing and delivering climate resilient investments.

Workstreams

22 The group will focus on the delivery of a number of workstreams:

- Decarbonising our vehicle fleet
- Maximising the value of our biogas
- Renewable Energy
- Managing our process emissions
- Developing our offsetting strategy
- Opting for alternative fuels

- Energy Efficiency
- Capital Carbon
- Finance Climate Gp/CDP
- Climate Change Adaptation Strategy, Reporting and Transition Plan
- CReDo

23 Workstreams may be amended in response to changing demands.

Membership Format

24 The group will meet monthly. Relevant SME's will be invited to meetings on an ad hoc basis relevant to discussions.

Membership

- Chair – Director, Quality, Environment and Assurance
- Director, Commercial Operations
- Head of Carbon Neutrality
- Head of Fleet Services
- Portfolio Lead - Bioresources
- Head of Business Improvement and Optimisation
- Energy Contract and Information Manager
- Head of Quality Transformation
- Climate Change and Carbon Manager
- Natural Catchment and Biodiversity Manager
- Regulatory and Sustainable Reporting Manager
- Head of Strategic Investment Finance
- Head of Corporate Reporting
- LTDS Manager
- Head of Sustainability
- Group Financial Controller
- Head of Innovation and Carbon @One
- Head of Innovation
- SPA Carbon and Sustainability Manager and Project Management

Governance

25 Meetings will be held monthly chaired by the Director of Quality Environment and Assurance

26 The group will provide an update for Management Board three times a year. For the meeting immediately prior to the development of the Management Board update, the Directors of Water and Water Recycling will be invited.

Verification Certificate

This is to certify that:

Anglian Water Services Limited
Lancaster House
Lancaster Way
Huntingdon
PE29 6XU
United Kingdom

Holds Certificate Number: CAMS 767487

In respect of:

Carbon management process implemented as asset manager by Anglian Water Services Limited in accordance with PAS 2080:2023, verified by British Standards Institution (BSI)

For and on behalf of BSI:

Shahm Barhom, Group Product Certification Director

First Issued: 2022-12-19
Latest Issue: 2024-05-21

Effective Date: 2024-05-21
Expiry Date: 2025-12-18

This certificate has been issued by and remains the property of BSI Assurance UK Ltd, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP, United Kingdom and should be returned immediately upon request.
To check its validity telephone +44 (0) 345 080 9000. An electronic certificate can be authenticated online.

BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.
A member of BSI Group of Companies.

Verification Certificate

No. CAMS 767487

PAS 2080:2023 – Carbon Management in Buildings and Infrastructure

Water and Water Recycling Infrastructure and Non-infrastructure Assets operated by AWS, AWS Office locations, Laboratory, Biogas CHP plants and Mobile Emergency Equipment.

First Issued: 2022-12-19
Latest Issue: 2024-05-21

Effective Date: 2024-05-21
Expiry Date: 2025-12-18

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Achilles

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STATEMENT OF CARBON REDUCE CERTIFICATION [i]

FOR Anglian Water Services Limited

love every drop. anglianwater

Statementfor 01 April 2024 to 31 March 2025

CARBON REDUCE ORGANISATION CERTIFIED: ANGLIAN WATER SERVICES LIMITED

Carbon Reduce certified means committing to ongoing reductions while achieving annual requirements for at least the programme mandatory emissions.[ii]

Measured emissions to ISO 14064-1:2018 and Programme requirements

Managing and reducing against Programme requirements

This report provides a summary of the annual greenhouse gas (GHG) emissions inventory and management report for Anglian Water Services Limited as part of the annual work to achieve Carbon Reduce certification. Additional details of the annual achievements, commitments, and verification are available on request from Anglian Water Services Limited.

This is the greenhouse gas inventory for Anglian Water Services Limited for the period April 2024 to March 2025

ACHIEVEMENTS

These achievements have been verified in line with ISO 14064-3:2019 and Carbon Reduce Programme Technical Requirements for the 01 April 2024 to 31 March 2025 measurement period.

EMISSIONS MEASUREMENT

Anglian Water Services Limited's greenhouse gas emissions for this year (01 April 2024 to 31 March 2025) were 388,566.33 tCO_2e. Anglian Water Services Limited has measured the emissions resulting from its operational activities, purchased energy, and selected impacts from its value chain activities, including business travel, freight, and waste sent to landfill.

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The annual inventory is detailed in the following table. Emissions and reductions are reported using a location-based methodology. [iii]

The data and information supporting the measurement of GHG emissions were historical in nature.

		GHG emissions (tCO_2e)		
Category (ISO 14064-1:2018)	**Scopes (GHG Protocol)**	**Base Year 2018/2019**	**Previous Year 2023/2024**	**Current Year 2024/2025**
Category 1: Direct emissions (tCO_2e)	Scope 1	123,405.23	117,483.38	125,454.04
Category 2: Indirect emissions from imported energy (location-based method*) (tCO_2e)	Scope 2	181,076.96	134,596.53	133,989.55
Category 3: Indirect emissions from transportation (tCO_2e)	Scope 3	14,688.11	18,446.46	25,141.97
Category 4: Indirect emissions from products used by organisation (tCO_2e)		15,435.69	12,359.40	103,980.77
Category 5: Indirect emissions associated with the use of products from the organisation (tCO_2e)		0.00	0.00	0.00
Category 6: Indirect emissions from other sources (tCO_2e)		0.00	0.00	0.00
Total gross emissions* (tCO_2e)		**334,605.99**	**282,885.77**	**388,566.34**

*Gross and net emissions are reported using a location-based methodology. Contact Anglian Water Services Limited for full details.

The operational GHG emission sources included in this inventory are shown in Figure 1 below.

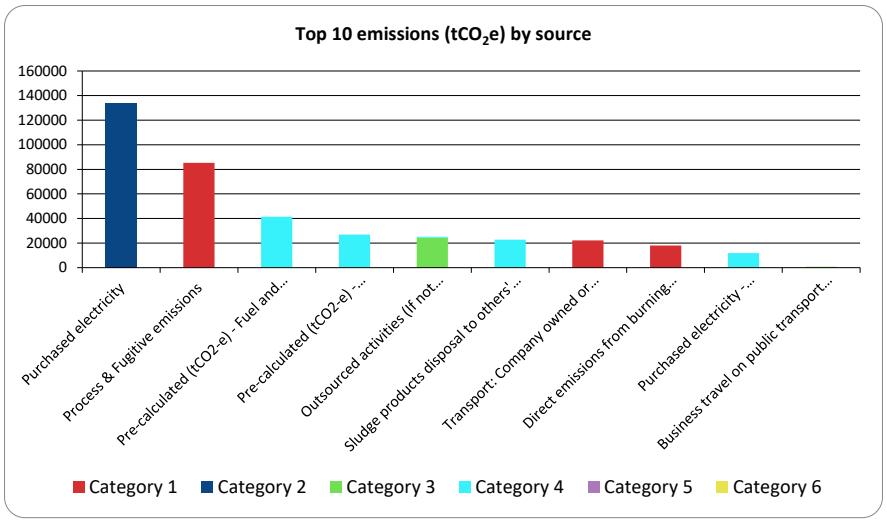

Figure 1: Top 10 GHG emissions (tonnes CO_2e) by source

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SCOPE OF MEASURED INVENTORY

CONSOLIDATION APPROACH

An operational control consolidation approach was used to account for emissions. Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards. [iv]

An operational control consolidation approach was used to account for emissions.

Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards.

BOUNDARIES

Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2006 standards. The GHG Protocol allows two distinct approaches to be used to consolidate GHG emissions: the equity share and control (financial or operational) approaches. The Programme specifies that the operational control consolidation approach should be used unless otherwise agreed with the Programme. An operational control consolidation approach was used to account for emissions.

Figure 2: Organisational structure showing business units included and excluded

N/A. Excluded emissions do not exceed 5% of the total footprint within the organisation boundary stated.

Managing and reducing

This is the 16th year of reporting under the Toitū carbonreduce programme and the seventh year since resetting their base year to 2018-19. An absolute reduction in Category 1 and 2 emissions of 32,531.28 tCO_2e has been achieved against base year.

It was not possible to calculate emission intensity as turnover has not been declared yet. Change in emission intensity can therefore not be calculated.

Figure 3: Performance against target since the base year

Emissions Reduction - Absolute metric	**5-year Rolling Average vs. Base Year**
tCO_2e absolute	-20.39
Reduction Performance - Intensity metric	**5-year Rolling Average vs. Base Year**
tCO_2e intensity	TBC

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COMMITMENTS

Reduction targets

Anglian Water Services Limited is committed to managing and reducing its emissions. Anglian Water Services Limited's commitments, including GHG emissions reduction targets and plans, have been reviewed and are in line with Toitū Carbon Reduce programme requirements.

The organisation is committed to managing and reducing its emissions in accordance with the Programme requirements. Table 6 provides details of the emission reduction targets to be implemented. These are 'SMART' targets (specific, measurable, achievable, realistic, and time-constrained).

The long term goal for the organisation is to achieve net zero carbon emissions by 2030.

We have two five year carbon targets:

- Exceed a 10% reduction in real terms in gross operational carbon by 2025 against a 2020 baseline
- Deliver a 65% reduction in capital carbon by 2025 from a 2010 baseline

These targets are backed by a number of commitments including:

- The implementation of 'drop CO_2 drop cost' branding, which is now embedded, building on existing company wide carbon awareness messaging.
- Targeting business mileage and fuel efficiency of company vehicles to reduce carbon emissions and introducing electric vehicles where viable.
- Continue to work with partners in delivering additional renewable solar PV and optimise outputs from our existing CHP units.
- Further work with customers, communities and our value chain to promote understanding of the link between water, carbon and cost.
- Anglian Water played a key role in developing and launching PAS 2080 Carbon Management in Infrastructure.

Looking ahead, Anglian Water Services Limited is currently focused on the following projects.

Objective	Project	Responsibility	Completion date	Potential co-benefits	Potential unintended consequences	Actions to minimise unintended consequence
Water Optimisation Programme	Capital investment programme in energy efficiency schemes	Shaun Morris, Energy & Supply Programme Manager	Ongoing - completion Mar 2025 for AMP7 period	N/A	N/A	N/A

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Objective	Project	Responsibility	Completion date	Potential co-benefits	Potential unintended consequences	Actions to minimise unintended consequence
Water Recycling Optimisation Programme	Capital investment programme in energy efficiency schemes	Sangeetha Agalakotuwa Optimisation Programme Delivery Manager Dominik Kozminski, Tactical Improvement Manager;	Ongoing - completion Mar 2025 for AMP7 period	N/A	N/A	N/A
Increase energy consumption through renewable sources	Investment in sourcing renewable electricity	Matt Cotterill, Renewable Energy Leader	Ongoing	N/A	N/A	N/A

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CERTIFICATE DETAILS

Certification status:	Carbon Reduce certified organisation
Certificate number:	2025177J, Year 1 of 3 year certificate period[v]
Issued:	06 June 2025
Valid until:	06 June 2028
Measurement period:	01 April 2024 to 31 March 2025
Base year:	01 April 2018 to 31 March 2019
Audited by:	Achilles Assessment Services (UK)
Assured by:	Toitū Envirocare
Certified by:	Toitū Envirocare
Level of assurance:	Limited

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[ii] The mandatory sources that must be included in any Carbon Reduce Programme inventory include:
- All direct emissions from the activities of the organisation, or the part of the organisation being certified. Direct emissions come from assets owned or controlled by the organisation, such as emissions from fleet vehicles, boilers, generators and HVAC systems.
- All emissions from imported energy (electricity, heat and steam)
- Emissions from business travel and freight paid for by the organisation
- Emissions associated with waste disposed of by the organisation, as well as the transmission and distribution of electricity, and natural gas

[iii] All purchased and generated energy emissions are dual reported using both the location-based method and market-based method in the certified Inventory Report and appendices. This summary document presents the information using the location-based method. Note that reductions and any required compensation are assessed using that method. Dual reporting illustrates the role of supplier choice, onsite renewable energy generation and contractual instruments in managing indirect emissions from energy alongside any ongoing energy efficiency and reduction efforts. This dual reporting aligns with ISO 14064-1:2018 and the GHG Protocol. Please contact this organisation for the dual reporting details applicable to this inventory.

[iv] Control: the organisation accounts for all GHG emissions and/or removals from facilities over which it has financial or operational control. Equity share: the organisation accounts for its portion of GHG emissions and/or removals from respective facilities.

[v] In year 1 (recertification year) of the certificate validity period, this certification summary statement also serves as the verification/validation statement required by paragraph 9.7 of ISO 17029:2019. In year 2 or 3 (surveillance year) this certification summary statement serves only as a summary of the results of the verification/validation of the GHG Statement.

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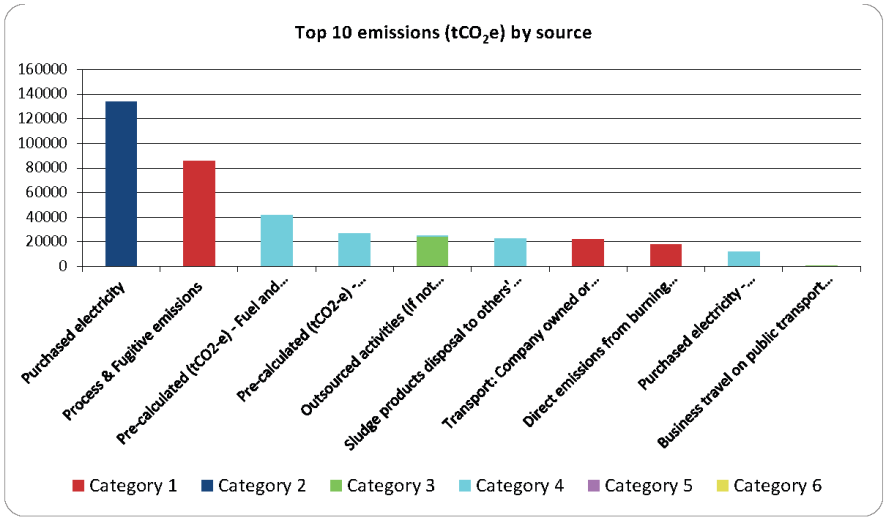

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Assured by:	Toitū Envirocare
Certified by:	Toitū Envirocare
Level of assurance:	Limited

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Accounting, performance and transfer pricing disclosures

1 RAG 3.15 specifies a number of statements, notes and other disclosures which the company should make. Some of these disclosures are also required by law or by conditions in Anglian Water's licence. In this section we set out those statements or explain where they can be found.

Accounting disclosures

Statement on executive pay and performance

2 Section 35A of the Water Industry Act 1991 contains a requirement for companies to make a statement to Ofwat at the end of each financial year, regarding links between Directors' pay and standards of performance. Details of Directors' pay can be found in the Remuneration Report within the Annual Integrated Report (pages 147 - 168).

Statement on disclosure of information to auditors

3 In the case of each of the persons who are Directors at the time when the Report is approved under Section 418 of the Companies Act 2006 the following applies:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement on dividend policy for the appointed business

4 The Directors have recommended not to pay a final dividend in relation to 2024/25. While there was capacity to pay a dividend - after taking account commitments to customers and other stakeholders and ensuring that it is able to finance its Appointed Business - the Directors felt it appropriate to defer this capacity at this time. This, along with the £500 million equity commitment into the wider group, shows the long-term support of our shareholders.

5 An £88.6 million prior year final dividend was paid in the period. The base dividend was adjusted for a total of £51.1 million deduction to reflect service delivery for customers and the environment in 2023/24. Details of the considerations taken in paying this dividend can be found below.

6 The Board has an approved dividend policy, under which dividend payments take account of a range of matters including free cash flow, service delivery for customers and the environment, current and future investment needs and financial resilience over the longer term.

2023/24 Dividend calculation

Dividend capacity and financial resilience

7 Distributable free cash flow for 2023/24 enabled a maximum potential 2024 dividend of up to £227 million.

8 As part of the analysis, the performance of AWS for the year was considered as well as forward looking forecasts to ensure we remained compliant with covenant levels in the period to March 2025 (the end of the AMP 7 period), as required by the Common Terms Agreement (CTA), as well has having sufficient liquidity to make the payment.

Non-Appointed Business (NAB)

9 The NAB, along with the Appointed Business, forms the legal entity Anglian Water Services Limited that pays dividends. Whilst separated out for regulatory reporting purposes these business streams operated within the legal entity. Under our securitised structure we are unable to hold separate bank accounts and therefore, for simplicity, we assume any profits generated in the NAB are paid out as dividends. Given the nature of the businesses there are no specific needs to hold working capital.

	2020/21	2021/22	2022/23	2023/24	2024/25
	Year 1	Year 2	Year 3	Year 4	Year 5
Total Statutory dividend paid and proposed	-	96	169	80	87
Less: Non-appointed dividend paid and proposed [1, 2]	-	(13)	(8)	(8)	(7)
Actual appointed dividend paid and proposed	-	83	161	72	80

10 [1] The non-appointed dividend paid in year 2 reflects non-appointed profits carried forward from year 1 that were not distributed

11 [2] The non-appointed dividend in year 5 was an estimate based on the expected profit of the non-appointed business at the time the dividend was approved.

Consideration of performance and Ofwat licence requirements

12 The base dividend of £132.4 million was set with reference to four per cent of regulatory equity, as referenced by Ofwat in their PR24 material. This was adjusted down by £51.1 million for performance in the year to £81.3 million, with a non-appointed dividend of £7.3 million also included to bring the in year dividend to £88.6 million. It was agreed that the £75.4 million of brought forward capacity continue to be deferred.

Ability of the Appointee to finance the Appointed Business, taking account of current and future investment needs and financial resilience over the longer term

13 The final year of AMP7 had a significant investment requirement; however both the equity and debt requirements to make this investment were already funded. The AMP7 growth in RCV was forecast to be £1,135 million by March 2025. This should be funded by 30 per cent equity to maintain our 70 per cent target gearing and requires £340 million of equity.

14 As part of project Aquifer £1,165 million was injected as equity into the business, which more than covers the above £340 million. In addition, in the 2023/24 year £1.4 billion of debt was raised with cash balances held of £1 billion at March 2024. Therefore no dividend restrictions were required for RCV growth in AMP7.

15 Looking ahead to AMP8 and beyond, our assessment of the PR24 business plan demonstrated that, even in severe downside scenarios, the business continued to be financially resilient. Whilst there is expectation of an equity injection of £819 million over

the AMP8 period there is also a forecast of £793 million of dividend payments over the same period, including £40 million of non-appointed dividends. Therefore, were the equity not to be forthcoming, the business would be able to withhold dividends to generate the required equity investment.

Service delivery for customers and the environment over time, including performance levels, and other obligations

16 In line with the Company's dividend policy, the base dividend is adjusted to reflect the performance using the internal purpose scorecard, which was developed and framed around the six capitals. This ensures that both relative and absolute performance over time is considered as part of the dividend declaration process. The scorecard considers 57 metrics, of which 33 were green, 10 yellow and 14 were scored as red in 2023/24.

17 Whilst Anglian was classed as "lagging" by Ofwat for the 2022/23 year, the latest comparative period available at the time of deciding on the dividend, this is based on the performance of each company relative to their individual performance targets.

18 KPMG has undertaken an assessment of absolute performance across the sector that shows that Anglian Water has continued to achieve top quartile performance over the period.

19 This assessment does not suggest that performance against our specific targets is not an important consideration, but is instead intended to give comfort that a dividend restriction equal to the ODI penalties assessed against those targets remains appropriate, rather than requiring a larger restriction were absolute performance measures also seen to be lagging.

20 In addition to considering the number of serious pollutions which occurred during 2023, management also gave consideration to culpability in respect of those pollutions.

21 Therefore, in line with the dividend policy, a dividend reduction of about £51.1 million (2023/24 prices) ODI penalty reflects the red areas of the performance scorecard. This reduces the £132.4 million base dividend to £81.3 million for the appointed business.

Reward efficiency and the effective management of risks to the Appointed Business

22 In addition to ODI performance, which has been considered above, the main areas where companies are able to outperform are around Totex performance and Financing performance.

23 Financing performance is heavily impacted by macroeconomic movements, with the higher inflation seen generating significant outperformance in 2023/24 of £58m and forecast to be £447m for the AMP. This is partly offset by Totex underperformance expected across the AMP7 period of £291m (£530m x 55 per cent cost sharing).

24 However, notwithstanding this overall level of outperformance available, no additional dividend was considered appropriate at this time and the shareholders have agreed to invest this money to fund the additional costs and schemes to improve operation performance.

Full AMP assessment

25 The assessment considers the timing of the dividend, ensuring that both the base dividend and performance are considered across the AMP. The table below shows that the available dividend brought forward from years 1 to 4 was £75.4 million. Adding this to the £88.6 million performance adjusted dividend gave a maximum dividend of £164.0 million available this year. Given the uncertainty that remained in the final year of the AMP and going into AMP 8 it was proposed to restrict this to the £88.6 million.

2020/21	2021/22	2022/23	2023/24	2024/25	AMP 7 Total
Year 1	Year 2	Year 3	Year 4	Year 5	

RCV Average	7,913	8,349	9,366	10,330	10,951	
Gearing (avg CTA)	82.5%	69.4%	65.9%	67.6%	70.0%	
Average reg equity	1,385	2,555	3,199	3,347	3,285	2,754
Assumed dividend 4% £m	**55.4**	**102.2**	**127.9**	**133.9**	**131.4**	550.8
Adjustment (outturn) +	-	-	12.2		-	12.2
Adjustment (outturn) -	-	-	-9.2	-25.8	-51.1	-86.2
Non-Appointed dividend paid and proposed 1, 2	0.0	13.0	8.0	7.0	7.3	
Adjusted dividend	**55.4**	**102.2**	**130.9**	**108.0**	**80.3**	**475.9**
Deferral brought forward	-	55.0	74.0	43.0	78.1	
Available dividend	**55**	**157**	**205**	**151**	158	476
Deferral carried forward	-55.0	-74.0	-43.0	-78.1	-77.1	
Actual dividend paid and proposed	**0.4**	**83.2**	**161.9**	**72.9**	81.3	399.8
Cumulative Dividend yield (actual regulated equity)	0.03%	3.26%	5.06%	2.18%	2.48%	2.90%

26 The assessment also considers the level of growth in RCV throughout the AMP, as the four per cent yield set by Ofwat was based on a flat RCV. This growth in RCV reflects investment in Capex over the AMP as set out in our PR19 plans, so this growth should therefore be funded in part by equity. The Company's dividend policy is to restrict the base dividend to fund this growth unless separately injected as equity, which has been discussed above.

Conclusion

27 Whilst there was sufficient free cash flow and liquidity to pay a greater dividend, the Board felt it appropriate to restrict the dividend to four per cent of regulatory equity less ODI penalties in the period, in order to support future investment and resilience.

Accounting policy note for price control units

In order to produce the APR, and in addition to the accounting structure used for internal management reporting, we have created a separate regulatory cost structure in our financial system. This means that operating costs relating to water, water recycling and household retail price controls can largely be directly assigned. Where costs are not directly allocated to a specific price control, management has assessed an appropriate allocation in accordance with the regulatory accounting guidelines.

Capital expenditure is also largely directly attributable to price control. Where this is not possible, capital expenditure is assigned to the business unit of principal use, with an appropriate recharge of depreciation charges for these shared assets made between price control segments in table 2A.

All cost allocations have been carried out in line with the guidance in RAG 2.09, with no material impact on the allocation of costs between price controls when compared to the previous year. More detail on our cost allocation processes can be found in our accounting methodology statement on our company website: www.anglianwater.co.uk.

Revenue recognition note

The following detailed policy on revenue recognition supplements the turnover accounting policy within the statutory financial statements.

i. Occupied properties are chargeable for water and sewerage, and revenue is recognised based on services supplied. The identity of the occupier is ascertained by either contact initiated from the occupier or other third party, completion of a questionnaire sent out by the Company to the premises, a visit by a customer services representative or searches of available data. Unoccupied and unfurnished properties are vacant properties and deemed void except where water is being consumed. Non-household properties are classified as vacant under the Market Codes, and no billing is raised and no turnover is recognised.

ii. Household charges apply to unoccupied premises in certain circumstances as set out in our Legal Charges Scheme, and revenue is recognised on these properties consistent with occupied properties. Unoccupied premises which attract charges include:

- premises which are left unoccupied for periods of time but are left with bedding, a desk or other furniture so that they may be used as a dwelling or as office or commercial premises
- premises where renovation or building work is being undertaken
- premises which are not normally regarded as being occupied such as cattle troughs and car parks
- all metered premises (furnished and unfurnished) where water is being consumed.

We classify properties as 'non-chargeable' on the basis that either:

- although the property is furnished, there is no consumption and the previous occupant is deceased, or the property is long term vacant (more than three months) due to hospitalisation, admittance to a care home, imprisonment with HMPs, or the property is uninhabitable due to fire/flood; or
- the property is demolished and/or pending disconnection and removal of meter.

No charge is calculated for these premises and no bill issued. This is based on a "fairness" principle given that, whilst the property is connected, no service is provided.

Further, the following provisions are applied in respect of disconnections:

- Premises listed in Schedule 4A of the Water Industry Act 1991 (e.g. any dwelling occupied by a person as his or her only or principal home) cannot be disconnected for non-payment of charges
- If the water supply to any premises is disconnected for any reason but we continue to provide sewerage services to those premises, the customer will be charged the appropriate sewerage tariff unless it can be demonstrated that the premises will be unoccupied for the period that the premises are disconnected, in which case there is no charge. Revenue is recognised for sewerage services up to the point we are aware the property becomes unoccupied
- If it is subsequently found that the premises were occupied for any period when we were advised that the premises would be unoccupied, we will apply the appropriate sewerage tariff to that period, raise appropriate retrospective bills and recognise revenue at that point
- In the event that we suspect that a property is occupied but we have no record of the occupier, we take steps to establish the identity of the occupier in order that billing can commence and revenue be recognised. 'Occupier' is defined to include any person who owns premises as set out in part (i) above, and also any person who has agreed with us to pay water supply and/or sewerage charges in respect of any premises (e.g. a Bulk Meter Agreement).

iii. Charges on income relating to debt recovery costs, which are chargeable to customers, are applied to operating costs and charged to the relevant customer account. Turnover is unaffected by these debt recovery costs. Historically, we have only sought to recover court and solicitors' fees where we have issued a County Court Claim. From 2009/10 the Legal Charges Scheme was amended to allow debt recovery administration fees to be recharged to customers.

iv. As soon as new properties are occupied and furnished or consumption is recorded, liability for water and sewerage charges commences, and revenue starts to accrue.

Use of social tariffs

28 To ensure our customers who need extra help receive an accessible and inclusive service, we provide a wide range of practical support through our Priority Services Register. The Register offers support if a customer's water supply is interrupted and we need to carry out a repair, including proactive contact and bottled water delivered directly to their door.

29 We also provide a range of extra services to help our customers manage their accounts, from bills in alternative formats and translation services to help with reading their meter reading, password schemes, and our knock-and-wait service, ensuring customers get the support they need, when they need it.

30 In the 2024/25 period, we significantly increased the number of customers benefiting from our Priority Services Register, reaching 14.7 per cent of households. This exceeds our end-of-AMP target of 12.8 per cent and is more than double the industry target of 7 per cent by 2025. This achievement reflects our proactive approach, including our customer-facing teams effectively responding to vulnerability disclosures, awareness-raising campaigns, and ongoing partnership initiatives.

31 To promote the support available, we've actively engaged with over 250 partners across our region, reaching an estimated 4 million people. We also attended 67 local community events to connect directly with those most in need.

32 We consistently promote the support we offer through emails and social media, achieving an average monthly reach of 2 million and generating over 173 million impressions across the year. As a result, 66.75 per cent of our customers are now aware of the assistance available through our Priority Services—again exceeding our end-of-AMP target of 65 per cent.

33 Our customer care teams receive annual refresher training to ensure they have the confidence and skills to handle sensitive disclosures effectively. Our specialist Priority Services team also benefit from monthly bitesize learning sessions in collaboration with our partners, drawing on insights from the lived experiences of our customers.

34 For the third year running, we are proud to maintain our certification to the International Standard for Inclusive Service Provision, ISO 22458. This high-level certification is only awarded to businesses that meet stringent criteria for protecting customers in vulnerable situations. We were among the first nine companies globally to achieve this prestigious standard and are the first utility company to undergo the Mental Health Accessible certification by Money and Mental Health—a comprehensive assessment of the support we provide to customers living with mental health problems.

35 We've also renewed our partnership with SHOUT, giving customers free 24/7 access to mental health support. We remain the only water company currently offering this service.

36 This year, we were also recognised with an award for our pioneering partnership with Kidney Care UK (KCUK)—a first-of-its-kind collaboration that has since become a blueprint for others. As a result, KCUK now partners with over 15 utility companies across water, energy, and gas. These partnerships have helped fund an additional 20 full time roles, providing much needed support to people living with chronic kidney disease.

37 These initiatives highlight our ongoing commitment to providing inclusive and comprehensive support to all customers, particularly those in vulnerable situations.

Measured income accrual

38 We highlight the following comments in respect of turnover for the year:

Appointed turnover for the year ended 31 March 2025 included a measured income accrual of £374.0 million (year ended 31 March 2024: £358.0 million). The value of billing recognised in the year ended 31 March 2025 for the prior year was £344.8 million. This has resulted in a recognition in the current year's turnover of an estimation difference for the prior year of negative £13.2 million (2024: negative £8.4 million) representing 0.8 per cent of turnover (2024: 0.6 per cent) and within acceptable tolerances for accounting estimates.

There have been no changes to the methodology used in calculating the measured income accrual from the prior year.

Capitalisation policy note

39 The capitalisation policy applied to the APR is consistent with that used in the statutory accounts (accounting policy 1(l) of the Annual Integrated Report), with the exception of the capitalisation of interest. This has been excluded from the APR as per the guidance in RAG 1.09, section 4.8.

Bad debt note

40 The Company assesses impairment of trade receivables on a collective basis and where they possess shared credit risk characteristics they have been grouped; these groups are residential, non-household and developer services, and other customers.

41 In particular, existing or forecast adverse changes in financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations is taken into account when assessing whether credit risk has increased significantly since initial recognition.

42 Debt is only written off after all available economic options for collecting the debt have been exhausted and the debt has been deemed to be uncollectable or is subject to a settlement agreement or forgiveness scheme. This may be because it is, unrealistic, impractical, inefficient or uneconomic to collect the debt.

43 Situations where this may arise and where debt may be written off are as follows:

- Where the customer has absconded and attempts to trace the customers whereabouts prove unsuccessful
- Where the customer has died without leaving an estate or has left an insufficient estate on which to levy execution
- Where the debt is subject to insolvency proceedings and there are insufficient funds to settle the debt
- Where the value and/or age of debt make it uneconomic to pursue
- Where debt becomes statute barred.

44 We also write off debts following a settlement arrangement on an outstanding balance and for eligible customers on our debt forgiveness scheme (Back on Track) as part of payment matching.

45 Debt that is still subject to enforcement activity is not written off unless it becomes uneconomic to pursue.

46 The debt written off in the current year was £9.5 million (2024: £84.9 million). The reason for the decrease is that less debt met the write off criteria during the year. There have been no changes to our debt write off policy during the year.

Sufficiency of non-financial resources

47 Condition P.14 of Anglian Water's licence requires that the Company must ensure that, as far as reasonably practicable, it has available to it sufficient rights and resources other than financial resources so that if, at any time, a special administration order were to be made in relation to it, the special administrator would be able to manage the affairs, business and property of the Company in accordance with the purposes of the special administration order. The Company was in compliance with this requirement at the end of the 2024/25 financial year.

Ring-fencing certificate

48 In accordance with condition P.31 of Anglian Water's licence, the Company has published a Ring-Fencing Certificate as part of its Annual Performance Report.

Tax strategy for the appointed business

49 We have prepared a statement on tax and transparency which can be found on our website at www.anglianwater.co.uk and is also included within the "Fair charges, fair returns" section of our Annual Integrated Report.

Statement on differences between statutory and RAG definitions

50 Under the RAGs the classification of certain balances within the regulatory accounts differs from that disclosed in the statutory financial statements. Where differences in values due to differences in statutory and regulatory definitions are material, these have been explained in the commentary to tables 1A, 1B, 1C and 1D.

Long term viability statement

51 Our long term viability statement is set out on pages 23 - 29 of this report.

Return on regulatory equity (RORE)

52 Differences between RORE performance in 2024/25 and base RORE set out at the last price review have been explained in the commentary to Table 1F.

Infrastructure charges

53 The Company has provided narrative on the variance between revenues and costs arising from providing infrastructure network reinforcement for developers in its commentary to table 2K.

Innovation competition

54 All funding has been recovered through main charges. We do not currently receive or forecast to receive any royalties.

55 In 2024/25 we were awarded:

- £913,029 for the CReDo project via the Water Breakthrough Challenge
- £1,200,000 for the Stiffkey Ecological Digital Twin project via the Water Breakthrough Challenge

56 Delivery of these projects and the previously funded projects is now underway.

57 Our project "Unlocking Bioresource Market Growth" has concluded and the full awarded amount has been invested in the project.

58 Funding transfers not referenced in Table 9A for this year include the MOSL administration costs for each settlement and the funds allocated via the Discovery Challenge. This may mean that there are discrepancies in the anticipated and recorded funding transfers.

59 We comply with the terms of any innovation competition funding decisions, including that innovation competition funding is not being used to fund business as usual activities funded through totex. Where we have recovered revenue from customers for the purposes of the innovation competition this revenue has been paid into the innovation competition fund as requested.

60 Included within the commentary to table 1C is the breakdown of the cash balance which relates to the innovation competition.

Narrative disclosures on performance

Outcomes

61 We have provided narrative on outcome performance in the commentary to tables in section 3 of this report. The information in section 3 is consistent with the information on outcome performance which we have provided to stakeholder groups such as the Independent Challenge Group (previously the Customer Engagement Forum) during the year and with the information published in our Annual Integrated Report.

Totex

62 We have provided narrative on our totex performance in the commentary to tables in section four of this report. This narrative includes explanation of:

- the difference between actual and allowed totex values
- costs which we believe to be exceptional or atypical
- links between outcome performance and expenditure
- any costs categorised as disallowable for cost sharing (e.g. fines)
- recharges between business units in respect of the 'principal use' of assets.

Retail

63 We have provided narrative on any material differences between our total operating costs and retail revenues allowed in price limits in our commentary to table 2C.

Wholesale revenues

64 We have provided narrative on differences between our actual and allowed revenue under the wholesale control in our commentary to table 2M. In this commentary we explain how we have allocated any penalty related to wholesale water revenue imbalances between the water resources and water networks plus price controls.

Current tax analysis

65 Our explanation of our current tax payment is set out in the commentary to table 1A, lines 12 and 13 and 4H line 18.

Current tax reconciliation

66 A reconciliation of the appointed corporation tax (credit) reported in table 1A to that resulting from applying the standard rate of tax to the profit on ordinary activities before tax as shown in table 1A is set out below.

		Notes		£m
Profit per the Annual Performance Report				109.1
Corporation tax charged at 25%				27.3
Depreciation and amortisation				85.8
Capital Allowances		(i)		(185.7)
Items not taxable		(ii)		(8.1)
Items not deductible for tax purposes		(iii)		1.9
Capital grants and contributions		(iv)		(4.9)
Pension payments				(7.4)
Change in general provision movements		(v)		0.6
Fair value losses on financial instruments (not deductible)				(15.7)
Wholesale losses carried forward		(vi)		55.7
Adjustments in respect of previous years		(vii)		25.6
Current tax (credit) for the year				(24.9)

67 The table below sets out the reconciliation between the UK corporation tax (credit) reported in Table 1A to the total current tax charge allowed in price limits.

				£m
Tax charge in price limits at 19% and in 2017/18 prices				
Retail tax allowance				6.7
Wholesale tax allowance				0.0
				6.7
Tax effect at 19% and in 2017/18 prices of:				
Decrease in profit before tax				(6.1)
Decrease in disallowable depreciation and amortisation				(13.9)
Increase in capital allowances		(i)		(46.3)
Increase in items not taxable		(ii)		(5.0)
Decrease in items not deductible for tax purposes		(iii)		(0.2)
0.2Increase in pension deductions				(4.3)
Increase in change in general provision movements		(v)		0.4
Increase in wholesale losses carried forward		(vi)		48.8
Other				0.6

Current tax (credit) before adjustments for previous years at 19%				(19.3)
Adjustments in respect of previous years		(vii)		19.9
Increase in corporation tax rate to 25%		(viii)		(19.8)

Current tax (credit) in APR at 2017/18 prices				(19.2)
Indexation up to Outturn prices				(5.7)
Current tax (credit) in APR				(24.9)

Notes

i. The 2023 Budget confirmed that increased tax relief for capital expenditure would continue to be available at the rate of 100 per cent on general plant additions and machinery and 50 per cent on special rate assets additions in the year. Expenditure brought forward would continue to receive allowances at the rate of 18 per cent for general pool and 6 per cent for special rate pool expenditure. In the calculation of tax in price limits it was assumed that only 18 per cent tax relief would be available on expenditure on general plant and machinery and 6 per cent on special rate additions.

ii. The items not taxable are income from adopted assets which are included in other income and profits arising on the sale of land.

iii. Items not deductible for tax purposes mainly consists of depreciation on assets not eligible for capital allowances and compliance fines.

iv. The capital grants and contributions are included in other income but are treated as capital grants for tax purposes and deducted from additions to the special rate asset capital allowance pool.

v. The calculation of tax in price limits assumed there would be no changes to general provisions.

vi. The calculation of tax in price limits assumed that all losses would be carried forward. However, due to increased costs and capital allowances, the level of tax losses in the year has increased. We have surrendered some losses to other group companies but carried forward the majority to relieve taxable profits in future periods.

vii. The adjustments in respect of prior years relates to adjustments due to the agreement of prior year tax computations.

viii. The main rate of corporation tax increased from 19 per cent to 25 per cent on 1 April 2023.

Tax and Transparency

68 We have prepared a statement on tax and transparency which can be found on our website at www.anglianwater.co.uk, and is also included within the "an open and constructive approach" section of our Annual Integrated Report.

Interest

69 We have provided analysis of our appointed interest expense and our appointed other interest expense in our commentary to table 1A.

Financial flows

70 We have provided analysis of our financial flows in our commentary to table 1F.

Narrative on costs

71 Where we have allocated costs to the 'freeform' lines in tables 4L and 4M we have provided commentary to explain them.

72 Where we have proportionally allocated costs between expenditure categories in tables 4L and 4M, or between enhancement and base expenditure, we have explained this in the commentary to those chapters.

73 In table 6A, where we have reported water treatment works that have not been used in the year but have not been decommissioned we have provided commentary to explain them.

74 We have explained how we have calculated population and household growth, including how we have taken account of the 2011 census, in the commentary to table 4R.

75 We have explained how we interpret 'structurally refurbished' in our commentary to table 7C. In the same commentary we have explained the methodology and assumptions we have used to estimate the length of rising main that has been replaced or structurally refurbished.

76 In our commentary to table 8A we have explained:

- the basis of our estimate of all the untreated sewage sludge produced by in-area wastewater treatment processes in the report year and which is produced as a result of treating non-appointed liquid wastes through appointed wastewater treatment assets
- how we have estimated the road distances travelled in reporting sludge inter-siting and biosolids disposal work done
- how we avoid double-counting of sludge quantities where both the incumbent and a third party service provider undertake different stages of sludge treatment, e.g. dewatering followed by lime stabilisation
- the basis of our estimate of total sewage sludge produced from non-appointed liquid waste treatment.

77 In our commentary to table 7D we have reported the the population equivalents served by sewage treatment works (STWs) at which the required output has been delivered primarily by an opex solution (there are none this year).

78 In our commentary to table 4R we have explained our methodology to calculate non-resident population.

Supply-demand balance and metering

79 In our commentary to table 4L we have commented on progress in delivering long term improvements to the supply-demand balance and strategic regional water resource solutions, including explanation of any variances from our business plan and water resources management plan proposals.

80 In our commentary to 6F we have commented on progress in delivering our internal interconnection programme, including detail of installed pipe material, length, diameter and capacity and explanation of any variances from our business plan and water resources management plan proposals.

81 In our commentary to table 6B we have explained any variances in reported leakage from our business plan and water resources management plan proposals.

82 In our commentary to table 6D we have included narrative commentary explaining the smart metering technologies we are utilising and the capabilities and benefits these provide. We also explain how the metering and leakage figures reported in table 6D relate to our business plan and water resources management plan forecasts.

Analysis of debt

83 In our commentary to table 1E we have provided reconciliations to explain the reason for any differences between comparable lines in tables 1E and 4B. We have also provided an explanation where we have inserted a restated gearing level in line eight.

Common performance measures

84 There is no shadow reporting of common performance measures in this year's Annual Performance Report. We have commented on our compliance with performance commitment definitions where relevant.

Board statement on accuracy and completeness of data and information

85 Our statement is set out on pages 13-14 of this report.

Return on regulatory equity

86 We have explained any exceptional items included in our calculation of RORE in our commentary to table 1F.

Financial derivatives

We have provided information on other derivatives in table 4I and enables a full reconciliation with table 1C.

Transactions between the appointee and associate companies

87 The Company's activities are regulated by the conditions of the Licence granted to the Company by the Secretary of State for the Environment. With certain exceptions, the regulatory provisions do not apply to business activities which are not connected with the carrying out of the water and sewerage function; these business activities are referred to as non-appointed business.

88 Non-appointed business activities include legal searches to locate utility infrastructure, plumbing and drainage insurance introduction, recreation services, and billing commission. The RO water supply agreement to a customer not in our area of appointment, has also been treated as non-appointed business.

89 Approximately 95 per cent of the operating costs relating to these activities is directly incurred and does not require allocation. Other relevant costs have been allocated according to time spent on these activities, volume of water supplied to customers, or in proportion to direct costs.

90 We also charge costs to other parts of the organisation that sit outside the regulated business. In these cases, the guidance provided by RAG5 is followed, with costs charged on an arms-length basis, either as a cost pass through or via an hourly rate.

91 To the best of the Directors' knowledge, all appropriate transactions with associated companies have been disclosed in notes (a) to (g) below.

(a) Receivables

Receivables totalling £2.1 million were outstanding from other Group companies at 31 March 2025 (2024: £0.9 million).

(b) Payables

An amount payable of £15.6 million was owed to Anglian Water Services Financing Plc at 31 March 2025 (2024: £49.6 million). Payables totalling £0.9 million were owed to other group companies at 31 March 2025 (2024: £0.7 million).

(c) Borrowings

Sums borrowed, including accrued indexation by the appointee from Anglian Water Services Financing Plc at 31 March 2025, are set out in full in our Annual Integrated Report, note 18, which can be found on the AWS website:

https://www.anglianwater.co.uk/about-us/our-reports/

(d) Guarantees/securities

The Company, as part of the Anglian Water Services Financing Group, guarantees unconditionally and irrevocably all the borrowings and derivatives of Anglian Water Services Financing Plc, which at 31 March 2025 amounted to £9,595.3 million (2024: £8,911.9 million). The borrowings of Anglian Water Services Holdings Limited and Anglian Water Services UK Parent Co Limited are also guaranteed unconditionally and irrevocably by the Company. Anglian Water Services Holdings Limited and Anglian Water Services UK Parent Co Limited had no outstanding indebtedness at 31 March 2025 (2024: £nil).

(e) Supply of services

In order to achieve economies of scale across the Anglian Water Group, some services are provided to associated companies by the appointed business. We ensure that the cost of any services provided to associated businesses are fully recovered including an element of overhead costs. There has been a slight increase in recharges from the prior year as we have moved a number of employees back into the regulated business who spend a small amount of their time on the non-regulated business activities.

Recharges by the appointee to associated companies during 2024/25:

Service Provided	Company	Turnover of Associate £m	Terms of supply	Value £m
HR, Payroll, H&S, Regulation, Q&E	AWG Group Ltd	-	Actual Costs	1.983
Strategic Delivery and Commercial Assurance	AWG Group Ltd	-	Actual Costs	0.047
Strategic Delivery and Commercial Assurance	AWG Land Holdings Ltd	8.406	Actual Costs	1.247
Brand and Communication	AWG Group Ltd	-	Actual Costs	0.049
Finance	AWG Group Ltd	-	Actual Costs	0.577
IT	AWG Group Ltd	-	Actual Costs	0.413
IT	Anglian Venture Holdings Ltd	-	Actual Costs	0.058
Accommodation - Lancaster House	AWG Group Ltd	-	Actual Costs	0.114
Accommodation - Osprey House	Anglian Venture Holdings Ltd	-	Actual Costs	0.219
Land rental and Tankering	Alpheus Environmental Ltd	12.056	Actual Costs	0.289
Vehicle Costs	AWG Group and Alpheus Environmental Ltd	-	Actual Costs	0.125
Tide recharge	Tide Services Ltd	6.593	Actual Costs	0.000
Total		18.649		5.122
Corporation tax group relief surrendered by the regulated business	AWG Group Limited	-	See note 1 below	47.800

92 Note 1 The losses surrendered to AWG Group Limited are provided for at the corporation tax rate of 25 per cent. However, AWS already has a liability to pay for losses surrendered to it in earlier years and there is an agreement that AWS will not have to pay for these losses until it receives the benefit of the capital allowances that were disclaimed in order to generate the taxable profits against which the surrendered losses could be utilised. The losses incurred this year will reduce the liability for prior years and so will give rise to lower payments to other group companies in future years.

Recharges by associated companies to the appointee during 2024/25:

Nature of transaction	Company	**Turnover of associated Co**	**Terms of supply**	**Value £m**
CEO costs	AWG Group	-	Time apportioned	1.5451
CFO	AWG Group	-	Time apportioned	0.5461
Treasury services	AWG Group	-	Time apportioned	0.8610
Health and Safety services	AWG Group		Time apportioned	0.3233
Legal services	AWG Group	-	Time apportioned	0.5100
HR services	AWG Group	-	Time apportioned	0.2131
Property services	AWG Group	-	Time apportioned	0.0460
Finance	AWG Group		Time apportioned	0.4658
Internal audit services	AWG Group	-	Direct	0.4266
Insurance administration	AWG Group	-	Negotiated	0.2842
Group Life Assurance	AWG Group	-	Pass through	2.9518
Income Protection costs	AWG Group		Pass through	0.4876
Taxation services	AWG Group	-	Direct	0.2021
External audit services	AWG Group	-	Direct	0.6160
Pension admin, advice and audit	AWG Group	-	Pass through	-
Miscellaneous items	AWG Group	-	Pass through	1.1217
Office accommodation - Lancaster House	OHL Piper Ltd	2.053	Other market testing	0.5642
Bulk purchase of water	Ardleigh reservoir committee	2.001	Actual costs	1.3106
			Total	**12.505**

Services provided by the non-appointed business:

Service provided by the non-appointed business	Basis of recharge made by the appointed business	Value of the recharge made by the appointed business (£m)
Treatment of tankered waste	Recharge to non-appointed is based on full cost including fixed and variable costs, depreciation and financing	4,771
Others	Key activates include mapping and data services, recreation facilities and wind turbines. The recharges made to the non-appointed business have been delivered on a bottom-up basis to include recovery of the fixed and variable costs along with an appropriate share of the depreciation and financing costs. A positive margin is made on this activity. Approximately £2.4 million of the reported costs are related to depreciation and financing recharges.	13,661
Total non-appointed operating costs		18,432

(f) Omissions of rights

No material omissions took place during the year.

(g) Waivers

There were no material waivers during the year.

Conduct of the appointed business

93 Condition P of Anglian Water's licence requires that the company meets the objectives on Board Leadership, Transparency and Governance (BLTG) which are also set out in Condition P. The company has adopted the BLTG principles into its Corporate Governance Code. Its Corporate Governance report is in its Annual Integrated Report.

94 Ofwat's Principles on BLTG require that the Board submits an annual statement which sets out how the company has set its aspirations and performed for all those it serves. This statement is included in pages 19-22 of this APR.

Data Assurance Summary

Introduction

We understand that customers and other stakeholders want information about our performance and that the information needs to be accessible and understandable. We are committed to providing information that is reliable and can be trusted.

Our overall approach to assurance is set out in Our Assurance Framework which can be viewed on the Anglian Water website. This submission has been completed within that framework.

General assurance processes

We have a company-wide Business Management System (BMS) that is certified to the ISO 9001 quality management systems standard, whose scope includes the processes for ensuring the collection and storage of reliable performance data. We have established processes and procedures that we adopt when compiling performance data for publication into the public domain:

- Roles and responsibilities are established, including the allocation of named data providers for each line of data
- Methodologies for compiling data are documented in procedures if necessary
- Draft data and commentaries are reviewed by individuals (including senior managers), who are independent of the processes being reviewed
- Final data and commentaries are signed off by the individuals who are assigned by the risk assessment rating determined for each individual line
- Data may be subject to review by a third party assurance provider (normally Jacobs) or our independent financial auditors, Deloitte. Our use of third parties as part of the assurance process is informed by our assessment of risks to data quality.

Annual Performance Report (APR) Non-financial data

Our assurance programme for non-financial aspects of our APR comprised the following stages this year.

Review of the risk assessment scores

We refreshed the risk assessment in 2025 to review all APR lines against our revised risk assessment framework and consider whether the answers to the risk assessment questions align with their knowledge of our processes, and whether the potential impact of risks has been appropriately represented in the risk rating score.

Review of Process-Risk-Control (PRC) documents

The PRC framework is a structured approach which requires us to

- Set out each step in the data collection process
- For each step, identify the risks to data quality
- For each risk, identify the controls in place as mitigation and the strength of those controls.

We maintain PRC analyses for all our performance commitments. The PRC documents allow us to identify the highest areas of risk in the data management process and target areas of focus for the year-end audits. It also shows us where we may need to strengthen our

controls. Where an area had a pre-existing Process Risk and Control document, we asked Jacobs to review the document, ensure this was up to date and audit the controls in place for targeted areas.

In-Year assurance

Following the requirements of our assurance framework Jacobs were requested to conduct in-year process audits for three audit groups [1]. They used a similar approach and terms of reference as for the year-end audits, focused on suitability of processes and procedures.

Year-end assurance

Internal assurance reviews

All data and commentary for the APR were reviewed by a colleague who is independent of the team and process which generates the information. These reviews allow us to sense-check to draft submission, understand the reasons for material variances from prior years and apply cross-checks to information in other parts of the Return.

External assurance reviews

External reviews were commissioned for a subset of non-financial APR lines, selected according to their risk ratings. The majority of our external reviews were conducted by Jacobs.

Jacobs conducted our year-end assurance programme for 27 audit groups, though we also used two other specialist auditors in specific areas (see table below). The standard terms of reference of these reviews were to:

- Review the company's methodologies and procedures for identifying, analysing and recording data and, on a sample basis, test the application of those methodologies and procedures.
- Refer to the PRC file in the 'Jacobs shared file' to confirm whether there is a Process Risk Control (PRC) document for that group. If there is a PRC document, the auditor is asked to review the identified risks and provide their opinion on whether or not the list is exhaustive and accurate. If there is no Process Risk & Control (PRC) document, the auditor is asked to focus on the suitability of the process for producing consistent data.
- If there is one, provide an opinion on the way that risk is described within the PRC document.
- Provide an opinion on the adequacy of the methodologies and procedures adopted by the company to provide reliable information.
- Alert the company to any material areas of concern or weakness observed.
- Review progress against issues raised in the last audit.
- Review whether the APR procedures and any associated local procedures / work instructions are current, accurate and appropriate.
- Seek understanding of the upstream processes which generate data and the controls in place for ensuring the reliability of those data. Test where possible.
- For Common Performance Commitments only. Ensure that commentary contains either a statement that all components of the RAG checklist are green for each PC or that a copy of the RAG compliance checklist for each PC along with assessments of the

1 For audit purposes, we combine all non-financial lines on a common theme into the same audit group. In total, we created 80 audit groups for APR25.

materiality of the impact of any non-compliant components on reported performance. This should comply with the guidance in the "Common performance measures" section of RAG 3.14, paragraph 4.40

- Where relevant, reports should include comments on the level of success for meeting deliverables set out in PR19.

The reviews were carried out between April and June 2025. The results of each review were documented in summary audit reports, including information about the tests applied and the results, along with details of recommendations for longer term improvements. Where possible, any data issues raised at audit were addressed prior to finalising the data.

A summary of Jacobs' assurance reviews and findings is set out in their Technical Assurance Executive Summary.

External reviews conducted by parties other than Jacobs were as follows:

- 3A.13 - Internal interconnection delivery - Aqua Consultants
- 3E.8-9, Table 11A - carbon and greenhouse gas reporting – Achilles
- Section 10 – Accelerated Infrastructure Delivery programme – Aqua Consultants

Director sign-off

As set out in Our Assurance Framework, the sign-off protocols which form part of our assurance process are based on our data quality risk assessment. All APR data lines are approved by the nominated 'line approver', who is a different individual from the one who provided the data. Further sign-off is required for higher risk data lines by the Head of Business Unit (for lines rated as Medium or High risk) or Executive Committee Director (where the rating is Very High). These protocols were all applied to the 2024/25 APR.

At the AWS Board on 4 June 2025 the AWS Board delegated authority to certain directors to approve the final versions of the APR including all disclosures. Drafts of the APR were shared with the Board on 1 July and the final version was approved by the company's Executive Directors on 11 July 2025.

APR Financial data

Our Regulatory Accounts have been prepared in accordance with the Regulatory Accounting Guidelines issued by Ofwat. In accordance with our plan, they were subject to review by the company's independent financial auditors, Deloitte, to ensure compliance with Condition F of the Instrument of Appointment as a water and sewerage undertaker under the Water Industry Act 1991.

The review took the following form:

- Audit of APR Tables 1A-1E, lines 1F.1 to 1F.3, 1F.5 to 1F.8, 1F.12 to 1F.14, 1F.21 to 1F.22 and 1F.24 to 1F.26 of the statement of financial flows (table 1F) and 2A-2O. Deloitte's audit was conducted in accordance with International Standards on Auditing (UK) issued by the Financial Reporting Council, and included such tests of transactions and of the existence, ownership and valuation of assets and liabilities as they considered necessary. Deloitte planned and performed their audit to be able to provide reasonable assurance that the regulatory accounting statements are free from material misstatement and are properly prepared in accordance with Regulatory Licence Condition F
- In line with the approach last year, in order to provide more robust assurance, Deloitte conducted audits on the financial data in tables 4D, 4E, 4H (excluding line 5), 4I, 4J and 4K

- It is important to us that our Annual Performance Report (APR) to Ofwat is completed accurately and in line with the guidance provided (Ofwat Guidance RAG 4.12). We have obtained assurance over the majority of the values to be submitted which includes an opinion from Deloitte, our external auditors, of certain financial values. However, Deloitte have identified certain data within Table 1F (Financial Flows) that they consider to be outside the scope of their opinion. We have therefore requested they perform a series of agreed upon procedures over these remaining values to confirm the values entered into the prescribed fields of the Table 1F have been accurately drawn from the relevant data source.

Our auditor has provided its audit opinion that our Regulatory Accounting Statements have been prepared in all material respects, in accordance with Condition F, the Regulatory Accounting Guidelines as issued by Ofwat, and the accounting policies. The full audit opinion is included in our APR.

Feedback

We welcome feedback from stakeholders on all aspects of our performance reporting. You can contact us in any of the following ways:

- email: Stakeholderfeedback@anglianwater.co.uk

We undertake to share the feedback we receive and explain how we have responded to it.

Independent Auditors' Report

Independent Auditor's report to the Water Services Regulation Authority (the WSRA) and the Directors of Anglian Water Services Limited

Opinion

1 We have audited the sections of Anglian Water Services Limited's Annual Performance Report for the year ended 31 March 2025 ("the Regulatory Accounting Statements") which comprise:

- the regulatory financial reporting tables comprising the income statement (table 1A), the statement of comprehensive income (table 1B), the statement of financial position (table 1C), the statement of cash flows (table 1D), the net debt analysis (table 1E), lines 1F.1 to 1F.3, 1F.5 to 1F.8, 1F.12 to 1F.14, 1F.21 to 1F.22 and 1F.24 to 1F.26 of the statement of financial flows (table 1F) and the related notes; and

- the regulatory price review and other segmental reporting tables comprising the segmental income statement (table 2A), the totex analysis - wholesale (table 2B), operating cost analysis - retail (table 2C), the historical cost analysis of tangible fixed assets-wholesale and retail(table 2D), the analysis of grants and contributions (table 2E), the residential retail (table 2F), the non-household water revenues by customer type (table 2G), the non-household wastewater revenues by customer type (table 2H), the revenue analysis (table 2I), the infrastructure network reinforcement costs (table 2J), the infrastructure charges reconciliation (table 2K), the analysis of land sales (table 2L), the revenue reconciliation for wholesale (table 2M), Residential retail-social tariffs (table 2N) and historical cost analysis of intangible fixed assets (table 2O) and the related notes

- the wholesale totex analysis – water (table 4D), the wholesale totex analysis – wastewater (table 4E), the financial metrics (table 4H excluding line 5), the financial derivatives (table 4I), the base expenditure analysis – water resources and water network + (table 4J), the base expenditure analysis – wastewater network + and bioresources (Table 4K)

2 We have not audited lines 1F.4, 1F.9 to 1F.11, 1F.15 to 1F.20 and 1F.23 of the statement of financial flows (table 1F), the Outcome performance table (tables 3A to 3I) or the additional regulatory information in tables 4A to 4C, 4F to 4G, 4L to 4Y, 5A to 5B, 6A to 6F, 7A to 7F, 8A to 8D, 9A, 10A to 10H and 11A.

3 In our opinion, Anglian Water Services Limited's Regulatory Accounting Statements have been prepared, in all material aspects, in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA (RAG 1.09, RAG 2.09, RAG 3.15, RAG 4.13 and RAG 5.07) and the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.15,3 appendix 2), set out in the notes to annual performance report.

Basis for opinion

4 We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law, and having regard to the guidance contained in ICAEW Technical Release Tech 02/16 AAF (Revised) 'Reporting to Regulators on Regulatory Accounts' issued by the Institute of Chartered Accountants in England & Wales.

5 Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Regulatory Accounting Statements within the Annual Performance Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Regulatory Accounting Statements, including the Financial Reporting Council's (FRC's) Ethical Standard as applied to public

interest entities, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – special purpose basis of preparation

6 We draw attention to the fact that the Regulatory Accounting Statements have been prepared in accordance with a special purpose framework, Condition F, the Regulatory Accounting Guidelines, the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.14, appendix 2) set out in the statement of accounting policies and under the historical cost convention. The nature, form and content of the Regulatory Accounting Statements are determined by the WSRA. As a result, the Regulatory Accounting Statements may not be suitable for another purpose. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for the WSRA's purposes. Accordingly, we make no such assessment. In addition, we are not required to assess whether the methods of cost allocation set out in the accounting methodology statement are appropriate to the circumstances of the Company or whether they meet the requirements of the WSRA.

7 The Regulatory Accounting Statements are separate from the statutory financial statements of the Company and have not been prepared under the basis of United Kingdom international accounting standards ("UK IASs"). Financial information other than that prepared on the basis of UK IASs does not necessarily represent a true and fair view of the financial performance or financial position of a Company as shown in statutory financial statements prepared in accordance with the Companies Act 2006.

8 The Regulatory Accounting Statements on pages 45 to 189 have been drawn up in accordance with Regulatory Accounting Guidelines with a number of departures from UK IASs. A summary of the effect of these departures in the Company's statutory financial statements is included in the tables within section 1.

9 Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

10 In auditing the Regulatory Accounting Statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Regulatory Accounting Statements is appropriate.

11 Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtained an understanding of the relevant controls over the cashflow forecasting and going concern assessment;
- understood the Anglian water services group's ("Group") process to model the impact of going concern and agreed relevant data points in the model to supporting documentation;
- understood and challenged the sufficiency of the period the Directors' have assessed for the purposes of going concern and whether that was appropriate;
- assessed the sophistication of the model used to prepare the forecasts, testing of the clerical accuracy of those forecasts and assessing the historical accuracy of forecasts prepared by the group;
- tested the assumptions used in establishing the group's base case, including comparison of key assumptions to plans for Asset Management Period ("AMP") 8, including reconciling to the Final Determination and independent data sources where relevant;

- considered the impact of the referral of the Final Determination to the CMA on the Director's going concern conclusions by assessing the likely timing of any changes in cashflows arising from that referral and considering whether the referral provided contradictory evidence to any aspects of the group's cashflow forecasts or disclosures;

- evaluated liquidity, including the ability of the group to raise future financing and inspected the commitment to renew banking facilities which are required within the going concern period. In considering the ability of the group to raise debt we have considered a number of factors including the group's credit ratings, past history of debt raises by the group and others across the water sector, and challenged management to calculate the impact of sensitivities associated with debt being raised at higher costs;

- read the external financing agreements to establish and assess the covenant requirements attached to the borrowings;

- recalculated and assessed the amount of headroom in the forecasts (liquidity and covenants) and recalculated compliance with covenants during the year ended 31 March 2025 and throughout the going concern assessment period;

- challenged the sensitivity analysis including downside risks prepared by the group in the context of operational performance challenges, requirements to raise debt in the period, increased spend on capital projects, cyber risk and the broader socio-economic conditions; and

- assessed the appropriateness of the disclosures in the group's financial statements.

12 Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

13 Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

14 The other information comprises all of the information in the Annual Performance Report other than the Regulatory Accounting Statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Performance Report. Our opinion on the Regulatory Accounting Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

15 In connection with our audit of the Regulatory Accounting Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Regulatory Accounting Statements, or our knowledge obtained in course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Regulatory Accounting Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

16 We have nothing to report based on these responsibilities.

Responsibilities of the Directors for the Regulatory Accounting Statements

17 As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the directors are responsible for the preparation of the Regulatory Accounting Statements in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA and the Company's accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.15, appendix 2).

18 The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Regulatory Accounting Statements that are free from material misstatement, whether due to fraud or error.

19 In preparing the Annual Performance Report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the Audit of the Regulatory Accounting Statements within the Annual Performance Report

20 Our objectives are to obtain reasonable assurance about whether the Regulatory Accounting Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Regulatory Accounting Statements.

21 Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

22 We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

23 We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the Regulatory Accounting Statements. These included Regulatory Accounting Guidelines as issued by the WRSA, UK Companies Act, pensions legislation and tax legislation; and

- do not have a direct effect on the Regulatory Accounting Statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence, regulatory solvency requirements and environmental regulations.

24 In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

25 In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

- reading minutes of meetings of those charged with governance and reviewing internal audit reports and reviewing correspondence with HMRC and WSRA.

26 A further description of our responsibilities for the audit of the Regulatory Accounting Statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

27 This report is made, on terms that have been agreed, solely to the Company and the WSRA in order to meet the requirements of Condition F of the Instrument of Appointment granted by the Secretary of State for the Environment to the Company as a water and sewage undertaker under the Water Industry Act 1991 ("Condition F"). Our audit work has been undertaken so that we might state to the Company and the WSRA those matters that we have agreed to state to them in our report, in order (a) to assist the Company to meet its obligation under Condition F to procure such a report and (b) to facilitate the carrying out by the WSRA of its regulatory functions, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the WSRA, for our audit work, for this report or for the opinions we have formed.

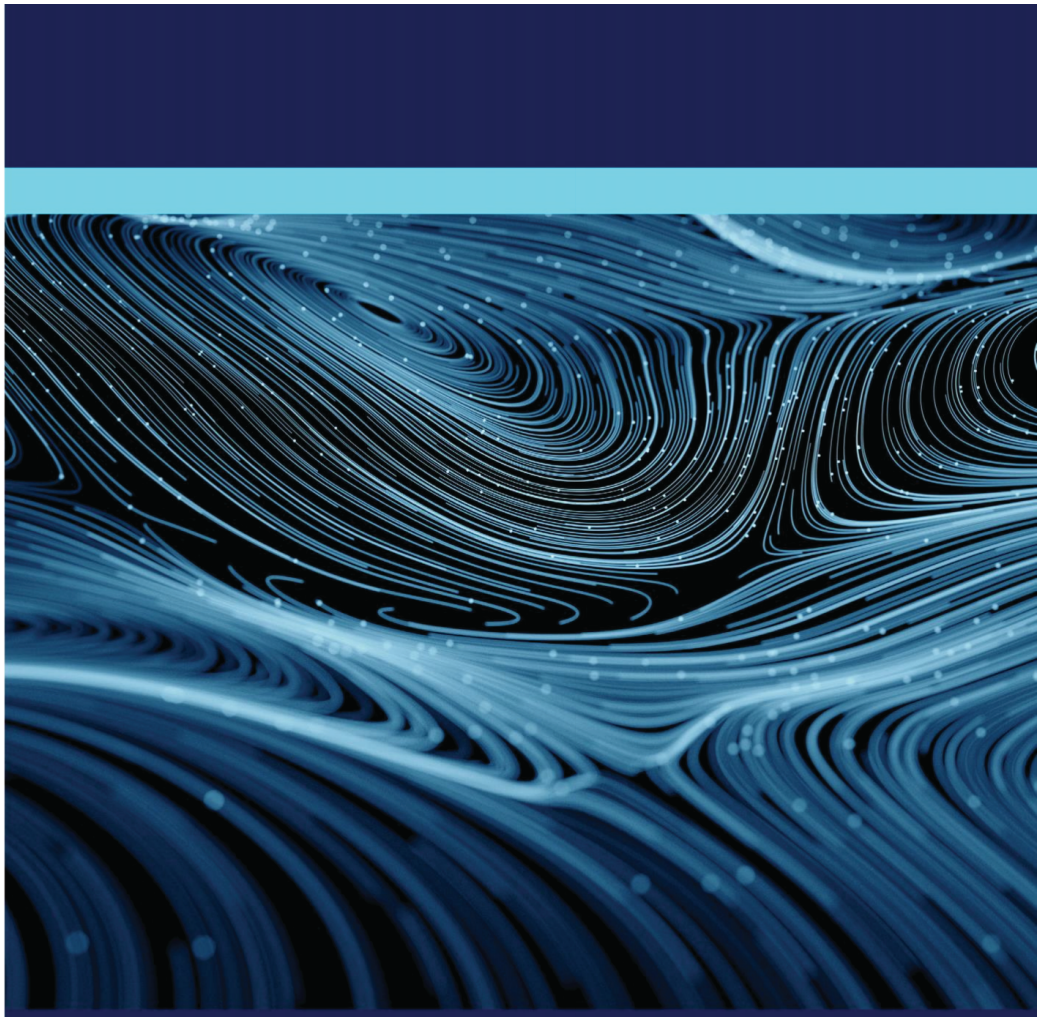
28 Our opinion on the Regulatory Accounting Statements is separate from our opinion on the statutory financial statements of the Company for the year ended 31 March 2025 on which we reported on 12 June 2025, which are prepared for a different purpose. Our audit report in relation to the statutory financial statements of the Company (our "Statutory audit") was made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Deloitte LLP

Birmingham, United Kingdom

14 July 2025

Technical Assurance Executive Summary



Annual Performance Report 2025

Independent Assurance Report

Revision: 2
Anglian Water Services Ltd
APR25 Technical Assurance

8 July 2025

Jacobs Challenging today. Reinventing tomorrow.

Jacobs

Annual Performance Report 2025

Client name: Anglian Water Services Ltd **Project no:** B2435400

Project name: APR25 Technical Assurance **Project manager:** Trudy Maddock

Revision: 2

Date: 8 July 2025

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This assurance was completed in accordance with the ISAE 3000 (Revised) standard including following ethical and quality requirements.

1. Introduction

Anglian Water (ANH) has compiled its Annual Performance Report (APR) for the period 01 April 2024 to 31 March 2025 (APR25), which is the fifth and final year of AMP7. ANH has 43 Performance Commitments (PCs) for the AMP7 period defined in Ofwat's PR19 Final Determination dated December 2019. The set of PCs cover the supply regions of Anglian Water and Hartlepool Water. ANH requested Jacobs to independently audit and assure the PCs being reported for its Annual Performance Report 2025 (APR25) submission.

2. Scope of Work

On 11th February 2025 ANH requested external assurance to support the APR25 submission, due to be published in July 2025.

We responded with a Statement of Work which set out the assurance activity for the 2024/25 full year APR data. The following table shows which data tables and lines were included in our scope:

Audit group number	Audit group name	Table Number(s)	Line Number(s)
2	Single supply	3A	7
4	Cyber Security	3A	14
5	Flooding partnerships	3B	8
6	Helping those struggling to pay	3E	13
7	Community investment	3E	16
8	Natural Capital	3E	18-19
9	Leakage and per capita consumption (PCC)	3A	3-4
9	Leakage and PCC	3F	4-6
12	Sewer flooding	3B	1, 5
12	Sewer flooding	3G	1-3
13	Sewer collapses	3B	3
13	Sewer collapses	3G	5
13	Sewer collapses	3I	4
13	Sewer collapses	7C	6
14	Customer service	3C	1-5, 7-8
15	D-MeX	3D	1-3, 6-8
17	Voids	3A	10
22	Sludge treatment centre design review	3B	9
25	Water supply interruptions	3A	2
25	Water supply interruptions	3F	7
26	Outage	3A	6
26	Outage	3F	8
26	Outage	3I	1
27	Pops and Props	3C	6
32	Low Pressure	3A	8
37	AIM	3A	9
40	Water quality	3A	1, 11
40	Water quality	3E	11
44	Drought and water resources capacity	3E	1

Audit group number	Audit group name	Table Number(s)	Line Number(s)
44	Drought and water resources capacity	3I	2
50	Mains repairs	3A	5
50	Mains repairs	3E	6
50	Mains repairs	3F	1-3
61	WINEP	3B	7
61	WINEP	3E	15
62	Metering	3A	12
62	Metering	6D	6-14
71	Treatment work compliance	3B	4
75	Pollution incidents	3B	2
75	Pollution incidents	3G	4
76	Bathing waters	3B	6
54	Consents, overflows and flow monitoring	7B	8, 10-11
54	Consents, overflows and flow monitoring	7C	8-10, 23-27, 31-37
54	Consents, overflows and flow monitoring	7D	20
54	Consents, overflows and flow monitoring	7E	3
57	Environmental Outputs	7E	4, 9-12, 15-17, 23-25
45	Raw water deterioration (Process audit only)	6A	29, 30, 32
34	Bulk Supplies, imports and exports (Process audit only)	4A	1-36, 37-51
49	Water resources assets (Process audit only)	5A	1-3, 18-20

3. Assurance Standards Applied

We conducted our limited assurance in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE (UK) 3000 revised"). The Standard requires that we obtain sufficient, appropriate evidence on which to base our conclusion.

4. Assurance approach

We undertook the limited assurance remotely over Microsoft Teams, with the exception of Leakage and PCC which took place in person and a site visit for the Sludge treatment centre design review at Whittlingham Advanced Anaerobic Digestion (AAD) site. We provided initial findings verbally during the audit and followed up with written feedback reports. We provided early notification to the ANH team via email of any material actions.

The assurance comprised the following elements:

- Performance and context: Is the reported data and commentary reasonable and consistent with the other information seen at audit? We applied five audit tests to complete this element.

- Process compliance: Has the process defined in the methodology document been followed? We applied seven audit tests to complete this element.
- Data checks: Have the data checks identified any issues? We applied three audit tests to complete this element. We recorded the data checks we carried out.

We reviewed the documented procedures, processes, systems, data and analysis to gather and report performance information in line with Ofwat's prescribed definitions (RAG 4.13, and the PC definitions in the 2019 FD as amended in 2023) and the required format in the data tables.

We met with process and data owners to obtain evidence that the documented procedures and methodologies were being followed. We reviewed data on a sample basis, tracing it back to source data to verify the information. We also reviewed governance arrangements for checking, verification and approval of information by the accountable managers and directors.

If a material concern was identified it was reported to the team and senior management responsible for the data. In the event the concern was not resolved (or could not be resolved, for example due to time constraints) we alerted the Audit Committee and Board via our Interim Report and Board Assurance report (this report).

A Reporting Risk Score was allocated to each audit test according to the following definitions:

Score	Meaning
A	Low reporting risk – criteria are fully met (no weaknesses in the methodology - no actions)
B	Low to medium reporting risk – criteria are not fully met (weaknesses exist but they are not material - must have action)
C	Medium to high reporting risk – criteria are only partially met (material weakness or several minor weaknesses with material effect).
D	High reporting risk – criteria are not met (two or more material weaknesses in the methodology).
NA	Not audited as it was outside our scope
Guidance on risk and materiality:	
The score reflects the level of reporting risk for the process and is based on the overall opinion of the auditors. In general, a weakness is material if it has the potential to impact the quality of the reported number if there is potential to give a misleading impression of overall performance.	

The overall score for the audit is the largest risk score from the audit tests. For example, if a C is assigned to one of the tests but A for the others, the overall audit score is C rather than A.

Our deliverables are:

- Verbal feedback to the audit teams on conclusion of the audit, summarising any actions and recommendations.
- Formal feedback in a standard template with scores relating to the reporting risk, a summary of findings, commentary against each audit test, a record of data checks and any issues or actions to be addressed.
- Draft and final assurance letters / summary report for inclusion in ANH's APR publication.
- Attendance at ANH's governance committee meetings (typically Audit Committee and/or Board) to present findings.

5. Summary of Key Findings

We have assessed the information within our scope for limited assurance against the audit tests. The audit process for limited assurance is less in extent than for a reasonable assurance engagement.

We can confirm that the PCs in our scope of audit and assurance provide a fair and reasonable account of ANH's performance and reporting against the PC targets for year 5 of AMP7. Our audits identified a number of minor exceptions generally related to procedural updates detailed in the table below. The reporting of Flooding Partnerships doesn't align with the reporting guidance which has scored red as a material risk. Across all audits the teams had a clear understanding of the regulatory requirements and processes.

Summary findings by Audit Group/PC

Risk Score	Audit Group / PCs
A	**Single supplies** The programme to reduce the percentage of the population reliant on water supplies from a single source is closely linked to the strategic interconnectors programme. Anglian's strategy has been to remain level with the single supplies programme because many projects in the programme are delivered through the interconnectors programme which provides resilience benefits. The interconnectors programme has been delayed by external factors and will continue into AMP8 where delivery of the single supplies resilience projects will be picked up with the interconnectors. Anglian has not delivered any single supplies schemes in the 2024/25 year with the last scheme being delivered in 2022/23 (High Oak) which we previously audited in APR23.
A	**Cyber security** Anglian Water has implemented a well-defined, structured methodology for reporting against PC 3A.14, grounded in NIS Directive compliance and the Cyber Assessment Framework (CAF). The reporting process is fully traceable from risk identification through mitigation, testing Factory Acceptance Testing / Site Acceptance Testing / Operational Acceptance Testing, and governance approval, with clear roles and accountabilities assigned. All six audit tests returned an "A" (Low reporting risk) with no material weaknesses or deviations. Reporting is consistent with the PR19 Final Determination and ODI requirements. Site-level data was verified, and the 100% performance claim is evidenced through test documentation and programme governance controls. No inconsistencies were identified between reported performance and available evidence. Commentary is appropriate, clear, and justifies performance.
D	**Flooding partnerships** Anglian has worked, and continues to work, in partnership with others to jointly fund and implement schemes to benefit customers by reducing flood risk which is in the spirit of the PC. Anglian has also progressively improved the ways it identifies, tracks and confirms completion of partnership schemes during the AMP. Anglian is reporting 98 outputs of which, 28 are not physically completed (though they are planned for delivery by the end of December 2025). This reporting does not comply with the specific wording of the PC. Anglian's methodology for assessing benefit, whilst including flood risk benefit, does not focus directly on the 1 in 20-year event in line with the specific words of the PC. We sample checked 20% of the reported outputs. We observed two potential data inaccuracies (in addition to the methodology concerns above) which should be checked. We reviewed the Commentary and have recommended improvements. The Line Approver checks are to be completed.
A	**Helping those struggling to pay** The reported figures are well understood and thorough processes are in place to avoid double-counting.

Risk Score	Audit Group / PCs
	This line was a bespoke Performance Commitment in this AMP and is not a PC in the new AMP. We understand the company intends to continue reporting the headline total and the individual totals for the various measures internally. We have suggested that the company should consider applying a minimum balance when deciding whether to include customers on instalment plans, for whom that instalment plan was the only assistance received, as receiving help to pay, as some customers may remain on an instalment plan as a matter of convenience long after they have been helped to get up to date on payments. We confirmed during the audit that the number of such customers with small balances at the start of the year was non-material and could not affect the achievement of the Performance Commitment for the reporting year.
A	**Community investment** The reported total has increased to a level typical of recent years, after a dip in 2023-24. The numbers of beneficiaries from the Beacon Project are back to normal levels and the number benefitting from the Community Education Programme has also materially increased, due to an increase in online activities. These two programmes between them represent the majority of beneficiaries. Performance remains well above the Performance Commitment target, the target having been set at a low level due to the Covid-19 pandemic. There is a thorough methodology which combines counting individual beneficiaries for most lines with estimates based on figures from partner organisations or on donation amounts. Measures are in place to minimise the risk of double-counting in cases where the same individual benefits more than once. Although it is understood that there is no way to avoid duplication if the same individual benefits from two unrelated programmes. There is a small contribution to the total specifically from Hartlepool, although there will also be a contribution from Hartlepool to some of the other programmes. The company could consider trying to increase the proportion of the localised activities which take place in the Hartlepool supply area. It is a requirement of the performance commitment that "the company will publish a report each year, assured by an appropriately qualified third party to provide verification of the numbers provided." We have reviewed the "Community Investment Report 2024-25" and the numbers provided in that document are those which were assured in our audit. We can therefore state that the company can describe the report as having been assured by us, as required.
B	**Natural Capital** Natural Capital Impact was reported by the company as a "fail", due to two of four sub-measures not being met (water quantity and surface water quality). This was supported by the data reported and evidence referenced. Issues were detected in the reporting of the other two sub measures which were reported as "met". • For groundwater quality, the results of farmer surveys were overstated and did not align with the target definitions in the Final Determination, meaning only weak evidence is available to support the "met" status for this sub measure. • For biodiversity, multiple versions of the Biodiversity Metric had been used over the 5 year planning cycle, and translation and normalisation to the required version of the Metric (2.0) had apparently not been undertaken. Although, this calls into question the reported 107.35% figure because calculations from different versions of the metric are not commensurable, it is unlikely that the margin of error would take the figure below the 10% biodiversity net gain target, and therefore it is likely this sub measure has still been met.

Risk Score	Audit Group / PCs
	For Regional Collaboration, the company provided evidence that supports performance of a "pass". The reporting approach used a table to map the requirements from the Final Determination to the sources of evidence. The supporting documentation in these sources of evidence does not use the same terminology as the Final Determination requirements and therefore its presence needs to be inferred by the reader from the information presented. This is not considered to pose a material risk to the reported performance but could be improved in any future reporting.
B	**Leakage and Per Capita Consumption (PCC)** The team uses a mature process and methodology that has remained relatively consistent throughout AMP7. The team continues to strive to improve data quality and have robust internal checking and governance processes in place to ensure robust reporting. • The water balance and supporting methodologies will produce robust estimates of leakage and PCC that are consistent with the AMP7 reporting guidelines. • APR25 has been a challenging year, particularly the hot/dry summer and a sharp freeze/thaw in January, which has seen leakage increase by ca. 5Ml/d. • The team considers there is a different cohort of pipes that burst in the summer to those that burst in the winter. Climate change, with longer hot/dry periods is leading to more bursts. • We can confirm that no COVID adjustment was applied to PCC. • The MLE gap is red, 4.36% an increase from 3.18% last year, suggesting components are being missed or under-estimated. • Many of the water balance components have not been updated during AMP7, we consider there is an opportunity to update these for AMP8. • Compliance checklist (RAG status) – all components green, except for water balance gap which is red. There is also one sub-element which is amber, this reflects concern over the representativeness of unmeasured consumption estimates, but the team has plans in place to improve this. • Population forecast: There has been no change in process for APR25. However, the team are planning to include non-resident population for AMP8 so will need to restate PCC. Our interpretation of the AMP8 guidance is that the team will need to restate the three baseline years, but not the whole of AMP7. • The team has removed the benefit of the Accelerated Infrastructure Delivery of smart meters by preparing a modified version of the water balance spreadsheet. The estimated benefits reported in Tables 10F/10H are added back on to leakage and measured household consumption. This changes the second decimal place of leakage and PCC, but as these are reported to one decimal place in Table 3F this has no impact on the reported values of leakage and PCC.
B	**Sewer flooding** The performance commitment reported numbers are 1.41 internal flooding incidents per 10,000 sewer connections and 5,232 external flooding incidents. These numbers do not meet the respective targets of 1.34 and 3,991, resulting in estimated under-performance payments of £0.77m and £5.18m respectively. This year's performance is an improvement in comparison to last year for both internal and external sewer flooding incidents, largely driven by the drier conditions this year. The reported numbers are consistent with earlier years in the AMP. We reviewed the final reported numbers and the working spreadsheets with the full list of incidents. We confirmed that the numbers in the working spreadsheets matched the reported numbers for each table and line. We then conducted a spot-check of jobs, reviewing records

Risk Score	Audit Group / PCs
	and photos of the incidents in the source systems. We did not identify any clear issues within the reported data during our sample checks. We have identified non-material actions relating to roles and responsibilities and version control in the procedure document. Line 3B.1 is also reliant on the number of sewer connections which is reported separately and any changes to the number of sewer connections following audit will require a change to 3B.1.
B	**Sewer collapses** We were able to trace cases from the initial report through to resolution. The team clearly explained the upstream processes including the reporting in SAP and Oracle. We raised 3 non-material actions and one recommendation which was closed after the audit on receipt of an updated PRC document.
A	**C-MeX** No material issues were identified. A new telephony system has been introduced; this was reported to feed into the customer relations database in the same way as the previous system, so that no changes in reporting were needed. Our review of data did not identify any obvious changes. We saw evidence that the cash office in Hartlepool is advertised as a route by which customers can make queries to the company, hence it can be included in the number of advertised channels for line 3C.8.
B	**D-MeX** Anglian's processes for developer services customers is unchanged from that previously audited. Anglian performs well against Water UK's developer services levels of service (LoS) metrics. For metric WN4.1 some Level of Service start dates were not recorded so we were unable to confirm correct reporting of pass or failed performance against the LoS target of 90 days. The Process Risks & Controls (PRC) assessment needs to be updated and the commentary is to be produced. Update 07/07/2025 – most actions completed and evidenced. PRC to be updated for APR26.
B	**Voids** We did not find any errors that would impact the reported figure. We made some non-material recommendations regarding the documentation of the process and evidence of checks and controls.
A	**Sludge – Whitlingham sludge treatment centre** Whittlingham is to receive an increase in sludge processing capacity to cater for future growth in the catchment and additional sludges because of Phosphorous removal. The purpose of the Assurance is to assess whether there is value for money to customers and proportionate use of the customers' money. We visited Whitlingham to observe progress with the upgrade to the assets. We found: • The two old digesters are at the end of their design life (constructed circa 1950) and would most likely fail a hydrostatic and gas test and not be compliant with the Industrial Emission Directive (IED) • The two new digesters are largely complete, they are glass-fused-to-steel tanks and are compliant with ANH standards. They represent value for money since alternatives would include concrete which are more expensive.

Risk Score	Audit Group / PCs
	• The Cambi B12 Mk 1 THP stream has been upgraded to Mk 2 allowing a higher throughput (through reduced cycle durations), entailing various modifications. The old foul gas condensing system released odours and would therefore likely not be compliant with emissions to air. Therefore, the modifying of the existing THP represents value for money. • The new digesters are configured to operate in series and include transfer and recirculation pumping systems. Up to date technology enables a higher sludge throughput whilst minimising the increase in new digester capacity due to growth. In adopting this technology ANH has shown value for money to the customer and proportionate use of customers money. • The new digesters and sludge cooling assets require a new MCC, any exiting MCC would be end of life and not compliant with standards. The new MCC is housed within a GRP kiosk mounted on a steel platform with an above-ground cable routing rack containing cables from MCC to the new assets. With all these assets being above ground they are easy to access and will be compliant with IED and represent value for money. Overall, we concluded that ANH has shown value for money to the customer and proportionate use of customers' money.
A	**Water supply interruptions** 06 minutes 51 seconds per property. PC target is 05 minutes zero seconds. Anglian has missed the target incurring a penalty. Anglian has made changes in the Operational Management Centre (OMC) to provide additional cover with a 7th shift line. Root cause analysis has been introduced for I2S events by the Process Improvement Lead. The I2S team now has a dedicated hydraulic modelling analyst where previously the team relied on the capacity of the network modelers elsewhere in the business. Anglian is profiling "6 second weeks" as a form of target on accruing customer lost minutes. The process for verifying I2S events and totaling the customer lost minutes has not changed from that seen previously.
B	**Unplanned outage** Our sample checks found no issues regarding the classification of outage events, exclusions, event duration, or assessed impact of partial outages. The calculation spreadsheets and audit trail are well maintained. The annual review of Peak Week Production Capacity (PWPC) resulted in a net increase to the company PWPC of 2.25 ML/d. The total reported PWPC for 2025 is 1799.25 Ml/d. The evidence to support this change included telemetry data of production output at the relevant sites. Five year capacity tests have not been completed to confirm the PWPC at sites; however, the company has identified sites where the 7-day average production capacity is less than 5% of the stated PWPC and will schedule capacity tests for these sites where operational constraints permit. The potential impact of changes to the PWPC for these sites is estimated to be less than 0.5% The Process Risk Control (PRC) was updated to include recommendations from the APR24 audit. The RAG compliance checklist has been completed all components scored an A except the company PWPC because capacity tests have not been undertaken to confirm the stated PWPC. There were several non-material findings

Risk Score	Audit Group / PCs
B	**Properties & populations** We traced calculations back through the working spreadsheet and sampled data back to the source reports and identified no issues. At the time of our audit, the risk assessment for the lines was not complete and the confidence grade had not been confirmed. We note that prior to the audit the team were not clear on the inter-dependencies between the reported figure 3C.6 and the input figures from table 4R. We recommend these dependencies are reviewed and documented to ensure they are managed to reduce the risk of reporting errors.
A	**Properties at risk of persistent low pressure** Anglian Water is reporting 62 properties on the low pressure register, beating the year 5 target of 106. This compares to 65 properties on the register in 2023/24, against the year 4 target of 150 properties. There have been movements of properties on and off the register during 2024/25 which is normal. 14 new properties were added and 17 were removed There has been no change to the process for identifying and analysing properties at risk of receiving pressure below the reference level. The team has moved within the business because of a corporate restructure, however the roles of the team members remain the same. The process is well managed.
A	**Abstraction Incentive Mechanism (AIM)** The tracking of river flow data and abstractions to account for AIM performance is clear, structured and based on EA gauged data and regulated abstraction returns. Only one abstraction site (Wilsthorpe) experienced AIM status in 2024/25. Due to outages in water treatment works that could have replaced the need for abstraction at Wilsthorpe, abstraction continued for 63 days during the AIM status period for this site for an average abstraction of 21.36 Ml/d which is greater than the AIM target of 20 Ml/d. This resulted in a total of 85 Ml abstraction over the year vs the -87 Ml target for the year and an underperformance payment for this site is required.
B	**Water quality** We note that the reported performance for the 3 PCs is predicted at the time of audit. The final performance data will be confirmed once the DWI spreadsheets are received which are expected in May 2025. There were no material issues noted but we have raised one non-material finding to confirm the data and commentary once the final DWI data is received. We have also raised a potential finding relating to the Process Risk & Control documents which have not been updated since 2023.
A	**Drought and water resources capacity** The Supply Forecast Manager demonstrated a clear understanding of the regulatory reporting guidance, and the company data used in the calculations. The process used to determine the reported values is consistent with regulatory reporting guidance which is unchanged from the previous year. The data used in the calculation is derived principally from WRMP19 submitted table data and is consistently reported through AMP7, as well as monthly reporting within the company. Population data is updated each reporting year using AWS Regional Population values available during year-end reporting.

Risk Score	Audit Group / PCs
	No issues were found with the process used to collate the data used to derive the values for these reporting lines.
A	**Water mains** The team is conservative in their assessment of which jobs are reportable or non-reportable. There are a number of checks undertaken in the process of work order management and job classification, however the methodology documents seen do not fully capture the detail of the process required and would benefit from a review and update to enable others to be able to report in the same way if required. Sample checking of data entries exposed an error with the classification of some ferrule related jobs categorised as non-reportable (excluded ferrules were found to be actually mains repairs). An update to the data analysis and subsequent reported figures was provided following identification of an error in the manual filtering of data and assessment of classification. This resulted in an increase in reported mains repairs. We suggested that there is a clearer process for data checking and randomised entry checking prior to future audits. Update 08/07/25 – all actions evidenced and closed. Risk score amended from B to A.
A	**WINEP** The overall process was found to be well managed. The team confirmed that WINEP scheme status data received from the Environment Agency (EA) is used as the basis of the reporting figures. For APR25, the final figures were only received from the EA on the day before the audit. As a consequence, the table was still awaiting sign off and the table commentary had not yet been written. The team confirmed that despite missing the performance commitment for 3B.7 they are not expecting to receive a penalty. The reason for this is that 245 schemes have been removed from the WINEP over AMP7. Only six of the available schemes have not been achieved. This means that even if all schemes were delivered there are not sufficient schemes left within the AMP7 WINEP to enable the PC target of 1,856 schemes to be met. Update 03/07/25: The team provided additional information which resolved the outstanding non-material actions. The risk score has been updated from B to A.
A	**Metering** The reported value is 1,096,405 against a performance commitment of 1,096,397 so the performance commitment has been achieved. The auditees demonstrated a clear and trustworthy process used to provide the reported numbers for all types of meter installations. They demonstrated a clear trail of evidence from works logs, to individual meter installation records. The data was categorised with clear metadata that differentiates the type of installation, the programme involved and the timing of installation to allow for accurate reporting.
B	**Treatment works compliance** The methodology document is clear and contains the necessary level of detail. No issues were found within the process. However, confidence grades have not been included within the methodology. We recommend that this is included within the documentation and are awaiting confirmation of the confidence grades. The Water Quality Environmental Performance Assessment (EPA) data for March 2025 was published by the EA, stating 7 water recycling centres (WRC) as having failures within the

Risk Score	Audit Group / PCs
	reporting year. ANH has appealed the failure at Rayleigh East WRC. The EA has confirmed this is to be excluded from the final numbers. Updated numbers are yet to be published by the EA although ANH has confirmed that this should be 6 WRC failures, resulting in 99.28% treatment works compliance. This number is not expected to change and will be submitted as the final number once the APR tables are available and populated. No issues were found within the data checks conducted during the audit. As the final data table and commentary for submission have not yet been produced, we recommend that these are shared with us for follow-up assurance prior to the APR submission. Update 01/07/2025: A desk-based review of additional documentation was undertaken. This confirmed that Anglian Water's appeal was successful. The final number of non-compliant treatment sites is 6, resulting in 99.28% of sites being compliant. A commentary has been produced based on the final EPA tracker numbers. This commentary details the improvement in performance from last year and is sufficient for the APR requirements. One action remains open leaving the overall score as a B.
B	**Pollution incidents** The process and methodology are well established and have not changed throughout the AMP. Minor updates to the methodology document have been made to ensure that the related document links are relevant for the reporting year. Data is reviewed monthly when the EPA is received from the EA. Pollution incidents are checked for classification and to ensure that there is no third-party liability. This process is well structured, and the challenge documents are very detailed. Although we have not seen the final numbers, we have been able to review the current data and the data tables. Our data and sample checks did not identify any issues. Therefore, we have not identified any material issues. Some non-material issues have been identified relating to the methodology and process documents.
A	**Bathing waters** The team explained how the data are used both within the business and externally. No actions were raised but there are recommendations for expanding the procedure document to include full details of the data production and reporting processes when the document is updated for the AMP8 performance commitment. The action raised at APR24 to add control owners to the PRC remains open. The auditee confirmed that the PRC will be reviewed for AMP8 so will address this action at the same time.
B	**Consents, overflows and flow monitoring** No concerns were identified in either the process or data audit. There have been no changes in line definition, methodology, line or data owners, and data is consistent with numbers presented in previous years, with any changes fully justifiable. Data checks for all lines except 7B.10 resulted in no issues. Reported values in the draft table for submission for 2 WRCs (Boston and Caister- Pump Lane) were inconsistent with the source data. These were attributed to typo errors, and evidence has been received that these have since been corrected. Evidence of reporting risks and sign-off were not available at the time of audit.
B	**Environmental Outputs** The audit team presented the Environmental Objective reporting lines clearly, demonstrating excellent knowledge in the data sources, handling and reporting for these lines. The ANH WINEP Tracker is an effective tool to track and manage delivery. We have not seen, across other assurance clients for similar reporting lines, such a high degree of automation (use

Risk Score	Audit Group / PCs
	of lookup tables) and automatic referencing to source documents. This removes a potential pathway to errors in reporting. There appears to be sufficient checks, both with the automation of the tracker, first and second line assurance and the necessity for EA sign off of completed project to provide confidence in the reported numbers. We recommend the team consider improving the methodology with a risks/assumptions log and inclusion of confidence grades (if required).
A	**Raw water deterioration** During the audit, the team confirmed: • Line 29 – In 2024-25, the company has had no improvement to PWPC associated with enhancement expenditure completed for grey solution improvements to address raw water deterioration. • Line 30 – During AMP7, the company has no enhancement expenditure associated with green solution improvements to address raw water deterioration. • Line 32 – For 2024-25, the company has no water treatment works requiring remedial action because of raw water deterioration. The team explained the process of deriving Peak Week Production Capacity (PWPC) for works and how that process forms part of the derivation of PWPC benefits attained through enhancement expenditure. The detailed methodology steps are clearly set out. Although for the 2024/25 reporting year the team anticipates reporting zero for these reporting lines, no issues were identified with the process of establishing reported PWPC volumes or numbers of works that would be associated with these reporting lines.
A	**Bulk Supplies, imports and exports** The team confirmed that the company does not currently report any values for individual Bulk Supplies in Table 4A. The company reported data in this table for year 1 of AMP7. Following discussion with Ofwat and subsequent 2020/21 RAG consultation it was established that the table is intended to capture imports and exports that qualify for the trading incentive for the PR19 reconciliation workbook. The company does not have any supplies that qualify under this water trading incentive framework and so do not report any data in Table 4A. However, the company reports a summary of bulk supplies in other tables and also uses bulk supplies data as part of the Water Balance for Leakage reporting. The process uses measured data from flow meters throughout the year with regular review for operational leakage management. The end of year process also incorporates reconciliation with volume data supplied by the Income and Tariffs team derived from meter readings. No issues were identified with the process of establishing the bulk supply volume for each site and the summation for reporting values or incorporating those volumes in the calculation of Distribution Input used in the Water Balance.
A	**Water resources assets** The APR Procedure is up to date and the guidance and company's methodology has not changed since the last reporting period. The governance is appropriate, with clear responsibilities outlined in the APR Procedure. There were three non-material actions raised. These relate to data sources and evidence of sign-off. This will require minor updates to the APR Procedure document. This includes updating the data source for calculating the reservoir capacities and reviewing these reservoirs capacities accordingly. This may result in changes to the total reported reservoir capacity.

Risk Score	Audit Group / PCs
	The three non-material actions were closed post audit, and the audit score changed from a 'B' to an 'A' accordingly.

6. Other assurance requirements

6.1 Mandatory assurance requirements

Ofwat's 2019 Final Determination sets mandatory assurance requirements for 11 Performance Commitments. Seven of these were in the scope of our year end audit programme. These are set out in the table below, together with our assurance statements.

PC name	Assurance requirement	Assurance statement
Percentage of the population served by a single supply system	The company shall provide external third party assurance that the reduction to the population at risk as determined in the base year 2020 is due to company actions as opposed to changes in the modelling methodologies or changes in input data	We confirmed through audit that the reduction to the population at risk of losing supply where dependent on a single supply system has been delivered by company actions. We confirmed three schemes have been completed in AMP7 delivering the benefit. The schemes are Pitsford, Ludham and High Oak. Completion of company actions was evidenced from records of the Totex Delivery Workflow and the Delivery Milestones DM4, 5 and 6.
WINEP	The company will secure confirmation from the Environment Agency that performance has been correctly reported. The view of the EA will be definitive.	Anglian provided us with e-mail and letter correspondence from the EA confirming performance.
Helping those struggling to pay	The company is expected to put in place external audit on an annual basis.	This audit was scheduled, completed and audit feedback issued as part of the APR25 year end audit programme.
Partnership working on pluvial and fluvial flood risk	At the next price review the company will publish assurance by an appropriate third party that: - Each scheme completed will allow Anglian wastewater treatment assets or its water recycling network to continue to operate during a pluvial, fluvial or coastal flooding event with greater than 1 in 20 return period - Any schemes forecast to be completed have clear deliverable plans to be completed before 31 March 2025 and that the plans	Of the 98 outputs being reported we were told that 70 had been completed and that 28 were in progress and expected to be completed by end December 2025. We have audited the outputs on a sample basis. We sampled 20 outputs out of the reported 98 (20.4%). It was explained to us that ANH assessed the benefit of potential partnership schemes using its value framework which includes assessment of flood risk benefit. This approach seems sensible but is not directly aligned to the PC requirement linked to the 1 in 20 year event.

PC name	Assurance requirement	Assurance statement
	will deliver protection that allows the site to operate during pluvial, fluvial and coastal flooding events with greater than 1 in 20 return period	
Community investment	The company will publish a report each year, assured by an appropriately qualified third party, to provide verification of the numbers provided.	A draft of the report was seen immediately following the audit. The numbers cited in the report matched those verified during the audit. We can therefore state that the company can describe the report as having been assured by a third party, as required. Note, we have not reviewed the final report.
Natural capital impact	The company will provide evidence each year, as part of its Annual Performance Report, to confirm whether it is on track or not on track to delivering its targets by the 2024/25 year. For the 2024/25 year the company will provide additional assurance from an appropriately qualified third party to confirm whether the company has or has not met its targets. The company will publish a report each year, assured by an appropriately qualified third party to provide verification of the numbers provided	Water quantity: The metric is reported in volume of water abstracted per person per day = [l/d total distribution input] / [Total population served]. Results table demonstrates this is normalised by population and uses a three-year rolling average as required. Ground water quality: The target requires evidence that 80% of engaged farmers altering farming practices by 2025 Anglian's commentary "APR NCI 2025v2" states that 80% of survey respondents said they had had a positive experience of engagement – although this does show extent of positive engagement from survey respondents it does not in itself demonstrate having met the FD target "APR NCI 2025v2" states that 44% survey respondents have made changes to practices Of 550 contacts on the farmer/agronomist database, 82 (14.9%) responded to the survey. This means 44% of 82 respondents have reported having made changes, which equates to 6% of the 550 engaged farmers. Although this is a statistically significant number, it is not evidence of 80% of engaged farmers altering farming practices. "APR NCI 2025v2" provides supplementary evidence by way of quantitative figures showing estimations of Kg of N leaching avoided by the AW AMP7 grant schemes, supported by the "Ground Water final report" – this estimates a total N saving of 98,564 kg over 5 years. A transparent methodology using Defra approved tools and evidence is described.

PC name	Assurance requirement	Assurance statement
		Based on the above the findings for Groundwater are not consistent with the requirements and compliance with definitions from the final determination (FD), therefore this component of NCI risk being downgraded to be fail and not met. Surface water quality: PC target is for 100% of WINEP obligations to reduce phosphate discharges from WRCs are met: "APR NCI 2025v2" reports this as a fail as one P scheme was not completed by the required date. All other P schemes for 2024/25 were delivered on target and approved by the EA. A screenshot of AMP7 WINEP tracker provided in document "P Removal Natural Capital Calculation & Assurance" illustrates the missing scheme. Biodiversity: PC Target is to deliverer 10% BNG by 2025 from a 2019 baseline, to be measured using Biodiversity Metric 2.0. "APR NCI 2025v2" reports having delivered a 107.35% increase. Auditees clarified in document "NCI – Biodiversity sub metric clarification" that the version of the metric used was whatever was the most up to date at the time, rather than Metric 2.0 only. Because different versions of the metric involve different habitat classifications and condition scores, it is not possible to add units calculated from different metric versions. No information was available on whether translations between Metric versions had been undertaken to "normalise" reported BNG figures to Metric 2.0. The definitions of the FD were therefore not strictly applied and there is likely a margin of error in the reported 107.35% figure – however it is unlikely that meeting the 10% target is in question given the large amount of gain estimated. Caution is therefore advised in reporting the 107.35% as a precise figure as it could be misleading. Now that the Statutory Metric has been established this should be easier to manage for future schemes.

PC name	Assurance requirement	Assurance statement
Regional collaboration	A strategy and a milestone plan for the 2020-25 period will be produced in conjunction with Natural Capital East, with key elements including, but not limited to: - The agreement and verification of region wide metrics. - The production of a region wide baseline	The FD states that "For the final 2024/25 year, the company shall either "Pass" or "Fail" in relation to this performance commitment. The company shall "Pass" if the strategy, agreed set of metrics and baseline across the East of England are delivered by March 2024. If the company does not deliver these aspects by March 2024 then the company shall "Fail" the performance commitment." The FD defines that the multi sector group must comprise 3 or more individual member organisations or groups and requires a milestone plan for the 2020-25 period be produced in conjunction with Natural Capital East, with key elements including, but not limited to: The agreement and verification of region wide metrics, and The production of a region wide baseline. "APR NCI 2025v2" provides evidence supporting a "Pass" by using a table to map the above requirements, using the FD definitions, to links to the information sources, and refers to engaging with 18 organisations.
Cyber security	The company will provide assurance from an appropriately qualified third party to confirm that the risk ratings assigned to each site are appropriate and also to confirm completion of its action plan for sites categorised as high risk.	We explicitly reviewed ANH's risk register (and the risk ratings for all sites) and confirmed that the methodology for assigning risk ratings to each site was robust, appropriate, and aligned with regulatory requirements. We validated the categorisation of high-risk sites and found it to be accurate and appropriate. Our audit also confirmed that Anglian Water is addressing all identified high-risk sites in line with its action plan, satisfying the mandatory assurance requirement regarding the appropriateness of the risk ratings assigned. The ODI requirement to mitigate 100% of high-risk sites by end of AMP7 has been addressed through site-level evidence and tracked in line with the NIS risk register. RAG compliance and internal assurance are confirmed.

6.2 Third party assurance of PCs with financial rewards and penalties

Ofwat's Information Note (IN25/02) requires companies to provide a statement from their Assurers confirming that appropriate third-party assurance has been carried out on their reported 2024-25 PCs that have financial rewards and penalties. This statement should specify which of these PCs the third-party assurers have reviewed as part of their assurance work.

The table below confirms the audits that have taken place.

PC / audit	Year-end audit	PC with a financial reward or penalty
Water supply interruptions	Yes	Yes
Leakage	Yes	Yes
Per capita consumption	Yes	Yes
Mains repairs	Yes	Yes
Unplanned outage	Yes	Yes
Internal Sewer Flooding	Yes	Yes
Sewer collapses	Yes	Yes
Customer Measure of Experience (C-MeX)	Yes	Yes
Developer Measure of Experience (D-Mex)	Yes	Yes
Percentage of population supplied by single supply system	Yes	Yes
Properties at risk of persistent low pressure	Yes	Yes
External sewer flooding	Yes	Yes
Abstraction Incentive Mechanism	Yes	Yes
Managing void properties	Yes	Yes
WINEP	Yes	Yes
CRI	Yes	Yes
Pollution incidents	Yes	Yes
Smart metering delivery	Yes	Yes
Partnership working on pluvial and fluvial flood risk	Yes	Yes
Cyber security	Yes	Yes
Additional sludge treatment capacity (Whitlingham)	Yes	Yes
Community investment	Yes	No
Natural capital	Yes	Yes
Drought and water resources capacity (risk of severe restrictions in a drought)	Yes	No

6.3 Other information

Detailed information on the audit outputs for can be found in our Audit Feedback report for each audit, held by the ANH's Economic Regulation team.

Jacobs' Client Lead attended Anglian Water's Executive committee meeting on16 June 2025 to provide our assurance findings.

Jacobs had full access to Anglian's staff, senior management and Directors, corporate systems, information and other supporting documentation.

Audits of PCs that were not in our scope, and financial information are completed by others.

7. Conclusion

Based on our scope of work and the limited assurance undertaken, we found one material issue with a risk score of D (flooding partnerships). We did not find any other material issues or misstatements. We consider that:

- Levels of compliance with ANH's internal requirements and definitions of PCs in the 2019 FD have remained high across all functions. The methodologies and commentary follow a consistent format.
- Sign-off of APR data tables and commentary had largely been completed with some exceptions where it was not always available at audit. In these cases, arrangements were place for sign off after the audit.
- In general we confirm that the PCs that were in our scope of audit and assurance and that the data reported provides a fair and reasonable account of ANH's performance against the PC targets for year 5 of AMP7.

Sajid Hussain
Head of Water Strategy and Regulation
Jacobs UK Ltd
08 July 2025

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Glossary

Annual Integrated Report (AIR) - report by the Company on the year's activities**.** Includes the strategic report, corporate governance report, remuneration report and the statutory accounts

Annual Performance Report (APR) – report produced by the Company for regulatory reporting purposes, in accordance with the Regulatory Accounting Guidelines.

Appointed business – the appointed business comprises the regulated activities of the Company which are activities necessary in order for a company to fulfil the function and duties of a water and sewerage undertaker under the Water Industry Act 1991.

Arm's-length trading – arm's-length trading is where the Company treats the associate companies on the same basis as external third parties.

Asset Management Plan (AMP) – a plan agreed with Ofwat on a five-yearly basis for the management of water and wastewater assets. The plan runs for a five-year period. AMP6 covered April 2015 to March 2020 and AMP7 covers April 2020 to March 2025.

Associate company – whereas Anglian Water Services (AWS) Limited is the regulated company within the AWG group, the group also contains other companies ('associates') which are not regulated by Ofwat. The Licence requires that AWS is ring-fenced from these associates and that all transactions between them are disclosed.

Botex - base expenditure to operate and maintain our assets to a fixed service performance level.

Botex plus - botex expenditure plus the costs of dealing with sewer flooding and low water pressure and extending the off-site network to meet the demands of growth

Carbon Reduce Scheme (formerly CEMARS - Certified Emissions Measurement and Reduction Scheme) - the methodology for producing an organisational carbon footprint is aligned with the internationally recognised Greenhouse Gas Protocol for corporate accounting and reporting.

CMOS (Central Market Operating System) - CMOS is the core IT system which underpins MOSL's role in the water retail market. CMOS manages all the electronic transactions involved in switching customers and provides usage and settlement data that is used in the billing process.

Competition and Markets Authority (CMA) - the non-ministerial department which works to promote competition and the fair conduct of markets for the benefit of consumers. In the event that a water company rejects Ofwat's determination at a price review the CMA conducts a re-determination.

Competitively Appointed Provider (CAP) - the firm appointed to deliver a scheme under the DPC regime.

Consumer Price Index including owner occupied housing costs (CPIH) - compiled and published monthly by the Office of National Statistics, this is a measure of consumer inflation which includes a measure of the owner occupied housing costs (costs that are associated with owning, maintaining and living in one's home) and council tax. Anglian Water's allowed revenues can be raised annually by the value of CPIH.

Direct Procurement for Customers (DPC) - individual very large construction schemes, which previously would have been delivered by the water undertaker by default, can be designated by Ofwat to be delivered by a competitively appointed provider instead.

Enhancement expenditure - expenditure to deliver a higher quality of service than is delivered through base expenditure, such as meeting tighter environmental standards or complying with new statutory obligations.

Final Determination (FD) – this is the conclusion of discussions on the scale and content of the Asset Management Plan for the forthcoming five-year period. It is accompanied by a determination of the allowable 'K' factor for the forthcoming five-year period.

K factor – the annual charge, set by Ofwat, in revenue that companies in the water industry can make. The amount by which a company can increase (or must decrease) its charges is controlled by the price limit formula CPIH + or – 'K'. 'K' is a number determined by Ofwat for each company, usually at a price review, for each year to reflect what it needs above or below inflation in order to finance the provision of services to customers, and is subject to adjustment mechanisms to reflect prior year revenue recovery and in-period performance commitments.

Licence – the Instrument of Appointment dated August 1989 under Sections 11 and 14 of the Water Act 1989 (as in effect on 1 August 1989) under which the Secretary of State for the Environment appointed Anglian Water Services Limited as a water and sewerage undertaker under the Act for the areas described in the Instrument of Appointment, as modified or amended from time to time.

MOSL (Market Operating Services Limited) - MOSL is the not-for-profit company which operates the business water market which opened on 1 April 2017.

Non-appointed business – the non-appointed business activities of the Company are activities for which the Company as a water and sewerage undertaker is not a monopoly supplier (for example, the sale of laboratory services to an external organisation) or involves the optional use of an asset owned by the Company (for example, the use of underground assets for cable television).

Ofwat – the name used to refer to the Water Services Regulation Authority (WSRA). The WSRA acts as the economic regulator of the water industry.

Outcome Delivery Incentives (ODIs) – financial incentives which reward companies for outperforming their performance commitment levels and penalises them for under-performing.

Performance commitment - a measure chosen to track the delivery of outcomes which customers have told us are valued by them

Performance Commitment Level (PCL) – the standard of performance that we expect to deliver against each performance commitment. Typically, though not always, there will be a separate PCL for each year of the price control period.

Periodic Review – the price determination process undertaken by Ofwat every five years. Each water and sewerage undertaker submits an Business Plan covering the five-year period for which Ofwat will determine allowed revenues.

Price Control Units – at the 2019 price review, Ofwat introduced separate price controls for water resources, water network plus (water treatment and treated water distribution), wastewater network plus (waste water collection and treatment), bioresources, retail household and retail non-household.

Regulatory Accounting Guidelines (RAGs) – the accounting guidelines for the APR issued, and amended from time to time, by Ofwat.

Regulatory Capital Value (RCV) – the capital base used in setting price limits and the value of the appointed business that earns a return on investment. It represents the initial market value (200-day average), including debt, at privatisation, plus subsequent net new capital expenditure including new obligations imposed since 1989. The capital value is calculated using the Ofwat methodology.

Retail Price Index (RPI) – the RPI is compiled and published monthly by the Office for National Statistics. RPI is an average measure of change in the prices of goods and services bought for the purpose of consumption by the vast majority of households in the United Kingdom. From 1 April 2020 50% of Anglian Water's RCV is indexed to the RPI, with the balance indexed to CPIH.

Retail services – the elements of the business responsible for direct contact with customers e.g. the contact centre, billing and reading meters. From April 2017, following the opening of the non-household market, business customers became able to choose their retail supplier. Anglian Water's appointed business exited all non-household market activities.

Section 24 Sewers - In England there is a category distinction between sewers built before or after 1937. Sewers dating from after 1937, and that only serve your own home (albeit that the drain line crosses somebody else's land) are "private" or "lateral drains". On the other hand if your house was constructed before 1st October 1937 and your drains are shared, serving two or more homes, then that drain line is a "public" sewer (a "section 24 sewer").

Sludge Treatment Centre (STC) - These are sites where we convert sludge into biosolids that can be recycled to agricultural land. We have ten of these and they are all located at water recycling centres. Each STC treats the sludge produced by its host WRC plus the sludge that is tankered into it from surrounding WRCs.

Third-party contributions since 1989/90 – grants and third-party contributions received in respect of infrastructure assets and any deferred income relating to grants and third-party contributions for non-infrastructure assets.

Totex – total expenditure comprising operational expenditure (opex) and capital expenditure (capex).

Transferred private sewers - On 1 October 2011 all privately owned sewers and lateral drains which drained to existing public sewers as at 1 July 2011 became the responsibility of the sewerage undertaker. This covered foul, surface water or combined sewers, and any drains serving individual properties, which are outside the curtilage of the property they serve, connect to the public sewerage system and were previously the responsibility of homeowners. In the second tranche of this programme all privately owned pumping stations serving more than one property and their associated rising mains transferred to the sewerage undertaker on 1 October 2016.

UKWIR (UK Water Industry Research) - the body which facilitates, manages and delivers a strategic programme of research projects for its members, the water companies of the UK and Ireland, to address the key challenges they face

Water and Sewerage Company (WaSC) – a company responsible for the provision of both water and sewerage services.

Water only company (WOC) - a company responsible for the provision of water services only.

Water recycling - to promote public understanding of the water cycle and encourage stakeholders to value water appropriately, we use this term to describe our waste water or sewerage service.

Water Recycling Centre (WRC) - we use this term, rather than sewage treatment works, to describe the facilities which return used water to a condition where it can safely be discharged to environmental waters.

Water Treatment Works (WTW) - operational site where raw water from the environment is made potable.

Wholesale services – the elements of the business responsible for the abstraction, treatment and distribution of water and the collection, treatment and disposal of sewage and sludge.

Working capital – the aggregate of stocks, trade debtors and trade creditors.