

Annual Performance Report 2025/26



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Introduction

Introduction

A regulated water and wastewater company

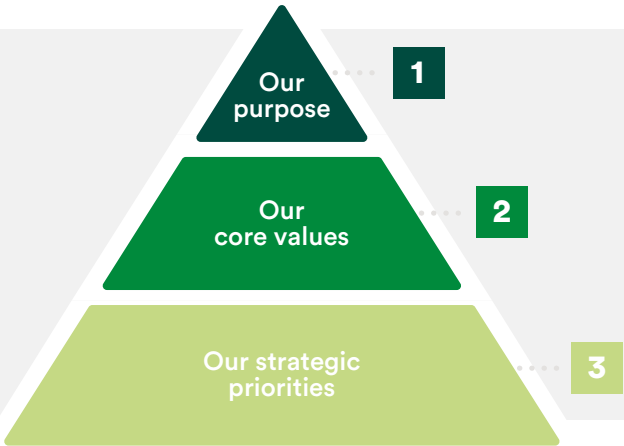
United Utilities Water Limited (UUV) provides water and wastewater services in the North West of England, serving around eight million people and businesses. Its ultimate parent company is United Utilities Group PLC, a publicly listed company on the London Stock Exchange.

We are regulated by Ofwat – the economic regulator of the water sector in England and Wales; the Drinking Water Inspectorate – the regulator for drinking water quality standards in England and Wales; the Consumer Council for Water – the independent voice for water consumers in England and Wales; the Environment Agency – the environmental regulator for England; Natural England – which is responsible for ensuring that England’s natural environment is protected and improved; and the Department for Environment, Food and Rural Affairs (Defra), being the primary government department in relation to the water and wastewater industry.



Our purpose is underpinned by our core values and our six strategic priorities

Our core values define how we act and support us in delivering our purpose to provide water for a stronger, greener and healthier North West. Our strategic priorities direct our activities, from strategic planning to our day-to-day activities, supporting the realisation of our purpose.



1 Our purpose

We are a purpose-led organisation. As a provider of an essential service in our region, our purpose is the reason we exist and is what drives us to continually improve our performance.

Our purpose highlights how environmental, social and governance (ESG) considerations are integral to everything we do.

To provide great water for a stronger, greener and healthier North West.

2 Our core values

Our core values provide the cultural framework within which we operate.

Do the right thing

We are committed to responsible business practices and expect our people to always do the right thing. This means prioritising safety, acting with integrity and courage, championing fairness, and speaking up when something feels wrong. Doing the right thing builds trust and helps deliver our purpose: protecting the environment creates a greener North West, while acting responsibly for customers, communities, colleagues, and suppliers strengthens the region.

Make it happen

We work as a team to make things happen, taking accountability and valuing progress over perfection. We celebrate success, learn from setbacks and embrace new ways of working through initiatives like our graduate innovation competition. Our ability to act quickly and seize opportunities enables us to accelerate investment and deliver improvements for customers and the environment faster.

Be better

Everything we do aims to create a better tomorrow. We encourage curiosity, ambition, and solution-focused thinking, seeking innovative ways to improve efficiency and effectiveness. We learn from the best by embracing diversity, collaboration, nature-based solutions, and best practice from across our sector and other industries.

3 Our strategic priorities

Our strategy is broken down into six strategic priorities, which form the framework that enables us to deliver our purpose:

-  Improve our rivers
-  Provide a safe and great place to work
-  Contribute to our communities
-  Create a greener future
-  Deliver great service for all customers
-  Spend customers’ money wisely

Performance reporting

Like all large water and wastewater companies in England and Wales, we report performance against a price and service package for customers and the environment. This package was determined through a price review process. The business plan we proposed for the current period was subject to scrutiny and changes following an extensive review by the economic regulator, Ofwat. This resulted in a final determination (FD), which set benchmarks for the services we

should deliver and the cost of delivering them. We report annually against targets set in the FD.

The current FD covers the five-year period running from April 2025 to March 2030. This five-year period is often referred to as AMP8, and this report has been produced to reflect performance for the first year of AMP8.



The Annual Performance Report

This Annual Performance Report (APR) tracks annual performance against the AMP8 FD. This year’s APR is concerned with the delivery of our performance commitments in year one of AMP8. It includes information about our financial performance, our assurance approach and the board’s approach to leadership, transparency and governance.

We publish a suite of documents that support the APR. This helps to provide a wide range of information for a variety of different stakeholders, regulators and customers in formats that help them access the data they want. We actively seek and act on feedback we receive on our publications and this helps us to support engagement with our reporting. Any comments about this or any other of our publications can be sent to: myview@uuplc.co.uk.

The summary below outlines the key information that we publish:

The Annual Performance Report
Annual Performance Report: A comprehensive, detailed and assured account of our performance (this document)
Customer focused summary: An overview of our performance structured around four key outcomes. This customer focused document is presented in an accessible format in order to achieve a Crystal Mark for plain English.
Performance infographic: A graphic that highlights our key deliverables and is published on our website and on social media platforms
Summary animation: A short, narrated animation describing our performance highlights
Accounting methodology statement: An overview of the process used to prepare the upstream services tables in the APR, with commentary on significant movements
YourVoice independent challenge group reflections: Independent reflections and feedback on UUW’s performance during year one of AMP8 from the YourVoice group.

United Utilities Water Limited’s ultimate parent company is United Utilities Group PLC, a company listed on the London Stock Exchange. Additional information about UUW and the group and how we deliver water and more for the North West can be found in the United Utilities Group PLC Annual Report and Financial Statements.

- ▶ This is an integrated strategic, governance and financial report which is available at: unitedutilities.com/corporate/investors/results-and-presentations/annual-reports

The report is designed to provide detailed information on the strategy, performance and governance of the group from a financial and non-financial position. It provides extensive disclosure on the performance metrics we use to measure how we are creating value for communities, customers, employees, the environment, investors and suppliers. It contains useful information for anyone wanting to understand more about UUW, its work and how it is governed and should be read in conjunction with this report.

- ▶ We publish other key performance information on our corporate responsibility website, which can be found at: unitedutilities.com/corporate/responsibility

This website is designed to describe the way that the group has fulfilled its purpose and demonstrate the extent to which we have upheld the highest standards of performance with respect to the way we work.

Together, the reports and our website provide a clear and comprehensive view of our purpose, performance, delivery and governance, which is reliable, accurate and transparent.

Transparent reporting

The provision of reliable, accurate and transparent information and data is an essential part of building and maintaining trust with customers and other stakeholders who rely on the services we provide. Given our position as a provider of essential public services, we have a responsibility to provide accurate and easily accessible information about performance. We pride ourselves on publishing trusted information and have a proven track record of providing open, transparent and high quality information about our performance to customers, stakeholders and regulators.

We have a sound approach to assurance, which is a key enabler to high quality data provision. We intend to maintain and, where appropriate, evolve our approach to assurance throughout AMP8 to build further on the trust we have earned, make improvements where shortcomings are identified and to enhance the confidence that customers, regulators and other stakeholders can have in United Utilities’ performance reporting. We have applied our assurance approach to the data and information that is within this document and the supporting APR publications. This helps to ensure that the information we provide receives the appropriate level of challenge, review and approvals.

We have published details of our AMP8 assurance strategy and annual assurance plan.

- ▶ This can be found at: unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2025-30

Open data

We are continuing to make good progress developing our approach to open data and during the last year, we have focused on delivery of the priority areas from our open data strategy that we outlined in our published roadmap. We have delivered the activities that we set out in the roadmap 12 months ago and we have now published the next set of priority areas we plan to focus on over the coming year.

- ▶ Our published roadmap for 2026/27 can be found at: unitedutilities.com/globalassets/documents/corporate-documents/open-data-12-month-roadmap-2026-27-final.pdf

We have completed an annual review of our progress developing processes and delivering open data activities. We have been using the Open Data Institute Assessment Tool since 2023 to track our progress and to help guide us on where we need to focus and improve. We have used the outputs from the latest maturity assessment to develop our roadmap and we have included priority areas that will enable us to embed well defined and managed open data processes and governance. We have also carried out a review of our open data strategy and processes with our internal Corporate Audit team. The team also undertook a high-level review of our open data maturity assessment to help validate the current view of progress.

- ▶ The Open Data Institute Maturity Assessment tool can be found at: maturity.theodi.org

Through Stream, the water sector open data initiative, we are working collaboratively to standardise our approach to measuring and reporting on open data maturity. This includes establishing a consistent methodology for assessment and defining how we will report on outcomes. A standardised maturity framework will help us drive greater value from open data by enabling us to identify areas for improvement across the sector, share lessons learned, and adopt best practices. This will ensure that our open data is fit for purpose and meets the needs of its users.

- ▶ The water sector open data initiative, Stream, can be found at: portal-streamwaterdata.hub.arcgis.com

By providing a clear understanding of our current position, the assessment will help prioritise efforts where they will have the greatest impact, supporting better decision-making, improved transparency, and increased use and reuse of water sector data. Ultimately, this collaborative approach will ensure that open data delivers meaningful benefits to our customers, society, and the environment, as well as the organisations publishing it. We are taking a leading role on Stream including by taking on the Change Champion role for six months to lead the delivery of Stream’s priority outcomes, and we have just started a second period in the role to help drive activities in the first half of this year. We have collaborated with other water companies to support the development of the sector, including the Open Data Day challenge, supporting with the organisation and delivery of the event which took place at Wessex Water in October 2025.

As set out in our strategy, our vision for United Utilities is to continue to be a data-driven organisation, leveraging shared and open data to generate value for the company, the water sector, the environment and

our customers. That means not just using open data provided by others but also publishing open data with a purpose and sharing data where there are clear benefits, led by what our customers and stakeholders need. During the year we have developed our open data value framework which we will use to assess the value of all open and shared data opportunities. In addition, we have:

- Continued to publish the APR tables as CSV files in a machine-readable format along with additional APR related datasets such as our biosolids market information, and we are refreshing and republishing data relating to greenhouse gas emissions.
- Published and maintained a range of environmental related datasets for Windermere, including data on storm overflows and tanker operations. The data has been published with an open data licence, metadata to help users understand the data and additional contextual information.
- Provided the facility for users to submit feedback on our datasets and suggest any improvements we could make.
- Published open data on the Stream platform, collaborating with other water companies to create specific industry wide datasets to support the delivery of customer and community priorities.
- Published our open data release schedule for the next 12 months which sets out the datasets we are planning to publish and the timescales for each release over the course of the year.
- Promoted Stream and United Utilities activities with internal stakeholders through our Open Data team.

- ▶ APR open data can be found at: unitedutilities.com/corporate/about-us/performance/annual-performance-report/APR-open-data
- ▶ Our open data release schedule can be found at: unitedutilities.com/globalassets/documents/corporate-documents/open-data-release-schedule-2026-27-final.pdf

YourVoice

The YourVoice independent challenge group plays an important role in monitoring, challenging and reporting on the delivery of our AMP8 business plan commitments. As an independent panel of individuals from different sectors and backgrounds and with a variety of different areas of expertise, YourVoice looks at how the company can continue to capture and strengthen the views and engagement of customers in our activities. Its remit also includes ensuring that engagement with customers around business planning is comprehensive and that customer views are taken into account. The group is an independent panel consisting of individuals from different sectors and backgrounds and with a variety of different areas of expertise.

- ▶ You can read more about the work of the panel at: yourvoiceicg.co.uk

Structure of the Annual Performance Report

We have structured our report so that we can meet Ofwat’s reporting requirements and provide a comprehensive overview of financial and non-financial performance. The main sections of the document are outlined below.





2025/26 United Utilities Water Board statement

2025/26 United Utilities Water Board statement

Ofwat’s board leadership, transparency and governance (BLTG) principles came into effect on 1 April 2019 and were embedded into the licence on 1 August 2019. These require United Utilities Water Limited to meet the objectives of the principles and to explain in an effective, accessible and clear manner how this has been achieved.

This statement demonstrates how United Utilities Water Limited’s board of directors ‘the board’ has met the BLTG objectives during 2025/26. It references the provisions set out within the guidance when explaining how we are delivering against these objectives.

This statement briefly summarises how, by implementing this approach, the company is delivering for its customers and other stakeholders. Further detail to support this statement is set out in the UUW Annual Performance Report, the United Utilities Water Limited Annual Report and Financial Statements, and the United Utilities Group PLC Integrated Annual Report and Financial Statements. We provide references to this material below.

A) The regulated company board establishes the company’s purpose, strategy and values, and is satisfied that these and its culture reflect the needs of all those it serves.

The board, supported by the executive team, is committed to achieving the very best results for the company, the customers it serves and its wider stakeholders.

We believe our purpose, strategic priorities and core values promote the long-term sustainable success of the company, further customers’ interests and create value for all stakeholders, including shareholders. Our purpose, strategic priorities and core values are set out on page 22 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements. As individual directors, we are mindful of our statutory duty to act in the way each of us considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to S172 (1) (a–f) of the Companies Act 2006.

Provisions:

- i. **The board develops and promotes the company’s purpose in consultation with a wide range of stakeholders and reflecting its role as a provider of an essential public service.**

We have set our purpose, strategic priorities and core values to ensure these clearly reflect key areas of focus and our ongoing commitment to environment, social and governance matters. As a provider of an essential service in our region, our purpose is providing great water for a stronger, greener, healthier North West.

- **Stronger:** we deliver an essential service, help customers in vulnerable situations, investing in local communities across the region, and support thousands of jobs and the economy, giving the North West resilience in a changing world.
- **Greener:** we protect and enhance urban and rural environments, and adapt to the challenges of climate change, allowing people, wildlife and nature to thrive, making the North West a better place to live now and for the future.
- **Healthier:** we provide great-quality drinking water and safely remove and recycle used water for around eight million people in the North West, while providing excellent customer service and a great place to work.

Our three core values – do the right thing, make it happen and be better – provide the cultural framework through which we operate. Behaving responsibly has been part of the United Utilities ethos for many years and aligns with our purpose.

The ESG (environmental, social and governance) committee has a principal role in the group’s governance structure. It leads, on behalf of the board, in the review and challenge process to ensure management’s activities in the increasingly broad area of environment, social and governance matters, are consistent with that of a business behaving in a responsible manner. The report of this committee, which includes a look forward in to the next year, can be found on page 138 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements.

We work to deliver our purpose through six strategic priorities:

- Provide a safe and great place to work;
- Deliver great service for all customers;
- Improve our rivers;
- Create a greener future;
- Spend customers’ money wisely; and
- Contribute to our communities.

In defining the company’s purpose, the board took into account information and views from stakeholders utilising research and engagement – including that which informed our AMP8 business plan and the other feedback and insight gained from customers through both programmatic research and day-to-day interactions. It is a standing item for the board’s ESG committee to discuss engagement with national and regional stakeholders each time it meets. For the year ended 31 March 2026, the board is satisfied that the formulation of our aspirations in terms of our purpose, values and culture have been informed by our stakeholders and we operate our business in such a way that will create long-term value for all. We believe the company has played its part in contributing to the region and has demonstrated its commitment to providing great water for a stronger, greener, healthier North West.

- ii. **The board makes sure that the company’s strategy, values and culture are consistent with its purpose.**

Our purpose is to provide great water for a stronger, greener and healthier North West. To ensure that we deliver our purpose, we have six strategic priorities, which define the way we work, and three core values, which provide the cultural framework within which we operate. These inform both our work in the current period and our future plans. Our six strategic priorities are set out below:

- **Provide a safe and great place to work:** We invest in our colleagues’ training and development, and are dedicated to maintaining high levels of health, safety and wellbeing. We want to attract, develop and engage great talent across the organisation, we support and encourage a diverse and inclusive culture, and we want colleagues to be empowered to contribute to making things better.
- **Deliver great service for all customers:** We strive to continually improve our service for customers – improving water quality, minimising interruptions, fixing leaks and reducing the risk of sewer flooding. Engaging with customers helps us understand what matters most to customers – the stretching targets in our AMP8 business plan reflect views based on extensive customer engagement and this is reflected in strong levels of customer acceptability. Great service also means helping customers with affordability and vulnerability support, and keeping their data secure.
- **Improving our rivers:** We have a strong track record in minimising pollution, and continue to protect bathing waters across the North West. River health in the UK has grown in public interest in recent years. The industrial legacy and high rainfall in our region means we have a bigger task than many to deliver the significant reduction in spills from storm overflows required by the Environment Act 2021. To address this, we have the largest investment programme in AMP8 to deliver an industry-leading 60% reduction in the decade to 2030. We have already accelerated work in key locations and made strong early progress, having achieved a 47% reduction in average spills per overflow versus our 2020 baseline.
- **Create a greener future:** we are committed to protecting nature and biodiversity, and reducing water consumption. We have a net zero transition plan underpinned by carbon pledges and ambitious science-based targets. We generate clean energy both from our own bioresources and through partners. We are looking at how we can further make the best use of our land to deliver clean energy, be that through our pledges to create woodland and restore peatland or increasing our renewable energy generation capacity.

2025/26 United Utilities Water Board statement



- **Spend customers’ money wisely:** We continuously challenge ourselves to improve cost efficiency in a sustainable way, so we can keep customer bills as low as possible in the long term without compromising on service or resilience. We look to minimise whole-life cost and deliver the best value solutions, using innovation to find better ways of working, raising efficient financing and managing risk prudently, leveraging partnerships and driving value in our supply chain, capitalising on digital and automation opportunities.
- **Contribute to our communities:** we work closely with communities across the North West and we invest in those communities as well as opening our land for access and recreation. We actively engage and leverage partnerships to drive value for communities, such as our participation in the Love Windermere initiative. We produced individual business plans for each of the North West’s five counties, recognising their unique and diverse needs and challenges, and we have mobilised our teams into five county delivery squads to help manage these relationships and ensure we can deliver our planned improvements for each county with minimal disruption.

Our culture and core values are:

Culture: Our culture drives the interactions we have with our stakeholders, and reflects our commitment to responsible business.

Our culture is underpinned by three core values, which cascade down the business from the board to every one of our colleagues. They focus on responsible behaviour, delivery for customers and other stakeholders, continuous improvement and sustainable practices.

These values reflect the things we believe are most important to help us deliver our purpose and drive a high performing and innovative culture. When assessing culture, we look at the following categories – our core values (set out below), our purpose, our strategic priorities, and our people. Metrics are monitored and targets set for the stronger, greener and healthier ambitions within our purpose. These are closely aligned to our strategic priorities and to ESG matters, as well as being linked to stakeholder value creation. This includes key metrics relating to our colleagues including engagement, health and wellbeing, diversity, and development.

Our core values are:

- **Do the right thing:** We are committed to responsible business practices and expect our people to always do the right thing. This means prioritising safety, acting with integrity and courage, championing fairness, and speaking up when something feels wrong. Doing the right thing builds trust and helps deliver our purpose: protecting the environment creates a greener North West, while acting responsibly for customers, communities, colleagues, and suppliers strengthens the region.
- **Make it happen:** We work as a team to make things happen, taking accountability and valuing progress over perfection. We celebrate success, learn from setbacks and embrace new ways of working through initiatives like our graduate innovation competition. Our ability to act quickly and seize opportunities enables us to accelerate investment and deliver improvements for customers and the environment faster.
- **Be better:** Everything we do aims to create a better tomorrow. We encourage curiosity, ambition, and solution-focused thinking, seeking innovative ways to improve efficiency and effectiveness. We learn from the best by embracing diversity, collaboration, nature-based solutions, and best practice from across our sector and other industries.

The United Utilities Group PLC Annual Report and Financial Statement sets out additional information about these strategic priorities and how they run through everything we do. For further information and explanation of our approach, we would refer in particular to the 2025/26 Strategic Report (pages 1 to 99).

iii. **The board monitors and assesses values and culture to satisfy itself that behaviour throughout the business is aligned with the company’s purpose. Where it finds misalignment it takes corrective action.**

Our values demonstrate how we behave, individually and collectively, as the board and how we ask our employees to behave. Our employees are fundamental to delivering our strategic priorities and achieving our purpose.

Our core values of ‘do the right thing, make it happen and be better’ continue to underpin our culture of behaving as a responsible business and articulate how colleagues are expected to think, behave and act, both individually and in teams. These values underpin every element of colleague engagement, from health and safety life-saving rules to large scale transformation programmes and colleague development.

Ensuring we continue to embed our desired culture and values is monitored by management, both at an individual and collective level. Individual colleague recognition is aligned with our values and celebrated monthly through the colleague Amazing Colleague Efforts (ACE) awards initiative. The colleague voice channels provide the opportunity for management to informally track cultural alignment with the company’s purpose, values and strategy. In addition, key performance indicators are reviewed on a monthly basis by the executive team and presented at scheduled board meetings.

The board was satisfied that the policies, practices and behaviours within the business were aligned with the company’s purpose, values and strategic priorities and the desired culture is embedded and championed across the business.

During 2025/26, Liam Butterworth was confirmed as the designated non-executive director for engagement with the workforce. The role primarily involves chairing the Colleague Voice panel which provides colleagues with an opportunity to share views and showcase activities and a summary update is provided to the board on a regular basis.

Representatives from colleague groups and networks from across the business and region attend meetings, with the membership being refreshed at regular intervals. Meetings alternate between in-person and virtual, to provide greater flexibility and ease of attendance, with in-person meetings often being held at operational sites. There is an open invitation to board members to attend panel meetings, as most of the non-executive directors have done on previous occasions.

Two meetings of the panel were held during the year as well as an informal opportunity for colleagues to meet the new chair and discuss improvements to ensure the Colleague Voice panel meetings continue to be effective. Minutes are recorded and made available on the company’s intranet for all colleagues to access. A summary of the key items discussed during panel meetings is set out below:

- Board updates – Information shared on key areas of focus of board discussions
- Regular updates on health and safety, focusing on ‘Home Safe and Well’ from the health and safety director.
- Presentation of the annual ‘Opportunity for All’ report and plans by the equity, diversity and inclusion manager.
- Technical training update by the head of training delivery.
- Focus on our apprentice and future skills plan by the head of early careers.

Alongside the employee relations team, the CEO holds regular face to face meetings with senior trade union representatives to ensure direct two-way communication. The group has a commercial agreement in place with a third party for the provision of agency staff and contractors. Engagement and communication in relation to these members of the wider workforce is managed directly by the third party via a dedicated third-party account manager who liaises directly with the company’s human resources team. Should there be significant change activity, a representative of the third party would join the project team to ensure consistency when communicating information to colleagues, agency staff and contractors.

As part of our two-way communication, the board has responsibility for reviewing the group’s arrangements for individuals to raise matters of concern and the arrangements for the investigation of such matters. The group’s whistleblowing policy (the policy) supports a culture within the group where genuine concerns may be reported and investigated without reprisals. A confidential telephone helpline and a web portal are available to enable colleagues (including agency workers and contractors) to raise matters of concern in relation to possible incidents of fraud, dishonesty, corruption, theft, security and bribery. Furthermore, colleagues are encouraged to raise any matters relating to health and safety and any activities of the business that have caused or may cause damage to the environment, such as pollution or other contamination. Both the helpline and web portal are operated by a third party, enabling any concerns to be reported anonymously.

The policy makes it clear that no colleague will be victimised for raising a matter in accordance with the policy. Matters raised with the helpline/portal are in the first instance reported to the whistleblowing committee and investigated by senior managers independent of any involvement of the issues being considered. Details of the findings of the investigation and proposed solution are then considered by the whistleblowing committee (whose membership comprises the company secretary, the people director, the regulation and compliance director, the head internal of audit the commercial, engineering and capital delivery director and chief operating officer), which meets quarterly. The board routinely reviews matters considered by the whistleblowing committee, the outcome of the investigation and the ways in which the matters were brought to a conclusion, thus ensuring that the core value of integrity is upheld and fostering an environment where colleagues feel it is ‘safe to speak up’ and to do so without fear of reprisal.

Culture is routinely monitored and assessed by management, to ensure our culture of behaving responsibly is embedded in what we do and action is taken where there is misalignment. Qualitative and quantitative metrics, some of which are derived from the annual colleague opinion survey (including scores on leadership, wellbeing, values, communication and ‘my voice is heard’) are regularly made visible to the board via a number of mechanisms, including in the CEO’s monthly performance report, which is presented and discussed at scheduled board meetings along with other reports presented from time to time to the board, and the ESG and remuneration committees. Many key performance indicators are reviewed on a monthly basis by the executive team and presented at scheduled board meetings.

The CEO regularly engages with colleagues throughout the business, and sessions are held with those colleagues who act as ‘engagement champions’ for their teams/departments providing an opportunity to raise matters directly with our CEO and be kept up to date with our engagement approach. During the year, the CEO has also visited a number of operational sites across the business as part of an ongoing programme enabling her to spend time chatting with colleagues, face-to-face, in an informal setting, enabling them to raise any issues and providing an opportunity to ask her questions and give feedback. In February 2026, around 5,000 colleagues attended a session in Liverpool to learn about the progress we are making towards the big North West upgrade, our health and safety life-saving rules and development plans for the coming year. Several non-executive directors attended these events alongside colleagues.

Taken together, the board was satisfied that the policies, practices and behaviours within the business were aligned with the company’s purpose, values and strategic priorities and the desired culture is embedded and championed across the business. Further information about how the board monitors culture and employee engagement are set out on pages 112 to 114 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements.

B) The regulated company has an effective board with full responsibility for all aspects of the regulated company’s business for the long term.

The group operates a structure that allows directors to be members of the boards of both UUW and its ultimate holding company, United Utilities Group PLC (UUG). These arrangements have been in place since March 2011 and were in place throughout the year ended 31 March 2026.

As a listed company, United Utilities Group PLC has applied the principles and reported against the provisions of the 2024 UK Corporate Governance Code (the code) for the year ended 31 March 2026.

Further detail on the reporting on the application of the principles, and against the provisions of the 2024 UK Corporate Governance Code, is provided on page 107 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements.

The boards of both UUG and UUW fully support Ofwat’s drive for the highest standards of board leadership, transparency and governance in the industry. We are satisfied that current practices and the application of the code at both holding company and regulated company levels are entirely consistent with the Ofwat principles.

On page 13 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements, we set out our planning for the short, medium and long term. The board has full visibility as plans are presented to the board throughout the year.

Provisions:

i. **The regulated company sets out any matters that are reserved for shareholders or parent companies (where applicable); and explains how these are consistent with the board of the regulated company having full responsibility for all aspects of the regulated company’s business, including the freedom to set, and accountability for, all aspects of the regulated company’s strategy.**

The UUW board has full responsibility for all aspects of its business as an appointee. Furthermore, there are no items/topics relating to the regulated activities of UUW contained within UUG board’s schedule of matters reserved for its own decision.

UUW and UUG are distinct legal entities and are operated as such. Notwithstanding that the same individuals are directors for both companies and scheduled board meetings of each company are held on the same day, they are held as separate meetings with board packs and agendas being prepared for each company’s meeting, thereby creating distinction between meetings. Given that UUW represents approximately 99% of UUG’s revenues, decisions taken for UUW are unlikely to be in conflict with those of UUG. Were that to be the case, the directors would be responsible for taking decisions on behalf of each entity in accordance with S172 of the Companies Act 2006, and acting in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. The company secretary would advise on any potential conflict of interest, and the board would seek independent advice on any matter if thought necessary.

► Matters that have been reserved for decision by the UUG board can be found on our website at: <https://www.unitedutilities.com/globalassets/documents/corporate-documents/schedule-of-matters.pdf>

ii. **Board committees, including but not limited to audit, remuneration and nomination committees, report into the board of the regulated company, with final decisions made at the level of the regulated company.**

The UUW board has delegated specific powers, subject to certain limits, relating to the capital investment programme, to the UUW capital investment committee and in relation to financing, by way of power of attorney, to the Chief Financial Officer and/or the Treasurer. UUW does not duplicate board committees already in operation at the UUG level (the board committees). The activities of the board committees, as required in accordance with the code,

2025/26 United Utilities Water Board statement

whose members are made up entirely of independent non-executive directors (in accordance with provisions 9 and 10 of the code who are directors of the company) are necessarily targeted towards U UW matters, given that U UW represents approximately 99% of UUG’s revenues. These arrangements ensure there is alignment of the interests of U UW and UUG ensures that the interests of U UW and its customers are safeguarded and avoids unnecessary duplication. The group has operated in this manner since 2011.

Further information about the UUG committees and approach to board governance can be found in the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements on pages 100 to 175. This includes reports from the nomination committee (pages 115 to 119), the treasury committee (page 136), the audit committee (pages 132 to 135), the compliance committee (page 137), the ESG committee (pages 138 to 139) as well as the annual statement from the remuneration committee chair (pages 140 to 143).

iii. The board of the regulated company is fully focused on the activities of the regulated company; takes action to identify and manage conflicts of interest, including those resulting from significant shareholdings; and ensures that the influence of third parties does not compromise or override independent judgement.

Meetings of the board are fully focused on the company’s regulated obligations and activities as an appointee in accordance with its licence as a provider of water and wastewater services. The Company Secretary attends all board meetings and the board receives regular updates on matters of a regulatory nature. Reporting to the board includes a summary of performance presented at each board meeting by the CEO, encompassing all directorates and key areas of the business and incorporating the monitoring of comprehensive KPIs, reporting of operational activities and incidents, and regulatory and customer updates and activities.

The board, whose directors’ biographies can be found on pages 102 to 105 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements, includes a strong independent non-executive representation with a diverse range of backgrounds, skills and experience. As part of the director recruitment process, potential conflicts of interest would be assessed to ensure the suitability of the candidate in this respect (amongst others). A register of directors’ interests is maintained and directors are asked to identify any potential conflicts of interest on any subject matter on the board’s agenda at each meeting.

C) The board’s leadership and approach to transparency and governance engenders trust in the regulated company and ensures accountability for their actions.

Governance is taken very seriously and United Utilities was delighted to be accredited with the Fair Tax Mark for the past six years. We participate in a range of global environmental, social and governance (ESG) ratings and indices to benchmark our approach against best practice and emerging sustainability challenges. We target being ‘upper quartile across a suite of investor indices’ to demonstrate our performance, measured through an operational KPI. We adhere to the highest levels of corporate governance. Fairness and transparency are key to the way we report, the way we operate and the way we interact with our stakeholders.

In recent years, the UK water sector has faced significant reputational challenges, including challenges about ownership structures within the sector. We have been open and transparent in reporting our equity and debt financing arrangements and do not use offshore financing vehicles. Please see the new section ‘Ownership, funding and capital structures’ on pages 34 to 36 of this Annual Performance Report for further details. We have a sound approach to assurance, which is a key enabler to providing high quality data. We have maintained and, where appropriate, evolved our approach to assurance to build further on the trust we have earned, making improvements where shortcomings are identified and to enhance the confidence that customers, regulators and other stakeholders can have in our performance reporting. We will continue to do this into AMP8.

Each year, the board reviews and discusses the performance of the board, its committees and individual directors. Once every three years, this process is undertaken by an external organisation and in the intervening years the evaluation is facilitated by the Company Secretary. The last external review was conducted in 2023/24 by Independent Audit Limited (IAL). This year, the review was internally facilitated by the Company Secretary and his team. This process identified a small number of action points and assessed the action taken against the previous 2024/25 recommendations. Further details can be found on page 119 of the 2025/26 United Utilities Group Integrated Annual Report and Financial Statements.

As part of its annual governance processes, the terms of reference for the audit, remuneration, nomination, treasury and ESG committees were reviewed by each committee and the board received post-meeting reports from the chairs of each committee summarising discussions and actions. It implemented matters arising from its biannual updates on changes and developments in corporate governance as thought fit. Further details of the company’s approach to transparency and governance can be found in the corporate governance report contained within pages 100 to 175 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements.

In 2023, a new board committee, the compliance committee, was established with delegated responsibility to oversee compliance with regulatory and statutory reporting requirements, to be kept abreast of any changes to the requirements and to oversee the structure and processes of interactions with U UW’s regulators. The committee has reviewed multiple compliance updates and made recommendations to further enhance the assurance approach around key environmental regulation submissions and has reviewed key regulatory submissions including the Annual Performance Report. More information about the work of this committee can be found on page 137 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements.

Provisions:

- i. A detailed explanation of the structure of the United Utilities group is set out on page 118 of the 2025/26 United Utilities Water Limited Integrated Annual Report and Financial Statements. Please see the new section ‘Ownership, funding and capital structures’ on pages 34 to 36 of this Annual Performance Report for further details.
- ii. An explanation of dividend policies and dividends paid, and how these take account of delivery for customers and other obligations (including to employees).

The board considers that there is substantial evidence that the company’s overall performance is at least in line with the final determination, including the commitments embedded within our business plan and set out in the final determination for AMP8, and wider obligations from different stakeholder perspectives. Evidence supporting this view, and of the company’s delivery for customers and the environment, includes the following:

- Table 1F of the APR shows that return on regulated equity – a key measure of performance versus the final determination – is 7.52% for 2025/26, significantly outperforming the assumed level of 5.24% in the final determination.
- In 2025/26, the majority of our operational performance measures show a year on year improvement. With targets having been significantly strengthened this AMP, we accrued a net ODI penalty of £35.19 million in 2025/26, although we are forecasting to continue our annual improvements and achieve an overall reward across AMP8.
- The company met stretching targets for internal and external sewer flooding, two important elements of performance for customers. We have reported year on year reductions in internal and external sewer flooding of 42 per cent and 25 per cent respectively.
- The company’s AMP8 capital delivery programme is progressing to plan. As part of our Big North West upgrade over the next five years, we are delivering our biggest investment in water and

wastewater services, improving and safeguarding water supplies for customers and delivering environmental benefits.

- Delivering a high quality service whenever customers contact us is central to building trust and confidence. Our Trustpilot rating, which reflects customer feedback across telephone, email and digital channels, was 4.5 (Excellent) as at 31 March 2026. The company expects to achieve seventh position for C-MeX and D-MeX and fifth position in BR-MeX in 2025/26.
 - Despite unprecedented dry weather conditions at the start of 2025/26, the strength of our integrated supply network, together with the agility and commitment of our operational teams, enabled us to maintain uninterrupted supplies for customers throughout the period. Importantly, this was achieved without the introduction of temporary use bans, despite our region being the first in the country to be formally designated as being in drought by the Environment Agency (EA).
 - The company became the first UK water company to achieve the updated ISO 55001:2024 Standard for Asset Management, an international benchmark for how organisations get the best long-term value from their assets.
 - U UW is the only UK water and sewerage company to earn the ServiceMark with Distinction from the Institute of Customer Service, the Chartered Institute of Credit Management excellence in credit management and the BSI kitemark for inclusive service.
 - In the most recent EA Environmental Performance Assessment in 2024, U UW was rated as green in four out of the seven metrics, with two amber and only one red, positioning U UW in third position of all water companies. U UW is also ranked in second position in the sector across AMP7. The company is continuing to deliver improvements and additional investment in key performance areas including pollution incidents and water quality performance. More details on this activity are included in the APR Section 1.1.
 - The long-term viability assessment concluded that U UW had significant headroom and effective mitigating actions available to withstand any risks facing the business in severe but plausible scenarios.
 - U UW is expected to continue to maintain a robust set of investment grade credit ratings with current credit ratings of A-, Baa1 and BBB+ with Fitch, Moody’s and Standard and Poor’s respectively.
 - Taking all the above into account, the board considers that the payment of dividends in respect of performance in 2025/26 is appropriate. Further detail on the dividend policies and dividends paid is provided on pages 124 to 128 of this Annual Performance Report.
- iii. An explanation of the principal risks to the future success of the business, and how these risks have been considered and addressed.

The principal risks and uncertainties to the success of the business and the ways in which these risks are managed, monitored and mitigated are set out on pages 54 to 61 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements.

iv. The annual report includes details of board and committee membership, number of times met, attendance at each meeting and where relevant, the outcome of votes cast.

The table below sets out, for the year ended 31 March 2026, the number of scheduled meetings of the United Utilities Water Limited board that were attended and the maximum number of scheduled meetings that could have been attended.

Sir David Higgins	9/9
Louise Beardmore	9/9
Phil Aspin	9/9
Doug Webb	9/9
Liam Butterworth ²	8/9
Kath Cates	9/9
Ian El-Mokadem ³	7/7
Alison Goligher	9/9
Clare Hayward	9/9
Michael Lewis	9/9
Marina Wyatt ⁴	3/3

- ⁽¹⁾ Actual number of meetings attended/maximum number of scheduled meetings that the directors could have attended during the financial year ended 31 March 2026.
- ⁽²⁾ Liam Butterworth was unable to attend one board meeting due to prior commitment.
- ⁽³⁾ Ian El-Mokadem became a member of the board on 1 June 2025.
- ⁽⁴⁾ Marina Wyatt became a member of the board on 1 October 2025.

Memberships of board committees and attendance at these is set out in the Governance section of the 2025/26 United Utilities Group PLC Integrated Annual Report (pages 102 to 105).

v. An explanation of the company’s executive pay policy and how the criteria for awarding short and long-term performance related elements are substantially linked to stretching delivery for customers and are rigorously applied. Where directors’ responsibilities are substantially focused on the regulated company and they receive remuneration for these responsibilities from elsewhere in the group, policies relating to this pay are fully disclosed at the regulated company level.

A detailed explanation of the group’s directors’ remuneration policy and its application during 2025/26 is set out on pages 144 to 145 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements. Details of remuneration for the directors of U UW is set out on pages 121 to 150 of the United Utilities Water Limited Annual Report and Financial Statements. The criteria for awarding short and long-term performance related elements are substantially linked to stretching delivery for customers and are rigorously applied, with executive pay arrangements aligned to our purpose, values and strategy, thereby incentivising great customer service and the creation of long-term value for all.

When setting the remuneration arrangements for executive directors, we have always adopted a prudent and responsible approach that aligns to company strategy, thereby incentivising delivery for customers and the environment, and the creation of long-term value for all our stakeholders. We always seek to provide comprehensive, accessible and coherent details about the entirety of the remuneration

received by our executive directors and there are extensive disclosures in relation to executive remuneration on pages 146 to 162 of the United Utilities Group PLC Integrated Annual Report and Financial Statements. These include clear explanations about how our remuneration approach is aligned with our strategic priorities, how we implemented our remuneration policy in 2025/26, our performance against the stretching targets we set for our performance-related pay (PRP) arrangements, the process the UUG remuneration committee uses when assessing PRP outcomes (including consideration of overall performance), the total remuneration received by the directors in respect of the year, and our intended approach in 2026/27.

Under the remuneration reporting regulations we were required to submit a remuneration policy for shareholder approval at the 2025 UUG AGM, so effectively the previous policy was rolled forward. Significant shareholder support was received for the policy, but in the context of the challenges of AMP8 and the changing regulatory and external landscape, the remuneration committee is submitting a revised policy to UUG shareholders for approval at the 2026 UUG AGM. Full details about the policy review process and the proposed policy, including changes to enable compliance with Ofwat's performance related executive pay rule, are presented in the UUG Integrated Annual Report on pages 141 to 145 and pages 154 to 157. If approved, the policy will take effect from July 2026.

Additional information and context for all aspects of our executive remuneration approach is provided in the UUG remuneration committee chair's statement on pages 140 to 143 of the United Utilities Group PLC Integrated Annual Report and Financial Statements. This includes a commitment from the UUG board that as an extension to our approach in recent years whereby any performance-related pay received by the executive directors has not been paid for by customers, this same philosophy will be applied to all elements of pay receivable by executive directors going forward, i.e. all fixed and all performance-related pay.

D) Boards and their committees are competent, well run, and have sufficient independent membership, ensuring they can make high quality decisions that address diverse customer and stakeholder needs.

As detailed above, the group operates a structure with the same directors sitting on the boards of both UUW and UUG, thereby, increasing the efficiency and effectiveness of the corporate governance structure. As a result, and given that UUW represents approximately 99% of UUG's revenues the company does not duplicate the board committees already operating at the UUG level. Full details of the UUG board and board committees are set out within the Governance section of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements (pages 100 to 175).

Provisions:

- i. Boards and board committees have the appropriate balance of skills, experience, independence and knowledge of the company. Boards identify which customer and stakeholder expertise is needed in the boardroom and how this need is addressed.

The board and the board committees have an appropriate combination of skills, experience and knowledge. The biographies of the directors are set out on pages 102 to 105 and the skills matrix of directors is set out on page 117 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements. Consideration is given to the length of service of the board as a whole and membership is regularly refreshed. Non-executive directors would, normally, only serve a term of up to nine years in accordance with the code (the tenure of board directors is set out on page 116 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements). Appointments to the board are subject to a formal, rigorous and transparent procedure and aligned to the new fitness and proprietary rule.

The board diversity policy (see page 117 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements) is taken into account during the recruitment process. The policy incorporates targets for gender and ethnic diversity, which are to maintain at least 40% female representation and to have at least one director from a minority ethnic background* and to have at least one of the positions of: chair, CEO, senior independent director or CFO held by a female.

At 31 March 2026, the company met the board diversity target that 40% of the board are women and that at least one of the senior positions on the board is held by a woman. Additionally, the target that at least one individual on the board is from a minority ethnic background was also met.

The board is cognisant of the benefits that diversity, in its broadest sense, among its membership, brings to board discussions and in its role in overseeing and challenging management and recognises the benefits of equity, diversity and inclusion across the business. There are initiatives in place to support colleagues in different circumstances in the workplace.

Considerable progress has been made during the year to address the ethnic imbalance of the workforce and align with our strategic priority to provide a safe and great place to work.

The group has had a written succession plan for the executive directors and other members of the executive team. Further detail is set out on page 118 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements.

* Defined by reference to categories recommended by the Office for National Statistics (ONS), excluding those listed by ONS as coming from a white ethnic background.

- ii. Independent non-executive directors are the largest single group on the board.

Throughout the year, independent non-executive directors made up the majority of the board.

Ian El-Mokadem became a member of the board on 1 June 2025. Marina Wyatt became a member of the board on 1 October 2025. The biographies of the full board can be found on pages 102 to 105 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements. Independence is tested against the criteria set out in the code.

- iii. The Chair is independent of management and investors on appointment and demonstrates objective judgement throughout their tenure. There is an explicit division of responsibilities between running the board and executive responsibility for running the business.

Sir David Higgins was appointed to the board in May 2019 as chair designate and in line with the BLTG provisions, he was independent on appointment when assessed against the circumstances set out in the code. He was appointed as Chair of the board on 1 January 2020. The roles and responsibilities of the Chair are set out as part of the group's governance framework.

- iv. There is an annual evaluation of the performance of the board. This considers the balance of skills, experience, independence and knowledge, its diversity, how stakeholder needs are addressed and how the overarching objectives are met. The approach is reported in the annual report and any weaknesses are acted on and explained.

An evaluation of the review of the performance of the board and its committees is conducted annually, with an independent assessment every third year, as has been the case for a number of years. This year, the review was internally facilitated by the Company Secretary and his team. This process identified a small number of action points and assessed the action taken against the previous 2023/24 recommendations. Full details of the outcomes of this assessment can be found on page 119 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements.

- v. There is a formal, rigorous and transparent procedure for new appointments which is led by the nomination committee and supports the overarching objective.

Details of the approach to board succession can be found on pages 115 to 119 of the 2025/26 United Utilities Group PLC Integrated Annual Report and Financial Statements.

- vi. To ensure there is a clear understanding of the responsibilities attached to being a non-executive director in this sector, companies arrange for the proposed, final candidate for new non-executive appointments to the regulated company board to meet Ofwat ahead of a formal appointment being made.

All non-executive directors appointed since April 2016 have met with Ofwat prior to appointment to the board. Ian El-Mokadem met with representatives of Ofwat in January 2025 as did Marina Wyatt in August 2025.

Any non-executive director being appointed as the senior independent director is also required to meet with representatives of Ofwat as did Doug Webb in June 2025.

- vii. There is a majority of independent members on the audit, nomination and remuneration committees and the audit and remuneration committees are independently led.

All members of the nomination, audit and remuneration committees are independent non executive directors. As such the audit and remuneration committees are independently chaired.

E) Delivering for customers and stakeholders.

Our investment throughout 2025 to 2030 is delivering on the things that matter for customers, communities and the environment.

In the first year on AMP8, we have continued to deliver another strong performance for customers and stakeholders with the majority of key performance metrics showing an improvement since last year. A full description of this, as well as our plans to improve performance in performance commitments we did not achieve, are set out both in Section 1.1 of this Annual Performance Report and in the strategic report on pages 64 to 99 of the 2025/26 United Utilities Group PLC Integrated Annual Report.

We met our stretching targets for both internal and external sewer flooding – two of the outcomes customers value most. Long-term investment in dynamic network management is supporting this improved performance, despite last year's stormy weather, with internal sewer flooding down 42 per cent and external flooding down 25 per cent.

While the UK experienced a relatively dry year, the North West still saw above average rainfall. Despite this, our spills performance improved, with activations falling 23 per cent and duration falling 27 per cent versus the prior year. We remain firmly on track to deliver a 60 per cent reduction in spills by 2030.

We remain committed to accelerating improvements in our pollution performance. In 2025 we have seen a decrease in the overall number of pollution incidents despite some severe storms in January which were mitigated by the initiatives and measures we have put in place throughout the year.

We have continued to focus on delivering great service for customers, expecting to achieve seventh position for C-MeX and seventh position for D-MeX, in 2025/26.

Our ambition to help one in six customers with their bills is progressing well, with over 422,000 customers now receiving support. Working with partners such as the Department for Work and Pensions, we have proactively moved 180,000 customers onto better tariffs without them needing to get in touch. More than 580,000 customers are now registered for priority services, enabling us to tailor support for those who need it most.

We are now over halfway through our eight year project to upgrade the Vyrnwy Aqueduct, which is improving water quality for millions of customers in Cheshire and Merseyside and, in 2025/26, have cleaned or relined over 17 kilometres of aqueduct. We are on target to complete the project prior to the regulatory completion date of 2028.

This year we fixed more leaks than ever and replaced over 150 km of mains, more than in the previous five years combined, supporting long-term leakage reduction and fewer supply interruptions. Our in-year leakage performance is the best the North West has ever seen. Despite this progress, we expect to miss our regulatory three-year rolling average target, reflecting the impact of prior years and the time it takes for the rolling methodology to capture improvements. We are confident that the investment and momentum built in year one will continue to strengthen performance as we move through the AMP.

We also made strong progress on smart metering, installing more than 200,000 meters during the year. This marks the first phase of a sustained rollout across the region. Smart meters are a critical enabler of better network insight, helping us identify losses earlier, improve water efficiency and support long-term demand management.

Our balance sheet continues to demonstrate our financial strength, with gearing at 63%. We maintain a track record of responsible financing policies, and we benefit from a fully funded pension scheme so we are not subject to unfunded costs in the future. During 2025/26 we have been continuing to fund our AMP8 programme and have raised £1.0 billion this financial year, providing liquidity, which extends out to 2028.

Signed on behalf of the board

Sir David Higgins
Chair

Louise Beardmore
Chief Executive Officer

This statement was approved at a meeting of the United Utilities Water Limited board on 16 June 2026 and signed off on its behalf by Sir David Higgins, Chair, and Louise Beardmore, Chief Executive Officer.



Executive summary

Executive summary

Ten highlights from this year’s performance:

01

We delivered year-on-year improvements in the majority of operational performance measures

02

We met stretching targets on both internal and external sewer flooding

03

We reported zero category 1 pollutions, the most serious form of incident

04

We reduced spills from overflows by over 20%

05

We reduced risk for customers by making their drinking water even safer

06

We became the first UK water company to achieve the updated ISO 55001:2024 Standard for Asset Management

07

We delivered our largest ever in-year improvement in leakage performance

08

We installed over 200,000 smart meters to enable network insight, identify losses and improve water efficiency

09

We provided affordability support to over 422,000 customers

10

We increased the number of customers signed up to our Priority Services to over 580,000

This is our first Annual Performance Report of AMP8, the five-year price control period running from April 2025 to March 2030. In this document we set out information about both our financial and non-financial performance against the targets and commitments set for the period. This report covers year one of the AMP, running from April 2025 to March 2026.

In October 2023 we published our proposed business plan for the next five-year period, running from April 2025 to March 2030. The plan outlined our ambition to safeguard water supplies and the environment for generations to come, improve services, provide more help to those that need it and how this will affect customers’ bills. Ofwat considered our proposals and in December 2024 set out its final determination of our plans.

► This can be found at: ofwat.gov.uk/regulated-companies/price-review/2024-price-review/final-determinations

Our AMP8 journey has already begun and we are working with suppliers across the North West to provide the capability and capacity we need to deliver our ambitious and stretching £13 billion AMP8 programme. This will play an important role investing in local communities and supporting economic growth and development throughout the region.

► More information about our plan can be found at: pr24.unitedutilities.com

We are pleased to report a strong start to the AMP, with the majority of our operational performance measures improving year on year.

We continue to supply a very high standard of drinking water and have delivered the first year of our water quality improvement programme. We enhanced our mains flushing activities, which has helped reduce compliance failures for iron, aluminium and manganese, as well as the number of customer contacts about taste, smell and appearance of their water.

We met our stretching targets for both internal and external sewer flooding – two of the outcomes that customers value most. Long-term investment in dynamic network management is supporting this improved performance, despite last year’s stormy weather, with internal sewer flooding down 42% and external flooding down 25% when compared to 2024/25. While the UK overall experienced a relatively dry year in 2025/26, the North West still saw above average rainfall. Despite this, our spills performance improved, with activations falling 23% and duration falling 27% versus the prior year. We remain firmly on track to deliver a 60% reduction in spills by 2030.

Leakage is another key area of focus. This year we fixed more leaks than ever and replaced over 150 kilometres of mains, more than in the previous five years combined, supporting long-term leakage reduction and fewer supply interruptions. In year one, we have delivered our largest ever in year improvement in leakage performance, reducing annual leakage by 16.4 Ml/d, despite a backdrop of challenging dry weather conditions that constrained operational effectiveness during the summer months. This performance reflects a significant step up in operational delivery and increased capability across detection, repair and pressure management.

We also made strong progress on smart metering, installing more than 200,000 meters during the year. This marks the first phase of a sustained rollout across the region. Smart meters are a critical enabler of better network insight, helping us identify losses earlier, improve water efficiency and support long-term demand management.

Executive summary

With bills rising this year, we strengthened our sector-leading affordability support. Our ambition to help one in six customers is progressing well, with over 422,000 customers now receiving support. Working with partners such as the Department for Work and Pensions, we have proactively moved 180,000 customers onto better tariffs without them needing to get in touch. We know how important this support is, and we are proud to be among the first in the sector to achieve the Martin Lewis Money and Mental Health accreditation.

We are equally committed to accessibility. More than 580,000 customers are now registered for Priority Services, enabling us to tailor support for those who need it most. We are leading the sector both in the breadth of services offered and the number of customers enrolled, working closely with outreach partners to ensure our services flex and adapt to meet the needs of every community we serve.

We have delivered another strong set of financial results this year. Our balance sheet is one of the strongest in the sector, and we are fully equity funded for AMP8. With gearing at the UUV level 65.8%, alongside robust credit ratings and liquidity out to 2027, we have significant financial flexibility and resilience. Return on Regulated Equity (RoRE) was 6.1% on average over AMP7, on a real RPI/CPIH blended basis. In addition to the return of 4.0% (including our 11 basis point fast track reward), we delivered 2.1% of outperformance mainly comprising of financing outperformance, as well as some positive contributions from tax and ODIs, partially offset by totex largely reflecting previously announced investments.

Delivering our promised outcomes

Over AMP8 we committed to delivering across four different outcomes. Each outcome consists of a number of different performance commitments. In section 1.1 of this document, we have provided further narrative around each of these outcomes, explaining why each is important to customers. This section details each of the 25 different performance commitments which sit within the outcomes, describing the actions we have taken in delivering our performance and targets for year one. The table below outlines each of the four outcomes, the number of performance commitments in the outcome and the net outcome delivery incentive (ODI) position. In Appendix 1 we outline our approach to assuring our data and information. We also provide details on those areas where we are not fully compliant with reporting methodologies, including the reason for non-compliance, its impact and the actions we are taking to address the issue.

Outcome description	Number of performance commitments	Net ODI position (£m)*
Customers receiving excellent service every day*	8	11.936
Reducing the environmental impact	11	-40.469
Reducing demand	3	-13.393
Asset health	3	12.891
Total	25	-29.035

* The net ODI position includes C-MeX, D-MeX and BR-MeX. C-MeX result is based on a predicted value. Excluding the MeX's the Net ODI underperformance is 35.19. This aligns to Table 3a.



Our expenditure and revenues

Our expenditure and revenues

Introduction

AMP8 continues to be structured around four wholesale price controls and two retail price controls.

The wholesale business undertakes the operational activities of collecting, treating and distributing water to customers and then collecting and treating wastewater and managing the resources produced by the wastewater treatment process.

The retail business undertakes the customer contact and billing activities and this continues to be split into two separate price controls. One of these is for retail services for residential customers, which we continue to operate. The other retail services is for business and other non-household customers.

The non-household retail market, opened to competition in April 2017, following which U UW exited the non-household retail market, and non-household customers have been able to obtain their retail services from a number of retailers. Further details of the non-household retail market can be found on the Open Water website.

The remainder of this section of the APR sets out how we have performed against the PR24 expenditure and revenue assumptions for wholesale price controls and the residential retail price control.

Wholesale

Overview of the wholesale price controls (assumed expenditure and allowed revenue)

In Section 1.1 of this document, we set out that the performance expectations of the wholesale services are captured by performance commitments with associated outcome delivery incentives. The PR24 process determined the assumed levels of total expenditure (totex) that were required to deliver these performance levels and to continue to meet our other regulatory and statutory obligations.

These expenditure assumptions across the four wholesale price controls were used to determine the amount of revenue that would need to be recovered from customers to allow the business to finance the delivery of the operational and capital expenditure programmes for AMP8, to provide ongoing finance for the previous investment programmes and to pay tax on our operations.

Totex incentivisation

The totex investment regime takes a holistic view of capital and operating expenditure (capex and opex) to generate a total expenditure level (totex).

Any variance between the initial totex assumptions and actual expenditure over the full five-year period will be assessed through the cost reconciliation mechanism at the end of the regulatory period. This mechanism ensures that if we have been able to make greater efficiencies than assumed in the final determination, then some savings would be retained by the company and some would be returned to customers. Similarly, if our expenditure is higher than the determined allowance, some of the increased expenditure would be recovered from customers and some would be paid for by the company. There are eight different categories of totex spend, all with different sharing ratios, ranging from business rates (90% customer share) through to totex not subject to any sharing (i.e. 0% customer share).

Additional detail on the totex allowances, split by category, and incentive mechanism can be found in Section 1.4 Wholesale totex.

The impact of any net variance will be assessed as part of the PR29 price review process, which is expected to conclude in 2030, and will then be reflected in customer bills during the subsequent period.

Interaction of operational and financial incentives

The totex incentive regime is designed to work alongside the outcome delivery incentive regime to ensure that companies are incentivised to strike the right balance between expenditure and performance. This approach is designed to encourage companies to innovate and to achieve efficiencies or improved service levels, rather than simply setting fixed (or capped) expenditure allowances and performance requirements.

Wholesale expenditure

Our wholesale totex expenditure in 2025/26, as compared with the totex expenditure levels set out in the PR24 final determination, is shown in the table on the next page.

Wholesale expenditure in 2025/26 (out-turn)

Financial measure	Spend - year ending 31 March 2026		
	FD assumption ⁽¹⁾ (£m)	Actual (£m)	Variance (£m)
Water resources totex	158	138	(20)
Water network plus totex	809	855	46
Wastewater network plus totex	1,480	1,253	(227)
Bioresources totex	177	199	22
Total totex	2,624	2,444	(180)

⁽¹⁾ Inflated from FD allowances (presented in 2022/23 prices) to out-turn applying 2025/25 average CPIH

Net regulatory totex

Total expenditure in 2025/26 was lower than assumed within the PR24 FD, with total actual totex spend of £2,444 million compared to £2,624 million assumed in the FD.

However, we have reprofiled delivery to maximise outcomes and we're on track to meet this re-profiled plan. We have successfully recruited over 1,300 new colleagues to join United Utilities whilst at the same time onboarding over 100 suppliers to help us deliver our ambitious programme. 2025/26 totex spend of circa £2.4 billion represents a significant step-up from 2024/25 spend of circa £1.9 billion and we expect to continue this acceleration of spend in the coming years.

Additional detail is provided within Section 1.4 Wholesale totex.

Our capital programme performance is measured through the capital programme delivery incentive (CPDi) KPI, our measure of effective, efficient and quality delivery of the capital programme. Despite the scaling up of activities to delivery our ambitious AMP8 programme, our CPDi score improved again and hit 100%.

Household retail

Overview of the retail price control and incentives 2025/26 performance – household retail

The PR24 process determined an allowed 'cost to serve', plus an assumed margin that could be recovered for providing retail services to household customers.

Measure	Ofwat FD assumption	2025/26 actual	Variance
Cost to serve excluding margin	£137.6m	£152.1m	£14.5m

Actual operating costs in the year (as set out within APR table 2C) were £152.1 million, which is £14.5 million higher than the retail cost allowance. Our costs in 2025/26 are higher than assumed in the PR24 FD reflecting the additional investment that we've made to improve customer service and support cash collection and affordability as we support customers through bill increases.. The costs are £22.2 million higher than in 2024/25, as detailed in the retail expenditure chapter Section 1.6.

Our expenditure and revenues

Our financial performance

Overview of the PR24 determination

Consistent with prior regulatory periods, Ofwat developed the PR24 determinations for all companies based upon a notional capital structure (rather than basing them on company specific capital structures). It applied a common weighted average cost of capital (WACC) for all companies of 4.03% real (CPIH), inclusive of 0.06% retail allowance.

To demonstrate that the plan was financeable, the anticipated performance against a key suite of equity and debt financial indicators was set out as part of each company’s determination. In addition, Ofwat set out the assumed notional base case return against the company’s regulatory equity (RoRE). For UUW, this value was 5.24% (real, CPIH) across AMP8.

The overall determination and incentive package was positioned to be sufficiently broad and challenging in that companies needed to manage diverse risks and utilise available opportunities in order to earn a balanced return for investors, while delivering the best possible package of price and service to customers and the environment.

2025/26 performance – UUW financial performance

We have delivered strong financial performance this year. Operating profit increased by £486 million to £1,113 million, driven predominantly by revenue increasing by 24%, reflecting allowed regulatory price increases.

We continue to maintain a strong balance sheet providing us with future flexibility. The latest actuarial funding valuation on our pension schemes, as at 31 March 2024, determined that the schemes were fully funded on a low-dependency basis without any funding deficits. This demonstrates the success of our de-risking journey for the benefit of the pensions schemes, their members, and the company, by working as a near-perfect economic hedge, removing interest rate and inflation risks for the portion of liabilities secured.

In the year to 31 March 2026, we raised circa £1.0 billion of term funding. This consisted of a £100 million term loan from a relationship bank with a 5+1+1 year maturity and circa £900 million in the public bond markets, including a EUR500 million ten-year green public bond issued in August, a EUR100 million tap of our existing EUR 3.75% bond due 2034 in September, a £300 million 14-year public bond issued in December and a EUR100 million tap of our existing EUR 3.75% bond due 2035 in March. In addition, £400 million of committed facilities were executed, renewed and/or increased with relationship banks. Subsequent to the year end, a EUR150 million tap of our existing EUR 3.5% bond due 2033 was issued in April. The term debt raised in AMP8 so far has typically outperformed the Ofwat debt index mechanism by circa 80bps, providing a sustained benefit across all five years of the AMP.

Our treasury management secured a low cost of debt compared with industry wide regulatory assumptions for AMP8, with an appropriate mix of index-linked and nominal debt. Our hedging policy means we are well placed to manage future financing costs. We have a robust liquidity position with £2,576 million of available liquidity as at 31 March 2026, giving us flexibility in terms of when and how further debt finance is raised to help refinance maturing debt and support the delivery of our ongoing capital investment programme. We have published a seven-year long-term viability statement.

We have a responsible and sustainable dividend policy, with consideration given to a broad range of stakeholders who have interests in the performance of the company. For 2025/26, UUW dividend payments totalled £245 million, which comprised of £227.5 million reflecting a 4% return on the actual equity portion of the Shadow RCV, £5.3 million in respect to the non-appointed activities of UUW, and

£12.2 million true up from 2024/25. Further details on the dividend policy can be found on pages 128 to 132 of the APR.

The following pages provide commentary on our financial performance through an overview of our income statement, our financial position and a range of key financial metrics. The overall impact of this performance upon return is assessed through our return on regulatory equity (RoRE) and financial flows.

Additional detail is provided within the UUW Regulatory accounts in Section 2.

Income statement

Our income statements for the years ending 31 March 2026 and 31 March 2025 are summarised in the table below. This should be read in conjunction with the high level commentary following the table and the detailed information provided within Section 2: Regulatory accounts.

Income statement measures for the years ending 31 March 2026 and 31 March 2025

Income statement measure (£m)	2025/26	2024/25	Movement
Revenue	2,622.8	2,142.3	480.5
Operating profit	1,113.3	627.2	486.1
Profit before tax	728.8	275.3	453.5
Profit after tax	549.8	205.6	344.2

Information from APR table 1A.

Regulated revenue increased by £480 million to £2.62 billion, largely attributable to regulatory adjustments. Adjustments include a circa 23% real increase in allowed wholesale revenues as set out in our PR24 final determination as well as a 3.5% CPIH-linked increase to the revenue cap. This was partly offset by the unwind of prior year revenue forecasting incentive (accounting for -3.2% of revenue) and a small net under-recovery of total revenues, driven by lower than forecast diversions income collected and developer activities.

In AMP8 the first year is expected to reflect the largest annual bill increase. This results in a significant step-up in revenue allowances and reported profits in 2025/26. However, bill increases in subsequent years are expected to be lower.

Operating profit of £1,113 million was £486 million higher than last year, largely reflecting the £480 million increase in revenue. Operating costs were relatively unchanged as the impact of lower IRE (largely as a result of a change in approach on capitalisation) was offset by an increase in operating costs associated with growth in the underlying asset base and inflationary pressures.

Profit before tax of £729 million was £453 million higher than last year. This largely reflects the £486 million increase in operating profit, partly offset by an increase in net finance expense of £25 million. The increase in net interest expense is mainly due to the increase in debt to fund the AMP8 capital programme.

UUW has a reported profit after tax of £550 million this year, up from £206 million in the prior year. This £344 million increase largely reflects the £453 million increase in reported profit before tax, partly offset by a £99 million increase in deferred tax, on higher 2025/26 profit before tax, and a £10 million increase in corporation (i.e. current) tax.

Financial and cash flow position

Our financial and cash position for the last three years is summarised in the table below. This should be read in conjunction with the high level commentary following the table and the detailed information provided within Section 2: Regulatory accounts.

Financial and cash flow position for the years ending 31 March 2026, 31 March 2025 & 31 March 2024

Financial position	2025/26	2024/25	2023/24
Total assets (£m)	17,220	15,933	14,908
Total liabilities (£m)	15,847	14,882	13,893
Net asset value and total equity (£m)	1,373	1,051	1015
Net debt (£m)	10,454	9,889	9,357
Ofwat RCV (£m)	16,487	15,020	13,969
Gearing (%)	63.4	65.8	67.0
Cash flow position	2025/26	2024/25	2023/24
Net cash generated from operating activities	1,367	898	734
Dividends paid	245	197	189
Increase in net cash (£m)	74	246	1011

Information from APR tables 1C, 1D, 1E and 4C.

Reported net debt (APR table 1E) of £10,454 million continued to gradually increase, largely as a result of net operating cash inflows offset by our net capital expenditure, dividends, indexation and cash interest.

Ofwat’s RCV increased by £1,467 million to £16,487 million, due to an increase in the AMP8 capex programme plus inflationary increases. March 2025 RCV also benefited from including end-of-AMP true-ups.

Reported gearing continued its recent declining trend, reducing to 63.4%, down from 65.8% at March 2025 and 67.0% at March 2024, with RCV having increased proportionately more than net debt, benefiting from end-of-AMP RCV true-ups and higher than typical inflation over this period. UUW’s capital structure continues to support a Baa1 credit rating with Moody’s.

Net cash generated from operating activities for the year to 31 March 2026 was £1,367 million, £319 million higher than last year, principally due to higher operating profits. The net cash generated from continuing operating activities supports the dividends paid, in line with our dividend policy, of £245 million and partially funds some of the net capital expenditure of £1,499 million, with the balance being funded by net borrowings and cash and cash equivalents. Year on year movements are principally due to the timing of finance raised. The statement of cash flows can be found on page 118 of the APR.

Financial metrics

Our performance against the key financial measures set out in the FD for the last three years is summarised in the table below. This should be read in conjunction with the high level commentary following the table and the detailed information provided within Section 2: Regulatory accounts.

Financial metrics for the years ending 31 March 2026, 31 March 2025 and 31 March 2024

Financial ratios	Notes	Ofwat PR24 FD assumption	2025/26 actual	2024/25 actual	2023/24 actual
Interest cover ratio (ICR) (cash)	1	3.41	5.24	4.44	5.66
Adjusted cash interest cover ratio (ACICR)	1	1.69	3.08	1.56	1.30
Funds from operations (FFO)/debt	1	9.95%	13.19%	9%	8%
Gearing (net debt/RCV)	1	56.37%	63.41%	65.8%	67.0%
Dividend cover	1	0.61	2.29	1.07	0.32
Dividend yield	1	4.62%	3.97%	3.76%	3.97%
Retained cash flow (RCF)/Net debt	1	6.35%	10.89%	7%	6%
Return on capital employed (ROCE)	1	5.12%	7.21%	4.50%	3.80%
Credit ratings (long-term issuer default ratings)	2	Investment grade	BBB+, Baa1, BBB+	BBB+, Baa1, BBB+	BBB+, A3, BBB+

Information from PR24 final determination: United Utilities and APR table 4H.

Notes

- ⁽¹⁾ Ofwat FD ratios as per financial model RR16, derived on a notional capital structure with a notional cost of debt and reflect 100% of IRE expensed in the income statements
- ⁽²⁾ Minimum credit ratings, from two credit rating agencies, as required in UUW licence.

The interest cover ratios illustrate a company’s ability to pay interest on its outstanding debt. The Interest cover ratio (cash) looks at the ratio of funds from operations (FFO) before the payment of interest, to cash interest paid. The adjusted cash interest cover adjusts the numerator by subtracting regulatory depreciation, which is an approximation of the capital cost that would be incurred if companies were to maintain the RCV at the same level. For 2025/26, both these measures are comfortably above the assumption made in the PR24 final determination.

Our expenditure and revenues

The FFO/Debt ratio is calculated by taking the net cash generated from operating activities, adjusting for changes in working capital and dividing by net debt. This ratio is often used by credit rating agencies to look at the ability of companies to repay their debt and to fund their capital expenditure requirements. It should be noted, however, that each credit rating agency has its own approach to the calculation of these ratios, which may differ from the Ofwat calculation method used here. For example, applying Standard & Poor's (S&P's) usual methodology, which deducts all interest to derive FFO compared to Ofwat's method, which deducts cash interest only, S&P's FFO/Debt for 2025/26 would be lower at around 11% due to higher inflation increasing the indexation charges on our index linked debt. The 13% reported under Ofwat's method is well above Ofwat's PR24 FD assumption.

The debt to RCV gearing ratio measures the proportion of debt in a company's capital structure relative to its regulatory capital value. This ratio is often used by credit rating agencies to assess a company's level of leverage and capital strength. The movement on this metric is explained on the previous page.

Our credit ratings with Moody's (Baa1), Fitch (BBB+) and S&P (BBB+) all remain unchanged from the prior year (long-term issuer default ratings). These all remain well above the minimum investment grade, as well as the cash lock-up ratings - being one notch above minimum investment grade. This is also in line with our PR24 business plan targets of maintaining at least Baa1/BBB+ ratings for 2 out of the 3 rating agencies on a notional basis.

Dividend cover shows the number of times the dividend can be paid from the distributable profits earned in each year. This is well above the FD assumption for the last two years, highlighting our prudent dividend distributions. 2023/24 dividend cover was lower than the FD assumption, impacted by a lower reported IFRS profit.

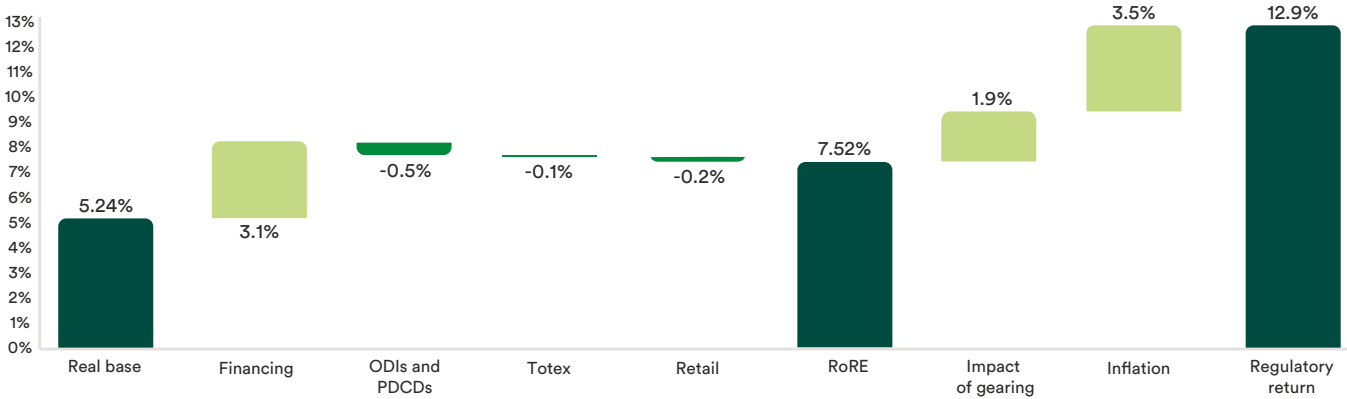
Dividend yield shows the dividend paid as a proportion of regulatory equity. This has remained broadly in line with our base dividend policy of 4% over the last three years (with deviations due to dividend distributions being made based on forecast shadow RCV positions). This remains below the FD assumption.

RCF/Net debt shows FFO retained by the business post dividend payments as a percentage of net debt. RCF/net debt of 10.89% reported in 2025/26 is again well above the PR24 FD assumption.

ROCE measures profit before interest less current tax divided by RCV. ROCE of 7.21% in 2025/26 is also above the FD assumption.

Return on Regulatory Equity (RoRE)

The U UW final determination set out the theoretical range of returns that U UW could expect to earn, dependent on its actual performance in the period, with this return being expressed as a return on the regulated equity of the business (RoRE). The RoRE value reported in our APR is designed to measure the returns that a company has earned by reference to the notional regulated equity, where regulatory equity is calculated from the RCV and notional net debt (55% of RCV). The notional base case RoRE that was assumed in the FD was 5.2% and was assumed to be able to vary between 0.4% and 10.1%, depending upon actual performance in the period.



RoRE for 2025/26 was 7.5%. In addition to the base return of 5.2% (including our five basis point business plan reward), we delivered net outperformance of 2.3%, comprising:

Financing outperformance

We earned financing outperformance this year of 3.1%. We have consistently issued debt at efficient rates that compare favourably with the industry average and sector debt indexation mechanism, thanks to our strong balance sheet and credit ratings, along with our leading treasury management, clear and transparent financial risk management policies, and ability to act swiftly to access pockets of opportunity as they arise.

Customer outcome delivery incentives (ODIs)

In 2025/26 we incurred a net customer ODI penalty of around £35 million. With the introduction of new measures in AMP8 we expect performance to be progressive, resulting in a net reward across the AMP. Customer ODI rewards and penalties are applied to revenues with a two-year lag. As such, the penalty incurred this year will be reflected as a reduction to revenues in 2027/28.

In 2025/26 we earned a reward on all of our year one price control deliverables (PCDs), with a 0.02% impact on returns. We are on track to deliver against the PCDs set out in the final determination over the remainder of AMP8 and remain focused on efficient delivery.

Totex performance

The totex impact on returns in 2025/26 is -0.1%, representing variances in business rates, abstraction charges and discharge consents, as well as disallowable costs not subject to cost sharing.

Retail performance

The retail impact on returns of -0.2% reflects the additional investment that we've made to improve customer service and support cash collection and affordability as we support customers through bill increases.

RoRE represents the real return for each water company assuming a notional capital structure (i.e. 55% PR24 notional gearing level). After accounting for the impact of our actual gearing of 1.9%, as well as RCV indexation of 3.5%, our regulatory return is 12.9% in 2025/26.

Table 1F (financial flows) expands on this by presenting total shareholder return alongside retained value, net of dividend distributions. Total shareholder return of 12.6% includes voluntary sharing arrangements (-0.3%), which reflect the amount of revenue forgone by the company to fund social tariff discounts for retail customers. Actual retained value of 8.3% on an actual equity basis, is consistent with total shareholder return and dividends paid.

A three-year view of RoRE is set out below, in line with Ofwat's capital structure transparency requirements. RoRE for 2023/24 was 7.5%, representing net outperformance of 3.5%. In 2024/25, RoRE fell below the base return, primarily reflecting the combined impact of previously announced investment programmes and additional accelerated investment brought forward from AMP8 to deliver environmental improvements and to improve service for customers. The average RoRE for AMP7 was 6.1%. Please see pages 135 to 137 of the Annual Performance Report for more narrative on reported financial flows.

3-year view	2025/26	2024/25	2023/24
Base return on regulatory equity	5.24%	4.03%	4.00%
Financing	3.09%	2.04%	4.28%
Tax ⁽¹⁾	0.00%	2.00%	1.72%
ODIs	-0.47%	0.26%	0.73%
Totex	-0.12%	-6.72%	-2.75%
Retail	-0.22%	-0.56%	-0.43%
RoRE on a notional equity basis (1F.19)	7.52%	1.05%	7.54%
Total shareholder return on an actual equity basis (1F.22)	12.61%	4.14%	13.89%
Dividends	-4.27%	-3.95%	-4.21%
Retained value (1F.35)	8.34%	0.19%	9.68%

(1) U UW does not have a tax allowance in AMP8, and as such no tax performance is reported, consistent with clarified guidance issued by Ofwat in June 2026.



Risk and compliance statement

Risk and compliance statement



UUW board’s risk and compliance statement 2025/26

This statement is made by the board of United Utilities Water Limited (the company or UUW, where the context requires) and confirms the company’s compliance with the relevant statutory, licence and regulatory obligations for the provision of services to its customers. This statement reflects the reporting year 2025/26 and is complementary to other statutory board statements.

The statement

The board considers that the company has applied its processes and internal systems of control in a manner that has enabled it to satisfy itself, to the extent that it is able to do so from the facts and matters available to it, that the company:

- has a full understanding of and has complied with its relevant statutory, licence and regulatory obligations in all material respects in 2025/26;
- has taken appropriate steps to understand and meet customer expectations;
- has sufficient processes and internal systems of control to fully meet its obligations;
- has appropriate systems and processes in place to identify, manage, mitigate and review its risks; and
- has confidence that the data and information provided to Ofwat and published in the reporting of 2025/26 performance was accurate and complete.

Where there are known material departures from this statement – for example, if there are ongoing significant identified legislative or licence breaches or where systemic issues arose with management controls or processes then these exceptions are set out and explained in the Table of Departures, which immediately follows this Risk and Compliance Statement. In addition, at any given time there may be matters under ongoing discussion or investigation with regulators or others to determine whether a material departure occurred. Where relevant, these matters will generally be disclosed following the conclusion of such processes.

Managing compliance with our obligations

The primary statutory and regulatory obligations relevant to our functions as a Water and Sewerage Undertaker are set out in either the Water Industry Act 1991 or in our Instrument of Appointment – the ‘licence’. The licence requires us to meet the requirements imposed under any other statutory and regulatory obligations as necessary to fully discharge our duties as a Water and Sewerage Undertaker.

The company has an established compliance working group, chaired by the company’s Principal Regulatory Solicitor, with representation from relevant business areas. The group formed in 2015 in order to formally determine how the company’s diverse obligations are identified and discharged. The group maintains a log of the company’s key obligations, together with a list of the internal policies, associated risk assessment and assurance activities for each obligation. Each obligation also has an owner who is a member of the working group and a named owner of each obligation’s linked policy, who usually is more senior and often at executive or board level. The group carries out horizon scanning to identify new legislation and identifies any areas of potential non-compliance against obligations.

The board manages the effective and efficient delivery of its obligations and operation of everyday activities within the business by the interaction of:

- **Authorisations, approvals and procedures:** These are set out in the United Utilities Group PLC Internal Control Manual (ICM) to provide employees with a clear system of internal controls that they must follow when acting on behalf of United Utilities Water and United Utilities Group PLC as a whole. The ICM sets out a framework within which underlying detailed procedures and policies operate.
- **Policies:** A range of underlying policies provide guidance to employees as to how they should conduct themselves when acting on behalf of United Utilities Water and United Utilities Group PLC as a whole. Everybody working for, or on behalf of, UUW must comply with the

policies (to the extent they are applicable to their roles). Failure to do so may result in disciplinary action being taken. This could lead to dismissal and possible civil or criminal proceedings in serious cases.

- **Governance and control:** The board delegates responsibility for specific matters to a number of committees. This provides a framework that employees are expected to be aware of and comply with, where relevant to their role, to ensure business decisions are taken with sufficient governance and oversight.

To oversee and take decisions affecting the execution of its obligations, the UUW board:

- receives and reviews performance reports from the Chief Executive Officer;
- from time to time receives and reviews reports and presentations from the Asset Management, Bioresources and Green Energy, Commercial, Engineering and Capital Delivery, Corporate Affairs, Customer and Technology, Finance, Health and Safety, Legal, People, Regulation and Compliance, Transformation and Strategic Projects, Water Services and Wastewater Services directorates;
- receives and reviews reports and presentations from UU Corporate Audit and other financial and technical auditors; and
- has access to executive and senior managers in the company to verify information.

Should a significant regulatory risk or issue materialise during the year, then UUW will update Ofwat, accordingly, to demonstrate that the company is aware of and is responding appropriately to manage that risk or issue.

Understanding and meeting customer expectations

Our investment priorities and performance targets for the 2025–30 period were shaped by listening to customers and stakeholders and understanding their priorities for the years ahead. This work informed a series of outcomes, which represent what we are aiming to achieve in the areas that customers and stakeholders told us were most important to them.

Each outcome is underpinned by specific performance commitments that allow customers and stakeholders to judge our performance. The performance commitments are an important mechanism that allows us to demonstrate to customers whether the performance they have received from us has met, or not met, expectations. Most of these measures contain outcome delivery incentives (ODIs), with performance against these measures potentially resulting in financial incentives for outperformance or underperformance.

The performance commitment and outcome delivery incentive framework is designed to reflect customer priorities and provide strong incentives for companies to become more innovative and effective, both protecting customers against under-delivery and where merited, rewarding companies for outperformance in areas specified by the regulator as part of a customer focused price review process.

The independent challenge group for the North West, YourVoice, has continued to play a valuable role in scrutinising our customer engagement, improving the transparency of our reporting and challenging on the development of our AMP8 business plan. Throughout the year, we have continued to work with YourVoice to demonstrate how we are delivering on our performance commitments.

► The YourVoice website can be found at: yourvoiceicg.co.uk

We believe that it is important to be transparent and to provide information to customers and stakeholders that they can trust and that enables them to understand how the company is performing. The summary of the assurance that has been undertaken are set out in Appendix 1 of this Annual Performance Report.

Processes and systems

The directors have a reasonable expectation that the processes and systems of control the company uses are adequate for it to meet its obligations.

Risk and compliance statement

This statement takes into account the relatively stable and regulated nature of the business, and is based on, amongst other matters, a review of the company’s performance for 2025/26, the results of the annual management control self-assessment, the work of Corporate Audit and a review of the company’s risk management process and register.

In respect of this statement, assurance is provided by:

- **Using U UW’s established processes and methodologies for reporting performance.** This requires data providers, their managers and business unit directors to produce and approve Performance and Compliance Statements that set out the evidence to support the reported performance and control checks that have been applied. Operational performance data is collected at month six, month nine and at year end.
- **Comparing the reported outturn performance with our company business plan targets, regulatory targets and predicted future performance.** This exercise allows variances to be identified and explored. Where required, explanatory statements are sought from business managers. These statements are analysed and assessed by the Regulatory Reporting and Assurance team (within Regulation and Compliance) and findings are reported to the relevant executive directors, with any material issues highlighted to the U UW board.
- **Requiring Business Unit Directors and Senior Managers to complete an annual management control self-assessment questionnaire.** The self-assessment is overseen by UU Corporate Audit and serves as one of many inputs to the board’s annual review of the effectiveness of risk management and internal control systems in accordance with good governance principles. The self-assessment questions are intended to assess the awareness and application of key internal controls, highlighting the incidence of significant weaknesses or failures in controls during the period that have had, or could have, a material impact on the company’s performance or condition. The questionnaire covers compliance with both Licence and Water Industry Act obligations, along with key business policies, procedures and controls.
- **Reviews are undertaken by the UU Corporate Audit team and technical auditor of the company’s processes, risks and controls.** In 2025/26, Corporate Audit continued to review the company’s risks, processes and controls, covering operational areas and support functions (such as finance, digital services and health and safety). The team reviewed regulatory reporting information and submissions, the disclosures made in the Corporate Governance section, and elements of the non-financial information disclosed within the Strategic Report and Directors’ Report sections of the Annual Report and Financial Statements. The scope of the audit work is consistent with the company’s published assurance framework. Findings are reported to aid the board’s decision to approve these reports. The team reviewed U UW’s compliance with Ofwat’s board leadership, transparency and governance principles as part of their annual review of corporate governance. Their findings are reported to the board to aid the board’s decision to approve the annual Risk and Compliance Statement. The effectiveness of the Corporate Audit team is reviewed annually by the Audit Committee, taking into account the team’s performance against the quality assurance and improvement plan, the outcome of an annual stakeholder survey and periodic external assessment, the most recent being during 2023/24. The technical auditor provides a summary report about year end reporting to the board each June. A copy of this can be found in Appendix 1.
- **The Group Audit and Risk Board (GAR B) reviews and monitors compliance with governance processes, risk management and the internal control framework to identify emerging themes and trends.** GAR B provides an executive review of governance processes, risk management and internal control, their adequacy, effectiveness and performance. GAR B monitors compliance as part of the governance framework, identifying emerging themes and trends. Meeting on a quarterly basis, GAR B regularly reviews issues and summary level reporting (typically by exception) arising in relation to:
 - Corporate Audit activities;
 - management control self-assessment activities;
 - risk management framework, process and reporting, and effectiveness thereof;

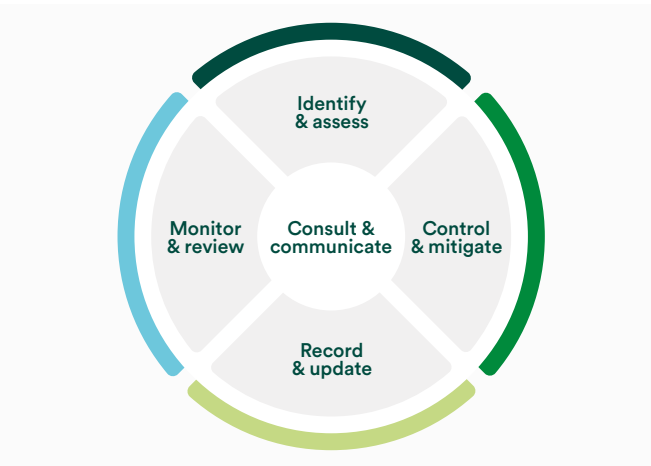
- fraud and whistleblowing framework, process and incident reporting, and effectiveness thereof;
- data protection, competition, environmental information regulations and Bribery Act compliance;
- security, including IT, cyber and operational security;
- operational topics such as asset health, maintenance and investment prioritisation; and
- operational compliance and assurance activities.

Where material issues are identified and/or the board considers it is unable to support the expectations of the Statement, then exceptions are set out in a table following the compliance statement.

Risk management

Proactive management of uncertainties, variabilities and potential disruption enables us to deliver on our purpose to provide great water for a stronger, greener and healthier North West, and be more resilient across our corporate, financial and operational structures. A key objective of our approach to risk and resilience is to support the sustainable achievement of the strategic priorities that underpin our purpose. Focused on creating and protecting value, our risk and resilience framework provides the foundation for the business to:

- anticipate threats and vulnerabilities that could affect the delivery of an effective service in these challenging times;
- understand vulnerability, interrelationships and interdependencies for an integrated approach;
- apply preventative measures to limit impact, and have the capability to respond and recover when risks materialise;
- adapt to change, and absorb stresses and shocks; and
- apply enabling measures to optimise relevant opportunities.



Key components of the framework include:

- an enterprise-wide (ERM) approach covering all types of risk across the entire organisation and its wider business environment;
- a strong and well-established governance structure giving the board oversight of the nature and extent of risks the business faces;
- defined roles and responsibilities, with structured training programmes, and regular communication and consultation; and
- an embedded business-wide risk management process (which is aligned to ISO 31000:2018 risk management guidelines) along with a portfolio of policies, procedures and guidance to enable a consistent approach to risk management.

As an enterprise-wide approach, the accountability for the assessment and management of risk is across the entire organisation, taking account of interdependencies and interrelationships of both internal and external factors and stakeholders. The identified risks cover a wide range of potential events relating to our objectives and statutory obligations, including regulatory, legal, core operations, service and hazard risks. Horizon scanning is an inherent part of our risk assessment processes and a key focus of multiple cross-business forums, which take a holistic

view of the organisation, systems or production lines. This enables a forward-looking consideration of new and emerging areas of concern, the long-term impact of risks (including knock on and cascading impacts), and either specific or integrated cross business control/mitigation as appropriate.

The process involves business level evaluation, benchmarking and calibration to enable a consistent approach, an appreciation of the most significant risks from a financial and reputational context, together with an evaluation relative to our risk appetite and tolerance.

Oversight and governance process

The board ensures that its oversight of risk remains effective through a number of established reporting routes. Twice yearly, the board receives a full update on the risk profile as part of the full and half-year reporting cycle. This provides an overview of the nature and extent of risk exposure in the context of the business principal risks and emphasises the most significant risks in both their current state and the target state of acceptable exposure.

This practice is in compliance with the UK Corporate Governance Code (2024) and enables reports to be provided to the board for each full and half-year statutory accounting period. The board is, therefore, able to:

- decide on the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives;
- ensure appropriate controls and mitigation are in place, and test the appropriateness of plans to manage risk and realise opportunities;
- report on the long-term viability of the company in an informed manner; and
- monitor and review the effectiveness of risk management and internal control systems.

Our approach to corporate risk management and principal risks and uncertainties are set out on pages 58 to 63 of the United Utilities Group PLC 2025/26 Annual Report and Financial Statements.

► unitedutilities.com/corporate/investors/results-and-presentations/annual-reports

In respect of regulatory reporting, U UW has maintained its tailored risk management and assurance approach that has been used in our previous regulatory reporting periods.

This process identifies high-risk elements of our reporting and ensures that action plans are established to manage or mitigate the risks and appropriate governance and assurance is in place.

The regulatory reporting risk assessment process and assurance plan for our 2025/26 regulatory reporting are set out on the United Utilities website:

► unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2025-30

Appendix 1 of the Annual Performance Report provides confirmation that this assurance plan has been implemented and sets out the findings of that assurance.

Data and information provision

The accountability for operational performance and regulatory reporting sits within the relevant business units responsible for the day-to-day management of the associated processes. The data that underpins the reporting of performance commitments and other operational performance has an executive sponsor, with their team being responsible and accountable for the end-to-end process from delivery to performance reporting.

The AMP8 assurance framework has been reviewed and challenged by the Compliance Committee and has been published on the company website at:

► unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2025-30/

Data reporting

The accountability for operational performance and regulatory reporting sits within the relevant business units responsible for the day-to-day management of the associated processes. The data that underpins the reporting of performance commitments and other operational performance has an executive sponsor, with their team being responsible and accountable for the end-to-end process from delivery to performance reporting.

Data assurance

The process by which we capture and report data is defined in a suite of methodology statements, which are developed by subject matter experts. The methodology outlines how we comply with reporting requirements and sets out the systems used to capture and report data, role accountabilities and the processes used to analyse and calculate the resultant performance levels. Additionally, the methodology statements include key process controls and checks that assure the resulting data. Each of the methodology statements is reviewed during the year and signed off appropriately by the relevant senior manager or member of the executive, dependent on the associated level of risk. All data relating to our performance commitments is signed off by an executive owner. In addition to these methodology statements, Performance and Compliance Statements are compiled that evidence the reported performance and control checks that have been applied. Operational performance data is collected and reported in this way at month six, month nine and at year-end as part of our regulatory reporting process. This informs management actions to address in-year performance issues. The Performance and Compliance Statements are signed off appropriately based upon the risk level assessed. An electronic sign off process has been established, which provides a robust audit trail of all interactions in the approvals process.

Risk assessment

Reported information is risk assessed to determine the minimum level of assurance applied. This is based on the significance of the data (both financial and reputation) and the materiality of potential risks or issues. The risk assessment ensures that issues are escalated to, and signed off by, the appropriate accountable manager or executive. This risk assessment is usually undertaken at least twice annually in order to ensure emerging risks are taken into account during the year.

Targeted assurance

The process for capturing and assuring our regulatory data is underpinned by a ‘three lines of assurance’ approach to the analysis, review and assurance of the reporting of regulatory information. In the first line of assurance, management has accountability for developing and maintaining sound processes, systems and controls in the normal course of its operations. In the second line of assurance, the Regulation and Compliance team or Finance team has accountability for providing the framework and governance for regulatory reporting and ensure that methodologies have been complied with. The UU Corporate Audit team provides an independent review of the effectiveness and application of the assurance framework and undertake a number of targeted reviews. A report is presented to the board outlining its findings and any areas of non-compliance. The third line of assurance provides independent audit and assurance activity through independent technical auditors and in some cases specially appointed third-party providers. A report is presented to the board outlining its findings and any areas of non-compliance.

Data review

Performance data is used to report performance throughout the business up to board level. Performance data produced either monthly for scorecards or the regular reporting processes outlined above is compared against regulatory targets and predicted future performance. Monthly scorecards are shared widely throughout the business as part of the monthly briefing process. This exercise allows variances to be identified and explored. Following reviews at month six and month nine, where required, explanatory statements are sought from business managers. These statements are analysed and assessed by the Regulation and Compliance team and findings are reported to the relevant executive directors, with any material issues highlighted to the U UW board. This scrutiny supports understanding of our performance so that it can be explained and challenged. Where necessary, corrective action can be taken to try to bring performance back on track.

Risk and compliance statement

Board engagement and challenge

The board has considered and challenged our published assurance approach which supports the publication of its performance data; and the risk and assurance processes, governance structures and individual accountabilities which support the provision of information to the board and other stakeholders. The board is also fully engaged with understanding – and where appropriate, challenging – how we perform against our performance commitments, receiving detailed regular performance reports at board meetings, with particular focus at half-year and year-end.

We have an established board sub-committee, the Compliance Committee to ensure the board has an even greater opportunity to provide early and in-depth scrutiny of regulatory submissions, to help ensure the accuracy of information presented to regulators and customers and to oversee the structure and processes of interactions with them. In the reporting year 2025/26 the committee is made up of five directors, four of whom are independent non-executive directors, one of whom is appointed as chair. The Chief Operating Officer and Regulation and Compliance director are also members of the committee and the Company Secretary attends the committee meetings. This year the Committee has reviewed several regulatory submissions ahead of publication including the Annual Performance Report and Final Charges for 2026/27. The committee has continued to review principal submissions to the Environment Agency relating to performance. This has included reviewing the approach to compiling information provided by the company as part of the Environmental Performance Assessment and Event Duration Monitoring submissions which covered performance in 2025. In addition, the committee were also engaged in the review and development of the Pollution Incident Reduction Plan which was published in March 2026. Scrutiny and constructive challenge from the committee helped ensure the quality and completeness of this Plan.

Such submissions are subject to a clearly defined assurance process including risk-based assessment, prior to being submitted to the board for consideration. This process includes detailed scrutiny from senior management, first and second line risk and assurance teams, as well as independent experts for third line assurance where required. Exceptions and issues identified from the assurance process and the actions taken to resolve or mitigate them are raised with the board for consideration. At year-end Corporate Audit and the independent technical assurer separately present the results of their assurance findings and any areas of non-compliance.

Independent challenge and review

We regularly discuss our performance against targets with the YourVoice panel. Actions and plans to deliver against our targets are reviewed and discussed together with the impacts that these actions have on customers, performance and financial incentives. As part of the year-end process the YourVoice Chair reports the panel's findings directly to the board. We work with the panel to ensure that performance outcomes are communicated clearly and transparently to customers alongside the main Annual Performance Report in a customer focused summary.

Confirmation of key reporting requirements Corporate governance (Licence condition P3)

United Utilities continues to fully support Ofwat's drive for the highest standards of board leadership, transparency and governance in the industry. United Utilities Group PLC applies the principles and reports against the provisions of the UK Corporate Governance Code (2024) as disclosed most recently on page 107 of the United Utilities Group PLC 2025/26 Annual Report and Financial Statements.

Ofwat's board leadership, transparency and governance (BLTG) principles require UUW to meet the objectives of the principles and to explain in an effective, accessible and clear manner how they have done so. The board is satisfied that its current practices and application of the BLTG objectives at regulated company level are entirely consistent with the principles published by Ofwat.

In addition, and as required by licence condition P3, the board has developed a board statement that aims to explain how it is meeting the BLTG objectives in a manner that is effective, accessible and clear. This statement is published on pages 8 to 15 of this year's Annual Performance Report.

Links between directors' pay and standards of performance (Water Industry Act Section 35A)

As required by Section 35A of the Water Industry Act 1991 a statement of directors remuneration and standards of performance in relation to UUW can be found on pages 146 to 162 of the United Utilities Group PLC 2025/26 Annual Report and Financial Statements. Included within this statement are details of the arrangements and the remuneration that have been paid or become due during 2025/26 to the directors of the company as a result of arrangements for linking the remuneration of the directors of the company to standards of performance in connection with the carrying out, by the company, of the functions of a relevant undertaker. This includes information in relation to the company's compliance with the Performance Related Executive Pay Prohibition rule.

Dividends (Licence condition P31)

Appointees are required by licence condition P31 to declare or pay dividends only in accordance with a dividend policy that has been approved by the board and which complies with the following principles:

- That dividends declared or paid will not impair the ability of the appointee to finance the appointed business, taking account of current and future investment needs and financial resilience over the longer term;
- That dividends declared or paid take account of service delivery for customers and the environment over time, including performance levels, and other obligations; and
- That dividends declared or paid reward efficiency and the effective management of risks to the appointed business.

We have an established dividend policy with robust and well-evidenced principles, which complies with the licence condition P requirements. Further details on the dividend policy and dividends paid, and how these take account of obligations under the licence (alongside other key principles committed to by the board), is provided on pages 126 to 128 of the Annual Performance Report.

Ring-Fencing Certificate (Licence condition P32)

The directors have issued a 'Ring-Fencing Certificate' (RFC) under paragraph P32 of licence condition P, stating that the company will have available to it: i) sufficient financial resources and facilities; ii) sufficient management resources and systems of planning and; iii) sufficient rights and resources other than financial resources, to enable it to carry out the regulated activities, for at least the next 12 months. This certificate also confirms that all contracts entered into between UUW and any associated company include the necessary provisions and requirements in respect of the standard of service to be supplied to UUW, to ensure that it is able to carry out the regulated activities. The RFC can be found on pages 143 to 145 of our 2025/26 Annual Performance Report. An extract from the board minutes evidencing that the board approved the RFC and delegated authority to sign the certificate to any one director can be found in Appendix 2.

Transactions with associated company (Licence condition P19)

The directors of UUW have declared, to the best of their knowledge that: i) every transaction between the appointed business and any associated company is at arm's length, so that neither the appointed business nor the associated company gives a cross-subsidy to the other; and ii) that the appointed business neither gives nor receives any cross-subsidy from any other business or activity of the appointee. Information in respect of transactions between UUW and any other business or activity of the appointee or associated company is set out on pages 139 to 140 of our 2025/26 Annual Performance Report.

Maintaining investment grade credit rating (Licence condition P26)

UUW currently has long-term issuer credit ratings of Baa1/BBB+ with Moody's and S&P, respectively, and a long-term issuer default rating of BBB+ with Fitch, all on stable outlook. Additionally, UUW's current senior unsecured debt ratings are Baa1/BBB+/A- with Moody's, S&P and Fitch, respectively all on stable outlook. UUW aims to maintain

long-term issuer credit ratings of at least Baa1/BBB+ with Moody's and S&P, respectively, and an issuer default rating of at least BBB+ with Fitch (A-senior unsecured debt rating). This assumes that each ratings agency maintains current published ratio thresholds/guidance for United Utilities' ratings and no further changes to sector risk assessments or ratings methodologies UUW's credit rating targets are subject to periodic review.

Long-term viability statement

As set out in the long-term viability statement on pages 121 to 123 of the Annual Report, the directors have assessed the viability of UUW, taking account of UUW's current position, the potential impact of the principal risks facing the business in severe, but plausible, scenarios, and the effectiveness of any mitigating actions. This assessment has been performed in the context of UUW's prospects as considered over the longer term. Based on this viability assessment, 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 seven-year period to March 2033.

Fitness and Proprietary

The Company has appropriate processes, systems and governance in place that satisfy rule 7(a) of the Fitness and Propriety (FPP) rule. Our processes, systems and governance to satisfy rule 7a are set out below:

For directors in post: When originally appointed all directors completed a directors' declaration setting out the details to be disclosed in relation to UKLR 6.4.8 and pre-appointment checks were undertaken by the executive search firm to the satisfaction of the people director and nomination committee. Thereafter, annually, directors were required to reaffirm their disclosures against UKLR 6.4.8 as a matter of routine and reminded that, should at any time changes to this information occur, the Chair/company secretary should be informed immediately. If necessary, at that time, an updated disclosure would be released to the market in accordance with UKLR 6.4.9. A report to the board is tabled annually on the outcome of the annual reaffirmation process. All current directors were interviewed by Ofwat prior to appointment to the board.

The process has now been adapted to incorporate the additional disclosures as required by the F&P Rule in the annual directors' declaration. Once forms have been completed the forms will be reviewed, and information verified and monitored, as appropriate, during the year. All directors have been made aware of the new F&P Rule, the importance of it and the company's intended compliance with it. All directors are aware that should there be any change to their previous disclosures they must raise the matter immediately with the Chair/company secretary.

For newly appointed directors: The following process is proposed in the event of the appointment of a new director, although the circumstances at the time might necessitate some degree of modification. The recruitment process for a new director starts with the preparation of a recruitment brief for a role approved by the nomination committee. The brief would reference the F&P Rule and the disclosure requirements and be provided to the executive search agency for distribution as part of the search materials for the role.

After the executive search agency completes its initial screening and standard pre-appointment checks, potential candidates are interviewed by the people director and the Chair, consulting with the CEO, to assess their suitability and experience. The candidates then meet with members of the nomination committee and CEO/CFO for further evaluation. The nomination committee selects the most suitable candidate, and the executive search agency provides them with the company's directors' disclosure form, which includes UKLRs and F&P Rule requirements. This form is completed, verified by the agency, and assured by the company as needed. The people director and company secretary review the completed disclosures, evaluating them against the three standards of fitness and propriety, applying reasonableness, proportionality, and materiality. If the candidate meets the F&P standards, the nomination committee discusses their suitability and makes a recommendation for the board to consider the appointment.

Ofwat would be sent a summary of the assessment prior to the candidate formally meeting with representatives of Ofwat. Thereafter a decision whether to appoint the candidate would be made by the board.

Outcome delivery

Performance against the outcomes and performance commitment targets set out in the PR24 final determination, has been monitored on a monthly basis throughout the business as part of internal company scorecard reporting. Annual and longer-term performance summaries are reported on a regular basis through the year to the UUW board and to the customer challenge group YourVoice. Full details of the 2025/26 performance against these outcomes is included within Section 1.1 of our 2025/26 Annual Performance Report. Actions that are being undertaken to address any measures where we have not met the target are also set out within the report.

Principles of customer care (condition G)

On 12 February 2024 a revised Condition G was introduced to the UUW licence, and condition J was formally removed. This new package of customer focused licence conditions clarifies the company's responsibilities to keep customers informed, put things right when they go wrong and ensure that the full diversity of customer needs are understood and supported. Further details of our approach to condition G can be found in section 1.3 of our 2025/26 Annual Performance Report on pages 86 to 88. Section 1.3 sets out how we can demonstrate compliance with the condition and the assurance activities which support this. Within this summary we describe our future plans and aspirations to improve compliance and to deliver more.

Consumer Involvement in Decision Making Rule

On 1 April 2026 a new Consumer Involvement in Company Decision Making Rule came into force. In the lead up to the introduction of the rule UUW has been working to ensure compliance with these new requirements from the required date. This includes the introduction of new governance arrangements and the publication of a new Forward Looking Plan.

- Our forward looking plan has been published on our website at: unitedutilities.com/globalassets/consumer-involvement-in-decision-making-forward-looking-plan.pdf

A report of UUW's actions to comply with the new rule will be provided as part of next years' APR.

We have also begun active participation in CCW's Water Voice Accountability sessions. The first session was held on 15 April 2026, the details of which can be found on the CCW website at:

- ccw.org.uk/our-work/consumer-panels

Compliance with sanctions against Russia and Belarus related to the conflict in Ukraine

Our obligations with regard to the sanctions against Russia and Belarus related to the conflict in Ukraine have been reviewed by the Legal, Corporate Audit, Supply Chain and Customer teams. We undertook a series of checks to ensure that we are compliant with sanctions. No material issues or concerns have been identified to date and we will continue to monitor and check against sanctions.

Signed on behalf of the board



Sir David Higgins
Chair



Louise Beardmore
Chief Executive Officer

This statement was approved at a meeting of the board of directors of United Utilities Water Limited on 16 June 2026 and signed off on its behalf by Sir David Higgins, Chair and Louise Beardmore, Chief Executive Officer.

2025/26 departures from the risk and compliance statement

The board considers that the company has applied its processes and internal systems of control in a manner that has enabled it, to the extent that it is able to do so from the facts and matters available to it, to identify material departures from the obligations or exceptions in data accuracy or completeness as set out below:

Description of duty/ obligation	Purpose of duty/ obligation	Reason for departure	Disclosure
Environmental Permitting (England and Wales) Regulations	Compliance with environmental permits	Breach of obligation and compliance with flow to full treatment permit conditions across the water industry is under investigation by Ofwat and the EA.	Environmental permit conditions Monitoring compliance with environmental permits is an ongoing process which is embedded in our operating activities. Approaches to monitoring and assessment of compliance risks are subject to continuous improvement through – for example – investments in monitoring and telemetry technologies and enhancements to data analysis. Each failure is thoroughly investigated and a robust route cause identified and managed appropriately to ensure that corrective actions are applied. We continue to work with regulators on an ongoing basis to ensure that identified exceptions to existing and evolving methodologies and requirements are understood, investigated and progressed towards resolution on a timely basis. From 2026, flow compliance is included within the updated Environmental Performance Assessment as a shadow measure. Performance for 2026 will be published by the Environment Agency in 2027. Throughout 2025 we identified non-compliance at eighteen sites. Of these four have now been resolved and returned to compliance. At a further eight sites, all the required remedial work has been completed and performance is being monitored and is improving. Five sites have action plans in place and remedial actions are progressing, these are expected to be implemented and resolve the issues identified by mid 2026. One of the sites requires a change in permit, and we are pursuing this change with the Environment Agency. Five of the sites had been subject to action plans and improvements in the prior year but have now had additional actions identified that need to be undertaken to restore compliance. All monitored sites are regularly assessed for non-compliance. Risks to non-compliance are reviewed with causes of any failure and remedial actions routinely monitored by management who are supported by a dedicated team that provide insights and analytical oversight. As part of our AMP8 obligations we continue to invest in monitor installation in line with regulatory requirements. In AMP8 we have installed 177 monitors and plan to install a further 94 by December 2026, by which time all sites will have monitors installed. For sites where monitors have not yet been installed as part of the AMP8 programme, we continue to evaluate the risk of non compliance using a range of alternative data sources. Environmental permit conditions relating to quality standards For the year ending December 2025 seven treatment works (out of a population of 389 with relevant permits) have been classified as failing their environmental permit due to not achieving the quality standards required from their discharges. The failing works are associated with Operator Self-Monitoring (OSM) and UWWTD sample failures during 2025. This element of compliance is reported within the Environment Agency’s Environment Performance Assessment (EPA) % discharge compliance and this performance will result in an overall discharge permit compliance score of 98.2 %, which is classed amber (achieving standard).

Description of duty/ obligation	Purpose of duty/ obligation	Reason for departure	Disclosure
UUW Instrument of Appointment (licence) Condition L	Condition L (Underground asset management plans) creates obligations regarding the preparation, review and revision of underground asset management plans.	Legacy licence condition does not reflect current practice	Changes to the regulatory approach mean that these legacy licence requirements are no longer active. Our plans for wastewater underground assets are now developed through Drainage and Wastewater Management Plans (DWMP) and for water through Water Resources Management Plans (WRMP). Due to the size and inaccessibility of our underground asset base, we use operational data, mapping information held on our GIS system, and modelling tools such as Pioneer to estimate asset condition and future deterioration. This data is then used to underpin our long-term 25-year adaptive plans and our regulatory submissions, such as the DWI Long Term Plan. Our DWMP sets out our long-term approach for delivering sustainable drainage and wastewater management across the North West. Details of our DWMP can be found on our corporate website at: ► unitedutilities.com/corporate/about-us/our-future-plans/our-long-term-plans Details of our WRMP can be found on our corporate website at: ► unitedutilities.com/corporate/about-us/our-future-plans/water-resources/water-resources-management-plan
Water Industry Act 1991 Information provisions	S199 Water Industry Act 1991 Section places an obligation on wastewater companies to maintain maps of its sewers.	Legacy licence condition does not reflect current practice	Although a high proportion of our sewers are mapped, in common with all other wastewater companies in England and Wales, not all sewers were mapped at the time of privatisation and the transfer of private sewers. Full sewer records were not always available and connections can be made into the network without the permission of UUW or without providing full records. We actively and regularly update our sewer records to reflect any changes found in sewer location or attributes. We remain committed to working to continually enhance the quality of our records and where we find inaccuracies or omissions we will continue to quickly update our sewer maps.

Regulatory accounts for the 12 months ended 31 March 2026

Ownership, funding and capital structures



United Utilities Water Limited (U UW) provides regulated water and wastewater services across the North West of England. It is the second largest of 11 such businesses in England and Wales, and operates under an instrument of appointment - the ‘licence’. U UW is subject to regulation of price, performance and compliance by various bodies including the national economic regulator Ofwat, and further details of U UW’s regulators and what they regulate is set-out on page 4 of the APR.

Ownership structure

As a group, United Utilities has a simple corporate structure. U UW is a fully owned subsidiary of United Utilities North West Limited (U UNW). U UNW is fully owned by United Utilities PLC (U U) which is itself fully owned by United Utilities Group PLC (U UG). U UW’s ultimate group parent company is U UG PLC. No legal entities or parties have provided an Ultimate Controller undertaking to U UW. U UG’s abridged ownership structure chart with more detail on key entities can be found on page 118 of the U UW Annual Report.

U UG has a primary listing on the London Stock Exchange (LSE) with a stock code of ‘U U’ and has around 70,000 registered shareholders.

Investors in U UG typically cover a broad spectrum including institutions for/to:

- Index investing matching performance of specific market benchmarks like the FTSE 100 - ‘Index’
- Capital appreciation from companies expecting to grow sales or earnings at above average rates – ‘Growth’
- Identify and purchase stocks trading for less than their intrinsic value – ‘Value’
- Growth at a reasonable price, combining growth and value strategies – ‘GARP’
- Specific industry or unique, non-correlated assets, aiming for higher returns through deep, targeted expertise - for example, funds earmarked for investment into water or companies with strong ESG credentials – ‘Speciality’

The top 20 shareholders from the latest available monthly shareholder listing as of 31 March 2026, along with their prior year comparators, is presented below:

Table 1: Top 20 shareholders as at 31 March 2026

Rank	Manager (Country of origin)	Investment Style ⁽¹⁾	31-Mar-26 (%)	31 Mar-25 (%) ⁽²⁾
1	Lazard Asset Management LLC (US)	Value	8.50	9.15
2	BlackRock Investment Management Ltd (UK)	Index	7.87	8.98
3	The Vanguard Group Inc (US)	Index	5.47	4.99
4	BlackRock Advisors LLC (US)	Index	4.02	3.79
5	Legal & General Investment Mgmt Ltd (UK)	Index	3.77	3.89
6	Pictet Asset Management SA (CH)	GARP	2.22	2.22
7	Norges Bank Investment Management (NO)	Value	2.10	2.18
8	Magellan Asset Management Ltd (AU)	GARP	1.95	2.29
9	ATLAS Infrastructure Partners (UK) Ltd (UK)	Growth	1.83	2.86
10	Amundi Asset Management (FR)	Value	1.70	2.02
11	State Street Investment Management (US)	Index	1.49	1.33
12	Invesco Asset Management (UK)	Value	1.18	0.54
13	KBI Global Investors Ltd (IE)	Growth	1.16	1.89
14	Impax Asset Management Ltd (UK)	Speciality	1.10	2.43
15	Geode Capital Management LLC (US)	Index	1.08	0.97
16	First Sentier Investors (Australia) (AU)	Growth	0.98	0.44
17	Northern Trust Investments Inc (US)	Index	0.84	0.93
18	Maple Brown Abbott Ltd (AU)	Income	0.82	0.45
19	State Street Global Advisors Ltd (UK)	Index	0.81	1.14
20	KBC Asset Management N.V. (BE)	Growth	0.81	0.67
Top 20 investors			49.70	53.16

⁽¹⁾ Investment style as categorised by our corporate broker JP Morgan. Note that some investors may potentially have multiple investment styles.

⁽²⁾ Holdings as at 31 March 2025 for the top 20 shareholders as at 31 March 2026

Material changes in ownership during 2025/26, as required to be presented under LSE listing rulings, are listed below:

Table 2: Material changes in ownership during 2025/26

Threshold	Date threshold crossed	Manager (Country of origin)	% shareholding
10%	9 July 2025	BlackRock, Inc. (US)	10.00
10%	24 Nov 2025	BlackRock, Inc. (US)	9.89
10%	19 Dec 2025	BlackRock, Inc. (US)	10.14
10%	16 Jan 2026	BlackRock, Inc. (US)	9.86
10%	18 Feb 2026	BlackRock, Inc. (US)	10.00
10%	20 Mar 2026	BlackRock, Inc. (US)	9.95

As a FTSE listed company, United Utilities is subject to a stringent corporate governance regime, driven by the Financial Reporting Council. U UW complies with Ofwat’s board leadership, transparency and governance (BLTG) principles, explaining in an effective, accessible and clear manner how this has been achieved. Further details on this is provided on pages 8 to 15 of U UW’s APR.

All directors of U UW are also directors of U UG. The latest board roles and membership and attendance of board committees are set out in Governance section of the 2025/26 U UG Annual Report (page 110).

Details about our remuneration approach, including the current and proposed policy, are available on pages 140 to 170 in the U UG Annual Report.

Funding

U UW funds its extensive water and wastewater operations, including planned investment for the 2025-2030 (AMP8) period, through a combination of customer revenues, debt financing, and equity.

U UW utilises debt markets, including sustainable finance instruments, to fund long-term infrastructure projects. During 2025/26 U UW raised £1.4 billion of term funding from a combination of bonds issuances bought by debt investors and increased committed facilities from relationship banks. Further details of the build-up of the £1.4 billion raised is provided on page 22 of the APR.

U UW primarily funds its equity requirements through a combination of retained earnings and access to equity capital markets via its ultimate parent company U UG, which is listed on the London Stock Exchange. U UW’s current dividend policy (detailed on pages 128-132 of the APR), sets a base dividend of c. 4% of equity, generating substantial retained earnings for reinvestment. Across 2020–25, of the 12.2% nominal return earned, we paid 5.3% (43%) as dividends and retained 6.8% (57%), supporting ongoing investment requirements. Due to our strong balance sheet position, we have not needed to enter the equity market for additional funding for a number of years. However, supporting our proposed additional capital investment across AMP8, in May 2026 U UG raised an additional £800 million in equity through an ordinary share issuance, providing additional flexibility within the group to support U UW’s future funding requirements.

We are regulated by Ofwat – the economic regulator of the water sector in England and Wales. Ofwat determines customer revenue i.e. the level of expenditure that water companies can recover through customer bills, as well as required service levels and incentive packages. This is set every five years as part of the price review process and further details of the current price control covering the 2025–30 (AMP8) period are set out on page 17 of the APR.

Revenues, and the associated expenditure, can be split into multiple categories: Running our day to day services; Spend on People and materials; Paying our fair share (tax, licences & providing a return on investment); Building new infrastructure; and Performance incentives. By 2030, based on U UW’s final determination for 2025–30, the average bill to supply clean water and remove waste and sewage is expected be around £1.60 per day (excluding inflation since 2022/23). On our website there is a chart summarising which costs customer are expected to pay, split by the above categories.

► This chart can be found at: unitedutilities.com/why-are-bills-going-up

The PR24 FD set total expenditure (totex) allowances for the 2025–30 period across the four wholesale price controls. Our actual performance against this, split by different customer cost sharing mechanism, is reported in APR table 4C (see pages 169 to 170).

Overall, U UW’s 2025/26 totex spend of £2,444 million was slightly below that assumed in the PR24 FD (£2,624 million), although still represents a significant step-up from 2024/25 spend of circa £1.9 billion and we expect to continue this acceleration of spend in the coming years. More details on the background to totex allowances and the incentive mechanism as well as high level commentary explaining variances between allowances and actual totex spend is detailed in section 4 of APR across pages 89 to 92.

Capital structure

On the next page, we include charts presenting a three-year view of the following key six measures, as prescribed by Ofwat:

- RCV – Regulatory capital value (RCV) reflects the allowed expenditure to be recovered from customers in future periods and represents a measure of the capital base of a water company when setting price limits. The RCV is inflated each year to maintain the RCV at current prices and is published by the regulator.
- Net debt – Net debt defined in 1E.6
- Regulatory gearing – Regulatory gearing as reported in 1E.3
- RoRE – Return on regulatory equity is a post tax measure of return on the notional regulated equity. It is commonly presented relative to the allowed return on equity and reflects performance against price control incentives. RoRE is consistent with that calculated and reported at Table 4H.5.
- Total dividends declared (£) – Total dividend declared in the year
- Dividend yield (%) – Dividend paid as a percentage of the actual year end regulated equity (as reported in table 4H.6).

As the charts show:

- RCV has been steadily increasing over the last three years and, whilst net debt is also increasing, RCV gearing has been trending downwards (from 67.0% at March 2024 to 63.4% at March 2026).
- RoRE has fluctuated over the last three years. RoRE of 7.5% in 2023/24 represented strong net outperformance of 3.5%. In 2024/25, RoRE of 1.1% fell below the base return, primarily reflecting accelerated AMP8 spend as well previously announced investment programme. RoRE returned to 7.5% in 2025/26, reflecting strong outperformance of 2.3% versus the AMP8 base allowance
- Dividends paid have remained broadly in line with our base dividend policy of 4% over the last three years, with minor deviations due to dividend distributions being made based on forecast shadow RCV positions.

Further details on these key metrics, as well as other additional measures are presented within the financial summary section of the APR on pages 23 to 24.

There were no new equity investments (e.g. ordinary share issuances) during 2025/26. However, as mentioned in the funding section in the preceding column of this page, supporting our proposed additional capital investment of £2.5 billion across AMP8, in May 2025 U UG raised an additional £800 million in equity.

U UW dividend distributions made in 2025/26 were ultimately paid through to the group parent company, U UG, supporting external distributions to its shareholders.

U UW maintains a robust financial position and forecast gearing is expected to remain well below our customer sharing threshold of 70%.

There were no actions or events impacting net reserves (e.g., capital reductions, buybacks, movements on revaluation reserves).

U UW maintains strong credit ratings across all three major rating agencies, with current long-term issuer default ratings and outlook presented below, consistent with how presented in APR table 4H.9-11.

	Moody’s	Standard & Poor’s	Fitch
U UW	Baa1/Stable	BBB+/Stable	BBB+/Stable

This remains well ahead of Ofwat’s minimum Condition P licence requirements for companies to maintain at least two investment grade credit ratings (i.e. at least Baa3/BBB-) or the threshold for the distribution of cash lock-up to be triggered (i.e. Baa2/negative outlook or BBB/ negative outlook).

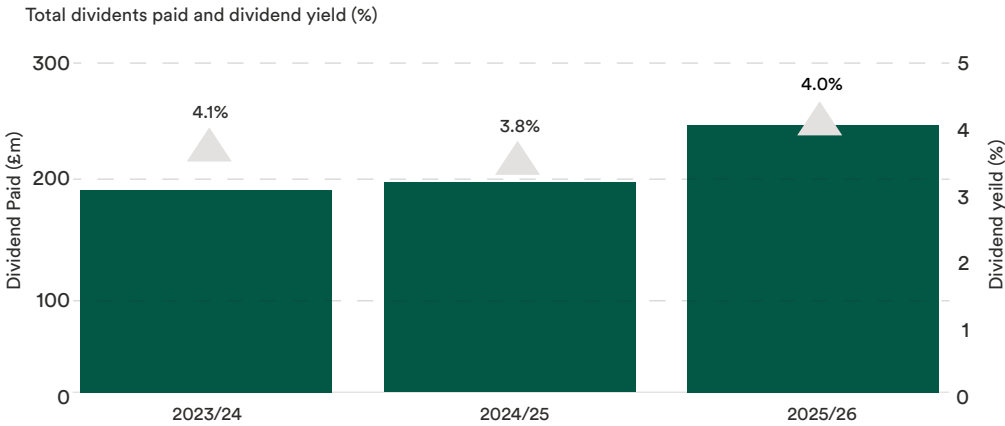
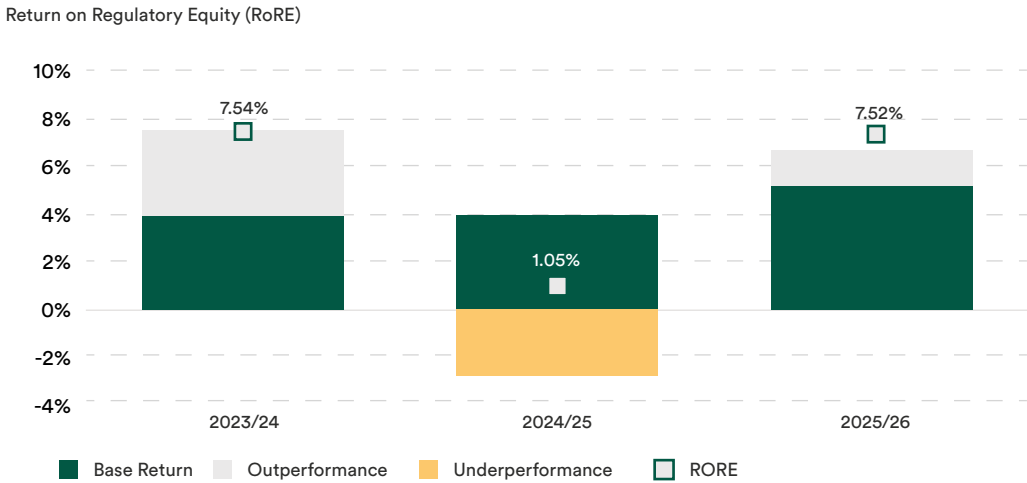
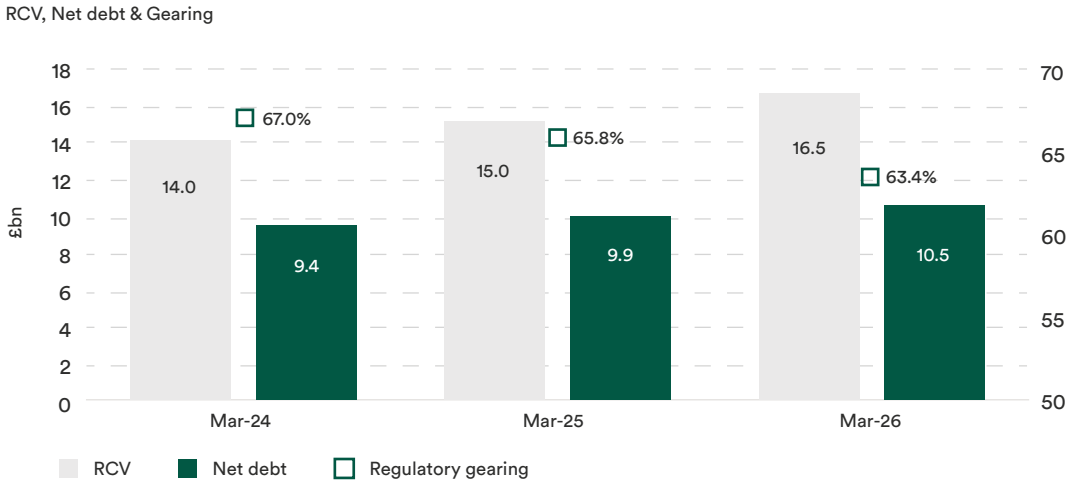
► The latest unsecured senior debt credit ratings are displayed on our website at: unitedutilities.com/corporate/investors/credit-investors/ratings

Regulatory accounts for the 12 months ended 31 March 2026
Ownership, funding and capital structures

UUW's board has concluded that the accounts should be prepared on a going concern basis and provided a seven-year viability statement through to March 2033. Further details on both going concern and long-term viability are presented within 'Financial oversight responsibilities of the board' on page 116 of the UUW statutory accounts. UUW maintains liquidity within its board targeted range of 15–24 months and had £2,576 million of available liquidity at March 2026. UUW had £290 million of debt maturing in the next 12 months and table 4H.24 reports that this equates to 2.4% of total borrowings.

The regulatory ring-fence for UUW, along with all other water companies across England and Wales, is a set of legal and financial conditions within its operating licence. This is mandated by Ofwat and is designed to ensure the company remains financially resilient and capable of operating as a sustainable water and sewerage service provider, independent of the actions or financial health of its parent company or other group entities. Pursuant to this, UUW's directors have issued a Ring-Fencing Certificate' (RFC) under paragraph P32 of its licence, as presented across pages 143 to 145.

UUW's regulatory accounts are audited by KPMG and their audit opinion is presented on pages 98 to 100 of the APR.



Year one performance

Year one performance
1.0 – Introduction



Introduction and coverage

This section of the Annual Performance Report sets out how we have performed in year one of AMP8 against the service, expenditure and revenue expectations set in the 2024 price review. Year one is the period from 1 April 2025 to 31 March 2026. This year we present this in six segments:

- 1.1 Outcome delivery – how we have performed against the performance commitments set in our AMP8 final determination
- 1.2 Greenhouse gas emissions – our 2025/26 greenhouse gas (GHG) performance
- 1.3 Principles of Customer Care – our approach to licence condition G
- 1.4 Wholesale totex – how our actual spend compares to the totex allowances set out in our AMP8 final determination
- 1.5 Wholesale revenue and current cost financial performance – how our actual revenues compare to the level of wholesale revenue assumed in our AMP8 final determination
- 1.6 Retail expenditure and revenues – how our actual retail revenues compare to the allowances set out in our AMP8 final determination

Section 2 of this document comprises the UUW Regulatory accounts for 2025/26. This contains financial and operating information required by Ofwat through both the accounting document and a series of pro forma tables.

1.1 Outcome delivery – Introduction to performance commitments and ODIs

The outcome of a price review is a defined price and service package that companies are tasked to deliver for customers, the environment and other stakeholders. Delivery of service is described through a series of customer focused outcomes, which, in turn, are supported by more granular performance commitments.

We routinely report performance against these outcomes and performance commitments to customers, stakeholders and regulators, including to the YourVoice customer and stakeholder panel.

Having performance information that is easy to understand and navigate allows customers and other stakeholders to challenge water and sewerage companies on their performance and encourages delivery of better levels of service. This helps everyone build trust and confidence.

We report against the following four outcomes for the AMP8 period (2025–2030):

- Customers receiving excellent service everyday;
- Environmental outcomes;
- Reducing demand; and
- Asset Health.

The outcomes segment of this document (1.1) sets out our performance against each of the four outcomes and provides a summary of each of the individual component performance commitments detailing the definition, targets, commentary on the performance for year one of the AMP and the financial implications of the performance that we have achieved.

Performance commitments

Underpinning each outcome is a set of performance commitments. These are service targets for specific types of activities that we are tasked with delivering. If we achieve or outperform against these targets, then this supports the delivery of outcomes for customers, the environment and other stakeholders. Performance commitments are designed to be stretching and deliver an improved level of performance for customers and stakeholders compared to the levels achieved in the past.

There are 23 performance commitments that are being applied to all water and sewerage companies during AMP8. These are ‘common measures’ and each has a standard definition set by Ofwat. In addition to these common measures, we have two ‘bespoke’ performance commitments, which reflect additional levels of service or focus for investment that are specific to each company’s customers. For UUW these are Embodied greenhouse gas emissions and Wonderful Windermere.

Ofwat have published a suite of definition documents. These are technical documents that outline each of the performance commitments explaining the methodology and any assumptions and calculations.

- Further details can be found at: <https://www.ofwat.gov.uk/regulated-companies/price-review/2024-price-review/pr24-final-determinations-performance-commitment-definitions/>

Further details on our performance commitments can be found in Section 1.1.

- We have published a high-level summary of our performance, which can be found on our website at: unitedutilities.com/globalassets/documents/pdf/apr-customer-summary-2025-26

Customers can quickly and easily see how this performance compares to other water companies using the industry’s comparison dashboard called ‘Discover Water’ at the following website: www.discoverwater.co.uk

Outcome delivery incentives (ODIs)

Outcome delivery incentives or ‘ODIs’, are incentives that apply to performance commitments. There are four types of outcome delivery incentive that can apply to performance commitments. These are:

Underperformance only – This is a financially driven incentive. When performance is worse than the target or deadband level, this results in an underperformance payment. There are three in this category.

Outperformance only – This is a financially driven incentive. When performance is better than the target or deadband level, this results in an outperformance payment. There are none in this category.

Underperformance and outperformance – This is a financially driven set of incentives. Underperformance payments are incurred when performance is worse than the target or deadband level, whereas outperformance payments apply when performance is better than the target or deadband level. There are 21 in this category.

Non-financial – This is an incentive driven by reputation only. Poor performance could cause reputational damage but good performance could enhance our reputation, but no direct financial incentives are applied. Of our 25 performance commitments, 24 have financial incentives and one (River water quality) does not have a financial incentive and is driven by reputation only.

Some ODIs have an outperformance cap or underperformance collar. Beyond this point, no further incentive is applied.

Some performance commitments include a deadband. This is a narrow range of performance above and/or below the target level within which the company can operate without being subject to financial incentives. For measures without a deadband, any incentive applies as soon as our performance is above or below the target level for the performance commitment.

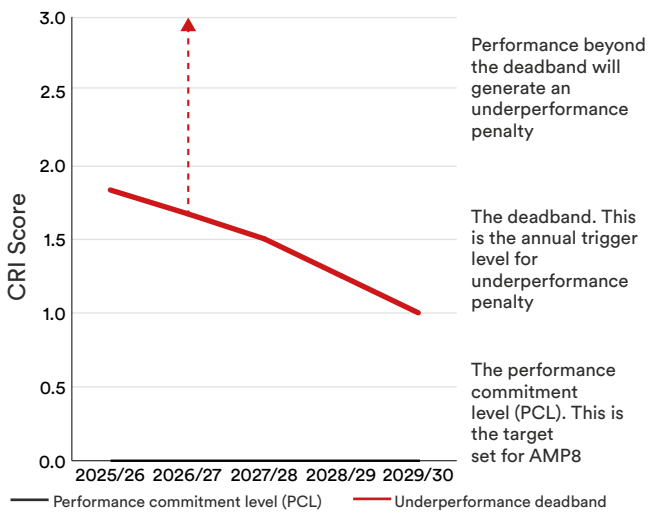
Most ODIs are applied on an annual basis during the AMP. These are referred to as ‘in-period’ incentives. Some ODIs, however, are applied only at the end of the AMP. These are known as ‘end of period’ incentives. An end of period incentive only applies to one performance commitment (Embodied greenhouse gas emissions) in AMP8.

Examples of how performance commitments and ODIs work

Example one – Compliance Risk Index (CRI)

CRI is a common industry measure, which supports our ‘Customers receiving excellent service every day’ outcome. This measure is subject to a financial incentive, which means we incur a financial penalty if we underperform against the target beyond a deadband. There is no outperformance incentive so it is not possible for us to earn an outperformance payment for meeting or beating the target. The lower our score is on CRI, the better our performance is against this measure and we are incentivised to deliver a CRI score as low as possible.

As you can see in the diagram below, this measure has a performance commitment and a deadband . If the annual company performance is within the deadband level, no financial incentive is applied. However, for any annual performance beyond the deadband, the financial incentive rate will be applied.

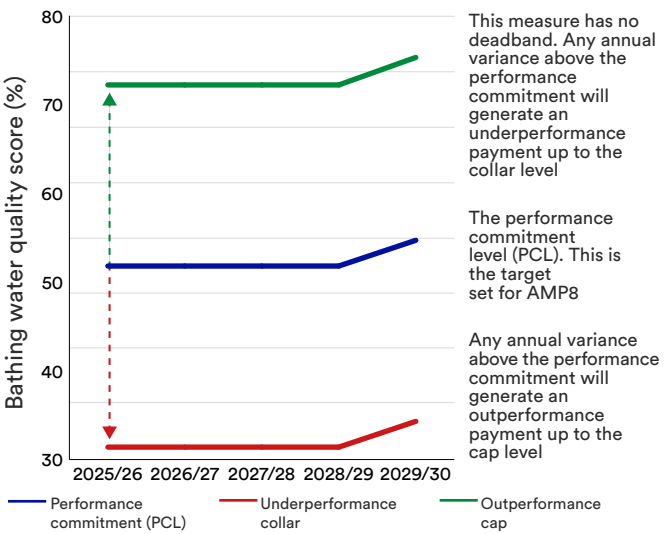


Example two – Bathing water quality

Bathing water quality is a common measure. This measure is subject to financial incentives for either underperformance or outperformance of the target. The higher the calculated score, the better our performance is against this measure. We are incentivised to deliver as high a number as possible.

As you can see in the following diagram, this measure has a performance commitment level, outperformance cap, and underperformance collar but no deadband. It is also measured during the bathing season (15 May to 30 September), so performance in 2025 is reported for 2025/26.

If the annual company performance is better than the performance commitment level, a set financial incentive rate would be applied, and the company would earn a financial incentive for outperforming the target. If the annual company performance is worse than the performance commitment level, then a set financial incentive rate would be applied, and the company would be subject to an underperformance payment.



Models

We have calculated our outperformance and underperformance incentive payments using Ofwat’s ODI model and input these values into the in-period adjustments model. A summary of the model outputs can be found on pages 80 to 81. along with a description of the impact that this will have on customer bills.

Assurance

We have a well established assurance framework that we apply to our regulatory reporting submissions. We have followed this framework in assuring the data and information that supports the Annual Performance Report.

Any specific assurance requirements identified in Ofwat’s performance commitment definitions are outlined in Appendix 1 in this document. This section identifies any areas of deviation from the common methodologies.

- Further details of our AMP8 assurance strategy can be found on our corporate website at: unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2025-30

Performance summary

A summary of our net performance for year one can be found below.

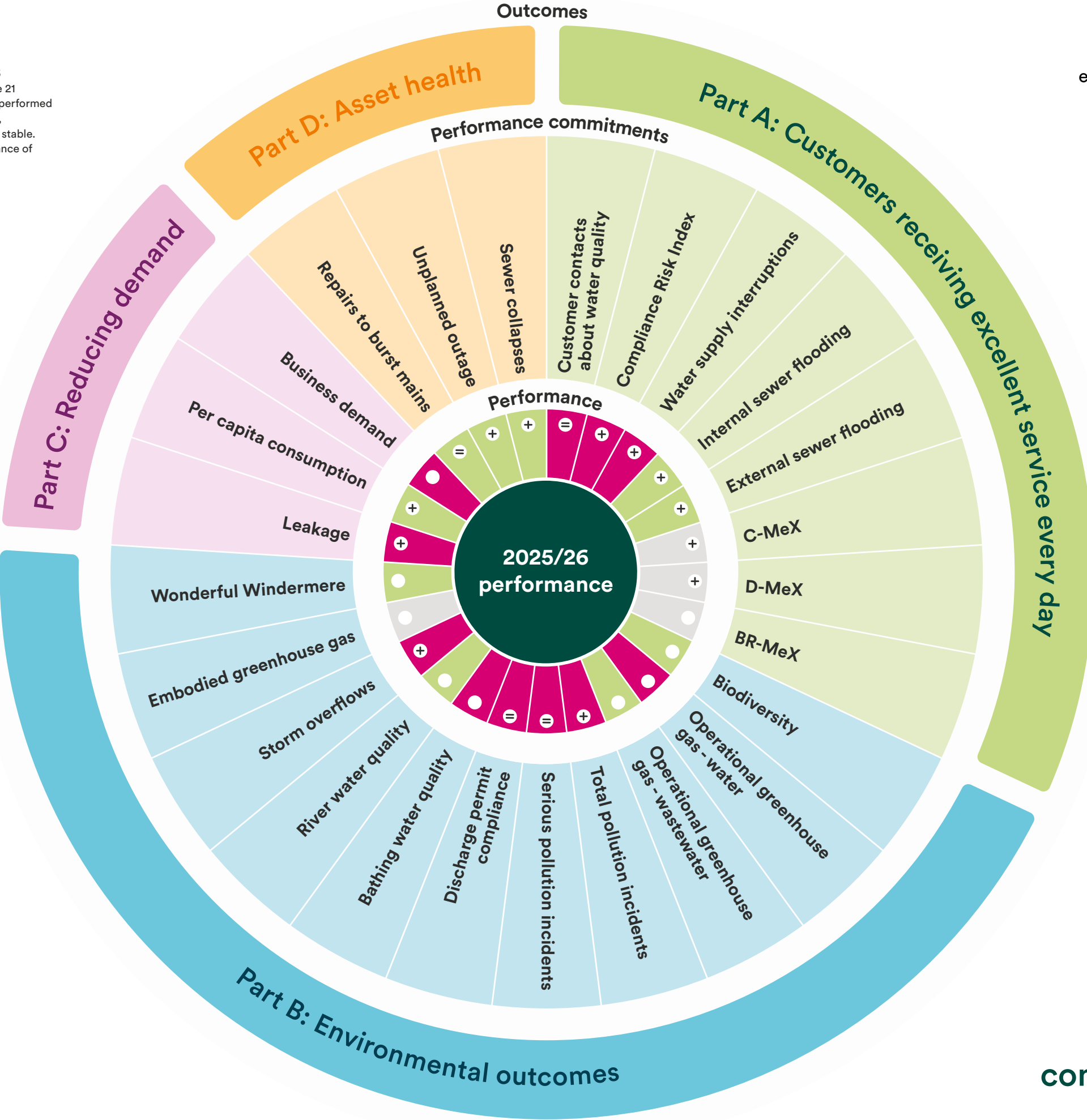
Bill impacts

The overall bill impact of this performance can be found on pages 80 to 81 below.

Year one performance
1.0 – Performance commitment wheel

Year one performance
This diagram illustrates our four outcomes and the 25 performance commitments that support them. Of the 21 commitments with targets in 2025/26, we met or outperformed ten in year one (47%). Across all comparative metrics, year-on-year performance has improved or remained stable. Year-one performance results in a net underperformance of £35.190 million.

- Key:
- Performance commitment not met
 - Met or exceeded performance commitment
 - No target set
 - + Year on year comparison: improving
 - = Year on year comparison: stable
 - Year on year comparison: decline



- Customers receiving excellent service every day **Part A**
- Reducing the environmental impact **Part B**
- Reducing demand **Part C**
- Asset health **Part D**

10 out of 21
performance
commitments met or
exceeded



Part
A

Customers receiving excellent service every day

There are eight common industry performance commitments within this outcome category, including three to measure customer experience.

Customer contacts about water quality	44
Compliance Risk Index	45
Water supply interruptions	46
Internal sewer flooding	47
External sewer flooding	48
C-MeX	49
D-MeX	50
BR-MeX	51



Customers receiving excellent service every day
Customers want a service they can rely on, with clean, safe water, quick resolutions and great experiences whenever they get in touch. We will continue to ensure water quality is a key focus as well as minimising the number and duration of water supply interruptions, and reducing internal sewer flooding incidents to protect homes and businesses.

How have we done?

We have met two of our annual performance commitments, achieving both internal and external sewer flooding targets for 2025/26. The three customer experience measures (C-MeX, D-MeX and BR-MeX) are reported using an industry ranking, and do not have a target in the same way as other performance commitments.

Although we did not meet the target for water supply interruptions, performance improved from last year. Dry weather and freeze-thaw events caused more interruptions, but operational controls, pressure optimisation and faster incident response helped limit customer impact. We continue to use alternative supply vehicles and work closely with partners to reduce future disruption.

We did not meet the water quality compliance (CRI) target, achieving a score of 2.11 and so missing the target of 0.00. Nevertheless, our performance showed significant improvement compared to 2024 with fewer failures across treatment works, service reservoirs and supply zones. Our Water Quality First programme continues to deliver benefits into AMP8. Customer contacts about water quality remain above target, but improvements to our mains flushing programme are expected to deliver measurable gains.

We achieved our best-ever internal and external sewer flooding performance, with internal flooding down over 55% since 2020/21. Better monitoring and proactive interventions supported this, and we attended 87% of customers experiencing internal sewer flooding within two hours.

Customer service (C-MeX) performance remained strong. We expect to place seventh of 17 companies. In 2025/26 we also ranked seventh for D-MeX (developer services) and fifth for BR-MeX (business customer service).



Sewer network management

Delivered our strongest ever performance on internal and external sewer flooding supported by proactive network management, reducing blockages, the continuation of customer campaigns in support of this and the installation of over 300 mitigation devices to reduce the risk of repeat flooding.



Enhanced water supply interruptions event management

Upskilled response teams and operated alternative supply vehicle support to mitigate and minimise loss of water supply. Continued to deliver our investment programme through targeted projects focusing on improving resilience and addressing poor condition mains.



Water Quality First programme

Driven improvements by addressing processes, assets and culture. Key areas for focus include asset improvements, accelerating mains rehabilitation and further embedding risk management processes.

Performance commitment	Actual performance	Change from previous year	Impact	Value (£m)
	Year one			
A01 – Customer contacts about water quality Contacts per 1,000 population	1.33	=	Underperformance payment	-1.107
A02 – Compliance Risk Index Numerical score	2.11	+	Underperformance payment	-0.553
A03 – Water supply interruptions Hours:minutes:seconds per property per year	00:13:02	+	Underperformance payment	-9.373
A04 – Internal sewer flooding Number per 10,000 connections	2.01	+	Outperformance payment	9.032
A05 – External sewer flooding Number per 10,000 connections	15.86	+	Outperformance payment	7.782
2/5 achieved				
A07 – Customer experience (C-MeX) ¹	7th	+	n/a	-1.834 ²
A08 – Developer experience (D-MeX) ¹	7th	+	n/a	3.521
A09 – Business experience (BR-MeX) ¹	5th	New PC	n/a	4.468
Customers receiving excellent service every day - net position				11.936

⁽¹⁾ Industry comparative measures so do not have target. ⁽²⁾ Value using the January 2026 UKCSI scores. The value will be confirmed by Ofwat once the final UKCSI scores are available in July 2026.

Part A – Customers receiving excellent service every day
A01 – Customer contacts about water quality

A01

Customer contacts about water quality

Performance commitment description

The definition for this industry common measure is set by the Drinking Water Inspectorate and reported on a calendar year basis. The performance reported below therefore relates to the calendar year 2025. This measure counts the number of times customers contact us due to the taste, smell or appearance of their drinking water. Customer contacts include those made by phone, letter, email, in person, completion of web forms, social media or messages left on a helpline. For AMP8, the number is reported as the number of contacts per 1,000 population.

Performance summary

We have not met our performance commitment target for year one. The target this year was 1.12 contacts per 1,000 population and we achieved 1.33.

We made improvements to our mains flushing programme during 2025; introducing new equipment, techniques, procedures, design tools, and insourcing our own night flushing teams. However, the full delivery of this improved programme was delayed by the prolonged period of dry weather which impacted the first half of 2025, leading to restrictions on flushing activities. To maintain customer supplies during this period, we made operational changes to move water across the region. Despite careful risk assessment and proactive communications, we saw an increase in contacts that impacted performance in this measure.

While delivery of the flushing programme was delayed, we fully rolled out the programme in September 2025 and have seen a significant step change in output as a result. We have also collaborated with the Water Research Centre (WRC) to trial the use of the Water and Network Distribution Analysis (WANDa) modelling tool. The tool assesses pipe level discolouration risk using pipe material, network hydraulics and downstream customer numbers, and identifies optimal flushing locations to achieve the greatest reduction in overall risk. This has enabled a shift from reactive District Metered Area (DMA) conditioning, triggered by

customer contacts, to a proactive, risk based strategy targeting pipe level conditioning before issues arise. We are confident these changes in approach will help reduce both the number of discolouration contacts received and the number of compliance failures in Water Supply Zones (WSZ) associated with iron, aluminium and manganese.

Our Taste, Smell and Appearance board continues to provide benefit as we deliver a comprehensive programme of improvement activities across the water ‘end-to-end system’ to reduce the number of water quality related contacts. The programme includes short, medium and long-term actions to help us improve the way we operate our water treatment works (WTWs) and network to better serve customers with more proactive and targeted information through our website or directly via their preferred channel.

We have embedded our taste and odour management plans at all high-risk WTWs to reduce the potential for taste and odour contacts. 2 Methylisoborneal (MIB) and geosmin are naturally occurring substances produced by algae found in lakes, rivers, streams and reservoirs that can sometimes cause an earthy or musty taste or smell. Implementing our management plans has enabled better optimisation of treatment or enabled proactive outages of our WTWs during periods of elevated geosmin in the raw water, reducing the likelihood of future customer contacts.

Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have not achieved our target. Our performance means that we incur an underperformance payment of -£1.107 million.

Reporting and assurance requirements

This performance commitment has specific assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Customer contacts about water quality’ performance commitment – lower is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025	1.12	1.33	Fail

Part A – Customers receiving excellent service every day
A02 – Compliance Risk Index

A02

Compliance Risk Index

Performance commitment description

The Compliance Risk Index (CRI) performance commitment is an industry common measure of drinking water quality that has been defined by the water quality regulator, the Drinking Water Inspectorate (DWI). Performance against this measure is calculated by the DWI and reported on a calendar year basis. The performance reported below therefore relates to the calendar year 2025 and is based on the provisional score calculated by the DWI. A score is calculated for every water quality compliance failure at a water treatment works (WTW), supply point (SP), service reservoir (SR) and in a water supply zone (WSZ).

When assessing and scoring the compliance failure, the DWI considers the water quality standard that has failed, the impact on customers and the response by the company. If a compliance failure occurs at an asset, or within a WSZ, that has an existing DWI Notice or Undertaking in place for improvement, the CRI score will automatically be increased. Notices can be issued to a company following a water quality failure if the Inspectorate considers there is a risk of further failure and specifies improvement actions that need to be undertaken. The annual CRI score is the sum of the individual component CRI scores for every compliance failure reported during the calendar year.

Performance summary

We have not met the performance commitment this year. However, we have seen an improvement in performance in 2025 when compared to 2024. In 2025, there has been a reduction in the number of compliance failures across WTWs, SRs and in WSZs. There were no failures at SPs. For this measure, the target score is zero with a penalty deadband of 1.83 CRI points. The DWI will confirm the final CRI score in July 2026. The performance published in this report of 2.11 is based on the provisional figure provided by the DWI.

Although we have not met the target level this year, our performance has improved against the stretching CRI target. Our Water Quality First programme continues to help drive improvements in water quality through addressing processes, assets and culture. Key areas for focus in AMP8 include, asset improvements, accelerating mains rehabilitation and further embedding risk management processes. We are also continuing with our tank inspection and cleaning programme which is moving towards a maximum inspection frequency of seven years, reduced from the previous ten years.

We have continued to complete flushing activities and during 2025 made improvements to our mains flushing programme; introducing new equipment, techniques, procedures, design tools, and insourcing our own night flushing teams. While delivery was delayed by the prolonged period of dry weather during 2025 we fully rolled out the programme in September 2025 and have seen a significant step change in output as a result. We have also collaborated with the Water Research Centre (WRC) to trial the use of the Water and Network Distribution Analysis (WANDa) modelling tool. The tool assesses pipe level discolouration risk using pipe material, network hydraulics and downstream customer numbers, and identifies optimal flushing locations to achieve the greatest reduction in overall risk. We are confident these changes in approach will help reduce both the number of discolouration contacts received and the number of compliance failures in WSZs associated with iron, aluminium and manganese.

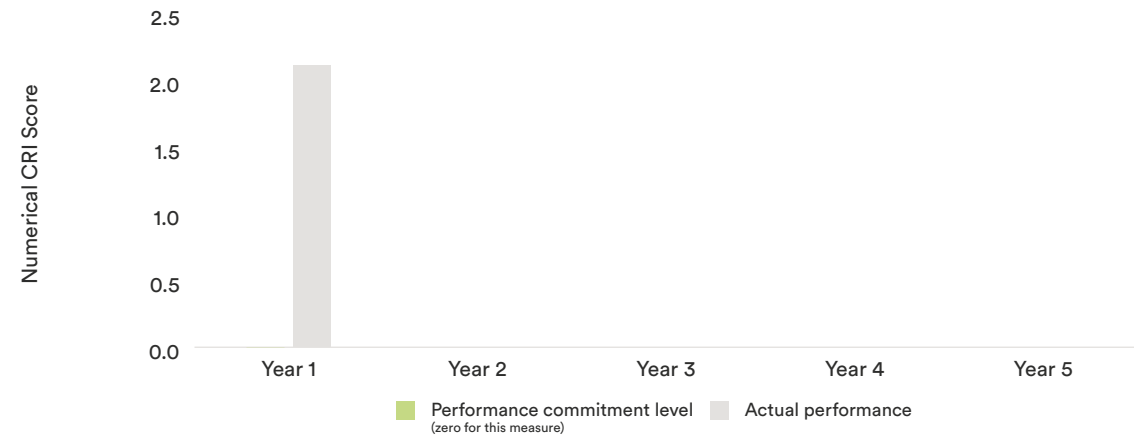
Financial implications

This performance commitment is subject to an outcome delivery incentive for underperformance only. In year one, we have failed our target and incur an underperformance payment of -£0.553 million.

Reporting and assurance requirements

While there are no specific assurance requirements identified within the PR24 final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

Actual performance for the ‘Compliance Risk Index’ performance commitment – lower is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025	0.00	2.11 ⁽¹⁾	Fail

⁽¹⁾ The DWI will confirm the final CRI score in July.

Part A – Customers receiving excellent service every day
A03 – Water supply interruptions

A03
Water supply interruptions

Performance commitment description

This industry common performance commitment is designed to incentivise the company to minimise the number and duration of supply interruptions. An interruption is classed as a water supply with pressure that is lower than three metres in the adjacent water main lasting for more than three hours. This measure incentivises companies to minimise interruptions to customers’ water supply.

Performance summary

In year one, on average, properties lost supply for 13 minutes and two seconds. While we did not meet our supply interruptions performance commitment of five minutes and zero seconds for the average time that customers were without a water supply this year, our performance has improved when compared to the previous year. Performance for this measure is highly volatile, which can be seen in the performance across the industry year-on-year.

Our performance in 2025/26 was materially impacted by a number of operational incidents and two significant weather events. Both the prolonged period of dry weather during the spring and summer and the freeze-thaw in the winter contributed to increased numbers of supply interruption events. Despite this increase, the scale and duration of customer impact was minimised by the successful delivery of operational controls and mitigation measures.

We have improved our approach to supply interruptions by being more proactive and predictive, underpinned by our Integrated Control Centre (ICC). We have enhanced our event management process, as well as upskilling our teams and supply chain on improved ways of working. When events happen, we minimise disruption to water supplies through our focus on the four Rs (respond, restore, repair and return to supply), aiming to reduce the duration of the average water supply interruption. This approach is based on high quality situational awareness, with live granular data marshalled within the ICC and coordinated with our county teams, so that issues can be quickly identified and resolved. We operate

an alternative supply vehicle (ASV) support fleet which provides 24/7 coverage, to mitigate and minimise loss of supply.

To support continuous improvement, following large events we carry out post event reviews to understand where our response has helped minimise customer impact and identify areas for improvement. This process helps us take action to prevent similar events in the future, optimise the use of our ASV fleet and reduce the impact on customers.

We manage our water network to optimise pressure in the system to support leakage reduction, an associated reduction in mains repairs, and reduce interruptions to supply. Our five operational county teams provide additional focus and insight into performance within each county and work closely with our Interruptions to Supply Governance Group, driving continuous improvement internally and with our network partners to ensure a targeted and more effective response to events.

We continue to deliver our investment programme to support enhanced future performance and meet our statutory obligations, while achieving strong outcomes for customers through targeted projects focused on improving resilience, addressing poor condition mains, and progressing innovation initiatives. Our mains renewal programme plays a vital role in strengthening the resilience of the water network and will use a range of techniques, including sliplining, to minimise disruption to customers during delivery.

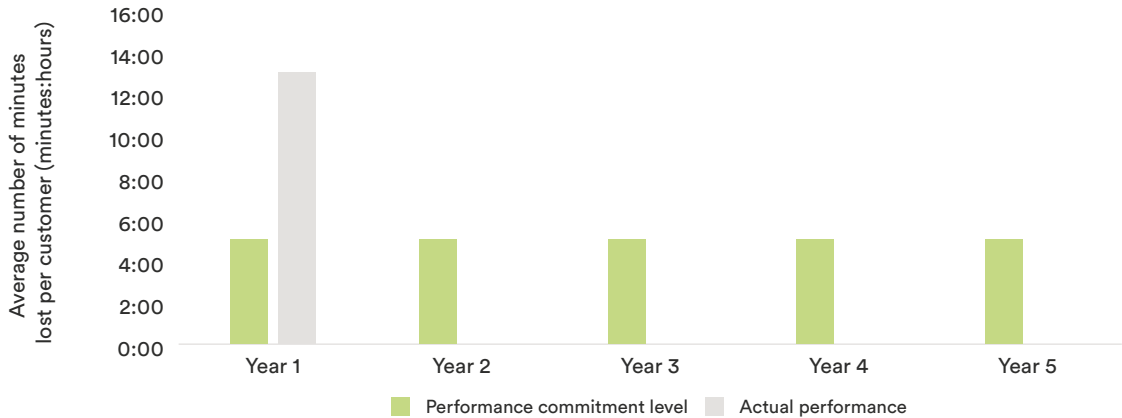
Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have not achieved our target. Our performance means that we incur an underperformance payment of -£9.373 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Water supply interruptions’ performance commitment – lower is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	00:05:00	00:13:02	Fail

Part A – Customers receiving excellent service every day
A04 – Internal sewer flooding



A04
Internal sewer flooding

Performance commitment description

This is a continuation of an AMP7 industry common measure that measures the number of internal flooding incidents per 10,000 sewer connections per year. A flooding event is defined as any escape of water from the sewerage system, irrespective of size, as evidenced by standing water, running water or visible deposits of silt of sewage solids. Severe weather incidents are included in this measure but flooding events for which responsibility lies outside the company’s statutory functions are excluded. A flooding incident means the total number of properties flooded during each flooding event. A single property that suffers two flooding events in a year is counted as two incidents. Internal flooding is defined as flooding that enters a building or passes below a suspended floor. In this context, properties are defined as those normally used for residential, public, community, commercial business, or industrial purposes.

Performance summary

In year one of AMP8 we recorded a total of 708 internal flooding incidents, which, when normalised per 10,000 sewer connections, equates to a performance level of 2.01. This is our best performance to date for this measure, exceeding our performance commitment level of 2.44 per 10,000 connections (equivalent to 1,298 incidents) and an improvement of more than 55% since 2020/21.

There are two key flooding causes, hydraulic flooding driven by rainfall exceeding sewer capacity, and ‘flooding other causes’ (FOC) related to other impacts that prevent the sewer network operating effectively, such as sewer blockages. The Northwest’s high rainfall, extensive paved areas and the industry’s highest proportion of combined sewers increase hydraulic flooding risk in the region. In 2025/26 rainfall was generally more widespread, however a single heavy rainfall event in September resulted in 131 internal sewer flooding incidents which accounted for 19% of the total annual reportable number. Despite these challenges, we have made significant improvements to our flooding performance.

The reduction in sewer flooding events is supported by a number of initiatives and process improvements we have undertaken. These include

our successful approach to monitoring our sewer network proactively to allow quicker targeted interventions ahead of them causing a flooding event. We raised 3,577 proactive blockage investigations this year which resulted in the clearing of over 1,687 blockages across the region. We estimate that this has prevented around 132 internal flooding incidents. We aim to resolve incidents first time to limit the number of repeat occurrences and develop a greater understanding of the root cause of flooding. Better understanding allows us to proactively intervene with the aim of preventing future incidents. In 2025/26, we managed to reach 87% of affected customers within the two hour target from receipt of the contact compared with 67% of customers the previous year. We attended 95% of reported jobs within the previous target of four hours.

We use our robust internal process ‘Flooding Extent Assessment (FEA)’ to proactively investigate the extent of impacted properties following the report of flooding at nearby properties. This is implemented at every site visit, and we identified around 15% of internal sewer flooding incidents this way in 2025/26.

The continuation of our ‘Stop the Block’ campaign alongside working closely with food services establishments to install grease removal equipment has contributed to a reduction in blockages caused by customer misuse from 64% for the previous two reporting years to 60% in 2025/26. We have also installed over 300 flood mitigation devices in 2025/26 to reduce the risk of repeat sewer flooding at properties.

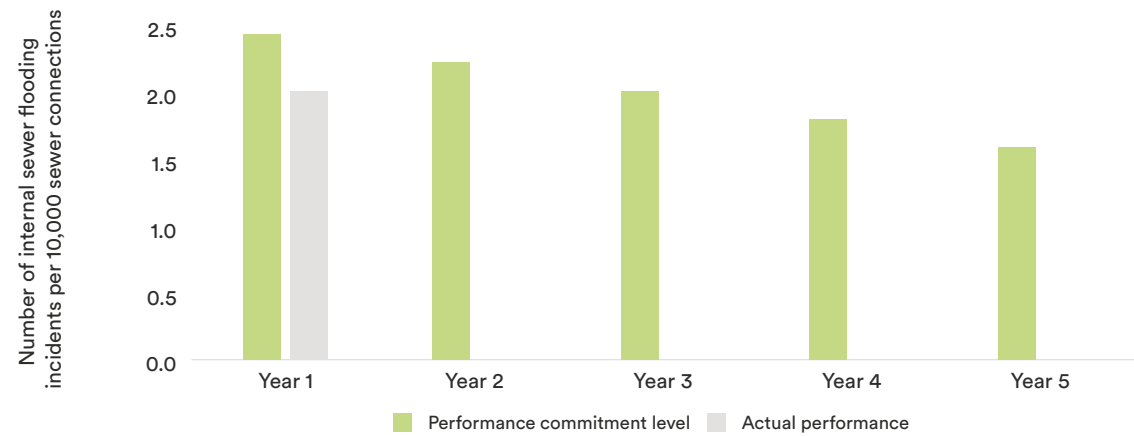
Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have exceeded our target. Our performance means that we earn an outperformance payment of £9.032 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Internal sewer flooding’ performance commitment – lower is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	2.44	2.01	Pass

Part A – Customers receiving excellent service every day
A05 – External sewer flooding

A05
External sewer flooding

Performance commitment description

This is a continuation of the AMP7 performance commitment that measures the number of external sewer flooding incidents per 10,000 sewer connections per year. It is one of two flooding performance commitments for AMP8 and includes flooding due to overloaded sewers (hydraulic) and ‘flooding other causes’ (FOC). It also includes flooding due to severe weather events. An external flooding incident is defined as flooding within the curtilage of a building normally used for residential, public, community or business purposes. It includes any buildings in those curtilages that do not comply with the definition used for internal flooding. The measure discounts flooding that does not affect the curtilage of a property (e.g. roads and fields). Flooding due to surface water run-off, which has not originated from a public sewer, but which inundates the wastewater network, is also excluded from the measure. Performance improvements are shown by reductions in the number of incidents.

Performance summary

In year one of AMP8, we recorded a total of 5,593 external sewer flooding incidents, which when normalised per 10,000 sewer connections, equates to a performance level of 15.86. This is our best recorded performance for this measure, better than our performance commitment target of 17.21 normalised incidents for the year and a 20% improvement from 2020/21.

Our region is more susceptible to flooding incidents than other water company operating regions due to the combination of high average rainfall and areas with a high proportion of combined sewer networks. In 2025/26 rainfall was generally more widespread, however a single heavy rainfall event in September resulted in 97 of the external sewer

flooding incidents. Despite these challenges, we have managed to reduce the number of external sewer flooding incidents in 2025/26 supported by increased monitoring, improved wastewater network management, better customer awareness and delivery of proactive interventions.

Maturation of our Dynamic Network Modelling (DNM) system has had a positive impact on the number of proactive interventions. In 2025/26, we raised 3,577 blockage investigations resulting in the clearing of 1,687 blockages, leading to the avoidance of around 526 external sewer flooding incidents. In addition, our campaigns and initiatives to reduce household and non-household blockages, has reduced the risk of blockages due to customer misuse leading to flooding.

Climate change impacts on the number and intensity of storm events, so effective management of this and the impact on the sewer network is critical. We are working with developers to minimise additional surface water entering the network and in partnership with Greater Manchester Combined Authority to influence more sustainable development.

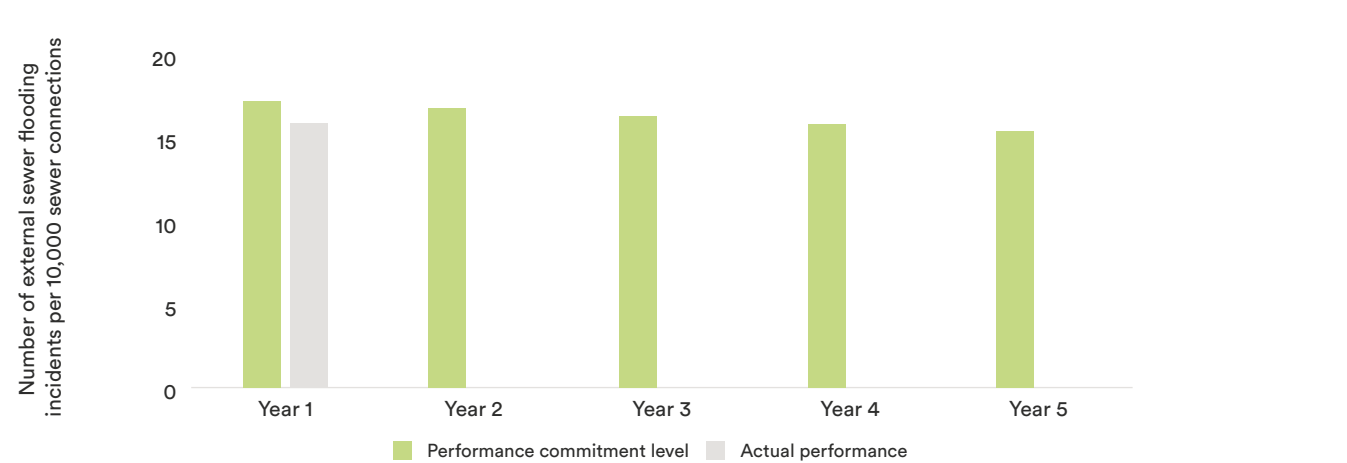
Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have exceeded our target. Our performance means that we earn an outperformance payment of £7.782 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details..

Actual performance for the ‘External sewer flooding’ performance commitment – lower is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	17.21	15.86	Pass

Part A – Customers receiving excellent service every day
A06 – Customer experience (C-MeX)

A06
Customer experience (C-MeX)

Performance commitment description

This industry common performance commitment is a measure of residential customer satisfaction. It is designed to incentivise companies to improve customer satisfaction by delivering a better overall customer experience and improving companies’ handling of customer contacts. Each company receives a C-MeX score based on the results from two surveys:

- A customer service survey, which samples residential customers who have contacted their company asking them how satisfied they are with how the company has handled their issue.
- A customer experience survey which samples randomly selected customers and asks them how satisfied they are with their company.

Incentive payments are calculated depending on how a company performs in relation to the performance commitment level (PCL). The PCL is calculated annually using data from the UK Customer Satisfaction Index (UKCSI) of the same reporting year. This compares water company performance to that of service providers in the wider economy.

Performance summary

At the end of year one we expect to be seventh out of 17 companies, achieving an overall C-MeX score of 67.92. Our focus continues to be on being easy to contact and our speed of response, with helpful and friendly support from our North West based contact centres and field teams.

Customers can contact us using ten different channels. As well as more traditional contact channels such as phone, post, automated telephony and by a visit to one of our main contact centre sites, we offer five online channels for customers to contact us.

These include:

- email – incoming contact via email;
- social media such as Facebook and X (formally Twitter);
- webform via our website;
- WhatsApp (introduced in 2025); and
- the UUW app, which provides a direct channel for contacting the company, rather than only signposting other contact channels.

Supporting customers in vulnerable circumstances remains one of our most important responsibilities. More than 597,000 customers are

now registered for Priority Services, enabling us to tailor our support to those who need it most. We continue to lead the sector in both the scale of our Priority Services offering and the number of customers enrolled. Our partnerships with community and outreach organisations ensure that our services evolve in line with the diverse needs of the communities we serve. This year, we maintained our ISO Kitemark for vulnerability with zero non-conformances, achieved Money and Mental Health accreditation, and retained the Service Mark with Distinction from the Institute of Customer Service. This is a reflection of our sustained commitment to high-quality, inclusive service.

Customer satisfaction remains a daily focus. Through the WOW Awards scheme, which invites customers to share feedback following contact, we received more than 21,000 complimentary messages in year one. Since the scheme began, customers have submitted over 150,000 WOW messages, offering valuable insight into what we do well and where we can continue to improve. These insights, alongside our daily satisfaction tracking and analysis of customer complaints, inform our continuous improvement plans and help us shape services that better meet customer expectations.

Affordability remains a critical issue for many households, and we continue to promote our wide-ranging support schemes. More than 422,000 customers are currently receiving help through our affordability programmes, ensuring that those facing financial challenges can access the support they need.

Together, these achievements reflect a year of meaningful progress; strengthening our service; deepening our support for vulnerable customers; and continuing to build trust through responsiveness, accessibility and care.

Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. This will be calculated by Ofwat when the UKCSI results are available in July 2026, following publication of the APR.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Customer experience (C-MeX)’ performance commitment – higher score is better

AMP8 year	Performance period	Performance commitment	Actual performance	Trend
One	2025/26	NA	67.92	7th

Part A – Customers receiving excellent service every day
A07 – Developer experience (D-MeX)

A07

Developer experience (D-MeX)

Performance commitment description

This industry common performance commitment is a mechanism to incentivise water companies to provide an excellent customer experience for developer services customers. These customers include small and large property developers, self lay providers, new appointees and some residential customers that have new mains connections installed. Each company receives a D-MeX score based on two components:

- a qualitative component – a score summarising the performance of the company in a satisfaction survey of developer services customers; and
- a quantitative component – a score summarising the performance of the company across selected Water UK developer services performance data metrics.

Incentive payments are calculated based on the points of variance of UUW’s score from the industry leader and the industry median.

Performance summary

Quantitative performance measures how well we deliver against the common industry metrics. We achieved seventh out of 17 companies, with an annual average of 99.77. The qualitative component, based on satisfaction surveys of developer services customers, also placed us seventh out of 17, with a score of 75.59. When combined, our overall performance for the year was seventh out of 17, with a total score of 83.64.

Overall ranked performance is down on last year, driven by a weak quarter one performance. While overall performance is down on last year, the yearly comparison does not capture the strong performance seen in the remainder of the year. This recovery was driven by the continued embedment of our operating model, strengthened business processes, and the introduction of dedicated case managers and field support teams.

The early months of 2025/26 were marked by a difficult transition as customers felt the impact of significant changes to the charging

methodology. The removal of the income offset mechanism and the shift toward more fully cost reflective charges, combined with associated price increases, contributed to a decline in customer satisfaction during the first quarter.

Customer engagement has been strengthened through the introduction of quarterly developer newsletters and the continuation of technical forums across both water and wastewater. We hosted our annual Developer Day in October 2025, providing updates on service improvements, future plans and key regulatory developments. In addition, our SLP Essentials webinar series has supported greater consistency and understanding across the SLP community, covering operational topics such as field updates, metering and asset capture.

Our sustainability incentives remain a core part of our approach, with the three tier scheme introduced in 2024/25 now fully embedded. This continues to encourage the uptake of water efficiency measures, SuDS, flow regulation, leak detection and water reuse solutions. Collectively, these initiatives are driving a more consistent, transparent and customer focused service. While sector wide performance has been shaped by methodological and external factors, our strong in year recovery demonstrates the resilience of our approach and provides a solid foundation for continued improvement. Looking ahead, we will further invest in our online offering in 2026/27 and continue to enhance training and development across our team.

Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. Our performance this year generates an outperformance payment of £3.521 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Developer experience (D-MeX)’ performance commitment – higher score is better

AMP8 year	Performance period	Performance commitment	Actual performance	Trend
One	2025/26	n/a	83.64	7th

Part A – Customers receiving excellent service every day
A08 – Business customer and retailer measure of experience (BR-MeX)

A08

Business customer and retailer measure of experience (BR-MeX)

Performance commitment description

This is a new industry common performance commitment for AMP8 that aims to incentivise wholesalers to provide excellent customer service to business (non-household) customers and retailers within the non-household retail market.

Each company receives a BR-MeX score based on three components

- Business (non-household) Customer Experience Survey (B-MeX) – a satisfaction survey of a random sample of business customers who have recently contacted their wholesaler.
- Retailer Experience survey (R-MeX) - derived from a twice-yearly survey of retailers.
- Market Performance Framework Metrics (MPF)- based on industry measures of wholesaler performance, as determined under the industry’s Market Performance Framework. MPF standards are set out in the market codes and relate to features such as the timeliness (but not quality of service) of processes being completed or the quality and completeness of data held by wholesalers regarding supply points.

BR-MeX is a financial outcome delivery incentive (ODI), with performance measured on an annual basis. A wholesaler’s incentive payment depends on how far its score is from the median score and either the top or bottom score, subject to caps and collars.

Performance summary

We finished the year in fifth place on BR-MeX with a score of 79.99. Our overall performance has increased consistently through the year.

In B-MeX, we placed eighth with a score of 70.81. Over the year, we strengthened our approach to retailer driven (indirect) contacts by improving case ownership and enhancing the end to end customer journey. Where retailer consent is provided, we now engage directly with customers to understand and resolve queries more quickly, while

keeping retailers informed. We also introduced an enhanced escalations management function to support faster, clearer, and more accountable handling of complex cases.

We delivered a strong performance in R-MeX, finishing fifth with a satisfaction score of 83.2%. Retailers highlighted our collaborative relationships and constructive ways of working as key strengths. To further enhance our service, we invested in a new settlement system that enables direct monthly retailer refunds, improving both speed and accuracy. We also continued to prioritise support in two critical operational areas: effective occupancy management and the resolution of long unread meters.

On MPF performance, we ended the year in fifth place with a score of 95.19%. This strong result was underpinned by consistently high SLA performance, with further improvements delivered throughout the year. A major contributor to this progress was our address data cleanse programme, through which we successfully cleansed and validated over 200,000 business customer addresses – representing 90% of our portfolio. This work has strengthened data quality, reduced friction in key processes, and supported more accurate and timely service delivery.

Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. Our performance this year generates an outperformance payment of £4.468 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1 Appendix 1 for full details.

Actual performance for the ‘Business customer and retailer measure of experience (BR-MeX)’ performance commitment – higher score is better

AMP8 year	Performance period	Performance commitment	Actual performance	Trend
One	2025/26	n/a	79.99	5th



Part B

Environmental outcomes

There are nine common industry performance commitments within this outcome category, and two bespoke performance commitments that have been allocated solely to United Utilities. Of these 11, seven are new performance commitments for AMP8.

Biodiversity	54	Bathing water quality	61
Operational greenhouse gas - water and wastewater	55	River water quality	62
Total pollution incidents	57	Storm overflows	63
Serious pollution incidents	59	Embodied greenhouse gas	64
Discharge permit compliance	60	Wonderful Windermere	65



Environmental outcomes

Customers, stakeholders and regulators expect us to improve the quality of the environment. We have committed to deliver environmental improvements and, where possible, achieve this in a more sustainable way. This outcome category includes new wider environmentally driven commitments to reduce greenhouse gas emissions.

How have we done?

In year one we have passed or are on track to deliver five out of 11 performance commitments which support this outcome.

We have not met our targets for pollution and recognise we have more to do to improve on these measures. We remain committed to accelerating improvements to reduce pollution.

We have action plans in place for locations identified at greater risk for failing permit standards and potentially impacting bathing water quality performance. We also continue to review and understand the causes of asset failures to guide our improvements.

Our monitored storm overflow performance has improved by almost 22% since 2020/21. We have met our target for proportion of spills monitored but have not met the performance commitment target for average number of spills. We will continue to deliver storm overflow improvements to reduce spills and increase monitoring for the remaining years of AMP8.

We have met the target for operational greenhouse gas emissions for wastewater assets and have made great progress towards the end of AMP8 target for our bespoke embodied carbon emissions commitment, with a 69.45% reduction against the baseline.

We have reduced the discharge of phosphorous into Windermere by delivering a project at the YMCA Lakeside in Ulverston and have met our regional commitment to improve river water quality by reducing phosphorous discharges beyond the permit requirements at a number of wastewater treatment works.



Operational improvements

Reduced storm overflow spills through the Environmental Improvement Programme (EIP) including practical interventions to optimise pumping during times of high flows, increased storm storage, and removal of infiltration from the sewer network.



Low-carbon alternatives

Made great progress with our embodied greenhouse gas emissions performance commitment by delivering lower carbon project solutions in the first year of AMP8.



Improving resilience and action

Measurable progress has been made through our Pollution Incident Reduction Plan (PIRP). Actions include progress delivering major power-resilience upgrades, public education campaigns, digital monitoring and proactive sewer cleansing.

Performance commitment	Actual performance	Change from previous year	Impact	Value (£m)
	Year one			
B01 – Biodiversity Biodiversity units per 100km2 of land in the company's area	0	New PC	Outperformance	0.000
B02 – Operational greenhouse gas - water Percentage reduction from baseline (tCO ₂ e)	-3.36	New PC	Underperformance	-0.684
B03 – Operational greenhouse gas - wastewater Percentage reduction from baseline (tCO ₂ e)	4.64	New PC	Outperformance	2.680
B04 – Total pollution incidents Number of Category 1,2&3 pollution incidents per 10,000 km sewer length	42.15	+	Underperformance	-31.595
B05 – Serious pollution incidents Number of Category 1&2 pollution incidents	2	New PC	Underperformance	-1.557
B06 – Discharge permit compliance % Compliance	98.2	=	Underperformance	-0.999
B07 – Bathing water quality % Score	45.8	New PC	Underperformance	-7.452
B08 – River water quality Percentage reduction in phosphorus	17.15	New PC	Outperformance	Reputational
B09 – Storm overflows Annual average number of spills (regional)	29.60	+	Underperformance	-0.864
B10 – Embodied greenhouse gas Percentage reduction from baseline	On track	New PC	-	-
B11 – Wonderful Windermere Kg P reduction	12.57	New PC	Outperformance	0.002
Environmental outcomes - net position	5/11 achieved			-40.469

Part B – Environmental outcomes
B01 – Biodiversity

B01
Biodiversity

Performance commitment description

This is a new industry common performance commitment for AMP8, designed to incentivise companies to conserve and enhance biodiversity in the exercise of their functions. This performance commitment measures the net change in the number of biodiversity units on nominated land per 100km2 of land in the company’s area.

A biodiversity unit is a measurement of an area’s value to wildlife. It is based on the size and quality of habitats, and whether the habitat is sited in an area identified as being of strategic significance for nature.

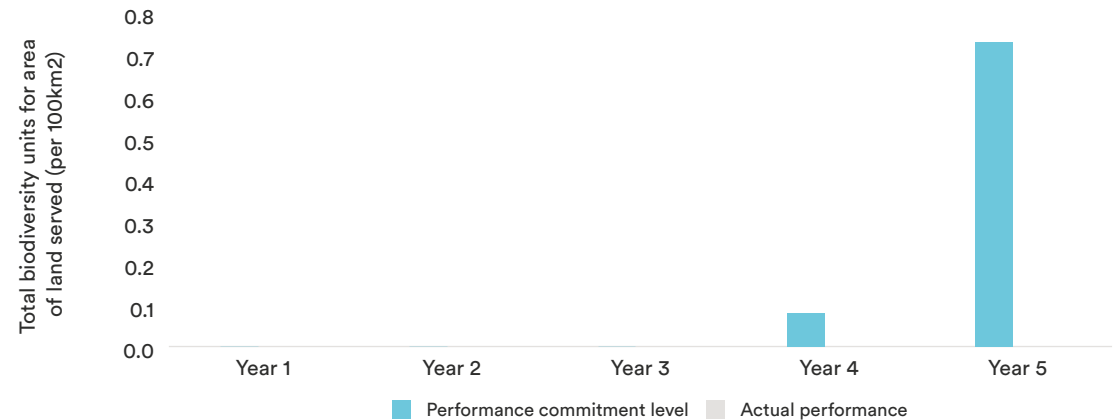
The benefits of improved biodiversity include reduced extinction risk, increased resilience to climatic and water resource changes and enhancements in ecosystem service provision such as water quality, localised climate regulation, pollination, clean air, and physical and mental health benefits.

A baseline number of biodiversity units has to be recorded before performance can be measured against this baseline. Benefits from improvements are measured after four years to enable the benefit of improvements to be demonstrated and measurable.

Performance summary

Due to the nature of the baseline surveys and the requirement for evidence of delivery, there is no biodiversity target for the first three years of AMP8. We have made good progress in structuring the process and controls to deliver the performance commitment. All the necessary surveys have been undertaken by suitably qualified experts with relevant qualifications. A baseline score has been provided for nominated sites where there are opportunities to deliver biodiversity improvements. 11 biodiversity baseline surveys were completed in 2024/25 and 342 in 2025/26 Expert ecological advice is always used to guide the baseline and follow up surveys.

Actual performance for the ‘Biodiversity’ performance commitment – higher is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	0.00	0.00	Pass

Part B – Environmental outcomes
B02 / B03 – Operational greenhouse gas emissions -
water and wastewater



B02 B03
Operational greenhouse gas emissions

Performance commitment description

These are two new industry common performance commitments for AMP8 that measure the percentage reduction in greenhouse gas emissions (expressed in tonnes CO₂e, carbon dioxide equivalent) from the 2024/25 baselines published in Ofwat’s PR24 Key Dataset 1: Outcomes data.

▶ ofwat.gov.uk/wp-content/uploads/2026/04/13-Key-Dataset-1-Outcomes-data-V10.xlsx

In incentivising reductions in operational greenhouse gas emissions, these performance commitments will also support attainment of UK Government and Welsh Government’s 2050 and interim net zero targets.

The performance commitments are described as a reduction in emissions. Both performance commitment levels include the impact of AMP8 improvements which will increase greenhouse gas emissions from the baseline. At the same time, the performance commitment incentivises companies to reduce day-to-day emissions by providing stretching targets to reduce greenhouse gas emissions. The net impact of these two factors results in an overall increase in emissions. The performance commitment measures this net impact and is presented as a target of a negative reduction in greenhouse gas emissions which acts to limit increase from the 2024/25 baseline.

For both water and wastewater, most of the relevant emissions have been calculated using the UK Water Industry Research Ltd (UKWIR) Carbon Accounting Workbook (CAW) v20. We confirm that tool is compliant with CAW version 17 in that all emissions factors, parameters, internal methodologies, and internal calculations remain unchanged with the CAW version 17 used in preparing the baseline and forecast emission reductions ahead of final determination. The company has applied the CAW Excel workbook and its associated emissions factors consistently and will continue to do so throughout the 2025–30 period.

The emissions factors used are linked on the 2022 UK Government GHG conversion factors for company reporting and Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) global warming potentials (GWPs).

Performance summary

B02 - Operational greenhouse gas emissions – water

In 2025/26, we did not meet our performance commitment for water operational greenhouse gas emissions. We delivered a -3.36% reduction, which is equivalent to an increase and resulted in an overall larger increase than -0.47% performance commitment target. We reported 155,893.61 tCO₂e (net emissions) for 2025/26, an increase of 5,062 tCO₂e from the 2024/25 baseline of 150,831.00 tCO₂e, therefore not achieving the target of 151,544.37.

High water operational greenhouse gas emissions in 2025/26 were primarily driven by chemical use and electricity. The exceptionally dry weather meant we had to move more water around our region to protect supplies for customers and the environment. This required additional electricity and fuel to power the pumps, resulting in higher emissions. Emissions from power were partially mitigated by renewable generation from solar and wind and the substitution of diesel with the sustainable

biofuel HVO (hydrotreated vegetable oil) in stationery assets such as generators. Use of alternative water sources also necessitated more chemicals for water treatment and in turn more operational emissions.

B03 - Operational greenhouse gas emissions – wastewater

In 2025/26, we met our performance commitment for wastewater operational greenhouse gas emissions. We delivered 4.64% reduction in operational greenhouse gases from the 2024/25 baseline against a target of -3.56%. This results in a decrease in emissions, against a target that included the expectation of an increase. We reported 292,706.70 tCO₂e (net emissions) for 2025/26, a reduction of 14,254.88 tCO₂e from the 2024/25 baseline of 306,961.58 tCO₂e. This is better than the target of 317,883.08 tCO₂e.

In 2025/26 use of more chemicals and additional sludge waste transport increased the wastewater operational greenhouse gas emissions. More chemicals were required to treat wastewater to a higher standard, as part of the delivery of environmental improvements projects through the Water Industry National Environment Programme (WINEP). Sludge waste transport increased due to higher volumes of sludge and the longer distances to travel to suitable disposal locations.

Reductions in wastewater operational greenhouse gas emissions were achieved through a number of changes including the use of biogas instead of natural gas and as with water, the use of HVO in stationary assets . We also retained and retired the green gas certificates for generated and exported biomethane and had fewer sludge treatment process emissions due to the closure of less efficient anaerobic digestion sites as part of our AMP8 bioresources investment plan.

Financial implications

Each of these performance commitments are subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have achieved the performance commitment for wastewater greenhouse gas emissions with an outperformance payment of £2.680 million and failed the target for water greenhouse gas emissions incurring an underperformance payment of -£0.684 million.

Reporting and assurance requirements

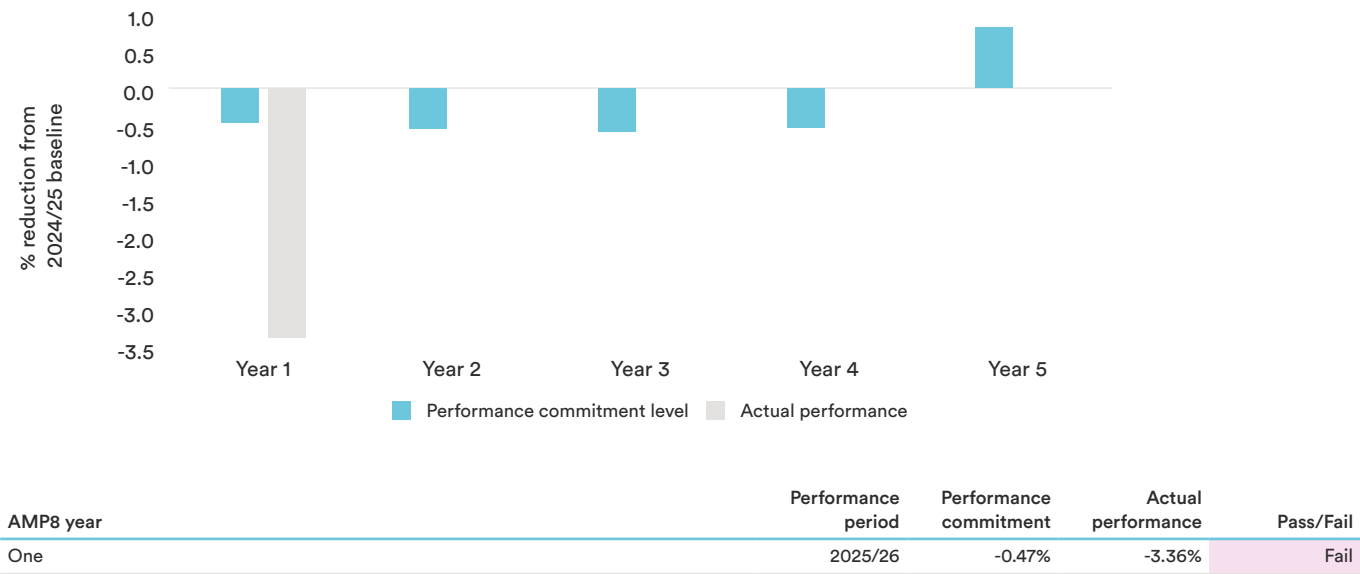
These performance commitments have specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Part B – Environmental outcomes

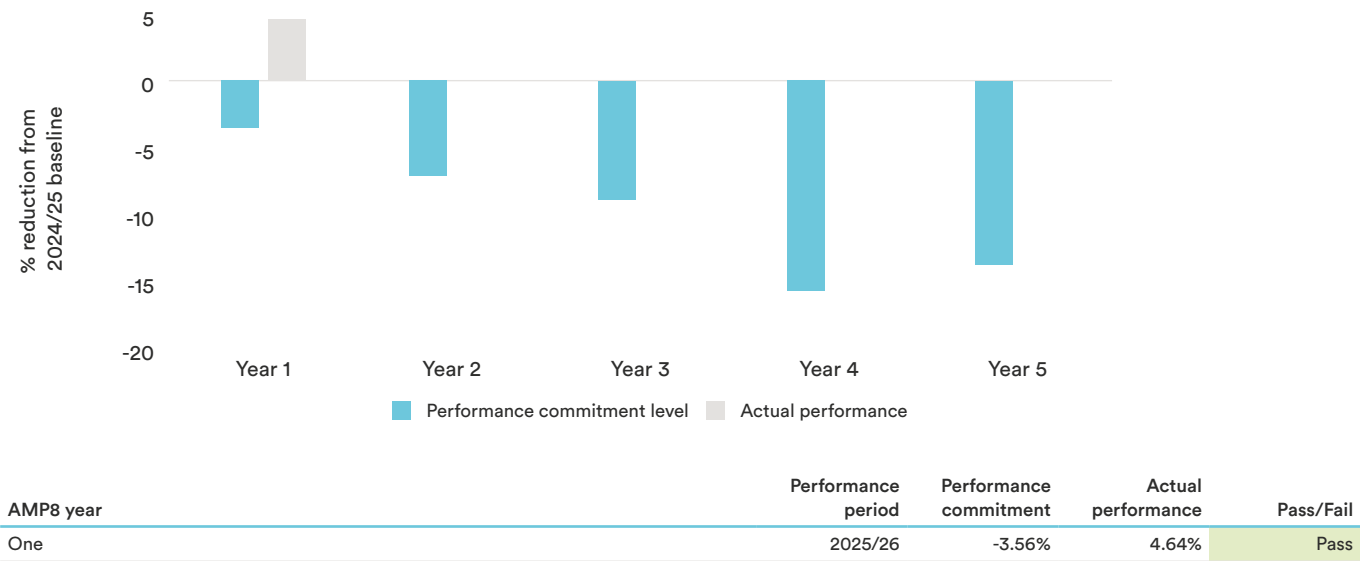
B02 / B03 – Operational greenhouse gas emissions

- water and wastewater

Actual performance for the ‘Operational greenhouse gas - water’ performance commitment – higher is better



Actual performance for the ‘Operational greenhouse gas - wastewater’ performance commitment – higher is better



Part B – Environmental outcomes

B04 – Total pollution incidents



B04

Total pollution incidents

Performance commitment description

This is an industry common measure that tracks the number of pollution incidents assessed as “category 1, 2 or 3” by the Environment Agency (EA) emanating from a discharge or escape of a contaminant from a water company sewerage asset affecting the water environment. Pollution incidents are categorised according to their severity; the most serious pollution incidents are in category 1 or 2 and there is a new performance commitment to measure serious pollution incidents in AMP8. The definition of a pollution incident for 2025/26 is in the metric of the Environment Agency’s Environmental Performance Assessment (EPA) version 11 for the 2025 calendar year and the performance commitment is reported as incidents per 10,000 kilometres of sewer length.

Performance summary

This measure utilises a calendar year assessment. In 2025, our performance was 326 category 1–3 incidents. This number is subject to reconciliation with the Environment Agency. When this performance is normalised per sewer length, this equates to an outturn of 42.15 incidents per 10,000 kilometre sewer. We have therefore not achieved our performance commitment level of 25.02 normalised incidents. While we have not met the performance commitment, we have improved performance from 2024 by 21 incidents. When looking at the location of incidents the most significant improvement was at wastewater treatment works with a reduction of 51 incidents (33%) from 2024.

Severe weather can cause assets to become overloaded and unable to cope with the volume of storm water that they are processing resulting in pollution incidents. Similarly, storm events can cause disruption to power supplies which also impact our assets. As in previous years, storm events have had a significant impact on the reported pollution numbers. In 2025, 54 pollution incidents were reported during six named storm events, which is almost 17% of the total for the year. There were two storms of note in January 2025: one led to the New Year’s Day floods in Greater Manchester, with widespread flooding and the collapse of the Bridgewater Canal in Dunham Massey; and Storm Eowyn, which was accompanied by a red weather warning for wind, and led to widespread power outages.

We delivered activities in our Pollution Incident Reduction Plan (PIRP), including the launch of the Environmental Events Management Desk to create a single point of contact for any potential wastewater pollution incident. Alongside other activities this has enabled us to detect and self-report 93% of pollution incidents to the Environment Agency with 98% self-reported at wastewater treatment works and sewerage pumping stations where we consistently have a higher proportion of pollution than at other assets.

Improving performance

We recognise we have more to do in this area and in March 2026 we published a new PIRP detailing measures we are committed to implementing in order to reduce future pollution. You can read more about this plan at:

► unitedutilities.com/corporate/responsibility/environment/reducing-pollution

Building more resilience across our assets is a primary focus of this plan, to ensure they operate reliably, regardless of the increasingly challenging weather conditions we are subject to. We monitor assets to identify pollution risks, supported by a post incident process to understand incident causes and identify ways in which we might avoid repeat incidents.

Although we are disappointed not to have met our target for the year we have made a number of performance improvements that should help deliver better performance in the future including the following actions:

- completed power-resilience surveys at 180 sites and identification of potential candidates for battery energy storage solutions (BESS) to be installed in 2026;
- delivered a series of campaigns designed to engage and educate household customers on how to reduce blockages by encouraging responsible disposal of personal hygiene products including wet wipes and period products, and cooking fats, oil and grease;
- installed monitors at locations we know carry a higher pollution risk;
- successfully inspected and cleansed 442 kilometres of sewers, focusing on locations with previous pollution incidents or near misses; and
- deployed mitigation vehicles and equipment to help prevent or reduce the impact of pollution.

The key improvements going forward are:

- Executing our new power resilience programme to reduce power-related pollution incidents.
- Installing and using intelligence from monitors, alarms and sensors to identify potential issues.
- Exploring the use of artificial intelligence to predict issues, risk and failures so we can mitigate or prevent pollution.

Financial implications

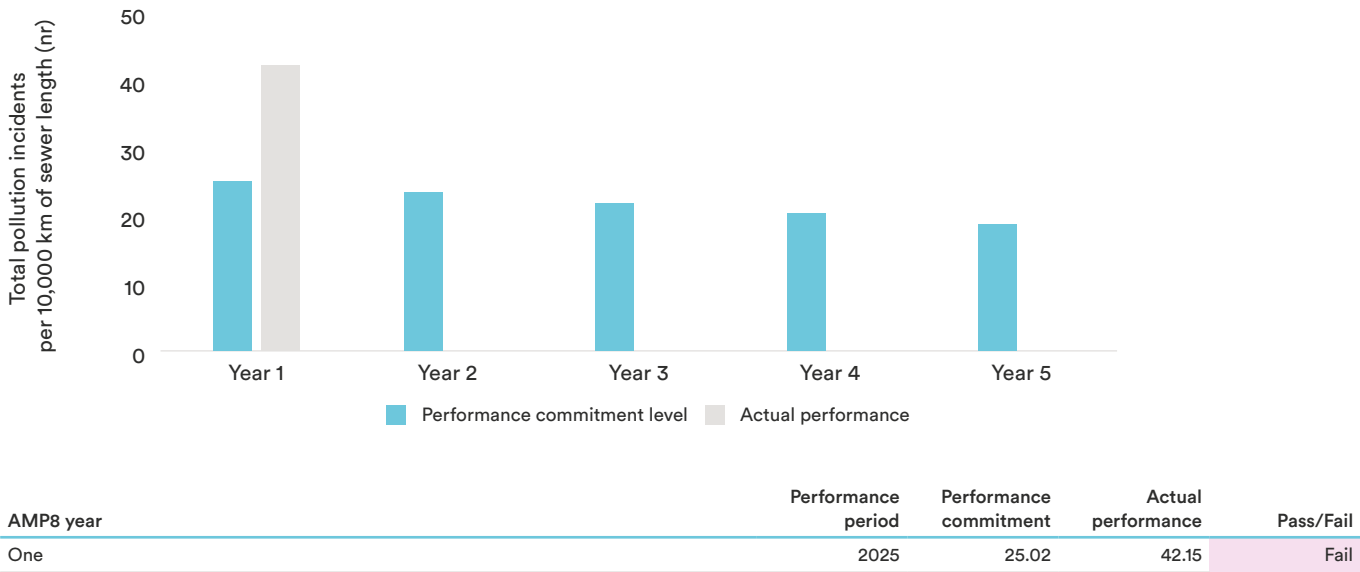
This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have failed our target and incur an underperformance payment of -£31.595 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Part B – Environmental outcomes
B04 – Total pollution incidents

Actual performance for the ‘Total pollution incidents’ performance commitment – lower is better



Part B – Environmental outcomes
B05 – Serious pollution incidents

B05

Serious pollution incidents

Performance commitment description

This is a new industry common performance commitment for AMP8, that tracks the number of serious pollution incidents recorded in a calendar year emanating from a discharge or escape of a contaminant from a water company sewerage asset affecting the water environment. Serious pollution incidents are reported as the total number of serious pollution incidents (being those assessed as “category 1” or “category 2” incidents by the Environment Agency (EA). The definition of a serious pollution incident for 2025/26 is in the metric of the Environment Agency’s Environmental Performance Assessment (EPA) version 11 for 2025 calendar year.

Performance summary

This measure is a calendar year metric. In 2025 we reported two serious pollution incidents. These were both assessed as category 2 incidents and we have failed to meet the target of zero serious pollution incidents.

One of the serious pollution incidents in 2025 was from a combined sewer into a culverted watercourse with a collapse compounded by heavy rainfall and pump failure. The underlying cause was destabilisation from third-party culvert lintel supports, which led to extensive mitigation using multi-flow pump management, temporary storage, tankering and civil engineering works to maintain service and prevent further pollution.

The second serious pollution incident occurred in November 2025 when overland flooding was reported in Rossall, near a wastewater treatment works final effluent pipeline. A sinkhole was discovered, leading to shut

down of the final effluent flows to assess the cause. Mitigation was challenging due to difficult ground and tidal conditions, but repairs and the installation of a new pipe section was completed allowing flows to be reinstated. Full restoration of the outfall was completed within seven days.

We take our responsibility for pollution seriously and remain committed to achieving the target of zero through actions and projects included in our Pollution Incident Reduction Plan (PIRP). More information on the activities included in this plan and you can read more about the PIRP at:

► unitedutilities.com/corporate/responsibility/environment/reducing-pollution

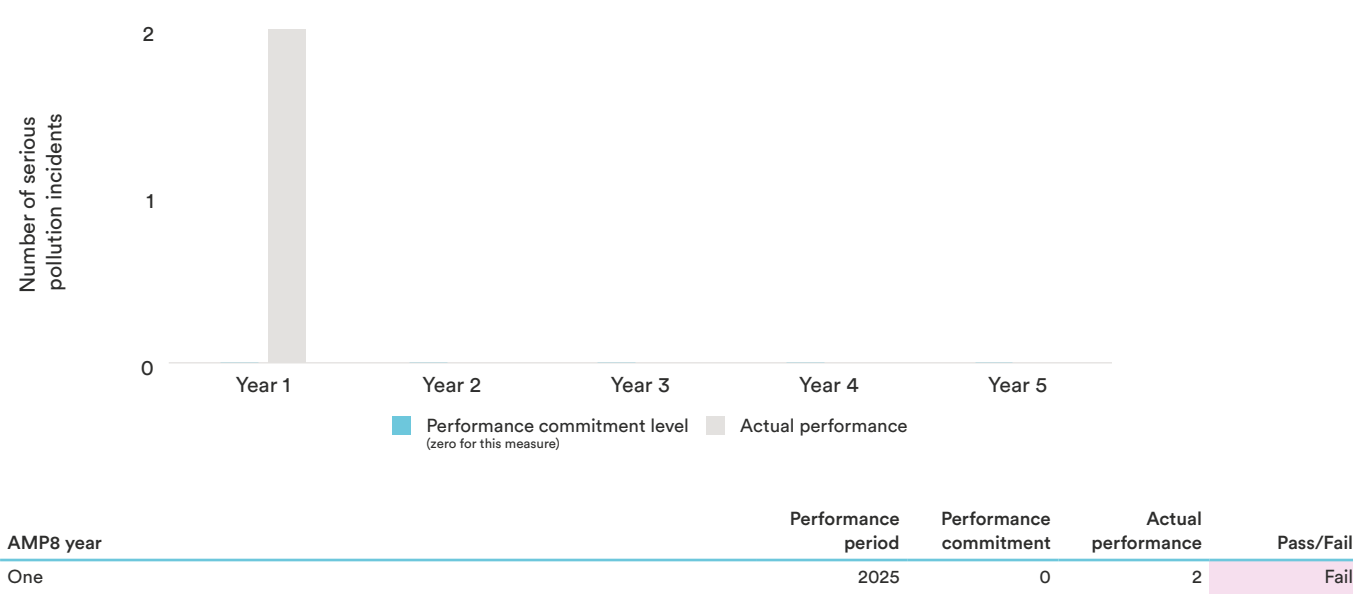
Financial implications

This performance commitment is subject to outcome delivery incentives for underperformance only. In year one, we have failed to meet our performance commitment target of zero, and performed beyond the deadband of one, and therefore incur an underperformance payment of -£1.557 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Serious pollution incidents’ performance commitment – lower is better



Part B – Environmental outcomes
B06 – Discharge permit compliance

B06
Discharge permit compliance

Performance commitment description

This is an industry common performance commitment for AMP8 and is reported as the performance of wastewater treatment works (WwTW) to treat and dispose of sewage, and water treatment works (WTW) for the water supply service in line with their numeric discharge permit conditions. Meeting discharge permits helps to protect the environment. It is a necessary part of improving the status of the water bodies into which the company discharges. A greater percentage indicates improving performance (a higher number of compliant treatment works).

Non-compliance for 2025/26 is defined in the discharge permit compliance (numeric) metric of the Environment Agency's Environmental Performance Assessment (EPA) version 11 for 2025 calendar year.

Performance summary

This measure is reported annually on a calendar year basis. We did not meet our target of 100% compliance in 2025, with a performance of 98.2% compliance. This equates to seven treatment works in breach of their discharge permit out of a total of 389. There are six non-compliant wastewater treatment works and one non-compliant water treatment works.

Details of the failures experienced this year are Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD) and Ammonia (NH3)

Upper Tier limit (UTL) at Crewe wastewater treatment works. Ammonia UTL at Stockport, Iron UTL at Waverton, Kirkby Stephen and Lancaster wastewater treatment works and pH UTL at Paddy End water treatment works. For each of these, a detailed investigation has been undertaken to ensure we understand the root cause of the failure. We have implemented robust action plans to ensure that issues are resolved and that the correct processes are in place to minimise future risk.

Additional performance monitoring has been implemented to develop trend monitoring tools alongside a key performance visualisation tool as support for the business in identifying potential risk and a compliance governance group is now well established to monitor performance and share lessons learnt regionally.

Financial implications

This performance commitment is subject to outcome delivery incentives for underperformance only. In year one, we have not met our target and incur an underperformance payment of -£0.999 million.

Reporting and assurance requirements

While there are no specific assurance requirements identified within the Ofwat definition, this performance commitment has been subject to external assurance in line with our published assurance framework.

Actual performance for the ‘Discharge permit compliance’ performance commitment – higher is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025	100.0%	98.2%	Fail

Part B – Environmental outcomes
B07 – Bathing water quality

B07
Bathing water quality

Performance commitment description

This is an industry common performance commitment designed to incentivise improvements to water quality at surface waters designated for swimming. This performance commitment will help to enhance coastal and inland environments and support the creation of further social and environmental value by improving bathing water quality. It is a new performance commitment for AMP8.

It is measured as the quality of surface waters designated for swimming in the region as an annual percentage score based on reported water quality (using measured bacterial levels). A higher percentage score indicates improved performance.

Performance for a bathing season is reported against the financial year within which it falls. For example, the bathing season 15 May to 30 September 2025 would be reported in relation to the financial year which runs 1 April 2025 to 31 March 2026.

Performance summary

We did not meet our bathing water quality target in 2025.

Eligible bathing waters are surface waters designated as bathing waters by the Environment Agency at the time of PR24 final determinations. This is a total of 25 coastal bathing waters and nine inland bathing waters for UUW. Of our 34 designated bathing waters, 25 were classified as 'sufficient' or better (under the performance commitment definition).

Ten achieved 'good' status and six achieved an 'excellent' classification, including four Windermere bathing waters. In addition to this, there were nine bathing waters classified as 'poor' which contributed to the resultant score of 45.8% against a 51.8% performance commitment level.

We are one of many contributors to the impact on bathing water quality. To better understand this, further sampling and monitoring is being undertaken to identify the locations and sources of pollution such as agriculture, seabirds and catchment run-off. Technologies looking at sampling tributaries that impact bathing water sites, and aerial imagery to highlight potential sources of diffuse pollution are being trialled outside of the bathing season. This work has been used to develop action plans for locations at greater risk, to help improve the performance through short, medium and long-term actions.

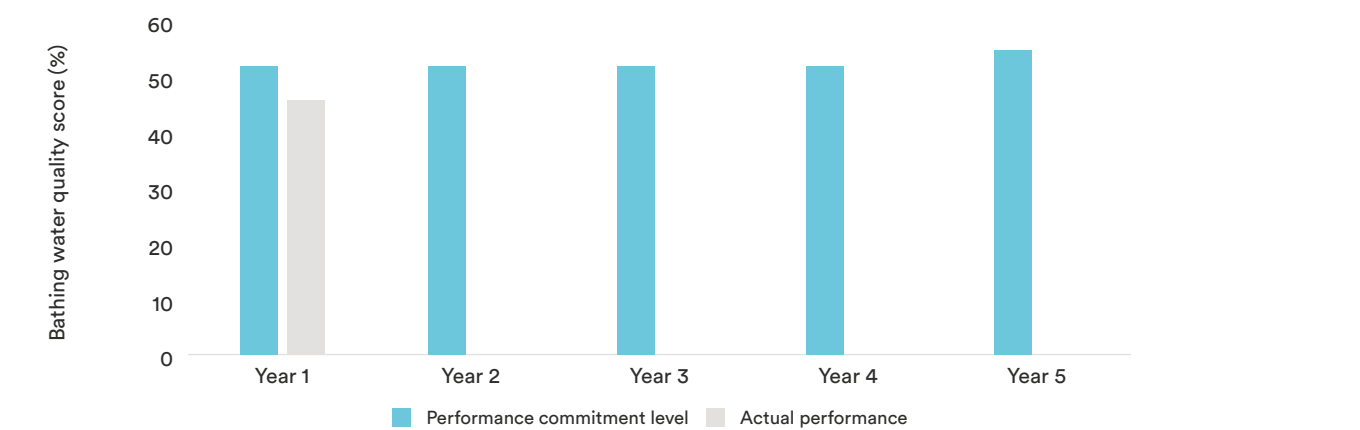
Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have failed to meet the performance commitment and incur an underperformance payment of -£7.452 million.

Reporting and assurance requirements

While there are no specific assurance requirements identified within the final determination, this performance commitment has been subject to external assurance in line with our published assurance framework.

Actual performance for the ‘Bathing water quality’ performance commitment – higher is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025	51.8%	45.8%	Fail

Part B – Environmental outcomes
B08 – River water quality

B08

River water quality

Performance commitment description

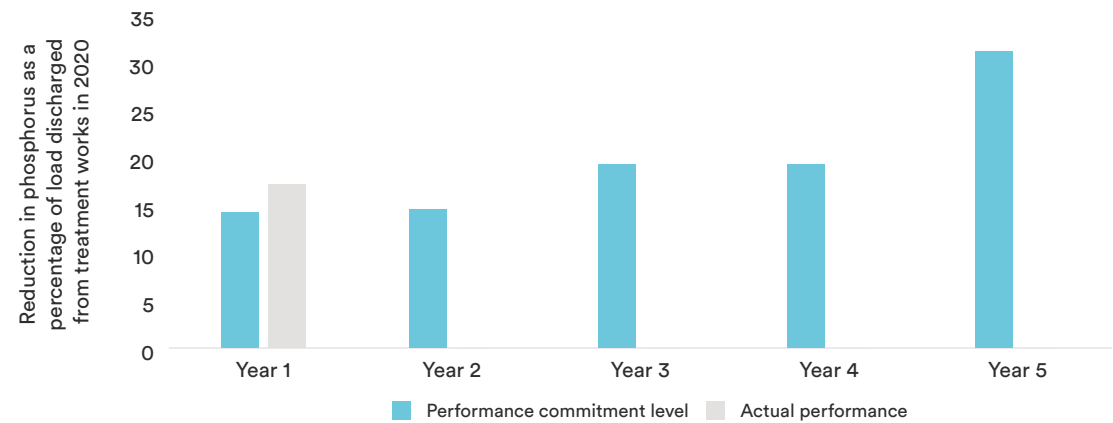
This is a new industry common performance commitment for AMP8, designed to incentivise improvements to environmental quality by reducing the amount of phosphorus entering rivers from water company activities. Phosphorus is a significant reason why rivers fail to be classified as having ‘good’ environmental status under the UK Water Framework Directive (WFD), therefore reducing phosphorus is a key part of improving the water environment.

This performance commitment measures the percentage reduction in phosphorus discharged to river catchments as a result of water company activities when delivering their functions. Reduction is relative to the load of total phosphorus discharged by all wastewater treatment works against a 2020 baseline and it is reported on a calendar year basis.

Performance summary

We have met and exceeded our performance commitment for year one with a 17.15% reduction in phosphorus against a target of 14.23%.

Actual performance for the ‘River water quality’ performance commitment – higher is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025	14.23%	17.15%	Pass

This means we have removed over 70 additional tonnes of phosphorus from wastewater beyond what is required by our wastewater treatment works permits, by delivering improvements to reduce phosphorus in our wastewater treatment works discharges.

During AMP8, the performance commitment level will become more stretching as more wastewater treatment works gain new or more stretching phosphorus permit limits and performance is measured against these.

Financial implications

This is a reputational performance commitment with no outperformance or underperformance payments.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Part B – Environmental outcomes
B09 – Storm overflows

B09

Storm overflows

Performance commitment description

This is a new industry common performance commitment for AMP8. It is designed to help reduce the negative impacts of storm overflow discharges. This commitment encourages us to run and maintain the sewer network so that these overflows happen less often, reducing the risk of harm to public health and the environment. It is measured as the average number of spills per storm overflow with an adjustment for unmonitored storm overflows (USOA). The performance financial calculation has components associated with average spills against the performance commitment level (PCL) and the percentage of uptime (or operability) against a target. Uptime is the time that the storm overflow monitors are operational over the year and this target drives us to continually monitor all overflows for improved data accuracy alongside reducing the number of spills. Performance is reported on a calendar year basis.

Performance summary

We did not meet our performance commitment target for 2025. We recorded 60,843 spills from storm overflows resulting in an average monitored number of spills of 26.80 per storm overflow. Storm overflow uptime was 97.20%; this is better than the uptime target of 97.00% for 2025. With the adjustment to the average spill number for the time where overflows were unmonitored (between the reported 97.20 and 100%), the reported value is 29.60 average spills per overflow against a target of 26.35.

The performance within the PC definition is calculated as: average monitored spills + USOA = performance, which is 26.80 + 2.80 = 29.60

Despite missing our ODI performance target we have seen almost 22% reduction in average spills compared to the measured number in 2024. This represents significant progress towards our 25 year plan to meet ten spills a year or fewer at every overflow. A large proportion of the spill reduction reflects work done under our Environmental Improvement

Programme (EIP). This is a series of workstreams aimed at measures to reduce spill numbers. The EIP includes applying drainage area health checks and practical interventions such as pump optimisation; delivery of additional storm tanks; and removal of infiltration. It also includes increasing the quality of data collected through improvement to sensors and data validation.

While the 2025 overall volume of rainfall was in line with the long-term average (LTA) we did see a greater volume and frequency of rainfall in the second half of the year. From September 2025, the overall volume was significantly above the LTA, including several days of particularly intense rainfall. This intensity contributes considerably to the number of spills as the network is more likely to be overwhelmed by the volume of rainwater received over a short time period.

Financial implications

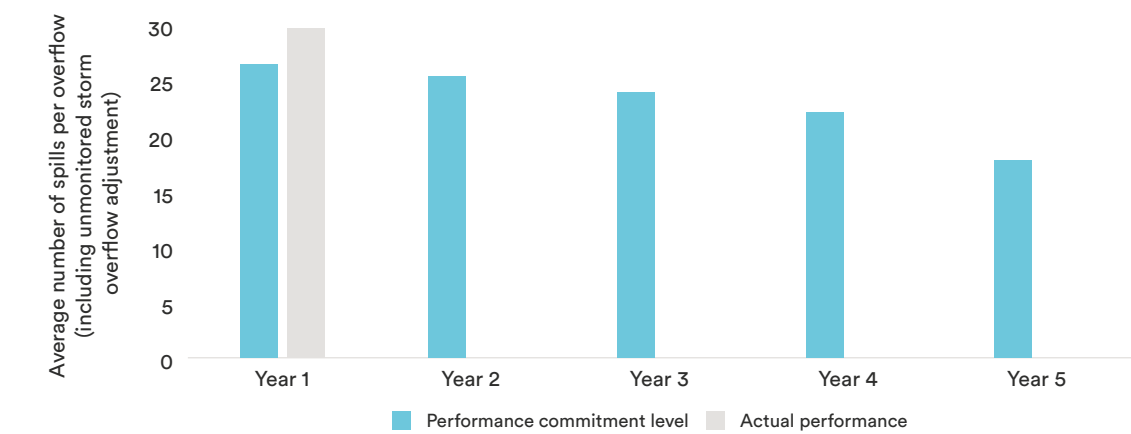
This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one we missed our ODI target and are subject to an underperformance payment of -£0.864 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

The definition of average spills is specific to this performance commitment and is not the same as that used for the reported values in the Environmental Performance Assessment (EPA). More information on how performance is calculated is included in Ofwat's Storm overflows – PC definition (republished 5 June 2026). Performance is calculated with an assumed number of spills for unmonitored storm overflows.

Actual performance for the ‘Storm overflows’ performance commitment – lower is better



AMP8 year	Performance period	Storm overflow uptime target	Actual performance	Pass/Fail
One	2025	97.00%	97.20%	Pass

AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025	26.35	29.60	Fail

Part B – Environmental outcomes

B10 – Embodied greenhouse gas emissions

B10

Embodied greenhouse gas emissions

Performance commitment description

This bespoke performance commitment targets reductions in greenhouse gas (GHG) emissions from construction activities within our most carbon intensive wastewater treatment, non infrastructure projects. It supports our strategy to cut embodied emissions and achieve net zero by 2050, while improving how we measure and report embodied carbon across capital programmes. It is measured as a reduction in tonnes of carbon dioxide equivalent (tCO₂e) related to our 2025–30 Water Industry National Environment Programme (WINEP) wastewater treatment, non-infrastructure programme. The focus is on managing and reducing emissions in line with the greenhouse gas emissions reduction hierarchy, including the avoidance and minimisation of emissions through re-use of assets and optimisation of existing processes.

Performance summary

The embodied GHG performance commitment has an ‘end-of-period’ incentive and is assessed against an end-of-AMP target. While annual performance is monitored and reported throughout the AMP period, no incentive payments for over or under performance apply until delivery of the final 2029/30 outcome.

In the first year of AMP8, a 69.45% reduction in embodied GHG emissions was achieved against the baseline for the defined projects. For the outputs achieved, total emissions were 897.53 tCO₂e, compared with a baseline of 2,938.00 tCO₂e.

Delivery of the performance commitment focuses on efficient material usage, design optimisation and switching to low carbon alternatives, where technology and innovation allow. We have collaborated with and incentivised our supply chain partners to support the delivery of our strategic themes for the 2025–30 capital programme, including our net zero transition plan and this performance commitment.

We have enhanced our carbon management processes and delivered a new AMP8 carbon assessment tool aligned with the performance commitment methodology. The tool was rolled out across the supply chain with supporting training to ensure consistent application by delivery teams.

Carbon reduction has been driven in line with PAS 2080 which is a global standard developed by the British Standards Institution, and the carbon

reduction hierarchy of ‘Avoid, Switch, Improve’ with a focus on designing out carbon at the earliest stages of the project lifecycle. Key examples of carbon reduction delivered across defined projects in year one include:

Standardised products: A range of standardised products have been deployed across the projects, several of which offer lower embodied carbon emissions when compared to traditional assets. For example, our compact, pre fabricated Microline chemical dosing unit provides a lower carbon alternative to conventional dosing solutions.

Deployment of innovative FujiClean and Flozell treatment units: At Milburn wastewater treatment works, a pre-fabricated FujiClean wastewater treatment system was installed, eliminating the need for chemical treatment. This installation enabled the removal of numerous assets, including chemical dosing units, primary settlement tanks, humus tanks, and associated ancillary infrastructure. In addition, a Flozell unit was deployed as a compact tertiary solids removal solution, offering significantly lower capital carbon than traditional tertiary treatment technologies. Together, these interventions resulted in carbon avoidance through asset rationalisation and reduced infrastructure requirements.

Lower-carbon materials: Where feasible, we worked with delivery partners to switch to lower carbon material alternatives for key assets, including backfill materials, access roads, and chambers.

Carbon reduction activities across the defined projects in 2025/26 have not resulted in the creation of any new pollution types, nor in pollution being transferred or displaced to a different environmental medium.

Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. As this is an end-of-period reconciliation measure, there are no financial implications for year one.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Embodied greenhouse gas’ performance commitment – higher is better

AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	In progress	On track	–

Part B – Environmental outcomes

B11 – Wonderful Windermere



B11

Wonderful Windermere

Performance commitment description

This is a new bespoke performance commitment for AMP8 that incentivises United Utilities to support the improvements to water quality, long-term resilience and heritage of Lake Windermere through the stewardship of catchment-wide solutions. It applies a holistic approach to phosphorus removal and looks beyond the company’s assets to comprehensively reduce the nutrient input from multiple sources into the catchment.

Performance is defined as the kilograms of phosphorus that is reduced as a result of interventions to third-party treatment assets, agricultural and other land uses. Unless prevented from doing so, performance will be measured through sampling before and after interventions.

If sampling is not possible for third-party asset interventions, performance will be based on modelling according to a methodology agreed with the Environment Agency (EA). The Wonderful Windermere methodology document was agreed with the Environment Agency and approved by Ofwat before publication of the definition.

Performance summary

In year one of AMP8 we removed 12.57 kg equivalent phosphorous from the Windermere catchment. This is better than our performance commitment target of 9.50 kg for the year. The reduction was delivered

through a project at the YMCA Lakeside Ulverston. A case study report has been published at:

► [unitedutilities.com/my-local-area/news-in-your-area/cumbria/windermere/a-water-sector-first-scheme/case-study-a-nature-based-solution--reducing-nutrients-into-windermere](https://www.unitedutilities.com/my-local-area/news-in-your-area/cumbria/windermere/a-water-sector-first-scheme/case-study-a-nature-based-solution--reducing-nutrients-into-windermere)

A full report on our progress against this measure will be published on our website later in the year.

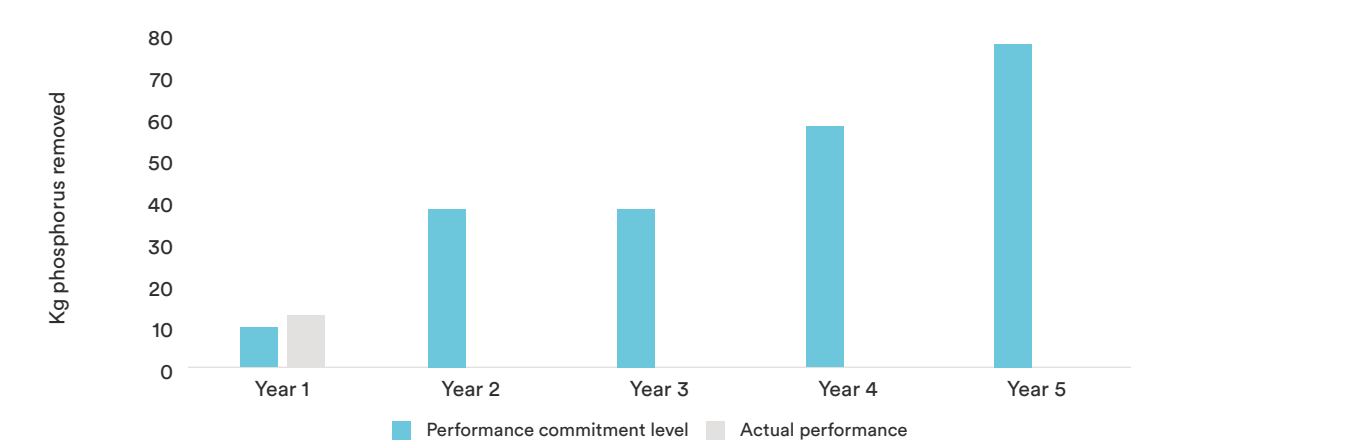
Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have achieved our performance commitment resulting in an outperformance payment of £0.002 million. We have committed to not benefit from any outperformance payments and propose that any outperformance payment is invested back into the community. The mechanism for this will be developed.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Wonderful Windermere’ performance commitment – higher is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	9.50	12.57	Pass



Part
C

Reducing demand

There are three industry common performance commitments within this outcome category. Leakage reduction and per capita consumption measures are a continuation of AMP7 performance commitments. Business demand is a new performance commitment for AMP8.

Leakage	69
Per capita consumption	70
Business demand	72



Reducing demand

Customers want us to use water responsibly by reducing the amount needed across homes, businesses and our water network. To deliver this outcome, we will continue to minimise the loss of clean water from our pipes by reducing leakage, support households to lower the amount of water used per person and continue to promote water efficiency for business customers, helping them reduce their overall demand.

How have we done?

We have passed one of three performance commitments which support this outcome.

Reducing water wastage remains central to our approach to protecting the environment, maintaining long-term supply-demand balance and building resilience to climate change. Our progress is even more significant given the year’s exceptional weather. Despite the North West facing one of its driest and warmest periods in decades, which significantly drove up household and business demand, our approach proved its effectiveness by successfully mitigating some of these weather-driven demand increases.

In year one, we have delivered our largest ever in year improvement in leakage performance, reducing annual leakage by 16.4 MI/d, despite a backdrop of challenging weather conditions that constrained operational effectiveness during the summer months. This performance reflects a significant step up in operational delivery and increased capability across detection, repair and pressure management. While we have delivered a record in-year reduction, our overall performance, based on a three-year rolling average, has remained above the year one target. However, the scale of our in year reduction demonstrates meaningful progress and provides a platform for further improvement as enhanced operational capability continues to be embedded.

We have met our per capita consumption (PCC) target this year, achieving 126.3 litres per person per day against a target of 126.8 litres per person per day. Our water efficiency strategy is built around strong customer engagement, using a mix of communications and targeted campaigns to encourage households and businesses to use water wisely. This has included metering support, leak repairs, rainwater harvesting initiatives and tailored help for vulnerable customers. Smart metering rollout has expanded significantly, enabling faster identification of abnormal use and more effective demand-reduction interventions. We also introduced flow-regulator installations to reduce consumption in a cost-effective way. Together, these actions are helping customers reduce their water use while improving the resilience of the region’s water supplies.

In year one, we delivered an estimated 9 MI/d of business demand water savings through targeted, partnership-led activity focused on customer and sectors with the highest leakage and demand risk. This is compared to 4.2 MI/d delivered the previous year. While the year one target for reducing business demand was narrowly missed, performance remained close to target and demonstrates meaningful progress in embedding targeted, partnership led approaches. The first year of AMP8 has been characterised by the rapid mobilisation of new capabilities at scale, including accelerated smart metering and mains renewal, enhanced analytics, wider pressure management, strengthened governance, and an expanded leakage and water efficiency operational delivery team.



Accelerated investment

We accelerated investment to renew water mains to help reduce leakage and improve reliability.



Metering

We deployed over 215,000 smart meters to help improve performance, supporting enhanced demand management, leakage reduction, and operational efficiency.



Operational interventions

We have further increased focus on leak detection, repair and pressure management to reduce the volume of water lost from leaks.

By embedding water efficiency and leakage reduction into daily operations, customer engagement, and partnership working, these capabilities together provide a robust, data led foundation for accelerated performance improvement over the remainder of the AMP.

During 2025/26, we established a dedicated directorate to focus on water demand, bringing together strategy, analytics, delivery functions and policy, across the water balance, into a single, coordinated structure. This has enabled a more consistent and scalable approach to reducing both household and non household demand, while aligning operational activity with national policy, regional water resource planning and AMP8 priorities.

Part C – Reducing demand

Metering

Metering underpins our approach to demand reduction and leakage control by providing the visibility needed to separate customer consumption from network losses, detect abnormal usage and direct interventions more efficiently. We currently operate around 2 million meters, comprising 1.9 million household and 0.17 million non-household meters. This equates to an overall meter penetration of around 52%. This is expected to increase to 60% by the end of AMP8.

Since the start of AMP8, all new installations have been smart capable. As a result, we expect approximately 19% of our total meter base to be operating as smart meters by 2030. The step-change in smart metering capability delivered during 2025/26 is a critical enabler of improved performance, supporting enhanced demand management, leakage reduction, and operational efficiency by providing daily consumption data that will improve our real-time understanding of water consumption across our network.

Smart meter deployment delivered at pace throughout 2025/26, with more than 215,000 smart capable meters installed, exceeding the annual target of 184,000 by 14%. This forms part of a wider AMP8 programme that will see close to one million smart meters installed by 2030.

The scale of delivery during the year was approximately five times that achieved in AMP7, significantly strengthening our operational capability. In particular, smart metering now enables earlier identification of customer-side leakage and more precise targeting of interventions, and improved accuracy in leakage reporting, modelling and forecasting.

As a result, smart meters have become a core input to both demand reduction and leakage management, supporting prioritisation and enhancing the effectiveness of operational responses.

Our ‘Cheaper on a Meter’ proposition uses consumption data to identify and engage with unmeasured customers likely to benefit financially from switching. This is underpinned by the Lowest Bill Guarantee Scheme, which ensures customers pay the lower of their metered or unmetered charge, building confidence and encouraging uptake. Meter applications increased from around 61,000 in 2024/25 to around 69,000 in 2025/26, representing a 13% year-on-year increase. Installations were delivered through a combination of proactive programmes and customer opt-in requests.

Performance commitment	Actual performance	Change from previous year	Impact	Value (£m)
	Year one			
C01 – Leakage				
Percentage reduction from baseline (three-year annual average)	9.4%	+	Underperformance payment	-13.490
C02 – Per capita consumption				
Percentage reduction from baseline (three-year annual average)	6.2%	+	Outperformance payment	0.616
C03 – Business demand				
Percentage reduction from baseline (three-year annual average)	-1.0%	n/a	Underperformance payment	-0.519
Reducing demand - net position	1/3 achieved			-13.393

Part C – Reducing demand

C01 – Leakage



C01

Leakage

Performance commitment description

This is an industry common measure based on the percentage reduction of three-year average leakage in megalitres a day (MI/d) from the 2019/20 baseline. Three-year average values are calculated from annual average values for the reporting year and two preceding years.

Performance summary

In year one, we delivered our largest ever in-year improvement in leakage performance. Annual leakage reduced by 16.4 MI/d over the year (4%), despite a backdrop of challenging weather conditions which hampered operational effectiveness during the spring and summer months.

This improvement was driven by a step-change in operational capability, including:

- A significant increase in leakage detection resources, enabling more leaks to be identified;
- Expanded repair and maintenance capacity to resolve a higher volume of leaks;
- Maximising our point of interest approach using acoustic loggers and satellite technology; and
- Delivery of an enhanced pressure management programme which included the roll out of 1,500 smart controllers, an enhanced maintenance programme for our pressure management valves and the installation of new valves.

While these actions delivered significant in-year reductions, overall leakage performance, which is based on a three-year rolling average percentage reduction, remained above the year 1 target. Our leakage performance based on the three-year rolling average closed the year at 404.9 MI/d (a 9.4% reduction from baseline), compared with a target of 385.0 MI/d (13.9% reduction from baseline), reflecting both the stretching nature of AMP8 targets and the continued influence of higher leakage levels in earlier years within the rolling average.

The scale of the in-year reduction demonstrates meaningful progress and provides a strong platform for continued improvement as enhanced operational capability becomes fully embedded and scaled. We significantly strengthened our find and fix capability during 2025/26:

- Repair activity increased by approximately 60% over the past 10 months;
- Operational delivery is now on a trajectory to reach around 1,000 repairs per week; and
- We are targeting approximately 60,000 repairs in the coming year to stabilise leakage performance and offset rising background losses.

Pressure management continues to play a critical role. Company average zonal night pressure (AZNP) reached its lowest recorded level, reflecting sustained optimisation activity. The deployment of intelligent pressure control devices has materially increased the extent and effectiveness of dynamic pressure management, enabling real time optimisation while maintaining customer service levels. These interventions also provide improved performance data, supporting proactive pressure reducing valve inspection and maintenance.

Alongside operational delivery, we continue to enhance our analytical capability. Improvements to our leakage management system, and associated reporting and modelling processes are strengthening consumption forecasting, leakage assessment and intervention prioritisation. These improvements ensure detection, repair and review activities are increasingly targeted to areas of highest leakage risk and greatest potential benefit, supporting consistent performance improvement across the system. Activities are increasingly targeted to areas of highest leakage risk and greatest potential benefit, supporting consistent performance improvement across the system.

Mains renewal

We plan to renew at least 2% of the water network over AMP8, equating to a minimum of 925 kilometres of mains by April 2030, including delivery of the Vyrnwy Aqueduct Modernisation Programme (VAMP). The mains renewal programme is expected to contribute to:

- Reductions in leakage, frequency of bursts, cracks and joint failures;
- Reductions in the natural rate of rise of leakage in the renewed mains;
- Improved supply reliability and long-term resilience;
- Reduced risk of water quality incidents; and
- Better customer experience due to all of the above.

Delivery has reached 156 kilometres to date, significantly exceeding the target of 129 kilometres driven by accelerated programme delivery and effective operational planning. Targeted network reinforcement remains central to our long-term leakage strategy.

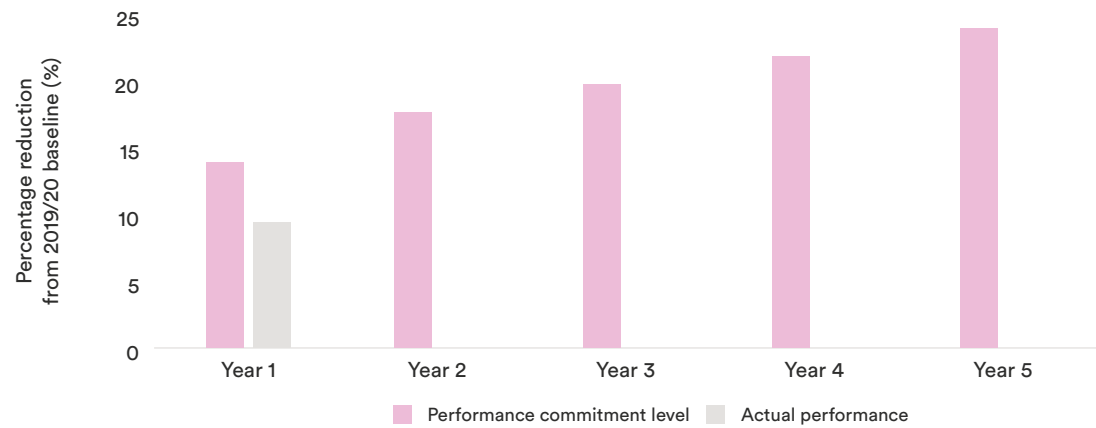
Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have not achieved our target. Our performance means that we incur an underperformance payment of -£13.490 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Leakage’ performance commitment – higher is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	13.9%	9.4%	Fail

Part C – Reducing demand
C02 – Per capita consumption

C02

Per capita consumption

Performance commitment description

Per capita consumption (PCC) is an industry common measure recording the average volume of water used per person per day. This performance commitment is intended to incentivise us to help customers reduce their water consumption. The benefit of reduced PCC is to reduce the need for water abstraction from the environment and to improve the long term water resources supply demand balance. Performance is measured as a reduction from the baseline position set in 2019/20 and uses the three-year average PCC.

Three-year average values are calculated from annual average values for the reporting year and two preceding years expressed in litres per person per day (l/p/d).

Performance summary

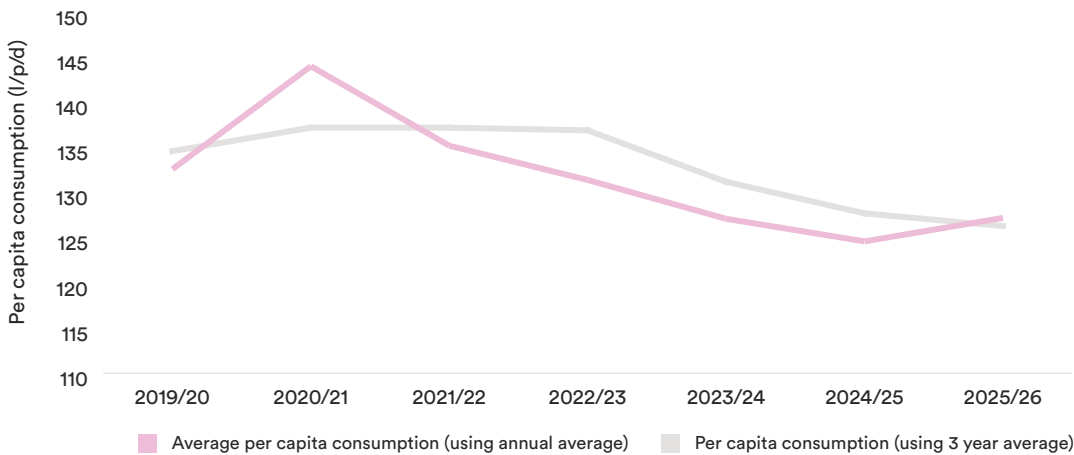
We have outperformed the PCC target in year one of AMP8, with a three-year average PCC of 126.3 l/p/d. In 2025/26, we recorded an annual PCC of 127.2 l/p/d, compared to 124.6 l/p/d in 2024/25. Based on the three-year rolling average since the 2019/20 baseline, there has been a cumulative reduction of 6.2%. At the start of AMP8, the three-year average PCC reduced from 127.7 l/p/d to 126.3 l/p/d, demonstrating continued momentum into the new regulatory period.

The chart below shows PCC performance since 2020/21 and highlights a sustained downward trend despite increasing external pressures on demand.

Per capita consumption performance trend

Performance in 2025/26 was shaped by continued property growth increasing underlying demand, although the use of a three year rolling average ensures results reflect long-term behavioural change rather than short term demographic shifts. Weather was a major factor, with 2025 being the warmest year on record and sustained warm conditions driving higher summer demand. Despite this, targeted water efficiency measures helped limit the usual rise in per capita consumption associated with prolonged heat.

Per capita consumption



Customer insight and engagement

Customer insight and engagement underpin an always on, multi channel water efficiency strategy across the North West, combining targeted campaigns, partnerships, education and personalised support to drive behavioural change among household and non household customers. This includes home visits, audits and proactive interventions such as leak repairs, and large scale installation of water saving devices, with over 18,700 audits delivered and around 39,000 assets installed in 2025/26, alongside trials of scalable flow regulator rollouts.

Over the past year, we introduced a new process for managing household void properties that continue to show consumption. This approach now includes issuing two rounds of leaflets encouraging customers to contact us if the property is occupied to each property, followed by a disconnection visit where appropriate. Through this work, we have established a consistent and effective operational process that is already helping to drive down customer side leakage and reduce the overall number of void accounts.

Overall, the programme delivered 23.66 Ml/d of savings in 2025/26 through a combination of audits, leak resolution, targeted engagement and data driven interventions, demonstrating strong progress in reducing demand and supporting long-term water efficiency.

Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have outperformed our target. Our performance means that we earn an outperformance payment of £0.616 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

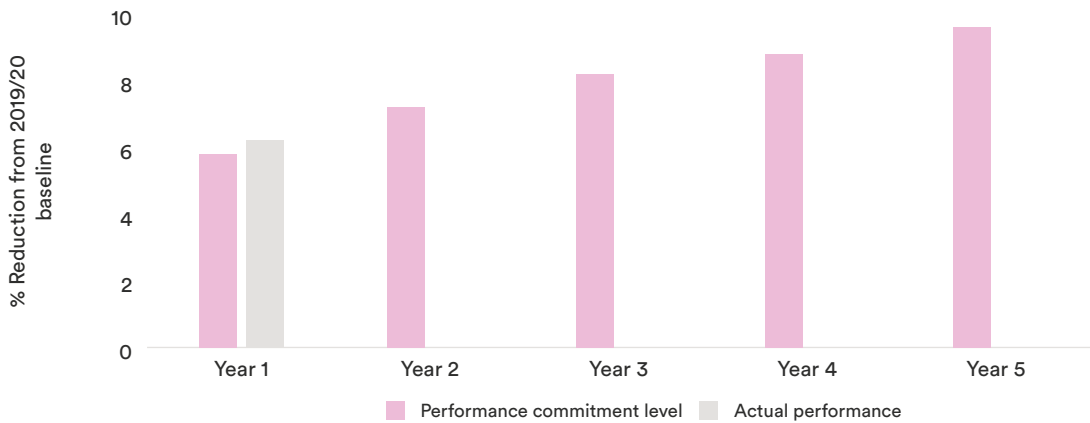
Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance, which are reconciled at the end of AMP8. In year one, we have outperformed our target. Our performance means that we earn an outperformance payment of £0.616 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Per capita consumption’ performance commitment – higher is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	5.8%	6.2%	Pass

C03

Business demand

Performance commitment description

This is a new industry common measure for AMP8 reported as the percentage reduction of three-year average business demand in MI/d from the 2019/20 baseline. This performance commitment is designed to incentivise the company to promote the water efficiency of business customers.

Three-year average values are calculated from annual average values for the reporting year and two preceding years expressed in megalitres a day (MI/d).

Performance summary

We have underperformed against our year one target. In year one, we achieved a three-year average performance of 379.3 MI/d against a target of 376.5 MI/d in business demand. Performance in this measure was impacted by a significant dry weather incident which led to increased usage, with 2025 recorded by the Environment Agency as the highest year on record for weather related water demand. While the year one target for reducing business demand was missed, performance remained close to target and demonstrates meaningful progress in embedding targeted, partnership led approaches and provides a strong platform for scaling reduction and improving performance in future years.

Our business demand reduction programme has focused on stakeholder collaboration, developing a foundational programme of retailer and business customers engagement, to deliver sector specific solutions which have resulted in 1.9 MI/d reduction from 2024/25 (378.9 MI/d) to 2025/26 (377.0 MI/d). This is despite upwards pressure this year in sectors where dry weather influences business demand such as agriculture, sports and leisure and hospitality. This pressure has been offset by reductions where we have targeted business customers using meter data.

Performance was driven by improved identification and resolution of non-household leakage through smart metering and retailer collaboration, alongside expanded sector-specific water efficiency interventions across key industries. It also reflects targeted action on

continuous-flow users, reducing unnecessary demand and water losses among businesses with high usage.

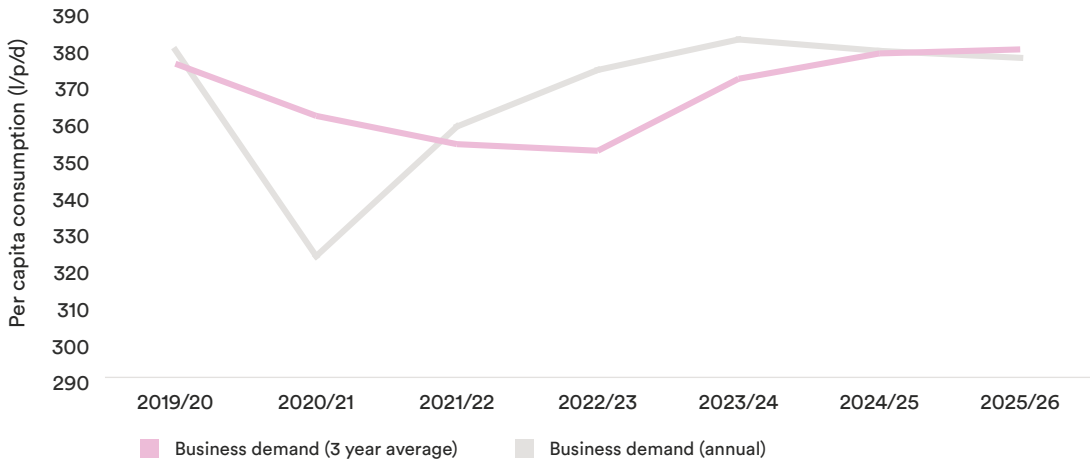
We have introduced new delivery roles to support the development and implementation of the business demand programme through a sector focus. The additional roles also support an increase in collaboration with water retailers which remains a key enabler of effective non household demand reduction. We worked closely with retailers to identify priority customers, align interventions and avoid duplication, enabling targeted delivery across sectors with high water demand or leakage risk.

Joint activity included water efficiency visits to schools, healthcare and leisure sites, coordinated approaches to continuous flow alerts and leak identification supported by shared data and automated communications. This collaborative model has improved engagement rates, accelerated leak resolution and supported the development of scalable propositions for business customers, providing a strong foundation for enhanced delivery during AMP8.

Examples of key activities included:

- Delivery of specialist water-saving and resilience surveys for 35 farmers across different farming types (e.g. dairy and fruit growers), assessing efficiency opportunities and alternative water supplies such as rainwater harvesting. This led to five physical interventions to enable the assessment of measured savings.
- Delivery of business customer engagement and physical interventions such as behavioural change support, process optimisation, leak resolution and water audits supported through strong stakeholder engagement and partnerships with retailers and organisations such as Wyre Rivers Trust, local councils, ELMs Associates, the Environment Agency and Natural England.
- Delivered savings of 1.85 MI/d through operational own use interventions, including wastewater site metering, leak identification and rainwater harvesting pilots at Davyhulme WwTW.

Business demand performance trend



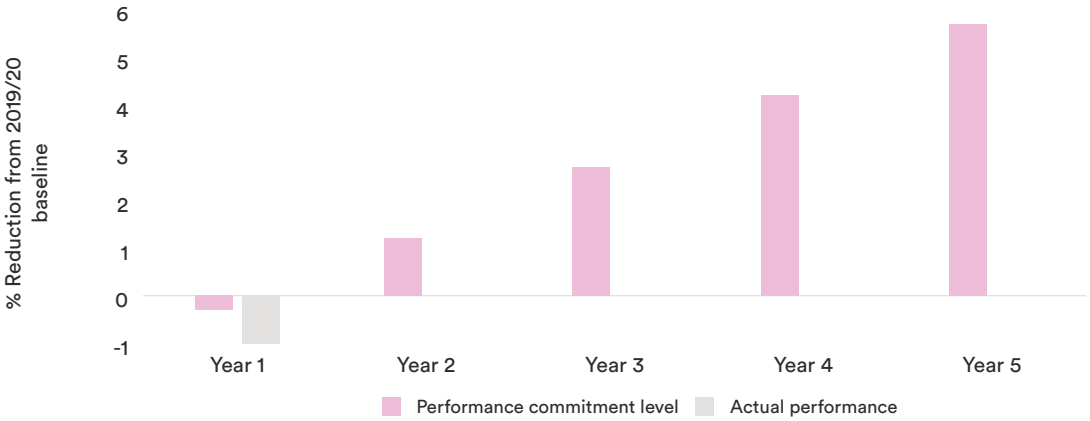
Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have not achieved our target. Our performance means that we incur an underperformance payment of -£0.519 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details..

Actual performance for the ‘Business demand’ performance commitment – higher is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	-0.3%	-1.0%	Fail



Part
D

Asset health

The performance commitments in this category are a continuation from AMP7 performance commitments and demonstrate stewardship of assets and levels of resilience are sufficient. There are three industry common performance commitments within this category.

Repairs to burst mains	76
Unplanned outage	77
Sewer collapses	78



Asset health
Customers want us to look after our pipes, sewers and treatment works so they can rely on a resilient service every day. This matters because strong asset health is essential to avoiding interruptions, preventing risk of pollution, and ensuring a reliable, safe service long into the future.

How have we done?

We have passed three out of three performance commitments which support this outcome.

In year one, we outperformed our repairs to burst mains performance commitment, achieving a performance of 104.2 against the target of 111.3 repairs completed per 1,000 kilometre of mains. We have delivered investment to support improved resilience by addressing poor condition mains and progressing innovation initiatives.

Unplanned outage performance improved significantly compared with previous years. This was driven by investment in proactive maintenance and the introduction of area-based teams equipped for preventative work. Increased demand and abstraction constraints during an extended period of dry weather in 2025 placed constraints on planned activities at treatment works. As a result, we operated in an incident-response model for much of the summer, enabling rapid reactive management and maintaining low outage impacts in the early part of the year.

We invested around £14 million to address asset health issues at key sites, strengthening production capability and resolving several long-standing risks. This combination of proactive planning, responsive operations and targeted investment underpinned the strong improvement in unplanned outage performance.

We also outperformed our sewer collapse performance commitment. The positive performance was supported by the proactive approach we have embedded through new technology and our improved operating model.



Accelerated investment
We accelerated and targeted investment so our assets stay resilient, helping us deliver more reliable services for customers.



Proactive maintenance
We strengthened our proactive maintenance approach to fix issues earlier and reduce the risk of service disruption.



Dynamic Network Management
We continue to see real customer benefits from our Dynamic Network Management model, improving the performance and reliability of our wastewater network.

Performance commitment	Actual performance		Impact	Value (£m)
	Year one	Change in from previous year		
D01 – Repairs to burst mains Number of repairs per 1,000 km of mains	104.2	=	Outperformance payment	2.425
D02 – Unplanned outage Percentage of peak week reduction capacity	1.34	+	Outperformance payment	9.875
D03 – Sewer collapses Number of collapses per 1.000 km of sewers	12.39	+	Outperformance payment	0.591
Asset Health Net position	3/3			12.891

Part D – Asset health

D01 – Repairs to burst mains

D01

Repairs to burst mains

Performance commitment description

This is an industry common measure reported as the number of physical mains repairs completed per 1,000 kilometres of total length of mains. The total length of mains includes all pipes conveying treated water except communication pipes and supply pipes.

Performance summary

We have outperformed our target for the first year of AMP8.

During 2025/26, our performance across this measure has been impacted by significant weather events; firstly, a prolonged period of dry weather during the spring and summer months, and then a freeze-thaw in the winter. Despite these challenges, we recorded a total of 4,509 mains repairs, which when normalised by 1,000 kilometres mains length, equates to a performance level of 104.2. This is better than our performance commitment target of 111.3 per 1,000 kilometres of mains. As we progress through AMP8, we will continue to deliver on our investment programme to support enhanced future performance. This will ensure we meet our statutory obligations, while achieving strong outcomes for customers through targeted projects focused on improving resilience, addressing poor-condition mains and progressing innovation initiatives.

In 2025/26 we accelerated our mains renewal programme, delivering 155.8 kilometres against a Price Control Deliverable (PCD) target of 129

Actual performance for the ‘Repairs to burst mains’ performance commitment – lower is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	111.3	104.2	Pass

kilometres. This early acceleration and targeted focus have enabled us to overlay our poorest performing assets, particularly those responsible for recurring bursts, and is already supporting a reduction in reactive mains repairs during the year.

We continue to drive success through our Leakage Improvement Plan and a continued focus on the Prevent, Aware, Locate and Mend (PALM) approach. We adopt a whole network approach which ensures that we identify and address issues earlier, reduce water loss more effectively, and strengthen the resilience of our mains network. We remain committed to optimising pressure management across the system, recognising its critical role in reducing bursts and extending asset life.

Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have exceeded our target. Our performance means that we earn an outperformance payment of £2.425 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Part D – Asset health

D02 – Unplanned outage

D02

Unplanned outage

Performance commitment description

This is an industry common measure reflecting the asset health of water abstraction and water treatment activities. Activity is calculated at a site level and summed over the reporting year to give a total unplanned outage figure. This measure records the total unplanned outage in megalitres per day, normalised based on the overall company peak week production capacity and reported as a percentage. The outage duration is recorded to the nearest whole working day. An outage is considered to be unplanned if it occurs as a result of asset failure. Planned outages are not included in this measure.

Performance summary

We have outperformed the year one target with performance of 1.34% of production capacity subject to an unplanned outage. This compares to a target of 3.55%. In readiness for AMP8, we completed a comprehensive end-to-end review of our processes and systems. We made substantial investment in moving from reactive to proactive maintenance activities. We significantly restructured our maintenance function, with area based teams (equipped with service packs and new stocks of critical spares), scheduled to spend more time on preventative maintenance tasks. This renewed focus on proactive, preventative maintenance has enabled us to resolve asset health issues before they manifest into asset failure and outages.

The prolonged dry weather in early 2025/26 required us to limit planned maintenance at treatment assets to protect system resilience and avoid overruns. We operated in a more reactive, incident ready mode, helping us maintain a strong, consistent focus on our treatment assets. We invested around £14 million in resolving asset health issues at critical sites, to maximise production options and capabilities. This investment helped to resolve asset health issues, many of which were likely to have manifested as asset failures and outages. The asset investment has helped us to avoid much of the forecast outage related to poor asset health.

We have evolved the way in which outages were managed to ensure they were given the appropriate level of strategic leadership attention and resourcing to bring about a step-change in our performance. Fundamental to this was the creation of our Unplanned Outage Steering Group. The group pulled together SMEs and strategic leaders who were empowered to make investment decisions to ensure performance against this measure. A number of working groups were coordinated by the Unplanned Outage Steering Group, to deliver improvements in key areas.

We have introduced our ‘outage maximisation’ approach, which accelerates scheduled work during an unplanned outage, maximising the time created by an outage to improve overall asset health when a site returns to supply. We have reviewed critical assets and taken steps to ensure critical spares are kept at site to reduce lead time on repairs. We have worked with operational teams to produce raw water contingency plans for key sites. We have worked with central teams to review and improve monitoring and control systems, processes and ways of working. To promote potential impact, we developed an unplanned outages calculator to support decision making and the promotion of investment. We have also established a water quality working group to coordinate the development of raw water contingency plans for surface water fed sites. These plans helped us to mitigate the risk of variable water quality. To compliment these changes, we have shared learning and driven best practice through workshops and briefings.

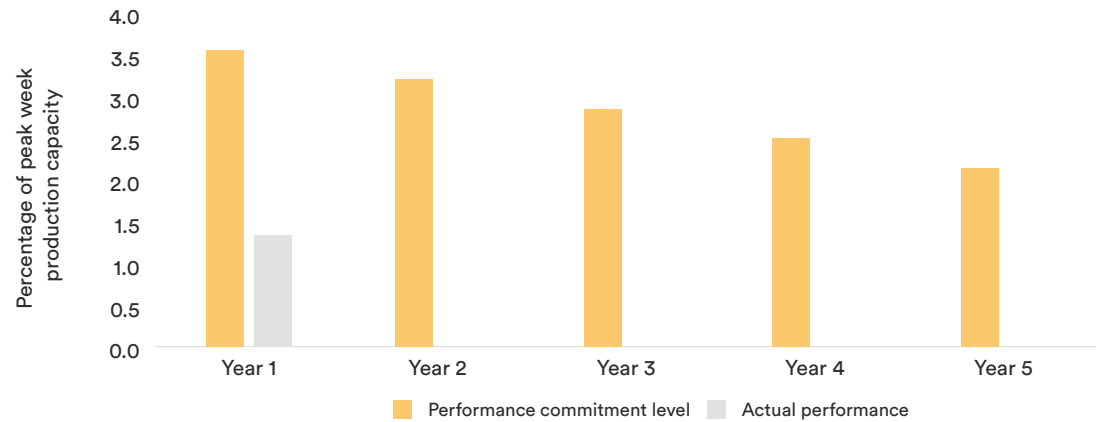
Financial implications

This performance commitment is subject to an outcome delivery incentive for outperformance and underperformance. In year one, we have exceeded our target. Our performance means that we earn an outperformance payment of £9.875 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified within the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Unplanned outage’ performance commitment – lower is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	3.55%	1.34%	Pass

Part D – Asset health
D03 – Sewer collapses

D03
Sewer collapses

Performance commitment description

This industry common performance commitment measures the number of sewer collapses per 1,000 kilometres of sewer that have not been identified proactively by the company and are causing an impact to customers or the environment. This measure seeks to reflect failures in the asset, causing an impact on service to customers or the environment that requires replacement or repair to reinstate service, while maintaining the incentive to proactively investigate asset quality. A reportable collapse is where a failure has occurred to the pipe that results in either a customer contact due to an impact on service or an unplanned escape of wastewater resulting in a need to replace or repair the pipe to reinstate normal service.

The measure discounts proactively identified collapses and those caused by third-party damage. Displaced joints, cracked or fractured pipes, open joints, intruding connections, minor pipe breaks, and hard blockages do not reflect significant structural failure, hence are excluded from the measure.

Performance summary

In year one of AMP8, we recorded a total of 984 sewer collapses, which, when normalised per 1,000 kilometres of sewer length, equates to a performance level of 12.39. This is better than our performance commitment target of 12.94 per 1,000 kilometres of sewer.

Where collapses do occur, we promote ‘no-dig’ techniques for repairing sewers, minimising disruption to customers. We have implemented a wide variety of schemes and initiatives to improve our collapse incident performance. Improving collapse performance remains a significant area of innovation for us.

We have enhanced our incident guidance for our operational teams and have robust processes in place to ensure each incident is separately verified by our drainage engineers and internally audited to improve the quality of information. This enables us to better understand asset

performance, the potential causes of collapses and inform future strategies.

We continue to realise the benefit of our Dynamic Network Management (DNM) operating model. Through our innovative use of monitors, and a dedicated offline team reviewing information, this model enables us to understand where there are changes from the standard operation of the network. This allows us to identify and proactively prevent potential collapses before they have an impact on customers and in turn benefits improvement in the overall performance. Enhanced visibility of the network, powered by AI, reduces the likelihood of sewer collapses and blockages while supporting targeted, timely maintenance. As a result, assets are kept cleaner and operate more reliably. Well maintained sewers are far less likely to fail unexpectedly.

We maintain records to fulfil the requirements of the performance commitment definition and have a RAG status of green for all components of the compliance checklist. Our plans to achieve this performance commitment include delivery of the asset health Price Control Deliverable (PCD) ‘PCDB2a Sewage pumping station renewals’, track improvements to asset condition of the rising mains and continue with the activities from year one. This includes the installation of additional DNM monitoring to facilitate further proactive interventions.

Financial implications

This performance commitment is subject to outcome delivery incentives for both outperformance and underperformance. In year one, we have exceeded our target. Our performance means that we earn an outperformance payment of £0.591 million.

Reporting and assurance requirements

This performance commitment has specific reporting and assurance requirements identified in the PR24 final determination. These assurance requirements are met in full. Please see Table 1, Appendix 1 for full details.

Actual performance for the ‘Sewer collapses’ performance commitment – lower is better



AMP8 year	Performance period	Performance commitment	Actual performance	Pass/Fail
One	2025/26	12.94	12.39	Pass



Year one performance

1.1 Outcome delivery

Reconciliation models

For each price control period, Ofwat provides a series of reconciliation models. The outputs from these models are used to inform adjustments required to allowed revenue for each price control across the 2025–30 period. These adjustments reflect company performance, costs and revenue over the period and the differences compared to the price control assumptions made prior to the period.

The PR24 reconciliation mechanisms for AMP8 are used to cover the following:

- In-period revenue adjustments;
- End-of-period revenue adjustments and;
- Regulatory Capital Value (RCV) adjustments applied prior to the start of the next control period.

In year one of AMP8, as seen in the above graphic, of the 21 commitments with targets, we met or outperformed opposite ten of the commitments. Many performance commitments have a financial incentive attached. These are reconciled either at the end of each year (in-period) or at the end of the AMP (end-of-period). This reconciliation then informs whether an in-period or end-of-period adjustment is required:

In-period adjustment – For most of our performance commitments the outperformance and underperformance payments generated as a result of our performance will be added up at the end of each financial year. This year if we are in an overall outperformance position, there will be a corresponding increase to customer bills in 2027/28. If we are in an overall underperformance position, customer bills will be reduced in 2027/28. The level of these adjustments are reviewed and the company can propose to amend the profile if this would provide a more acceptable bill trajectory for customers.

End-of-period adjustment – For a small number of our performance commitments, we will measure and report our performance across the full five years of AMP8 and calculate if we have beaten or failed our targets at the end of the AMP. Any underperformance and outperformance payments generated from these performance commitments will be adjusted in customer bills in AMP9.

The in-period determination process for outperformance and under performance payments relating to 2024/25 is different from that used in previous years. Adjustments to revenue for performance have already been made through the PR24 process, based on predicted performance for 2024/25. Financial incentive payments were included in final determination price controls and reflected in customer bills in AMP8.

ODI payments calculator model

We input our actual performance for each performance commitment into the ODI performance reconciliation model. This model then assesses whether our performance is above or below the performance commitment level (and/or deadband where applicable) and applies the relevant outperformance or underperformance incentive rate attached to that performance commitment.

The ODI calculation for the majority of these performance commitments follows the standard format (as seen below):

$$(A - B) \times C$$

Where A represents actual performance, B is the performance commitment level and C is the incentive rate.

The outperformance or underperformance payment calculated for each performance commitment is then allocated to the relevant price control (as per the breakdown in the ODI payment calculator, which has been calculated at PR24).

A copy of this model has been submitted to Ofwat for review. Based on our calculations, the underperformance penalty for ODIs for the 2025/26 reporting period is £29.032 million in 2022/23 prices including estimated MeX reward/penalty payments, or £35.187 million excluding MeX reward/penalty payments.

In-period adjustments reconciliation model

This model is used to calculate adjustments to allowed revenues to reflect net ODI outperformance with a two year lag, for example allowed revenues for 2027/28 reflect ODI performance for 2025/26. .

Bioresources revenue reconciliation model

The model uses the revised unadjusted revenue from the in-period adjustment model and then undergoes two further reconciliations and adjustments:

- 1) To modify the revenue control for the year based upon the difference between actual and forecasted sludge production, and
- 2) To adjust for any under or over-recovery of revenue in the period, which includes an inflation adjustment. This results in an adjusted allowed revenue for recovery in 2027/28.

Additionally, there is a forecasting incentive penalty calculated and applied at the end of AMP8 if the difference between actual and forecasted sludge production across the AMP is greater than 6%.

Bill impact

In year one of AMP8, our performance has generated underperformance payments of £70.025 million and outperformance payments of £40.993million. A net underperformance payment of £29.032 million (including estimated MeX reward/penalty payments) is due in respect of the 2025/26 reporting year. This adjustment is expected to impact household customer bills in 2027/28.

We anticipate that this net ODI underperformance payment will lead to a decrease of £8 to the average household bill (in nominal prices), equivalent to 1.2% of the 2027/28 FD nominal average bill of £658.

The chart below shows the bill profile as per the final determination (FD) with an additional line showing the impact of the ODI underperformance payment on customer bills.

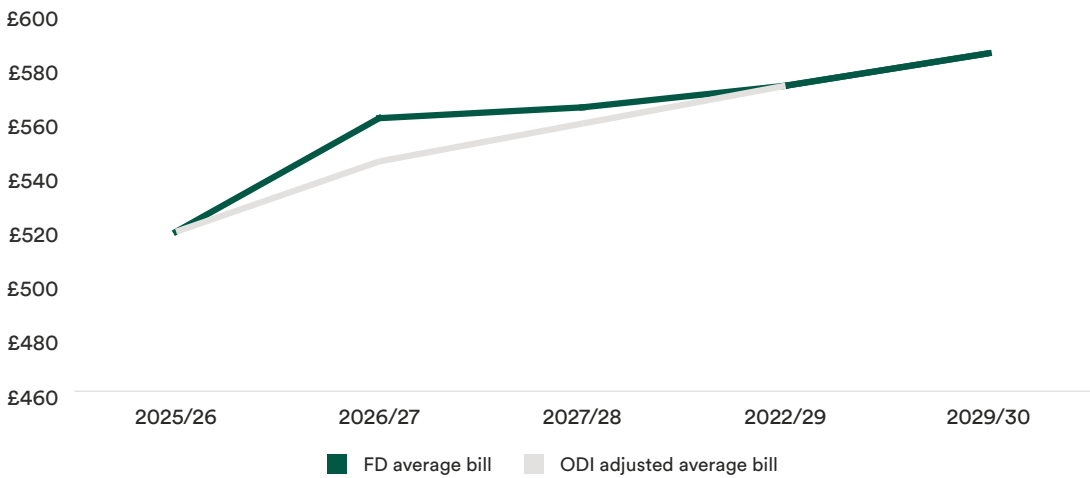
Next steps

Following submission of the Annual Performance Report, Ofwat will review and validate performance against each performance commitment and determine any associated underperformance and outperformance payments. This includes C-MeX, for which the provisional estimates presented in this report will be finalised following the publication of the July UKCSI survey results.

Ofwat will also apply the Outturn Adjustment Mechanism to compare companies’ overall performance against common performance commitments and, where applicable, adjust underperformance and outperformance payments to ensure these remain balanced across the sector. This could further impact the customer bills.

Ofwat will publish their draft decisions in an in-period determination in Autumn 2026. Any resulting adjustments to customer bills to reflect 2025/26 performance are anticipated to take effect from the 2027/28 charging year.

AMP8 FD average bills including 2025/26 net ODI underperformance payment (2022/23 CPIH deflated)



Year one performance

1.2 Greenhouse gas emissions



Introduction

We have a long-standing commitment to transparent and robust greenhouse gas (GHG) reporting, having estimated, measured and disclosed our emissions annually since 2005/06 in the United Utilities Group PLC Annual Report and Financial Statements.

Our disclosures align with best practice standards and regulatory requirements, including the Companies Act 2006 (SECR and climate related disclosures) and TCFD, and we continue to evolve in line with emerging frameworks such as the UK Sustainability Reporting Standards.

Our reporting covers governance, strategy, risks, metrics and targets, including both climate mitigation and adaptation.

We are committed to inclusive and transparent climate-related disclosures, with the ambition to be recognised among the leading UK reporters. Our disclosures are subject to additional oversight from KPMG as part of wider non-financial assurance, and we consistently perform strongly across sustainability-focused investor indices. In 2025, we maintained CDP leadership-level scores across climate change, water security and supplier engagement. We have also participated in the S&P Global Corporate Sustainability Assessment for over 25 years, consistently achieving strong performance against the climate strategy criterion.

We are committed to a science-based approach to tackling climate change. Our modelling for adaptation actions is based on Met Office climate projections and now provides a risk assessment at county rather than just regional basis.

Our approach is underpinned by a science-based, SBTi-validated net-zero transition plan, supported by climate modelling and a structured delivery framework focused on reducing emissions, transforming systems, and addressing residual impacts to achieve net zero by 2050..

Third party verification and assurance

Our GHG inventory, including all the underlying energy data, has had independent third-party assurance by Achilles Group since 2008 and is certified to the requirements of the Toitu CarbonReduce programme as aligned to the GHG Protocol Corporate Accounting and Reporting Standard (2015) and the international carbon reporting standard ISO 14064, Part 1:2018. The data has also been audited by Jacobs, our independent technical auditor.

2025/26 update

We continue to play a leading role in sector-wide carbon management, through the Water UK Carbon Network and its subgroups and UKWIR's 'Carbon Big Question' and carbon accounting workbook steering group. Notable contributions this year include coordinating performance commitment definition clarification discussions, active participation in the regulatory reporting workshops and documenting the sector emission reporting assumptions. Through this leadership, we actively support the development, harmonisation and continuous improvement of GHG accounting methodologies, helping to improve consistency and comparability across the sector, in line with Ofwat's expectations.

In 2026, the UK water sector updated the methodology for calculating process and sludge emissions to reflect the latest IPCC guidance and published research. This accounting change increased reported process emissions by approximately 240,000 tCO₂e and reduced sludge disposal emissions by around 18,000 tCO₂e, improving the accuracy of representation though not reflecting a change in underlying performance.

We remain the only UK water company with SBTi-validated near-term, long-term and net-zero targets. Having achieved two of our four near-term targets, we reviewed and revalidated our full target set, taking the opportunity to switch to location based measures to align with the PR24 Performance commitments.

This year, we also refreshed our net zero transition action plan. Our action plan to achieve net zero by 2050 now has three themes aligned to our company purpose and values to:

- **Reduce** what we can control today;
- **Transform** our systems for tomorrow; and
- **Balance** the unavoidable with integrity, to build a resilient, competitive organisation that contributes meaningfully to a sustainable future.

Accounting and reporting our greenhouse gas emissions

Our greenhouse gas accounting is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2015) and ISO 14064-1:2018, providing a robust and consistent basis for regulatory reporting. Since 2019/20, we have reported all relevant emissions across all three scopes, including a comprehensive Scope 3 inventory aligned to sector expectations.

Greenhouse gas emissions for the financial year 2025/26 are presented in the table below. Emissions are calculated by quantifying individual greenhouse gases arising from United Utilities' activities and converting these into tonnes of carbon dioxide equivalent (tCO₂e). Reported emissions use Global Warming Potential (GWP) values from the IPCC Fifth Assessment Report (AR5, 100-year basis) and the 2025 UK Government GHG conversion factors for company reporting.

Where possible, emissions have been calculated using the Carbon Accounting Workbook (CAW) v20, supporting methodological consistency across the sector. In areas where CAW factors are not available, we have applied alternative emission factors sourced from suppliers, proxy data from comparable products, or, where immaterial, excluded items. These judgements are made on a best-available-data basis and documented to support transparency and auditability. For transparency it is important to note that the emissions reported here are not the same as reported against the AMP8 Operational GHG Performance Commitments. This is due to differences in reporting boundaries, definitions and emission factors.

We have accounted for over 99% of the total mass of chemicals used. While exact emissions coverage cannot be fully verified, we assess that any excluded chemicals represent less than 10% of total chemical-related emissions and therefore do not materially affect reported totals.

Emissions from capital delivery and purchased goods and services (excluding chemicals and outsourced sludge treatment) have been quantified using spend and applying sector-level emission factors from Open CEDA 2025 (Watershed), which is recognised by CDP. This approach supports completeness of Scope 3 reporting, while recognising inherent estimation uncertainty.

Employee commuting and homeworking emissions are calculated using a bespoke model based on company full time equivalent (FTE) data, working patterns, average commuting distances, and UK Government travel statistics for the North West, ensuring alignment with regional data and company-specific activity.

For all remaining emission sources, we apply activity data combined with the 2025 UK Government conversion factors, ensuring consistency with national reporting guidance.

United Utilities greenhouse gas inventory

	Water (tCO ₂ e)	Wastewater (tCO ₂ e)	Total (tCO ₂ e)
Scope 1 emissions			
Burning of fossil fuels	1,316	18,509	19,825
Process and fugitive emissions	0	329,721	329,721
Vehicle transport	5,236	13,488	18,724
Total Scope 1 emissions	6,552	361,718	368,269

	Water (tCO ₂ e)	Wastewater (tCO ₂ e)	Total (tCO ₂ e)
Scope 2 emissions			
Purchased electricity (location-based)	58,851	66,285	125,136
Purchased electricity (market-based)	78,971	91,704	170,675
Electricity for vehicles	38	59	96
Total Scope 2 emissions (location-based)	58,889	66,343	125,233
Total Scope 2 emissions (market-based)	79,009	91,763	170,771

	Water (tCO ₂ e)	Wastewater (tCO ₂ e)	Total (tCO ₂ e)
Scope 3 emissions			
Category 1: Purchased goods and services			
Excluding chemicals and gases	162,642	162,642	325,284
Chemicals and gases only	24,148	22,996	47,144
Outsourced sludge process emissions	0	272	272
Category 2: Capital goods (capital delivery projects – cradle to grave)	66,278	66,278	132,557
Category 3: Fuel and energy-related emissions			
Electricity: extraction, production and distribution	22,757	25,638	48,395
Fuels; extraction, production, transmission and distribution	1,515	7,934	9,449
Category 4: Upstream transportation and distribution (outsourced sludge transport)	0	2,068	2,068
Category 5: Waste generated in operations			
Grit and screenings and sludge disposal to land	0	14,049	14,049
Other waste (not reported in Table 11A)	129.5	129.5	259
Category 6: Business travel			
Public transport, private vehicles	864	820	1,684
Hotel accommodation (not reported in Table 11A)	8	8	16
Category 7: Employee commuting and home working (not reported in Table 11A)	4,878	4,878	9,755
Category 11: Use of sold products (biogas) (not reported in Table 11A)	0	17	17
Total Scope 3 emissions	283,220	307,730	590,950

	Water (tCO ₂ e)	Wastewater (tCO ₂ e)	Total (tCO ₂ e)
Emissions avoided			
Exported renewable energy	624	2,163	2,787
Exported biomethane	0	8,623	8,623
Green tariff electricity purchased	0	0.5	0.5

Note all figures are rounded from data tables, which were presented to 3 decimal places. Any discrepancies in the add up is due to this rounding.

Year one performance

1.2 Greenhouse gas emissions



SWOT analysis of operational and embedded emissions

Accounting and reporting

Below we highlight good practice, challenges and areas for innovation through an analysis of the strengths, weaknesses, opportunities and threats (SWOT) relating to accounting and reporting of our operational, infrastructure and supply chain GHG emissions, as well as our current performance and impact.

Strengths	Weaknesses
Science based net-zero transition plan: Our transition plan is underpinned by Science Based Targets initiative (SBTi)-verified targets, covering near-term, long-term and net-zero ambitions across Scopes 1, 2 and 3 by 2050, in line with the SBTi Net-Zero Standard. This provides a credible, externally validated pathway consistent with UK and global decarbonisation expectations. Industry leadership and collaboration: We play a leading role in sector-wide carbon management, co-chairing the Water UK Carbon Network, contributing to UKWIR's 'Carbon Big Question' and guiding continuous improvement of GHG accounting methodologies helping to improve consistency and comparability across the sector, in line with Ofwat's expectations. Adoption of best practice reporting and governance: We are an early adopter of leading carbon reporting practices, including: • Dual reporting of location-based and market-based Scope 2 emissions; • Compliance with Streamlined Energy and Carbon Reporting (SECR); • Alignment with TCFD recommendations; and • Publication of a transparent transition plan. Sludge digestion: Over 60% of our wastewater sludge is treated by anaerobic digestion and 76% of this is by advanced technologies, significantly reducing process emissions and contributing to renewable energy generation. Low carbon fuels, biogas and EVs: In 2025/26, 24.1% of total energy consumed was from renewable or lower-carbon sources, including 1.16m litres of HVO used in generators and 32,625 MWh of biogas used in boilers. Electricity used in our fleet and employee vehicles trebled in 2025/26 to 788 MWh.	Process emissions uncertainty (N2O and CH4): Emissions from treatment processes are highly variable and inherently uncertain, varying by site, process conditions and over time. While methodologies have improved, estimates are still reliant on proxy data (e.g. population served, sludge volumes), limiting precision in reported Scope 1 emissions. Limitations in chemical emissions factors: Although we apply the most up-to-date and publicly available emissions factors, there are significant gaps in reliable factors for water treatment chemicals. In addition, while internal tracking of chemical purchase data has improved, remaining gaps still reduce confidence in the accuracy and completeness of associated emissions estimates. Scope 3 data maturity: Approximately two thirds of our Scope 3 emissions rely on sector-based factors from open CEDA 2025 rather than primary data. While this spend-based approach ensures a complete inventory, it reduces sensitivity to operational or procurement interventions.
Opportunities	Threats
Sector collaboration and alignment: Increased collaboration across companies, regulators, suppliers and investors can further improve the alignment, accuracy and completeness of GHG reporting, and its use in decision-making. The upcoming UK water sector routemap update is a key opportunity to drive consistency and shape policy. Nature-based solutions: Greater adoption of nature-based treatment solutions (e.g. swales, reed beds and SuDS), supported by additional protocols, can reduce reliance on carbon-intensive engineered assets. Process emissions understanding: Ongoing nitrous oxide monitoring across different process types and conditions will improve estimation, modelling and control of emissions. Our net-zero enhancement funding contributes to this work. Innovation funding and partnerships: We have secured funding for initiatives in resource recovery, process optimisation and carbon capture, including Ofwat Innovation Fund projects 'Metagenomics: Making Microbes Matter' and 'Next-Gen Digestion'. Substantial AMP8 capital delivery programme: The scale of AMP8 delivery presents the potential to accelerate decarbonisation, through standardisation, shared learning across delivery partners, and rapid scaling of successful innovations. Improved modelling and open data use: Development of in-house models for homeworking, commuting and Scope 3 emissions (using Open CEDA) has improved data specificity, removed reliance on consultants, and enabled scenario analysis.	Increasing regulatory and legislative reporting requirements: Evolving reporting expectations and short-notice guidance changes create inefficiencies and can divert focus from delivery of emissions reduction activities. Scope 3 complexity and influence: Scope 3 emissions remain complex to quantify and manage, with varying degrees of influence and no direct control over many emission sources. National policy and regulatory constraints: Implementation of the Environment Act, Industrial Emissions Directive and Farming Rules for Water may drive inflexible, capital-intensive solutions, potentially increasing both capital and operational emissions and limiting innovation. There is additional risk associated with fluctuating government priorities with respect to decarbonisation and improving resilience to climate change. Growth pressures: Population growth in the North West will increase water demand, wastewater treatment and sludge volumes, driving an inevitable upward pressure on emissions. Dependence on external decarbonisation: Achievement of targets depends in part on UK grid decarbonisation and supply chain progress, which are outside our direct control.

Traffic light assessment on reporting of embedded emissions

We have assessed our performance using the guidance provided in RAG 4.14 – Guideline for the table definitions in the annual performance report. We categorise our reporting as Green as we now meet all seven of Ofwat's criteria.

Ofwat criteria	Met or not met	Supporting evidence
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.	Met	We have provided a cradle-to-build estimate of the emissions based on the annual spend for capital projects with our construction services partners and using emissions per £ spent factors from Open CEDA 2025. We estimate our cradle to gate emissions are 75% of the cradle to build.
Clear evidence of external verification and accreditation as it relates to the use of standards and frameworks, and quality of data.	Met	Our GHG inventory (including all the underlying energy data) has had an independent third-party verification by the Achilles Group, to the requirements of the CarbonReduce programme including compliance with ISO14064 Part 1. Achilles Group offers CarbonReduce certification under license from Enviro-Mark Solutions Limited (trading as Toitu Envirocare) through the Achilles CarbonReduce programme.
Engagement with more than one recognised standard, frameworks or approach for managing and reporting on embedded emissions.	Met	Our GHG inventory (including all the underlying energy data) meets the requirements of the CarbonReduce programme including compliance with ISO14064 Part 1. Our inventory includes all 'relevant' Scope 3 emissions and is certified as complying with the GHG Protocol corporate value chain (Scope 3) accounting standard.
Provision of insights into embedded emissions as they relate to construction and maintenance activities.	Met	Scope 3 capital goods emissions are currently estimated by applying sector-specific emission factors from Open CEDA 2025 to our capital investment programme spend. The majority of expenditure is mapped to the Other non-residential structures sector covering the construction of water and sewer infrastructure (including mains, pumping stations, treatment works and storage assets). This approach enables comparison to other sectors e.g. highways also engaged in construction and maintenance activities. Our revised approach using Open CEDA has also enabled us to compare the Construction services emission intensity to the Maintenance spend. Construction services average emission per £ is 77% of that for spend on Maintenance. During 2025/26, we began rolling out project-level embodied carbon estimation using the Moata Carbon Platform, enabling more granular quantification of emissions based on materials and construction activities rather than spend proxies. This methodology is initially being applied to 57 projects included in our bespoke embodied GHG performance commitment, with the intention to extend it across the entire capital delivery programme over time.
Complete and detailed SWOT analysis as it relates to embedded emissions.	Met	Our SWOT analysis includes for Scope 3 emissions.
Provision of embedded emissions data as it relates to purchased goods and services (in addition to chemicals).	Met	Emissions from capital delivery and purchased goods and services (except chemicals and outsourced sludge treatment) have been quantified using spend and applying sector-level emission factors from Open CEDA 2025. This approach supports completeness of Scope 3 reporting, while recognising inherent estimation uncertainty.
Evidence of clear stakeholder engagement and education on its GHG emissions management and reporting approach.	Met	We have reported our GHG emissions, progress and plans annually since 2005/06 through the United Utilities Group Integrated Annual Report, demonstrating a long-standing commitment to transparency and accountability. Our reporting aligns with best practice standards and is subject to independent assurance, including for Scope 3 emissions, and we have consistently adopted evolving reporting requirements. Our climate strategy and emissions performance are also externally assessed through frameworks such as the S&P Global Corporate Sustainability Assessment (CSA) and the CDP Climate Change questionnaire, where we have participated for over 12 years with strong performance. We actively engage with a wide range of stakeholders, including investors, through ongoing dialogue and forums such as our AGM to support transparency, challenge and continuous improvement in our approach.

Year one performance

1.3 Condition G principles for customer care

Compliance with customer-focused licence condition (Condition G)

The customer-focused licence condition (Condition G) takes a principles-based approach to ensuring companies are focused on providing high quality customer service and effective support, particularly to those customers in vulnerable circumstances and during incidents. We support Ofwat’s focus on this area. We are passionate about providing excellent customer service and consider that this aspect of the regulatory framework is contributing to customers receiving the high levels of service and support that they deserve.

Over the course of this year we have continued to promote and embed a ‘Think Customer’ culture throughout the organisation. This empowers our colleagues to deliver great customer care and put the customer at the heart of every interaction. This culture continues to be recognised externally. For the first time this year we received ‘Mental Health Accessible’ accreditation¹ from The Money and Mental Health Policy Institute. We have been certified to ISO 22458:2022, the kitemark standard for designing and delivering an inclusive service to support customers living in vulnerable circumstances since 2023. We have achieved recertification in 2026 and have also been re-awarded the Institute of Customer Service’s ‘Service Mark with Distinction’. We have previously achieved the Chartered Institute of Credit Management’s ‘Excellence in Credit Management’ award.

We continued to expand our service offering to cater for a wider range of customer needs, including creating two new social worker roles in 2025/26. We operate a structured Priority Services Register with three tiers to reflect varying levels of customer need, including for those with permanent and temporary needs, such as dialysis, chronic illness, mental health, hearing loss, speech difficulties, financial vulnerability, and temporary life changes (e.g., post-hospital recovery).

We are compliant with Condition G

In addition to the established licence condition and associated guidance Ofwat added the ‘Priority services registers – standards for water companies in England and Wales’ for 2025/26. In addition RAG reporting requirements for the customer focused licence condition have been adjusted. Our assessment of compliance with Condition G incorporates these new requirements.

We have carried out a thorough internal review, identifying and cross-checking the full table of guidance supporting Condition G against our approach to customer service and care. We consider that our policies and procedures are well aligned with the principles for good customer service. In a small number of cases we have chosen a different approach to that recommended in the guidance. We consider these differences to be reasonable as they deliver against core customer care objectives, while achieving comparable or better customer outcomes than recommended approaches.

The table below summarises this review.

G3	The principles for customer care are:	RAG	Justification for Red Amber Green (RAG) rating
G3.1	The Appointee is proactive in its communications so that its customers receive the right information at the right time, including during incidents.	Met	Overall approach to proactive communication is aligned well to the principle. We operate a variety of communication channels, including social media, webchat, emails, letters and the Windermere information centre. Our field staff receive training to help identify where a customer may need extra help. Our incident response process contains checkpoints that prompt revisions to the communication strategy where needed. For example, we have QR codes on all our water tankers to direct local communities to more information on incidents.
G3.2	The Appointee makes it easy for its customers to contact it and provides easy to access contact information.	Met	We align well with this principle through our core customer information offering, which ensures customers know how to get in touch with us. We have accreditation from the Shaw Trust ¹ and the Plain English Campaign. We operate a popular WhatsApp communication channel. We operate sign language translation services, which can be accessed through our website. We carried out research that tested how well our website provided the right information for customers experiencing a service disruption. We carry out weekly research that asks customers for feedback on our response to incidents, including customers on the Priority Services Register.
G3.3	The Appointee provides appropriate support for its customers when things go wrong and helps to put things right.	Met	Our capabilities align well with this principle. We have robust measures in place to provide emergency bottled water to customers, with delivery to their door for the most vulnerable. We shape our response to incidents around the needs of the affected customer e.g. our ‘bump it up’ process allows agents to escalate responses where they can see a customer isn’t getting the right service. We ask customers for feedback and seek to learn from customer complaints, seeking to improve our processes and ways of working.
G3.4	The Appointee learns from its own past experiences, and shares these with relevant stakeholders. The Appointee also learns from relevant stakeholders’ experiences and demonstrates continual improvement to prevent foreseeable harm to its customers.	Met	We seek customer feedback following interactions through our ‘Rant and Rave’ process. We follow up every poor score to understand the cause of the negative experience. We have robust debrief processes following every incident, with high-level activity reported to the executive. Where an incident involves several agencies, we take part in a multiagency debrief. We actively share learning and experience with other companies. We take part in the WOW awards, which reinforces good practice among our staff.
G3.5	The Appointee understands the needs of its customers and provides appropriate support, including appropriate support for customers in vulnerable circumstances, and including during and following incidents.	Met	Our agents are trained to detect signs of customer vulnerability and provide support accordingly. Our incident response can be tailored around the needs of vulnerable customers. We have defined processes to ensure vulnerable customers are supported during incidents with bottled water. Contact information is easy to find, and we ensure support is easily accessible (e.g. via a single application form). We have published our vulnerability strategy, setting out clearly the support vulnerable customers can expect to receive. We increased the number of customers on our Priority Services Register, with over 18% of households now registered.
G3.6	As part of meeting principle G3.5 above, the Appointee provides support for its customers who are struggling to pay, and for customers in debt.	Met	We are well aligned with this principle, as recognised by Ofwat in its Paying Fair publication. We promoted our lowest bill guarantee to customers affected by bill increases. This means that customers can try a metered tariff and switch back to an unmetered tariff at any point in the next two years.

⁽¹⁾ The Shaw Trust is a leading charity which offers website accessibility testing, among other services (Home - Shaw Trust).

Learning from others

Over the course of the last year, we have taken the opportunity to learn from the experience of others to help improve the service we provide to customers in the North West. For example, regulators have published some important customer research and investigation findings on the service other water companies provide. These include the recent Ofwat findings from a review into customer billing journeys², and the outcomes of recent Ofwat and CCW investigations into service issues across the water sector.

The key findings of these reports, and other cross industry research is that it is critically important that water companies focus on reliable and robust customer communication to build trust with customers. It is also crucial that water companies keep to any commitments we make to customers.

In response to this, we are committing to a number of actions for 2026/27 and beyond to further improve customer service offering:

Action	Detail
Enhancing customer service through AI assistance tools	We will explore the use of Artificial Intelligence (AI) and machine learning to improve both the speed and quality of our responses to customer contacts.
Expanding the role of the community outreach team	UU customers already benefit from a well-established community outreach function that includes qualified social workers. We intend to expand the use and impact of this team by proactively connecting customers to wider support, deepening partnership working, and enhancing our presence in high need communities.
Mandatory enhanced vulnerability training for all agents	In collaboration with the Money and Mental Health Policy Institute, United Utilities has developed a new vulnerability support training module that has been provided to all customer facing staff. We have rolled out new training to a substantial majority of customer facing staff, but we can and will go further to ensure that as new customer facing staff join United Utilities, they receive this training.
Increasing meter read frequency for customers with smart and basic meters	We intend to offer customers with new smart meters a significantly improved billing service by visualising usage for customers, offering proactive leakage and high usage alerts, and targeted support for priority groups. We will also offer customers with older basic meters more frequent meter reads (from one to two times a year), improving bill accuracy and helping to spot leaks quicker.
Reviewing the visibility and accessibility of our complaints processes	We currently include details of our complaints process, including customers options if they are not satisfied with our initial attempts at resolving their issue. However, we recognise the need for customers to easily understand how to raise a complaint and what they can expect if they do. We will therefore review and simplify complaint information, improve escalation awareness and ensure accessibility for vulnerable customers.

⁽²⁾ ‘Billing journeys: Improving customer experiences’, Ofwat, Feb 2026.



Year one performance

Consumer involvement in company decision-making

Supporting customers following sewer flooding

Over the course of 2025/26, we have continued to review and improve the support we offer customers following a sewer flooding event. In February 2026, Ofwat published the findings from the ‘Sewer Flooding Customer Care review’⁴, which highlighted the importance of companies communicating effectively with customers following a sewer-flooding event, providing appropriate support, helping to put things right quickly, understanding the individual needs of customers and continually learning and improving the recovery service that is offered.

Over the course of the year, we have continued to offer substantial support to customers, with a focus on achieving best practise standards:

- **Communication:** We offer clear information on what support customers can expect following a sewer-flooding incident. This is available both on the UUW website and information cards for the customer, which we give out on arrival at an incident. We proactively contact customers on route to an incident, capturing information relevant to each incident, and ensuring our response does not rely on one individual and instead a corporate memory exists to support further communications with customers. This avoids the customer feeling frustrated at having to repeat themselves or ‘start over’ each time they ring. We share all relevant information with the affected customer.
- **Compensation:** We seek to swiftly assess and share information on what compensation each customer is entitled to. We pay this compensation automatically, with no need for the customer to claim. Our colleagues are empowered to provide discretionary payments beyond our standard policy where the circumstances suggest it is appropriate to do so. Our ‘Customer Focus Group’ has executive-level scrutiny on compensation and intervenes where compensation is not thought to be appropriate.
- **Response times:** We aim to respond to all internal flooding incidents within two hours, but this response time will change during times of peak demand (e.g. extreme weather). We prioritise our response depending on customers’ circumstances, e.g. vulnerable customers can typically expect a quicker response where appropriate. Our first time resolution model means that all response teams are equipped with a wide range of equipment that typically enables full resolution and clean-up on the first visit. This means that while initial response times may be longer, we often achieve final resolution of the incident more quickly for customers. Customer feedback demonstrates consistent support for the first-time resolution approach.
- **Adapting to vulnerable customers’ needs:** Our colleagues are trained to spot customer vulnerabilities either over the phone on initial contact or when working at the customer’s property. We seek to tailor our response to the needs of the individual customer. We make discretionary payments towards alternative accommodation costs and we have established a sewer flooding trust fund which supports financially vulnerable customers who have experienced a sewer-flooding event. Recognising how distressing sewer flooding can be we have put in place counselling support for customers who need it following wastewater flooding events.
- **Enhanced support for multiple flooding events:** Our Customer Focus Group provides executive-level scrutiny of repeat sewer flooding cases, including underlying causes, the mitigation we have put in place, and our operational response. We have invested in systems to help us understand where issues are developing in the network ahead of a customer impact. We install additional monitoring in areas where we are aware of repeat flooding incidents to help us reduce the risk of repeated impacts on customers.

We note Ofwat’s intent to consult in 2026 on guidance relating to sewer flooding, with the aim of providing clarity on expectations under Condition G. We will work closely with Ofwat to establish common definitions and clear expectations and will act on this new guidance once it is in place. We anticipate providing progress updates through future APRs.

How we ensure appropriate internal governance is in place to support the customer-focused licence condition

Our internal governance is informed by external benchmarking. We hold certification for BSI’s 22458 for consumer inclusion and hold the Institute of Customer Service’s Service Mark with Distinction. We have achieved the ISO Vulnerability Kitemark accreditation and this year achieved the Mental Health Accessible accreditation and Shaw trust accreditation for accessibility.

Our continued strong customer service offering is supported by both culture and controls, that mean we have confidence we are meeting obligations and responsibilities. The board has been engaged in understanding the implications of Condition G and the company’s operational and governance response. The executive team is fully briefed on UUW’s responsibilities under the customer-focused licence condition and is committed to ensuring we operate in a way that aligns with the underlying principles of good customer service and care. Our compliance with this licence condition is examined and affirmed at an executive level and we have carried out an extensive assessment of UUW’s internal processes and policies to assess our compliance.

Over a number of years, the Corporate Audit team has carried out internal checks and investigations that help to ensure our processes and procedures are aligned with the principles set out in the customer-focused licence condition.

Year one performance

1.4 Wholesale totex

Background: totex allowances and incentive mechanism

The PR24 FD set total expenditure (totex) assumptions for the 2025–30 period across the four wholesale price controls. If the company overspends or underspends, compared to the FD assumptions, then incentives are applied that determine the sharing of the additional spending or additional saving between customers and the company. Overspend and underspend allocated to customers are reflected in future bills. Overspend and underspend allocated to the company must be borne by investors. The incentives are different for eight different categories of spend (up from four categories across 2020–25).

- **Standard base:** Totex generally to maintain the current level of service to customers. UUW’s sharing rate was set at an equal 50/50 share between customers and the company for both overspend and underspend.
- **Business rates:** Companies can only exercise very limited control over business rates and so the cost variance to the company’s PR24 cost allowance will be subject to a 90 (customer share):10 (company share) sharing rate.
- **Abstraction charges and discharge consents:** Companies can only exercise limited control over these costs and so the cost variance to the company’s PR24 cost allowance will be subject to a 75 (customer share):25 (company share) sharing rate.
- **Standard enhancement:** Totex generally where there is a permanent increase or step change in the current level of service. Cost variances will be subject to a 60 (customer share):40 (company share) sharing rate.

- **25:25 enhancement:** There is higher uncertainty on certain enhancement schemes including IED (Industrial Emissions Directive), EPR (Environmental Permitting Regulation) permits, schemes included in enhanced engagement and large gated schemes. Cost variance to the company’s PR24 cost allowance will be subject to a 75 (customer share):25 (company share) sharing rate.
- **40:10 enhancement:** Continuous river water quality monitoring is relatively new to the sector with confidence in out-turn costs more limited. Cost variance to the company’s PR24 cost allowance will be subject to a 60 (customer share):40 (company share) sharing rate for overspend and subject to a 90 (customer share):10 (company share) sharing rate for underspend.
- **SRO – ‘use-it-or-lose it’:** Upfront funding for SROs (Strategic Resource Options) was provided by Ofwat in the PR24 FD on what it described as a ‘use-it-or-lose-it’ basis. This means that there will be a full clawback of any SRO totex underspend whereas any overspend not agreed by Ofwat will be subject to zero customer sharing.
 - where it would not be appropriate to share costs with customers, e.g. disallowable costs, such as fines or certain compensation payments for service failures;
 - that is subject to different funding/sharing mechanisms, e.g. third-party services, developer services infrastructure charges, non-s185 diversion costs and income, innovation fund; or
 - that has been set outside of price control, e.g. s185 diversions income - wastewater network+.

Customer share category	FD allowed totex by price control 2025/26 (2022/23 prices)				Total totex
	Water resources	Water network plus	Wastewater network plus	Bioresources	
Standard base	43.4	480.8	529.4	89.4	1,142.9
Business Rates	13.8	37.2	27.3	8.1	86.4
Abstraction charges and discharge consents	23.5	0.2	13.1	0.0	36.8
Standard enhancement	47.6	101.2	550.5	-3.5	695.9
25:25 enhancement	0.0	38.0	106.7	63.1	207.8
40:10 enhancement	9.3	0.0	46.8	0.0	56.1
SRO – ‘use-it-or-lose-it’	1.9	5.5	0.0	0.0	7.4
Totex not subject to sharing	0.3	52.3	35.1	0.0	87.8
Total totex	139.7	715.3	1,308.9	157.2	2,321.1

FD allowed totex for enhancement totex (as presented in the above table) are subsequently adjusted for price control deliverables (PCDs). PCDs are split into two main categories:

- **Non-delivery PCDs:** Claw-back mechanism that will return funding to customers where companies fail to deliver the stated benefit by the end of the regulatory period. This applies to material investments which are not protected by a gated process, covering circa 75% of enhancement expenditure.
- **Time incentives PCDs:** Two-way incentive to encourage timely delivery by rewarding on time delivery and penalising late delivery. This is applied in addition to the non-delivery PCD, covering circa 50% of enhancement expenditure.

As part of the PR24 price review process, we reconcile how our actual expenditure compared against these PCD adjusted allowances for each category of spend for AMP8. With the exception of totex not subject to cost sharing – which is out of scope for customer sharing – variances against the initial assumptions are accounted for through a cost reconciliation mechanism. This mechanism splits out the reported totex over/underspend per category, with the resulting customer share element being recovered through a mixture of opening adjustment to AMP9 RCV and through AMP9 revenues (with the RCV/revenue split consistent PR24 assumptions on PAYG).

Comparison of 2025/26 actual totex to FD assumed totex

APR Pro forma Tables 4D and 4E (see Section 4) are the key tables that summarise 2025/26 totex expenditure within the four wholesale price controls. These are supported by the more detailed cost build-ups for base totex (tables 4J and 4K) and enhancement totex (tables 4L and 4M). Variance analysis for all these tables is included within section 4.

The expenditure within these tables is then summarised within Pro forma Table 2B (see Section 2).

APR Pro forma Table 4C (consolidates the total totex expenditure from Table 2B per price control and then breaks this out into the different customer sharing categories of spend described above. These amounts are then compared to the allowed totex in the PR24 final determination (inflated to out-turn prices).

Year one performance

1.4 Wholesale totex

Variance between allowed totex and actual totex from Table 4C (out-turn)

During 2025/26, we incurred £2,444 million of totex, which was below that assumed in the PR24 FD (£2,624 million). As explained in the executive summary on page 21, we have reprofiled our delivery plan to maximise outcomes and we're on track to meet this re-profiled plan. We have successfully recruited over 1,300 new colleagues to join United Utilities, while at the same time onboarding over 100 suppliers to help us deliver our ambitious programme. 2025/26 totex spend of circa £2.4billion represents a significant step-up from 2024/25 spend of circa £1.9 billion and we expect to continue this acceleration of spend in the coming years. This has been further analysed below per customer sharing category.

Totex – standard base

Totex by price control 2025/26 (out turn)					
Totex – standard base (All 50% company; 50% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex – standard base	49.0	543.6	598.5	101.1	1,292.3
Actual totex – standard base	54.9	620.6	692.3	164.0	1,531.8
Variance total	5.9	77.0	93.7	62.9	239.5
Variance due to timing	5.9	77.0	93.7	62.9	239.5
Variance due to efficiency and scope	0.0	0.0	0.0	0.0	0.0

Total reported overspend on 'totex - standard base' was £239.5 million for 2025/26. Over AMP8, we still expect to meet the totex allowance or for any reported overspend to be recoverable through end-of-AMP mechanisms (e.g. DESNZ) and thus this has all been categorised as due to timing. 2025/26 overspend was incurred in order to improve performance required to deliver an expected outperformance against performance commitments later in the AMP, spend incurred up front in order to deliver efficiencies expected to be realised later in the AMP and additional spend due to price fluctuations, in particular for energy, which we would expect to be recovered through the true up mechanisms at the end of the AMP.

Business rates

Totex by price control 2025/26 (out turn)					
Business rates (10% company; 90% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex – business rates	15.6	42.1	30.8	9.2	97.7
Actual totex – business rates	14.9	40.1	29.2	8.3	92.5
Variance total	-0.7	-2.0	-1.6	-0.9	-5.2

Actual totex costs of £92.5 million are slightly below FD allowed costs of £97.7 million, mainly due to the business rates multiplier (tax rate) not being as high as anticipated in the FD, with the government choosing in recent years to freeze the multiplier.

Abstraction charges and discharge consents

Totex by price control 2025/26 (out turn)					
Abstraction charges and discharge consents (25% company; 75% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex – abstraction charges and discharge consents	26.5	0.2	14.9	–	41.6
Actual totex – abstraction charges and discharge consents	27.2	0.4	14.8	0.3	42.7
Variance total	0.6	0.2	-0.1	0.3	1.1

Actual 2025/26 totex costs of £42.7 million (split by EA, NRW, Canal & Rivers Trust & other abstraction charges of £27.6 million and discharge consents of £15.1 million) is broadly in line with FD allowed costs of £41.6 million.

Totex – standard enhancement

Totex by price control 2025/26 (out turn)					
Totex – standard enhancement (40% company; 60% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex – standard enhancement	53.9	114.5	622.4	-4.0	786.8
Actual totex – standard enhancement	29.7	98.3	405.6	9.3	542.9
Variance total	-24.2	-16.2	-216.9	13.3	-243.9
Variance due to timing	-24.2	-16.2	-216.9	13.3	-243.9
Variance due to efficiency and scope	–	–	–	–	–

While UUW underspent its standard enhancement allowance in 2025/26 by £243.9 million vs the FD allowance of £786.8 million, we remain on-track to spend in line with the overall AMP8 allowance, and hence this 2025/26 differential has been fully reported within timing. Overall, we have reprofiled some programmes to ensure they are delivered in the most optimised and efficient manner, resulting in slight deferral of spend to future years.

Within wastewater network plus, this includes sewage overflows, reflecting a more realistic view of how UUW can implement the programmes in practice compared to the allowance profiles which were applied across the industry for this area.

Within water resources, there has been underspend within: Environmental programmes, including Biodiversity and conservation - which includes infrastructure removal schemes requiring multi-stakeholder engagement, delaying mobilisation; and Reservoir safety – UUW's dam fleet has recently been re-assessed, based on updated information regarding dam condition, and this has resulted in spend being deferred from 2025/26 to future years.

Totex – 25:25 enhancement

Totex by price control 2025/26 (out turn)					
Totex – 25:25 enhancement (25% company; 75% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex – 25:25 enhancement	–	43.0	120.6	71.4	235.0
Actual totex – 25:25 enhancement	–	51.3	80.4	17.2	148.9
Variance total	–	8.3	-40.2	-54.2	-86.1
Variance due to timing	–	8.3	-40.2	-54.2	-86.1
Variance due to efficiency and scope	–	–	–	–	–

Spend in this category relates to Industrial Emissions Directive (IED), Environmental Permitting Regulations (EPR) for sludge-to-land schemes, PR24 enhanced engagement schemes (Vyrnwy aqueduct scheme in water network plus; five wastewater scheme covering phosphorus removal and compliance with sanitary determinants) and one large gated scheme (Windermere).

Overall, totex spend for 2025/26 of £148.9 million was £86.1 million below the FD allowance, although we expect to remain on-track across the AMP.

The main variance was in relation to IEDs in Bioresources, where expenditure was £51.3 million below the totex allowance, partly driven by our revised expectations of long lead times for key assets within this programme, resulting in a delayed profiling.

As the five enhanced engagement wastewater schemes have matured, their FD cost profiles were updated to separate feasibility and definition phases, leading to a re-profiling of costs with more spend pushed to future years.

Totex – 40:10 enhancement

Totex by price control 2025/26 (out turn)					
Totex – 40:10 enhancement (overspend 40% company; 60% customer, underspend 10% company; 90% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex – 40:10 enhancement	10.5	–	52.9	–	63.4
Actual totex – 40:10 enhancement	3.7	–	13.0	–	16.7
Variance total	-6.8	–	-39.9	–	-46.7
Variance due to timing	-6.8	–	-39.9	–	-46.7
Variance due to efficiency and scope	–	–	–	–	–

40:10 enhancement expenditure comprises a mixture of investigations and continuous river water quality monitoring (CRWQM). The £46.7 million 2025/26 underspend versus the 2025/26 final determination allowance of £63.4 million reflects delays but does not impact the risk of final delivery for the programme and hence has been categorised as due to timing.

Investigations spend, totalling £3.7 million in water resources and £12.1 million in wastewater network plus, significantly underspent the FD allowances of £10.5 million and £35.0 million respectively. This reflects a re-profiling of the EnvAct_INV4 investigation programme in line with WINEP and a slower start to this programme whilst the investigation scope and methodology was agreed with the EA. The reduced expenditure also reflects a reduction in the number of investigations required in AMP8.

Continuous river water quality monitoring totex was £0.9 million in wastewater network plus, compared to an FD allowance of £17.9 million. The main reason for the in-year underspend is that circa £9 million of expenditure has been re-phased from 2025/26 to reflect reprofiling of output delivery. This is associated with our focus on establishing robust commercial arrangements and incorporating lessons learned from the Environment Act Section 82 water quality monitoring equipment trial, which is being coordinated by WRc (Water Research Centre).

Year one performance

1.4 Wholesale totex

Totex – SRO (Strategic Resource Options) – ‘use-it-or-lose-it’

Totex - 40:10 enhancement (overspend 40% company; 60% customer, underspend 10% company; 90% customer)	Totex by price control 2025/26 (out turn)				Total totex
	Water resources	Water network plus	Wastewater network plus	Bioresources	
Allowed totex – SRO – ‘use-it-or-lose-it’	2.1	6.3	–	–	8.4
Actual totex – SRO – ‘use-it-or-lose-it’	6.2	–	–	–	6.2
Variance total	4.0	-6.3	–	–	-2.3
Variance due to timing	4.0	-6.3	–	–	-2.3
Variance due to efficiency and scope	–	–	–	–	–

Overall spend of £6.2 million was slightly below the FD allowance of £8.4 million. The main driver for this was that within the North West Transfer, the River Bollin DPC programme was delivered at a slightly slower pace due to some of the uncertainties on, and associated work required to assess, the need.

Totex not subject to cost sharing

	Totex by price control 2025/26 (out turn)				
Totex not subject to cost sharing (100% company: 0% customer)	Water resources	Water network plus	Wastewater network plus	Bioresources	Total totex
Allowed totex – not subject to sharing	0.4	59.2	39.7	-	99.3
Actual totex – not subject to sharing	1.0	37.5	15.0	0.2	53.8
Variance total	0.7	-21.7	-24.7	0.2	-45.5
Variance due to timing	0.6	-28.0	-27.1	0.2	-54.3
Variance due to efficiency and scope	0.0	6.4	2.4	0.0	8.8

Overall totex not subject to cost sharing of £53.8 million was £45.6 million below the FD allowance of £99.3 million. This variance has been split out by £54.3 million underspend due to timing and £8.8 million due to efficiency and scope.

The main components of variance due to timing are set out below:

- Price control diversion costs (£8.3 million) – £56.5 million below the FD allowance, mainly due to significant changes to the High Speed rail 2 (HS2) project, which was assumed to be constructed up to Manchester within the FD. The subsequent scaling back of HS2 to between London and Birmingham has resulted in UUW not incurring and thus under-recovering these costs . This will be offset by a similar under-recovery in income, not reflected in these gross allowances, which will ultimately be trued-up through the Third-party services PR24 reconciliation (which includes diversion income).
- Site specific developer services costs (£17.1 million) – £12.7 million below the FD allowance of £28.8 million due to lower activity compared to PR24 FD forecasts (including lower volumes of properties connected, less length of statutory mains laid and a higher proportion of connections through NAVs); partly offset by:
- Innovation competition fund costs (£5.5 million); however, this is not a genuine overspend as it is funded directly through customer revenues;
- Third-party costs (£10.2 million) – £6.2 million above FD allowance of £4.0 million; and
- Non-price control diversion costs (£3.8 million) – £3.2 million above FD allowance of £0.6 million predominantly due to one large s185 diversion, previously expected to be completed in AMP7.

The only component within variance due to efficiency and scope is in relation to disallowable costs – comprising compensation, fines, investigation payments totalling £8.8 million (vs. zero FD allowance).

Year one performance

1.5 Wholesale revenue

APR pro forma table 2I, (see section 2) sets out the actual build-up of the wholesale revenue for 2025/26 by price control. Table 2M then compares this with the level of revenue allowed.

The total revenue set by the wholesale price controls for recovery in 2025/26 was £2,476.2 million. This was made up of £2,386.5 million wholesale revenue, plus £29.2 million in developer services income, and £60.4 million in allowed diversions income. The level of income recovered in the year was £29.0 million lower than the £2,476.2 million allowed, with a £41.8 million increase in wholesale revenues offset by a £70.8 million reduction in developer services and diversions income collected.

These variances can predominantly be explained by the below factors:

- Included within the diversions income allowance is £39.9 million relating to diversions activity that will no longer take place following the cancellation of the northern leg of HS2. This adjustment figure should therefore be excluded from the favourable revenue variance and adverse diversions variance.
- The remaining £2 million favourable variance for wholesale revenue is made up of a number of offsetting factors, including a higher level of household consumption than assumed in the tariff setting, offset with higher non-household void properties.
- The remaining £30.9 million reduction in developer services and diversions income is attributable to a reduction in diversions activity which can be associated with a general slowdown in developer activity and reduction in connection volumes.

Of the £29.0 million revenue imbalance, £26.0 million will be added to the 2027/28 allowed revenues under the RFI revenue adjustment mechanism for water resources, water network plus and wastewater network plus. The £3.0 million shortfall in bioresource revenue is subject to an adjustment under a separate mechanism.

Year one performance

1.6 Retail expenditure and revenues



Household retail

Background

The household retail price control is designed to allow companies to recover sufficient revenue from household customers to fund the efficient costs of providing retail services. This allowance is sometimes referred to as the allowed ‘cost to serve’.

Cost allowances considered the impact of a range of retail cost drivers, such as levels of metering, household credit defaults, average water bill size and regional levels of deprivation.

Separate annual revenue allowances and costs to serve per customer were defined in the PR24 FD for household retail services. Total retail revenue allowances were determined by multiplying underlying cost to serve allowances by the assumed customer numbers and applying a margin defined as part of the price review.

The cost to serve incentive mechanism has three main principles:

- Initial cost to serve allowances per customer per year are fixed and do not increase year-on-year in line with inflation;
- The allowances are assumed to cover all retail operating costs, including depreciation on capital expenditure. Expenditure for demand side water efficiency and customer side leak repairs is included where the activity is not for wholesale purposes; and
- Any over or underspend against the cost to serve allowed is paid for, or retained wholly by, the company and will not affect future customer bills.

2025/26 performance

We have continued to challenge the efficiency of the services offered in a number of areas, however as a result of bill increases in year our costs have increased £22.2 million from £129.9 million in 2024/25 to £152.1 million in 2025/26.

The main cost increases in 2025/26 can be attributed to:

- £12.8 million increase in bad debt costs primarily due to bill increases in year. Our reported bad debt charge increased from £60.8 million to £73.6 million, and fell slightly from 3.9% to 3.8% of regulated revenue.
- £7.9 million increase in customer service costs attributable to an increase in resource levels required to handle increased contact volumes following bill increases in year.

Retail operating costs were £14.5 million higher than the expenditure allowance of £137.6 million. Our costs are running higher than assumed in the PR24 FD reflecting the additional investment that we’ve made to improve customer service and support cash collection and affordability as we support customers through bill increases.

Improving operating costs and efficiency

We have continued to refine our capabilities in a number of areas to reduce our underlying operating costs during the year. These include:

- Continuing to challenge overheads;
- Seeking to improve underlying operational performance;
- Increasing digital penetration;
- Process automation through use of Artificial Intelligence and robotics;
- Continuing to support our most vulnerable customers through our affordability schemes to manage bad debt; and
- Promoting water efficiency to reduce household consumption and, therefore, bad debt.

Improving debt management

U UW has a higher bad-debt cost than the majority of the industry. Deprivation levels are the principal driver of our higher than average bad debt, with the North West having a substantially higher proportion of customers impacted by welfare reform and claiming universal credit. These challenges are to some degree recognised and reflected in setting the allowed retail costs through the price review process.

Our collection performance through 2025/26 was proportionally lower than collection in 2024/25, and it is anticipated bad debt will remain a challenge in our region where there are significant numbers of communities that are subject to high levels of deprivation. The current cost of living pressures and increases to water bills are expected to impact on customers’ ability to pay their water bill in the future. As a result, debt management will be an area of continued focus as we drive for further improvement. We recognise that the record levels of investment we are delivering through to 2030 has an impact on customer bills, which makes it more important than ever to ensure that financial support is easy to access and available when customers need it.

We are a leader in the water industry in affordability and vulnerability assistance, with a wide range of support schemes for customers, many of which are industry firsts. Using advanced data and analytic capabilities, we have been able to focus our efforts on supporting the customer segments at greatest financial risk, promoting the support available and encouraging customers to contact us if they are struggling to pay their bill. These schemes have helped over 400,000 customers in year, and we are currently on track to support 1 in 6 customers by 2030.

The enhancement of our affordability assessment solution with IE hub has now successfully concluded. The solution allows us to create a more holistic affordability assessment journey, with capability for customers to self-serve where appropriate, as well as the integration of open banking to improve the accuracy and efficiency of our customer affordability assessments and make applying for support as easy as possible for customers.

Our new low-income discount scheme has provided around 180,000 customers with £9 million in support through a £50 discount being directly applied to bills without the customer having to apply.

In addition, while we continue to work with Government on positive reform to the WaterSure scheme, our proactive introduction of WaterSure Plus, ahead of reform charges, has already seen over 200 customers benefitting from a capped water bill who would not normally be eligible to access the current WaterSure scheme.

We continue to offer a wide range of flexible payment options and this year we’ve seen a net growth of circa 25,000 customers opting to pay by Direct Debit.

We continue to use credit reference agency data and predictive analytics to monitor customer payment behaviour and proactively identify customers showing signs of struggling to pay. We send early intervention emails with tailored messaging designed to increase customer’s awareness of the support we, and third-party organisations, can offer. Additionally, we continue to run supplementary campaigns triggered by a change in behaviour.

The two-day assessment of our approach to customers in debt carried out by CCW gave us the opportunity to demonstrate that we do lead from the front in supporting customers. The assessment identified some real positives, highlighting our proactive application of affordability support as good practice.

Externally, the North West Hardship Hub continues to be a valuable resource for members of the advice community to access support quickly and easily for their clients. The one stop shop provides a consolidated view of a wide range of support schemes from a range of sources and sectors across the North West of England.

We continued to use our range of financial assistance schemes effectively to support those customers that can’t pay and provided support to circa 403,000 customers during the year as illustrated in the table on the next page:

	2025/26 Full Year Actual		
	Customers supported (No.)	Company funded (£m)	Customer funded social tariff (£m)
WaterSure	27,813		15.2
Help to Pay social tariff	38,941	3.2	11.0
Back on Track support tariff	111,648	10.1	35.0
Low Income Discount	179,287	2.0	7.0
Sub-total – tariff support	357,689	15.2	68.2
UU Trust Fund	3,582	2.8	
WaterSure Plus	220	0.1	
Payment matching	44,762	13.8	
Sub-total – grants and allowances	48,564	16.7	
Total support	406,253	31.9	68.2

£15.2 million of support, cross subsidised by other customers, was provided for the national WaterSure tariff (supporting approx. 28,000 households). In addition, there was £68.2 million of total support in the form of a bill discount for approx. 330,000 households, via our social tariffs ‘Help to Pay’, ‘Back on Track’ and ‘Low Income Discount’. The total support of £68.2 million was split by £15.2 million of support for the social tariff schemes was provided by the company and £53.0 million was cross-subsidised by other residential customers.

While the penetration and conversion of customers onto affordability solutions does impact in year revenues, it is a key factor in helping customers avoid falling into arrears, recovery from positions of debt, reducing the amount of bad debt that United Utilities carries, and driving to continue to reduce our retail cost to serve.

United Utilities PLC provided £3.8 million to the independent United Utilities Trust Fund, of which £2.8 million was provided to support residents in the United Utilities’ region through grants towards clearing water bill arrears.

In addition, a further 44,762 customers received £13.8 million in support through our payment matching scheme. The scheme is an arrears clearance scheme funded through write-off and is a cost to the company through the bad-debt charge as opposed to revenue sacrifice.

220 customers received approximately £0.1 million of funding from United Utilities under the new WaterSure Plus scheme.

Revenue

APR pro forma table 2F (see Section 2) shows that retail revenue recovered in 2025/26 was £185.3 million.

However, as reported in table 2N, approximately 330,000 customers received a discounted fixed price bill under a social tariff during the year. In total, these customers received a £68.2 million discount to their underlying full price bill, of which £15.2 million was funded by the company and £53.0 million was cross-subsidised by other residential customers.

The revenue forgone by the company of £15.2 million is added to the £185.3 million of retail revenue recovered, such that the total net retail revenue for 2025/26 was £200.6 million.

The in-year revenue allowance of £193.0 million was based on actual customer numbers of 3.26 million. Household retail revenue recovered in year was higher than the allowance due to a number of factors, including a higher level of household consumption than assumed in the tariff setting process.

Operating profit

APR pro forma table 2A (see Section 2) shows the operating profit for U UW’s price controls. For the household retail price control, operating profit in 2025/26 was £33.2 million.

The 2025/6 retail revenue allowance of £193.0 million is based on an expenditure allowance of £137.6 million and a £55.4 million retail operating profit, in respect of the allowed margin and adjustments.

The reported operating profit for 2025/26 is £22.2 million lower than expected due to the following:

- Retail revenues collected (£185.3 million) were £7.7 million lower than the revenue allowance. £15.3 million was attributable to the company funded element of the discount provided to the c330,000 customers that were billed under a social tariff during the year offset by a £7.5 million over recovery due to household consumption running higher than assumed when setting tariffs for the year and a lower cross-subsidy utilisation than expected.
- Retail costs were £14.5 million higher than the expenditure allowance reflecting additional investment made to improve customer service and support cash collection and affordability as we support customers through bill increases.

Table 2C – Cost analysis retail

Variance analysis of retail costs compared to the prior year can be found in Section 2 following the table.



Regulatory accounts

Introduction

The Regulatory Accounts have been prepared in accordance with the requirements of Regulatory Accounting Guidelines (RAGs) 1.10, 2.10, 3.16, 4.14 and 5.07 issued by the Water Services Regulation Authority (WSRA or Ofwat). These are separate from the statutory financial statements, which have been prepared under the basis of International Financial Reporting Standards as adopted by the UK.

Statement of directors' responsibilities for regulatory information

Further to the requirements of company law, the directors are required to prepare accounting statements which comply with the requirements of Condition F 'Regulatory Accounting Statements' 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:

- Condition F also requires the directors to keep appropriate accounting records, which are consistent with guidelines published by Ofwat.

The directors of the company hereby confirm that the company has kept appropriate accounting records, which comply with the guidelines published by Ofwat.

Condition P 'Regulatory ring-fence' of United Utilities Water Limited's (UUV's) Licence requires directors to submit a 'Ring-Fencing Certificate' to Ofwat no later than the date on which the Company is required to deliver a copy of each set of regulatory accounting statements prepared under Condition F.

The Ring-Fencing Certificate requires directors to confirm that, in their opinion;

- a. The company has sufficient financial resources and facilities to enable it to carry out the Regulatory Activities, for at least the twelve month period following the date on which the certificate is submitted.
- b. The company will have available sufficient management resources and systems of planning and internal control to enable it to carry out the Regulatory Activities, for at least twelve months.
- c. The company has available to it sufficient rights and resources other than financial resources, as required by paragraph P14 of the company's instrument of appointment.
- d. All contracts entered into between United Utilities Water Limited and any Associated Company include the necessary provisions and requirements in respect of the standard of service to be supplied to United Utilities Water Limited, to ensure that it is able to carry out the Regulated Activities.

The directors have issued a 'Ring-Fencing Certificate' under Condition P32 of the Licence – see pages 143 to 145.

Condition P also requires directors to:

- e. 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 that there were no changes in the company's activities, which may be material in relation to the company's ability to finance its regulated activities, during the year ended 31 March 2026.

- f. Ensure every transaction between the Appointed Business and any Associated Company is at arm's length, so that neither the Appointed Business nor the Associated Company gives a cross-subsidy to the other.

This has been confirmed within 'Information in respect of transactions with any other business or activity of the appointee or any associated company' on pages 139 to 140.

- g. Declare or pay dividends only in accordance with a dividend policy which has been approved by the Board of the company and which complies with the principles under Condition P31.

This has been confirmed within 'Dividend policy' on pages 124 to 128.

The above responsibilities are additional to those already set out in the United Utilities Water Limited statutory financial statements.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

1. so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
2. they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the board and signed on its behalf by:

Phil Aspin
Chief Financial Officer

23 June 2026

Regulatory accounts for the 12 months ended 31 March 2026

Independent Auditor's report to the Water Services Regulation Authority (the WSRA) and United Utilities Water Limited ("the Company")



Opinion

We have audited the sections of/tables within United Utilities Water ("the Company") Annual Performance Report for the year ended 31 March 2026 ("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), the 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 for wholesale water and wastewater (table 2B), the operating cost analysis for retail (table 2C), the historical cost analysis of fixed assets for wholesale and retail (table 2D), the analysis of grants and contributions and land sales for wholesale (table 2E), the household water revenues by customer type (table 2F), the revenue analysis & wholesale control reconciliation (table 2I), 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), historical cost analysis of intangible assets (table 2O), third party services revenue (table 2P) and analysis of diversions income (table 2R) and the related notes.

We have not audited the outcome performance tables (3A to 3k) and the additional regulatory information in tables 2H, 4A to 4AD, 5A to 5B, 6A to 6I, 7A to 7L, 8A to 8D, 9A and 11A- 11B.

In our opinion, the Company's Regulatory Accounting Statements have been properly prepared, in all material respects, in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA (RAG 1.10, RAG 2.10, RAG 3.16, RAG 4.14 and RAG 5.07) ("the Regulatory Accounting Guidelines") and the accounting policies set out on pages 120-129.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, except as stated in the section on Auditor's responsibilities for the audit of the Regulatory Accounting Statements within the Annual Performance Report below, 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.

Our responsibilities under ISAs (UK) are further described in the Auditor's 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, 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

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 statements, as defined in RAG 3.16) 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.

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 adopted 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.

The Regulatory Accounting Statements on pages 101 to 119 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 from the Company's statutory financial statements is included in the tables within section 1.

Our opinion is not modified in respect of these matters.

Conclusions relating to going concern

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.

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

We used our knowledge of the Group, its industry and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Parent Company's available financial resources over this period related to a one-off total expenditure impact associated with a critical asset failure.

We considered whether the risk could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumptions that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities. We also assessed the completeness of the going concern disclosure.

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.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Inquiring of directors, the audit committee, internal audit and inspection of policy documentation relating to the ultimate parent, United Utilities Group PLC, as to the Group's high level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Using analytical procedures to identify any unusual or unexpected relationships;

- Reading board and audit committee minutes relating to the ultimate parent, United Utilities Group PLC; and
- Considering remuneration incentive schemes and performance targets for directors including Long Term Plan awards.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular: the risk that group management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as allowances for expected credit losses relating to household customer debt.

On this audit we do not believe there is a fraud risk related to revenue recognition streams because the low value, high volume nature of transactions reduces the opportunities for fraudulent activity.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on AI transaction scoring which identifies journals with increased identifiers of fraud risks; and
- Assessing significant accounting estimates and judgements for bias

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), from inspection of the Company's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Compliance with regulations imposed by Ofwat, Environment Agency, Competition law, Drinking Water Inspectorate, GDPR compliance, health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The other information comprises all of the information in the Annual Performance Report other than the Regulatory Accounting Statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the Regulatory Accounting Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Regulatory Accounting Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report based on these responsibilities.

Responsibilities of the directors for the Annual Performance Report

As explained more fully in the Statement of Directors' Responsibilities set out on page 97, the directors are responsible for the preparation of the Annual Performance Report 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 statements, as defined in RAG 3.16).

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Annual Performance Report that is free from material misstatement, whether due to fraud or error.

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.

Regulatory accounts for the 12 months ended 31 March 2026

Independent Auditor’s report to the Water Services Regulation Authority (the WSRA) and United Utilities Water Limited (“the Company”)

Auditors’ responsibilities for the Audit of the Regulatory Accounting Statements within the Annual Performance Report

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.

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 except for the following:

The nature, form and content of the Regulatory Accounting Statements are determined by the WSRA. 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, the Company has presented the allocation of operating costs and assets in accordance with the accounting policy for price control segments set out on page 121 and its accounting methodology statement. 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, which would have been required if we were to express an audit opinion under ISAs (UK).

We have not assessed whether the accounting policies are appropriate to the circumstances of the Company where these are laid down by Condition F. Where Condition F does not give specific guidance on the accounting policies to be followed, our audit includes an assessment of whether the accounting policies adopted in respect of the transactions and balances required to be included in the Regulatory Accounting Statements are consistent with those used in the preparation of the statutory financial statements of the Company.

Use of this report

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.

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 2026 on which we reported on 23 June 2026, 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.

KPMG LLP.

KPMG LLP
Chartered Accountants
1 St Peter’s Square
Manchester
M2 3AE
23 June 2026

Pro forma tables subject to audit opinion

Section 1 Regulatory financial reporting



Additional commentary on the Section 1 pro forma tables is provided on pages 130 to 133.

Keys to cells

Input cell
Calculation cell
Copy cell

Pro forma 1A

Income statement for the 12 months ended 31 March 2026

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Revenue	£m	3	2,615.477	17.646	10.326	7.320	2,622.796	1A.1
Operating costs	£m	3	-1,503.595	-16.527	-10.910	-5.617	-1,509.212	1A.2
Other operating income	£m	3	0.000	-0.332	0.000	-0.332	-0.332	1A.3
Operating profit	£m	3	1,111.882	0.787	-0.584	1.371	1,113.253	1A.4
Other income	£m	3	0.000	42.135	7.606	34.530	34.530	1A.5
Interest income	£m	3	81.149	-13.100	0.000	-13.100	68.049	1A.6
Interest expense	£m	3	-402.945	-75.387	0.000	-75.387	-478.332	1A.7
Other interest expense	£m	3	0.000	13.100	0.000	13.100	13.100	1A.8
Profit before tax and fair value movements	£m	3	790.086	-32.465	7.022	-39.487	750.599	1A.9
Fair value gains/(losses) on financial instruments	£m	3	-21.799	0.000	0.000	0.000	-21.799	1A.10
Profit before tax	£m	3	768.287	-32.465	7.022	-39.487	728.800	1A.11
UK Corporation tax	£m	3	-5.656	0.000	-1.755	1.755	-3.900	1A.12
Deferred tax	£m	3	-183.232	8.116	0.000	8.116	-175.115	1A.13
Profit for the year	£m	3	579.400	-24.349	5.266	-29.615	549.784	1A.14
Dividends	£m	3	-245.000	0.000	-5.266	5.266	-239.734	1A.15
Tax analysis								
Current year	£m	3	-2.409	0.000	1.755	-1.755	-4.165	1A.16
Adjustment in respect of prior years	£m	3	8.065	0.000	0.000	0.000	8.065	1A.17
UK Corporation tax	£m	3	5.656	0.000	1.755	-1.755	3.900	1A.18
Analysis of non-appointed revenue								
Imported sludge	£m	3			0.000			1A.19
Tankered waste	£m	3			4.633			1A.20
Other non-appointed revenue	£m	3			5.693			1A.21
Revenue	£m	3			10.326			1A.22

Pro forma 1B
Statement of comprehensive income for the 12 months ended 31 March 2026

Keys to cells		
	Input cell	
	Calculation cell	
	Copy cell	

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Profit for the year	£m	3	579.400	-24.349	5.266	-29.615	549.784	1B.1
Actuarial gains/(losses) on post-employment plans	£m	3	-9.200	0.000	0.000	0.000	-9.200	1B.2
Other comprehensive income	£m	3	21.466	0.000	0.000	0.000	21.466	1B.3
Total Comprehensive income for the year	£m	3	591.666	-24.349	5.266	-29.615	562.050	1B.4

Pro forma 1C
Statement of financial position for the 12 months ended 31 March 2026

Keys to cells		
	Input cell	
	Calculation cell	
	Copy cell	

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Non-current assets								
Fixed assets	£m	3	15,083.767	-579.004	10.480	-589.484	14,494.283	1C.1
Intangible assets	£m	3	119.794	-3.868	0.112	-3.980	115.815	1C.2
Investments - loans to group companies	£m	3	0.000	0.000	0.000	0.000	0.000	1C.3
Investments - other	£m	3	0.044	0.000	0.000	0.000	0.044	1C.4
Financial instruments	£m	3	333.995	0.000	0.000	0.000	333.995	1C.5
Retirement benefit assets	£m	3	229.711	0.000	0.000	0.000	229.711	1C.6
Total non-current assets	£m	3	15,767.312	-582.872	10.592	-593.464	15,173.848	1C.7
Current assets								
Inventories	£m	3	6.466	0.000	0.000	0.000	6.466	1C.8
Trade & other receivables	£m	3	420.396	49.384	-0.204	49.588	469.985	1C.9
Financial instruments	£m	3	13.672	0.000	0.000	0.000	13.672	1C.10
Cash & cash equivalents	£m	3	1,556.329	0.000	0.000	0.000	1,556.329	1C.11
Total current assets	£m	3	1,996.863	49.384	-0.204	49.588	2,046.452	1C.12
Current liabilities								
Trade & other payables	£m	3	-673.384	39.732	-10.344	50.076	-623.308	1C.13
Capex creditor	£m	3	0.000	0.000	0.000	0.000	0.000	1C.14
Borrowings	£m	3	-297.754	0.000	0.000	0.000	-297.754	1C.15
Financial instruments	£m	3	-7.000	0.000	0.000	0.000	-7.000	1C.16
Current tax liabilities	£m	3	0.000	0.000	0.000	0.000	0.000	1C.17
Provisions	£m	3	-17.481	-21.484	0.000	-21.484	-38.965	1C.18
Total current liabilities	£m	3	-995.619	18.248	-10.344	28.592	-967.027	1C.19
Net Current assets/(liabilities)	£m	3	1,001.245	67.632	-10.548	78.180	1,079.425	1C.20
Non-current liabilities								
Trade & other payables	£m	3	-1,168.529	1,148.479	0.000	1,148.479	-20.049	1C.21
Borrowings	£m	3	-11,346.696	0.000	0.000	0.000	-11,346.696	1C.22
Financial instruments	£m	3	-302.356	0.000	0.000	0.000	-302.356	1C.23
Retirement benefit obligations	£m	3	0.000	0.000	0.000	0.000	0.000	1C.24
Provisions	£m	3	0.000	0.000	0.000	0.000	0.000	1C.25
Deferred income	£m	3	0.000	-307.275	-0.044	-307.231	-307.231	1C.26
Deferred income – adopted assets	£m	3	0.000	-804.391	0.000	-804.391	-804.391	1C.27
Preference share capital	£m	3	0.000	0.000	0.000	0.000	0.000	1C.28
Deferred tax	£m	3	-2,189.644	90.764	0.000	90.764	-2,098.880	1C.29
Total non-current liabilities	£m	3	-15,007.224	127.578	-0.044	127.622	-14,879.602	1C.30
Net assets	£m	3	1,761.332	-387.662	0.000	-387.662	1,373.670	1C.31
Equity								
Called up share capital	£m	3	230.000	0.000	0.000	0.000	230.000	1C.32
Retained earnings & other reserves	£m	3	1,531.332	-387.662	0.000	-387.662	1,143.670	1C.33
Total Equity	£m	3	1,761.332	-387.662	0.000	-387.662	1,373.670	1C.34

Pro forma 1D
Statement of cash flows for the 12 months ended 31 March 2026

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Operating activities								
Operating profit	£m	3	1,111.882	0.787	-0.584	1.371	1,113.253	1D.1
Other income	£m	3	0.000	21.242	7.606	13.636	13.636	1D.2
Depreciation	£m	3	500.203	-17.724	0.344	-18.068	482.135	1D.3
Amortisation – developer services and diversions income	£m	3	-20.894	20.894	0.000	20.894	0.000	1D.4
Changes in working capital	£m	3	12.500	-25.198	-1.481	-23.717	-11.217	1D.5
Pension contributions	£m	3	0.600	0.000	0.000	0.000	0.600	1D.6
Movement in provisions	£m	3	-1.500	0.000	0.000	0.000	-1.500	1D.7
Profit on sale of fixed assets	£m	3	0.300	0.000	0.000	0.000	0.300	1D.8
Cash generated from operations	£m	3	1,603.091	0.000	5.885	-5.885	1,597.207	1D.9
Net interest paid	£m	3	-251.400	0.000	0.000	0.000	-251.400	1D.10
Tax paid	£m	3	22.000	0.000	0.460	-0.460	21.540	1D.11
Net cash generated from operating activities	£m	3	1,373.691	0.000	6.345	-6.345	1,367.346	1D.12
Investing activities								
Capital expenditure	£m	3	-1,535.000	0.000	-0.860	0.860	-1,534.140	1D.13
Developer services and diversion income	£m	3	35.300	0.000	0.000	0.000	35.300	1D.14
Disposal of fixed assets	£m	3	1.000	0.000	0.000	0.000	1.000	1D.15
Other	£m	3	0.000	0.000	0.000	0.000	0.000	1D.16
Net cash used in investing activities	£m	3	-1,498.700	0.000	-0.860	0.860	-1,497.840	1D.17
Net cash generated before financing activities	£m	3	-125.009	0.000	5.485	-5.485	-130.494	1D.18
Cashflows from financing activities								
Equity dividends paid	£m	3	-245.000	0.000	-5.266	5.266	-239.734	1D.19
Net loans received	£m	3	444.000	0.000	0.000	0.000	444.000	1D.20
Cash inflow from equity financing	£m	3	0.000	0.000	0.000	0.000	0.000	1D.21
Net cash generated from financing activities	£m	3	199.000	0.000	-5.266	5.266	204.266	1D.22
Increase (decrease) in net cash	£m	3	73.991	0.000	0.219	-0.219	73.773	1D.23

Pro forma 1E
Net debt analysis (appointed activities) at 31 March 2026

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Fixed rate	Floating rate	Index linked		Total	RAG 4 reference
					RPI	CPI/CPIH		
Interest rate risk profile								
Borrowings (excluding preference shares)	£m	3	6,182.638	1,253.354	3,187.784	1,386.834	12,010.610	1E.1
Preference share capital	£m	3	0.000				0.000	1E.2
Total borrowings	£m	3	6,182.638	1,253.354	3,187.784	1,386.834	12,010.610	1E.3
Cash	£m	3					-2.098	1E.4
Short term deposits	£m	3					-1,554.231	1E.5
Net Debt	£m	3					10,454.281	1E.6
Gearing								
Gearing	%	3					63.411%	1E.7
Adjusted Gearing	%	3					63.411%	1E.8
Interest								
Full year equivalent nominal interest cost	£m	3	269.330	46.780	181.190	37.940	535.240	1E.9
Full year equivalent cash interest payment	£m	3	269.330	46.780	49.340	-7.530	357.920	1E.10
Indicative interest rates								
Indicative weighted average nominal interest rate	%	3	4.356%	3.732%	5.684%	2.736%	4.456%	1E.11
Indicative weighted average cash interest rate	%	3	4.356%	3.732%	1.548%	-0.543%	2.980%	1E.12
Time to maturity								
Weighted average years to maturity	nr	3	10.072	0.000	18.979	7.914	12.503	1E.13

Pro forma tables subject to audit opinion
Section 1 Regulatory financial reporting



Pro forma 1F
Financial flows for the 12 months ended 31 March 2026 and for the price review to date

Keys to cells		
	Input cell	
	Calculation cell	
	Copy cell	

			12 months ended 31 March 2026						Average 2025-30						RAG 4 reference
Line description	Units	DPs	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	
Regulatory equity															
Regulatory equity	£m	3	6,310.887	6,310.887	4,966.950				6,310.887	6,310.887	4,966.950				1F.1
Line description	Units		%			£m			%			£m			
	DPs		2			3			2			3			
Return on regulatory equity															
Return on regulatory equity -real	See Column Heading		5.24%	4.13%	5.24%	330.803	260.357	260.357	5.24%	4.13%	5.24%	330.803	260.357	260.357	1F.2
Financing															
Impact of movement from notional gearing	See Column Heading			1.12%	0.61%		70.446	30.220		1.12%	0.61%		70.446	30.220	1F.3
Variance in corporation tax	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.4
Group relief	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.5
Cost of debt	See Column Heading			3.13%	4.66%		197.304	231.425		3.13%	4.66%		197.304	231.425	1F.6
Hedging instruments	See Column Heading			-0.04%	-0.05%		-2.339	-2.339		-0.04%	-0.05%		-2.339	-2.339	1F.7
Return on regulatory equity including Financing adjustments	See Column Heading		5.24%	8.33%	10.46%	330.803	525.767	519.662	5.24%	8.33%	10.46%	330.803	525.767	519.662	1F.8
Operational Performance															
Totex out / (under) performance	See Column Heading			-0.12%	-0.15%		-7.562	-7.562		-0.12%	-0.15%		-7.562	-7.562	1F.9
ODI out / (under) performance	See Column Heading			-0.56%	-0.71%		-35.187	-35.187		-0.56%	-0.71%		-35.187	-35.187	1F.10
C-MeX out / (under) performance	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.11
D-MeX out / (under) performance	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.12
BR-MeX out / (under) performance	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.13
Retail out / (under) performance	See Column Heading			-0.22%	-0.28%		-13.951	-13.951		-0.22%	-0.28%		-13.951	-13.951	1F.14
PCD - time incentives	See Column Heading			0.02%	0.02%		1.019	1.019		0.02%	0.02%		1.019	1.019	1F.15
Return adjustment mechanisms	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.16
Other exceptional items	See Column Heading			0.07%	0.09%		4.347	4.347		0.07%	0.09%		4.347	4.347	1F.17
Operational performance total	See Column Heading			-0.81%	-1.03%		-51.335	-51.335		-0.81%	-1.03%		-51.335	-51.335	1F.18
RoRE (return on regulatory equity) - real	See Column Heading		5.24%	7.52%	9.43%	330.803	474.433	468.327	5.24%	7.52%	9.43%	330.803	474.433	468.327	1F.19
RCV Indexation	See Column Heading		3.45%	3.45%	3.45%	217.726	217.726	171.360	3.45%	3.45%	3.45%	217.726	217.726	171.360	1F.20
Voluntary sharing arrangements	See Column Heading			-0.21%	-0.27%		-13.525	-13.525		-0.21%	-0.27%		-13.525	-13.525	1F.21
Total shareholder return	See Column Heading		8.69%	10.75%	12.61%	548.529	678.633	626.162	8.69%	10.75%	12.61%	548.529	678.633	626.162	1F.22
Dividends															
Gross Dividend	See Column Heading		4.00%	3.36%	4.27%	252.435	212.032	212.032	4.00%	3.36%	4.27%	252.435	212.032	212.032	1F.23
Interest Receivable on Intercompany loans	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.24
Retained Value	See Column Heading		4.69%	7.39%	8.34%	296.093	466.601	414.130	4.69%	7.39%	8.34%	296.093	466.601	414.130	1F.25

Regulatory return of 13% (as reported in the 2025/26 UUG annual results) is the return on actual regulatory equity comprising the base return, outperformance and RCV indexation as per Table 1F.

Pro forma tables subject to audit opinion

Section 2 Price review and other segmental reporting

Additional commentary on the Section 2 pro forma tables is provided on page 134 to 135.

Pro forma 2A

Segmental income statement for the 12 months ended 31 March 2026

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Residential retail	Business retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Total	RAG 4 reference
Revenue - price control	£m	3	185.314	0.000	124.931	940.492	1,195.105	167.833	2,613.675	2A.1
Revenue - non-price control (principal services)	£m	3	0.000	0.000	0.059	0.000	0.000	0.000	0.059	2A.2
Revenue - non-price control (third-party services)	£m	3	0.000	0.000	1.211	4.749	2.591	0.510	9.062	2A.3
Operating expenditure - excluding PU recharge impact	£m	3	-144.893	0.000	-79.744	-347.991	-359.120	-95.327	-1,027.076	2A.4
PU opex recharge	£m	3	-2.158	0.000	-0.025	-8.247	12.669	-2.239	-0.000	2A.5
Operating expenditure - including PU recharge impact	£m	3	-147.051	0.000	-79.769	-356.239	-346.451	-97.566	-1,027.076	2A.6
Depreciation - tangible fixed assets	£m	3	-1.208	0.000	-11.573	-151.334	-245.135	-45.349	-454.599	2A.7
Amortisation - intangible fixed assets	£m	3	-3.852	0.000	-0.101	-5.944	-17.628	-0.011	-27.536	2A.8
Other operating income	£m	3	0.000	0.000	-0.021	-0.029	-0.163	-0.119	-0.332	2A.9
Operating profit	£m	3	33.203	0.000	34.737	431.696	588.320	25.298	1,113.253	2A.10

Pro forma 2B

Totex analysis for the 12 months ended 31 March 2026 – wholesale

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Water resources	Water Network+	Wastewater Network+	Bioresources	Total	RAG 4 reference
Gross operating expenditure								
Operating expenditure - Total wholesale	£m	3	79.769	356.239	346.451	97.566	880.025	2B.1
Developer services & diversions income (opex)								
Developer services income (opex)	£m	3		0.540	0.000		0.540	2B.2
Diversions income (opex)	£m	3	0.000	0.197	0.043		0.240	2B.3
Net operating expenditure								
Operating expenditure - Total wholesale (net)	£m	3	79.769	355.502	346.408	97.566	879.245	2B.4
Gross capital expenditure								
Capital expenditure - Total wholesale	£m	3	57.796	491.934	903.797	101.820	1,555.347	2B.5
Developer services & diversions income (capex)								
Developer services income (capex)	£m	3		14.635	10.332		24.968	2B.6
Diversions income (capex)	£m	3	0.000	5.688	4.836		10.524	2B.7
Net capital expenditure								
Capital expenditure - Total wholesale (net)	£m	3	57.796	471.611	888.628	101.820	1,519.855	2B.8
Net total expenditure								
Net totex	£m	3	137.565	827.112	1,235.036	199.386	2,399.100	2B.9
Cash expenditure								
Pension deficit recovery payments	£m	3	0.000	0.000	0.000	0.000	0.000	2B.10
Equity issuance costs	£m	3	0.000	0.000	0.000	0.000	0.000	2B.11
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	2B.12
Totex including cash items	£m	3	137.565	827.112	1,235.036	199.386	2,399.100	2B.13

Pro forma 2C
Cost analysis for the 12 months ended 31 March 2026 – retail

Keys to cells	
Input cell	
Calculation cell	
Copy cell	

Line description	Units	DPs	Residential	Business	Total	RAG 4 reference
Operating expenditure						
Customer services	£m	3	34.127	0.000	34.127	2C.1
Debt management	£m	3	15.349	0.000	15.349	2C.2
Doubtful debts	£m	3	73.599	0.000	73.599	2C.3
Meter reading	£m	3	4.225	0.000	4.225	2C.4
Other operating expenditure	£m	3	17.594	0.000	17.594	2C.5
Local authority and Cumulo rates	£m	3	0.000	0.000	0.000	2C.6
Total operating expenditure excluding third party services	£m	3	144.893	0.000	144.893	2C.7
Depreciation						
Depreciation (tangible fixed assets) on assets existing at 31 March 2015	£m	3	0.000	0.000	0.000	2C.8
Depreciation (tangible fixed assets) on assets acquired after 1 April 2015	£m	3	1.208	0.000	1.208	2C.9
Amortisation (intangible fixed assets) on assets existing at 31 March 2015	£m	3	0.000	0.000	0.000	2C.10
Amortisation (intangible fixed assets) on assets acquired after 1 April 2015	£m	3	3.852	0.000	3.852	2C.11
Recharges						
Recharge from wholesale for legacy assets principally used by wholesale (assets existing at 31 March 2015)	£m	3	0.190	0.000	0.190	2C.12
Income from wholesale for legacy assets principally used by retail (assets existing at 31 March 2015)	£m	3	0.000	0.000	0.000	2C.13
Recharge from wholesale assets acquired after 1 April 2015 principally used by wholesale	£m	3	2.291	0.000	2.291	2C.14
Income from wholesale assets acquired after 1 April 2015 principally used by retail	£m	3	0.323	0.000	0.323	2C.15
Net recharges costs	£m	3	2.158	0.000	2.158	2C.16
Total retail costs excluding third party and pension deficit repair costs	£m	3	152.111	0.000	152.111	2C.17
Third party services operating expenditure	£m	3	0.000	0.000	0.000	2C.18
Pension deficit repair costs	£m	3	0.000	0.000	0.000	2C.19
Total retail costs including third party and pension deficit repair costs	£m	3	152.111	0.000	152.111	2C.20
Debt written off						
Debt written off	£m	3	54.105	0.000	54.105	2C.21
Capital expenditure						
Capital expenditure	£m	3	2.775	0.000	2.775	2C.22
Comparison of actual and allowed expenditure						
Cumulative actual retail expenditure to reporting year end	£m	3	152.111			2C.23
Cumulative allowed expenditure to reporting year end	£m	3	137.574			2C.24
Total allowed expenditure - current AMP	£m	3	754.895			2C.25

Pro forma 2D
Historic cost analysis of tangible fixed assets at 31 March 2026

Keys to cells	
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Calculation cell	
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Line description	Units	DPs	Residential Retail	Business Retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Total	RAG 4 reference
Cost										
At 1 April	£m	3	45.458	0.000	364.311	6,829.428	10,499.154	1,218.745	18,957.096	2D.1
Disposals	£m	3	0.000	0.000	-0.656	-10.179	-24.757	-6.034	-41.626	2D.2
Additions	£m	3	1.770	0.000	57.288	465.123	889.924	101.230	1,515.335	2D.3
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2D.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	23.634	68.815	0.000	92.449	2D.5
At 31 March	£m	3	47.228	0.000	420.943	7,308.006	11,433.136	1,313.941	20,523.254	2D.6
Depreciation										
At 1 April	£m	3	-41.530	0.000	-156.055	-1,943.943	-2,767.826	-705.362	-5,614.716	2D.7
Disposals	£m	3	0.000	0.000	0.601	9.738	24.127	5.878	40.344	2D.8
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2D.9
Charge for year	£m	3	-1.208	0.000	-11.573	-151.334	-245.135	-45.349	-454.599	2D.10
At 31 March	£m	3	-42.738	0.000	-167.027	-2,085.539	-2,988.834	-744.833	-6,028.971	2D.11
Net book amount at 31 March										
	£m	3	4.490	0.000	253.916	5,222.467	8,444.302	569.108	14,494.283	2D.12
Net book amount at 1 April										
	£m	3	3.928	0.000	208.256	4,885.485	7,731.328	513.383	13,342.380	2D.13
Amortisation for year										
Third party services	£m	3	0.000	0.000	-0.220	-0.435	0.000	0.000	-0.655	2D.14
Third party services at 31 March										
Cost at 31 March - third party services tangibles	£m	3	0.000	0.000	8.734	16.495	0.000	0.000	25.229	2D.15
Amortisation at 31 March - third party services tangibles	£m	3	0.000	0.000	-4.041	-9.271	0.000	0.000	-13.312	2D.16
Net book amount at 31 March - third party services tangibles	£m	3	0.000	0.000	4.693	7.224	0.000	0.000	11.917	2D.17

The net book value includes £1,963.1 million in respect of assets in the course of construction.

Pro forma tables subject to audit opinion
Section 2 Price review and other segmental reporting



Pro forma 2E
Analysis of Developer services income by price control for the 12 months ended 31 March 2026

Keys to cells		
Input cell		
Calculation cell		
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Line description	Units	DPs	Income relating to opex spend	Income relating to capex spend	Total	RAG 4 reference
Developer services income - water network+ (price control)						
Infrastructure charge receipts – water	£m	3	0.000	8.993	8.993	2E.1
Income offset – water	£m	3	0.000	4.394	4.394	2E.2
Environmental incentives for more water efficient developments - water	£m	3	0.000	-2.487	-2.487	2E.3
Environmental component for more water efficient developments - water	£m	3	0.000	1.116	1.116	2E.4
Infrastructure charge receipts – after impact of income offset and environmental incentives (water)	£m	3	0.000	3.227	3.227	2E.5
Connection charges - water (Welsh companies only)	£m	3	0.000	0.000	0.000	2E.6
Requisitioned mains (Welsh companies only)	£m	3	0.000	0.000	0.000	2E.7
Other Developer services income - water network+ (price control)	£m	3	0.000	0.000	0.000	2E.8
Total Developer services income - water network+ (price control)	£m	3	0.000	3.227	3.227	2E.9
Developer services income - water network+ (non-price control)						
Connection charges - water (English companies only)	£m	3	0.419	7.734	8.153	2E.10
Requisitioned mains (English companies only)	£m	3	0.000	3.674	3.674	2E.11
Other developer services income - water network+ (non-price control)	£m	3	0.121	0.000	0.121	2E.12
Total Developer services income - water network+ (non-price control)	£m	3	0.540	11.408	11.948	2E.13
Developer services income - wastewater network+ (price control)						
Infrastructure charge receipts – wastewater	£m	3	0.000	9.767	9.767	2E.14
Income offset - wastewater	£m	3	0.000	0.000	0.000	2E.15
Environmental incentives for more water efficient developments - wastewater	£m	3	0.000	-2.239	-2.239	2E.16
Environmental component for more water efficient developments - wastewater	£m	3	0.000	0.837	0.837	2E.17
Infrastructure charge receipts – after impact of income offset and environmental incentives (wastewater)	£m	3	0.000	8.364	8.364	2E.18
Other developer services income - wastewater network+ (price control)	£m	3	0.000	0.000	0.000	2E.19
Total Developer services income - wastewater network+ (price control)	£m	3	0.000	8.364	8.364	2E.20
Developer services income - wastewater network+ (non-price control)						
Receipts for on-site work	£m	3	0.000	0.014	0.014	2E.21
Other developer services income - wastewater network+ (non-price control)	£m	3	0.000	1.954	1.954	2E.22
Total Developer services income - wastewater network+ (non-price control)	£m	3	0.000	1.968	1.968	2E.23

Pro forma 2F
Residential retail for the 12 months ended 31 March 2026

Keys to cells		
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Calculation cell		
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Line description	Revenue	Number of customers	Average residential revenues	RAG 4 reference
Units	£m	000s	£	
DPs	3	3	3	
Residential revenue				
Wholesale revenue	1,733.458			2F.1
Retail revenue	185.314			2F.2
Total residential revenue	1,918.772			2F.3
Retail revenue				
Revenue Recovered ("RR")	185.314			2F.4
Revenue sacrifice	15.292			2F.5
Actual revenue (net)	200.606			2F.6
Customer information				
Actual customers ("AC")		3,262.198		2F.7
Reforecast customers		3,276.285		2F.8
Adjustment				
Allowed revenue ("R")	193.024			2F.9
Net adjustment	-7.581			2F.10
Other residential information				
Average household retail revenue per customer			61.494	2F.11

Pro forma 2G
Non-household water and wastewater – revenues by tariff type

As per RAG 4.14, Table 2G should only be completed by Welsh companies.
Please refer to Table 2I, page 114, for the corresponding wholesale revenue.

Pro forma 2H
Cash collection performance rates - residential retail

Table 2H is excluded from the audit opinion and is therefore presented alongside the tables subject to agreed upon procedures on page 146.

Pro forma tables subject to audit opinion

Section 2 Price review and other segmental reporting



Pro forma 2I

Revenue analysis for the 12 months ended 31 March 2026

Keys to cells	
Input cell	
Calculation cell	
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Line description	Units	DPs	Household	Non-household	Total	Water resources	Water network+	Total	RAG 4 reference
Wholesale charge - water (price control)									
Unmeasured	£m	3	426.317	4.677	430.994	51.646	379.348	430.994	2I.1
Measured	£m	3	374.240	255.464	629.705	70.232	559.473	629.705	2I.2
Third party revenue	£m	3	0.000	4.724	4.724	3.053	1.671	4.724	2I.3
Total wholesale water revenue	£m	3	800.558	264.865	1,065.423	124.931	940.492	1,065.423	2I.4
Line description	Units	DPs	Household	Non-household	Total	Wastewater network+	Bioresources	Total	
Wholesale charge - wastewater (price control)									
Unmeasured - foul charges	£m	3	297.199	3.906	301.105	219.598	81.507	301.105	2I.5
Unmeasured - surface water charges	£m	3	127.422	2.298	129.720	129.673	0.047	129.720	2I.6
Unmeasured - highway drainage charges	£m	3	54.785	1.045	55.831	55.808	0.022	55.831	2I.7
Measured - foul charges	£m	3	242.458	169.571	412.029	326.013	86.016	412.029	2I.8
Measured - surface water charges	£m	3	144.981	155.818	300.799	300.634	0.165	300.799	2I.9
Measured - highway drainage charges	£m	3	66.054	97.146	163.200	163.124	0.077	163.200	2I.10
Third party revenue	£m	3	0.000	0.255	0.255	0.255	0.000	0.255	2I.11
Total wholesale wastewater revenue	£m	3	932.901	430.038	1,362.939	1,195.105	167.833	1,362.939	2I.12
Wholesale charge - Additional water control (price control)									
Unmeasured charges - additional water control	£m	3	0.000	0.000	0.000				2I.13
Measured charges - additional water control	£m	3	0.000	0.000	0.000				2I.14
Third party revenue - additional water control	£m	3	0.000	0.000	0.000				2I.15
Total wholesale additional water control revenue	£m	3	0.000	0.000	0.000				2I.16
Wholesale charge - Additional wastewater control (price control)									
Unmeasured charges - additional wastewater control	£m	3	0.000	0.000	0.000				2I.17
Measured charges - additional wastewater control	£m	3	0.000	0.000	0.000				2I.18
Third party revenue - additional wastewater control	£m	3	0.000	0.000	0.000				2I.19
Total wholesale additional wastewater control revenue	£m	3	0.000	0.000	0.000				2I.20
Wholesale Total	£m	3	1,733.458	694.903	2,428.361				2I.21
Retail revenue (price control)									
Unmeasured	£m	3	78.375	0.000	78.375				2I.22
Measured	£m	3	106.939	0.000	106.939				2I.23
Retail third-party revenue	£m	3	0.000	0.000	0.000				2I.24
Total retail revenue	£m	3	185.314	0.000	185.314				2I.25

Pro forma 2K

Infrastructure charges reconciliation for the 12 months ended 31 March 2026

Keys to cells	
Input cell	
Calculation cell	
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Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
Comparison of revenue and costs						
Variance brought forward	£m	3	0.000	0.000	0.000	2K.1
Revenue	£m	3	8.993	9.767	18.759	2K.2
Costs	£m	3	-3.825	-6.117	-9.941	2K.3
Variance carried forward	£m	3	5.168	3.650	8.818	2K.4
Analysis of variance movement in year						
Revenue impact of charge element which corrects previous years variance	£m	3	0.000	0.000	0.000	2K.5
Difference in billable developer activity against forecast in year	£m	3	-2.132	-2.473	-4.605	2K.6
Difference in infrastructure reinforcement activity against forecast in year	£m	3	11.601	7.136	18.737	2K.7
Variance movement in year	£m	3	9.469	4.663	14.132	2K.8

Pro forma 2L

Analysis of land sales for the 12 months ended 31 March 2026

Keys to cells	
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Calculation cell	
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Line description	Units	DPs	Water resources	Water Network+	Wastewater Network+	Total	RAG 4 reference
Land sales – proceeds from disposals of protected land	£m	3	1.989	0.206	0.489	2.685	2L.1

Pro forma tables subject to audit opinion
Section 2 Price review and other segmental reporting



Pro forma 2M
Revenue reconciliation for the 12 months ended 31 March 2026 – wholesale

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Water resources	Water network+	Wastewater network+	Bioresources	Total	RAG 4 reference
Revenue recognised								
Wholesale revenue governed by price control	£m	3	124.931	940.492	1,195.105	167.833	2,428.361	2M.1
Developer services income (price control)	£m	3		3.227	8.364		11.592	2M.2
Diversions income (price control)	£m	3	0.000	5.885	1.323		7.209	2M.3
Total revenue governed by wholesale price control	£m	3	124.931	949.605	1,204.793	167.833	2,447.162	2M.4
Calculation of the revenue cap								
Allowed wholesale revenue before adjustments (or modified by CMA)	£m	3	124.801	925.073	1,165.853	170.793	2,386.520	2M.5
Allowed developer services income before adjustments (or modified by CMA)	£m	3		13.906	15.299		29.205	2M.6
Allowed diversions income before adjustments (or modified by CMA)	£m	3		27.614	32.819		60.434	2M.7
Revenue adjustment	£m	3	0.000	0.000	0.000	0.000	0.000	2M.8
Other adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	2M.9
Revenue cap	£m	3	124.801	966.593	1,213.972	170.793	2,476.159	2M.10
Calculation of the revenue imbalance								
Revenue imbalance	£m	3	-0.130	16.988	9.178	2.960	28.997	2M.11
AMP8 revenue adjustments								
Uninvoiced revenue due from retailers	£m	3	0.000	0.000	0.000	0.000	0.000	2M.12
Competitively Appointed Provider charges	£m	3	0.000	0.000	0.000	0.000	0.000	2M.13

Pro forma 2N
Household affordability support

Keys to cells

Input cell
Calculation cell
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Line description	Revenue	Number of customers	Average amount per customer	RAG 4 reference
Units	£'000	number	£	
DPs	3	0	2	
Section A - social tariffs				
Number of residential customers on social tariffs				
Residential water only social tariffs customers		1,007		2N.1
Residential wastewater only social tariffs customers		1,645		2N.2
Residential dual service social tariffs customers		327,224		2N.3
Number of residential customers not on social tariffs				
Residential water only no social tariffs customers		75,893		2N.4
Residential wastewater only no social tariffs customers		93,414		2N.5
Residential dual service no social tariffs customers		2,763,015		2N.6
Social tariff discount				
Average discount received by each water only social tariffs customer			168.89	2N.7
Average discount received by each wastewater only social tariffs customer			216.74	2N.8
Average discount received by each dual service social tariffs customer			206.91	2N.9
Social tariff cross-subsidy - residential customers				
Total funding from customers to support water only social tariffs	132.137			2N.10
Total funding from customers to support wastewater only social tariffs	276.855			2N.11
Total funding from customers to support dual service social tariffs	52,583.368			2N.12
Average funding from customers to support each water only social tariffs customer			1.72	2N.13
Average funding from customers to support each wastewater only social tariffs customer			2.91	2N.14
Average funding from customers to support each dual service social tariffs customer			17.02	2N.15
Funding from shareholders to support social tariffs				
Total funding from shareholders to support water only social tariffs	38.002			2N.16
Total funding from shareholders to support wastewater only social tariffs	79.622			2N.17
Total funding from shareholders to support dual service social tariffs	15,122.710			2N.18
Average funding from shareholders to support each water only social tariffs customer			37.72	2N.19
Average funding from shareholders to support each wastewater only social tariffs customer			48.41	2N.20
Average funding from shareholders to support each dual service social tariffs customer			46.22	2N.21
Social tariff support - willingness to pay				
Maximum amount customers are willing to pay to support social tariffs.			21.61	2N.22
Shareholder contribution				
Total funding from shareholders to support household debt matching schemes	13,816.837			2N.23
Number of unique household customers that benefitted from the funding from shareholders to support debt matching schemes		44,762		2N.24
Total funding from shareholders to support all other household affordability schemes, excluding social tariffs and debt matching	2,871.040			2N.25
Number of unique household customers that benefitted from the funding from shareholders to support all other household affordability schemes, excluding social tariffs and debt matching		3,802		2N.26
Total funding from shareholders to support all affordability schemes			31,928.21	2N.27
Section B - WaterSure tariffs				
WaterSure tariffs				
Number of unique customers on WaterSure		27,813		2N.28
Total reduction in bills for all WaterSure customers who paid the average household bill	15,167.452			2N.29
Average reduction in bills for all WaterSure customers who paid the average household bill			545.33	2N.30

Pro forma tables subject to audit opinion
Section 2 Price review and other segmental reporting



Pro forma 2O
Historic cost analysis of intangible fixed assets

Keys to cells	
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Line description	Units	DPs	Residential Retail	Business Retail	Water Resources	Water Network+	Wastewater Network+	Bioresources	Total	RAG 4 reference
Cost										
At 1 April	£m	3	74.383	0.000	0.544	51.892	246.637	5.442	378.898	2O.1
Disposals	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2O.2
Additions	£m	3	1.005	0.000	0.508	26.811	13.873	0.590	42.787	2O.3
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2O.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2O.5
At 31 March	£m	3	75.388	0.000	1.052	78.703	260.510	6.032	421.685	2O.6
Amortisation										
At 1 April	£m	3	-62.074	0.000	-0.480	-29.005	-181.371	-5.404	-278.334	2O.7
Disposals	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2O.8
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2O.9
Charge for year	£m	3	-3.852	0.000	-0.101	-5.944	-17.628	-0.011	-27.536	2O.10
At 31 March	£m	3	-65.926	0.000	-0.581	-34.949	-198.999	-5.415	-305.870	2O.11
Net book amount at 31 March	£m	3	9.462	0.000	0.471	43.754	61.511	0.617	115.815	2O.12
Net book amount at 1 April	£m	3	12.309	0.000	0.064	22.887	65.266	0.038	100.564	2O.13
Amortisation for year										
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2O.14
Third party services at 31 March										
Cost at 31 March - third party services intangibles	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2O.15
Amortisation at 31 March - third party services intangibles	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2O.16
Net book amount at 31 March - third party services intangibles	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2O.17

The net book value includes £17.2 million in respect of assets in the course of construction.

Pro forma 2P
Third party services revenue for the 12 months ended 31 March 2026

Keys to cells	
Input cell	
Calculation cell	
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Line description	Units	DPs	Water resources	Water network+	Wastewater network+	Bioresources	Total	RAG 4 reference
Third-party services - price control								
Non potable water (which are not bulk supplies) revenue	£m	3	3.053	0.928			3.981	2P.1
Rechargeable revenue - Fluoridation	£m	3	0.000	0.312			0.312	2P.2
Rechargeable revenue - Fire hydrant install & repair	£m	3		0.257			0.257	2P.3
Rechargeable revenue - third party damage	£m	3	0.000	0.009	0.026	0.000	0.035	2P.4
Rechargeable revenue - build over	£m	3	0.000	0.000	0.021	0.000	0.021	2P.5
Other rechargeable revenue	£m	3	0.000	0.165	0.208	0.000	0.372	2P.6
Total third-party revenue (price control)	£m	3	3.053	1.671	0.255	0.000	4.978	2P.7
Third-party services - non-price control								
Bulk supplies revenue	£m	3	1.068	3.932	2.591	0.510	8.102	2P.8
Reservoir operating agreements revenue	£m	3	0.000	0.000			0.000	2P.9
Other excluded charge revenue	£m	3	0.143	0.817	0.000	0.000	0.960	2P.10
Total third-party revenue (non-price control)	£m	3	1.211	4.749	2.591	0.510	9.062	2P.11
Third-party services								
Total third-party services revenue	£m	3	4.263	6.420	2.846	0.510	14.040	2P.12

Pro forma 2R
Analysis of diversions income by price control for the 12 months ended 31 March 2026

Keys to cells	
Input cell	
Calculation cell	
Copy cell	

Line description	Units	DPs	Income relating to opex spend	Income relating to capex spend	Total	RAG 4 reference
Diversion income - water resources (price control)						
§185 diversions income - water resources	£m	3	0.000	0.000	0.000	2R.1
NRSWA diversions income - water resources	£m	3	0.000	0.000	0.000	2R.2
Non-§185 diversions income - water resources	£m	3	0.000	0.000	0.000	2R.3
Total diversions income - water resources	£m	3	0.000	0.000	0.000	2R.4
Diversion income - water network+ (price control)						
§185 diversions income - water network+	£m	3	0.068	3.284	3.353	2R.5
NRSWA diversions income - water network+	£m	3	0.129	2.404	2.533	2R.6
Non-§185 diversions income - water network+	£m	3	0.000	0.000	0.000	2R.7
Total diversions income - water network+	£m	3	0.197	5.688	5.885	2R.8
Diversions income - wastewater network+ (price control)						
NRSWA diversions income - wastewater network+	£m	3	0.023	1.294	1.317	2R.9
Non-§185 diversions income - wastewater network+	£m	3	0.000	0.006	0.006	2R.10
Total diversions income - wastewater network+	£m	3	0.023	1.300	1.323	2R.11
Diversions income - wastewater network+ (non-price control)						
§185 diversions income - wastewater network+	£m	3	0.020	3.536	3.556	2R.12

Regulatory accounts for the 12 months ended 31 March 2026

Accounting policies



The Regulatory Accounts have been prepared in accordance with IFRS, except for deviations required by Ofwat. Areas of deviation include revenue recognition, capitalisation of interest, developer services, diversions income and adopted assets, direct procurement for customers (DPC) and innovation and water efficiency fund costs reporting. Details of all significant accounting policies applied under IFRS are detailed in the United Utilities Water Limited statutory accounts. In addition, the RAGs require certain presentational differences within the income statement and statement of financial position between the statutory and the regulatory accounts.

The financial statements have been prepared on the going concern basis as the directors have a reasonable expectation that the company has adequate resources for a period of at least 12 months from the date of the approval of the financial statements and that there are no material uncertainties to disclose.

In assessing the appropriateness of the going concern basis of accounting, the directors have reviewed the resources available to the group in the form of cash and committed facilities and the group's capital adequacy in the context of a baseline plan. The directors have considered the magnitude of potential impacts resulting from uncertain future events or changes in conditions, and the likely effectiveness of mitigating actions that the directors would consider undertaking. The baseline position has been subjected to a number of 'severe but plausible' downside scenarios in order to assess the group's ability to operate within the amounts and terms (including relevant covenants) of existing facilities in the event that adverse factors materialise. These scenarios consider the potential impacts of increased costs, including: a significant one-off totex impact of £400 million arising in the assessment period; debt being refinanced as it matures at 1% above the forward projections of interest rates; incurring significant outcome delivery incentive (ODI) penalties and the impact of various downside scenarios materialising on a combined basis. Mitigating actions were considered to include deferral of capital expenditure; a reduction or suspension of discretionary totex spend; the close out of derivative assets; and the deferral or suspension of dividend payments.

Consequently, the directors are satisfied that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and that stress testing a number of severe but plausible downside scenarios indicates that the Group will be able to operate within the amounts and terms (including relevant covenants) of existing facilities in the event that adverse factors materialise. The financial statements have therefore been prepared on a going concern basis.

Capitalisation policy

The company recognises property, plant and equipment (PPE) expenditure on its water and wastewater infrastructure assets where such expenditure enhances or increases the capacity and/or resilience of the network. Similarly, any expenditure incurred on replacement of assets to maintain the operating capability of the network in accordance with defined standards of service is also treated as an addition. Infrastructure maintenance expenditure that does not result in an asset replacement is expensed as incurred. For non-infrastructure assets, expenditure that is directly attributable to the acquisition of the items of PPE and intangible assets is capitalised. Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. The company applies a minimum capital limit per project of £500, any expenditure below this limit is expensed. The only exception to IFRS, as required by RAG 1.10 'Principles and guidelines for regulatory reporting under the 'new UK GAAP' regime', is that the company does not capitalise interest in the Regulatory Accounts.

Appointed and non-appointed activities

The company has used the guidance in RAG 4.14 Appendix 1 in determining which of its activities are appointed or non-appointed. In summary, the appointed business is defined as the regulated activities of the Appointee, i.e. those necessary to fulfil the functions and duties of a water and sewerage undertaker. The non-appointed business encompasses those activities for which the company is not a monopoly supplier or those activities which involve the optional use of an asset owned by the appointed business.

Price control segments policy

The accounts have been drawn up in accordance with RAG 2.10 'Guideline for classification of costs across the price controls'. The principles governing the attribution and allocation of costs have been consistently applied in the preparation of the regulatory accounts:

- **Transparency:** Transparency is provided through the methodology statements set out in Appendix 3, which clearly describe cost allocation methods and drivers.
- **Causality:** Costs are directly attributed, where practicable, to the activities that cause the cost to be incurred. Where costs are more remote (for example, general and support costs), appropriate allocation methodologies are applied, as documented in Appendix 3.
- **Non discrimination and objectivity:** Objective allocation bases are applied throughout, in accordance with Ofwat guidance and regulatory accounting principles, with no intention to advantage any price control or the non appointed business.
- **No cross subsidy:** Procedures are in place to ensure compliance with RAG 5.07, including the appropriate identification, pricing and recording of transactions.
- **Consistency:** Methodologies are applied consistently year on year. Changes are made where required by updated Ofwat guidance or where improved management information enables more accurate allocation. Significant changes are disclosed below.
- **Principal use:** Capital expenditure and depreciation are recorded in line with RAG 2.10, applying the principal use methodology where direct attribution is not possible and recharges made.

Basis of Allocation of Operating Costs, Assets and Revenue

Detailed allocation methodologies are set out in Appendix 3. A summary is provided below:

Cost allocation is supported by three core systems: SAP (financial accounting), CostPerform (activity-based operating cost allocation), and the Capital Project Management System (CPMS) (capital project management).

Operating expenditure is recorded in SAP at cost centre level on an IFRS basis and adjusted to a regulatory basis in accordance with RAG 1.10. CostPerform is used to directly attribute costs where appropriate. Remaining costs are allocated using established allocation rules and drivers, in accordance with RAG 2.10. Any attribution or allocation of support costs between price controls is performed on the net cost balance after capitalisation.

Capital expenditure is attributed and allocated using SAP and CPMS. All projects are assigned asset and investment classifications, with defined relationships linking investment categories to APR table requirements. These rules, embedded within CPMS, support consistent reporting by regulatory price control, investment driver, and asset classification.

Fixed Assets are maintained in SAP and reported in the APR on an IFRS (historical cost) basis, adjusted for the removal of capitalised borrowing costs under IAS 23, as required by RAG 1.10. Where assets are used across more than one price control, both the asset and its associated depreciation are allocated to the price control of principal use, in line with RAG 2.10.

Wholesale Revenue is allocated across the four wholesale price controls. Tariffs are designed to recover allowed revenues based on forecast customer demand and consumption, with allocations reflecting the underlying costs of service provision.

Significant Methodology Changes

A comprehensive annual review of operating cost allocation methodologies and processes is undertaken to ensure ongoing compliance with the Regulatory Accounting Guidelines.

Table 4K now includes a recharge from Wastewater Network Plus to Bioresources for the treatment of sludge liquors, applying the standard methodology for quantifying liquor treatment costs. In addition, the treatment of revenues and avoided costs associated with energy generation within Bioresources has been updated in Table 4K to align with RAG 4.14 guidance. Both of these items were previously reported on a shadow basis in AMP7.

In 2025/26, additional base operating expenditure categories for support functions and overheads were introduced in Tables 4J and 4K. This enhances transparency of base expenditure and supports future cost allowance setting. Updates to processes and systems were required to enable more granular cost reporting.

Revenue represents the income receivable in the ordinary course of business from the regulated activities of the business in the year exclusive of value added tax. Charges billed to customers for water and sewerage services are recognised in the period in which they are earned. An accrual is estimated for measured consumption that has not yet been billed.

Where an invoice has been raised for services not provided in the year this will not be recognised within the current year’s revenue, and any payment received against that invoice will be recognised within creditors.

Charges on income arising from court, solicitors and debt recovery agency fees are credited to operating costs and added to the relevant customer account. They are not recognised within revenue.

Charging policy

Water and sewerage charges fall into the following three categories:

- Charges which are payable in full;
- Charges which are payable in part; and
- Not chargeable (void properties).

The circumstances in which each of the above applies are set out below.

Charges payable in full

Water (and sewerage) charges are payable in full in the following circumstances:

Unmeasured household supply – when premises benefit from a supply of water, until notice is given by the customer that the supply should be disconnected.

Measured household supply – premises with a measured water supply are charged until either:

- The customer leaves the premises having given an up to date meter reading; or
- The customer requests that the supply is disconnected.

Charges are applied to each connected supply point where a service is received, except where the water supply to the premises is permanently disconnected or the premises is vacant.

This includes premises where renovation, redecoration or building work is being undertaken.

Exceptions to this, where water (and sewerage) charges are not payable, include:

- Where the occupier is a sole occupier in a care home for three months or more;
- Where the occupier is a sole occupier in long-term hospitalisation for three months or more;
- Where the occupier is a sole occupier in prison for three months or more; or
- In the event of the death of a sole occupier.

Charges payable in part

The following charges are only payable in certain circumstances:

Metered standing charges

Payable on metered properties without evidence of consumption which remain connected.

Highways drainage charge

The highway drainage part of the sewerage charge is payable if a customer’s premises are connected to the public sewer system for either foul drainage or surface water.

Surface water charges

If no surface water from a customer’s premises enters the public sewer system, or someone else is paid to take away the surface water, then there may be entitlement to a reduction in this part of the charge.

Not chargeable

Properties which are identified as vacant are not chargeable for water (and sewerage) and therefore no bill is raised and no revenue recognised in respect of these properties.

Definition and treatment of properties

Occupied properties

The occupier is any person in actual occupation of premises, or any person who:

- Owns the premises; or
- Has sufficient control over premises to put them under a duty of care towards lawful visitors; or
- Maintains premises for occupation (including multiple occupation) with shared facilities or as holiday or household accommodation for short-term occupation (whether let wholly or in part), usually less than 12 months.

No bills are raised in the name of ‘the occupier’.

The property management process is followed to identify whether the property is occupied or not and, if occupied, to identify the chargeable person and raise a bill.

The property management process may comprise some or all of the following:

- Physical inspection;
- Mailings;
- Customer contacts;
- Searches using third-party electronic data;
- Meter readings for metered properties; and
- Land registry checks.

When a new customer is identified, they may be required to provide documentary evidence to establish the date that they became responsible for water (and sewerage) charges at the property. This is normally the date at which they moved into the property. The new customer will be charged from the date at which they became responsible for water (and sewerage) charges of the premises.

For non-household customers, the Wholesale Settlement team use Central Market Operating System (CMOS) meter read data to identify vacant Supply Point Identifications (SPIDs) with consumption. Where consumption exists, we will engage with the relevant retailer, and follow the market process to ensure the SPID is recorded correctly as either vacant, or occupied in the market.

Unoccupied properties

A property is deemed to be unoccupied when the company has completed the property management process and not identified the property as occupied. To be classified as unoccupied, a property must meet at least one of the following criteria:

- A new property has been connected but is empty and there is no consumption on the meter;
- The company has been informed that the customer has left the property; and not expected to be reoccupied immediately;
- It has been disconnected following a customer request;
- The property management process has not identified an occupier; or
- The company has been informed that for three months or more, the sole occupier is in a care home, in long-term hospitalisation, or in prison.

If the property management process confirms that the property is unoccupied, the property will be declared void and the supply may be turned off.

New properties

All new properties are metered. Until the new occupier has been identified, the property is treated as unoccupied and is not billed.

Measured income accrual

The household measured income accrual is an estimation of the amount of mains water and sewerage charges unbilled at the year end. The accrual is estimated using a defined methodology based on weighted average water consumption by tariff which is calculated based on historical information. The measured income accrual is recognised within turnover.

An estimation of the non-household mains water and sewerage charges unbilled at the year end is calculated and a measured income accrual recognised within turnover. The accrual is estimated using a defined methodology based on historical water consumption of individual customers or based on meter size where individual consumption is not available for use.

There has been no change to the methodology in calculating the measured income accrual since the prior year.

Bad debt policy

Household

At each reporting date, the company evaluates the estimated recoverability of trade receivables and records an allowance for expected credit losses (ECL) based on experience. Estimates associated with these allowances are based on, among other things, a consideration of how actual collection history might inform expected future recovery. The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

At 31 March 2026, an allowance for expected credit losses relating to household customer debt of £231.7 million (2025: £210.9 million) was supported by a six year cash collection projection.

In determining the allowance for expected credit losses in respect of household customers, we have applied provisioning rates that are derived from historic experience of the recoverability of receivables, to the aged debt bandings to calculate the bad debt charge and the resultant ECL allowance. The adequacy of the ECL allowance is then evaluated using analysis against the average collection over the last three years, which is considered to give a reasonable forecast of cash collection for use in the forward looking ECL assessment.

We have also considered the high level of uncertainty as to how economic conditions may impact the recoverability of household receivables for a significant proportion of the group’s customer base. A range of scenarios have been used to inform a probability based assessment of the allowance for expected credit losses. These take account of cash collection rates in the current year as well as recent years, incorporating the current economic uncertainty to provide a range of views as to how recoverability of household receivables may be impacted. The impact of cost of living pressures on the recoverability of household receivables, and the adequacy of our ECL allowance, will continue to be kept under review.

The provisioning rates, support a charge equivalent to around 3.8% of household revenue recorded during the period, which is slightly lower than the position at 31 March 2025.

Had future cash collection been assessed based on the average cash collection rates for the current year only, the allowance for expected credit losses charged to the income statement would have increased to 4.8% of household revenue with similar results based on using average cash collection from the last two years.

At 31 March 2026, a charge of 3.8% is considered to be appropriate given prevailing levels of uncertainty and recognising the level of estimation uncertainty associated with the assumptions made in forecasting the year end debt position upon which the allowance for expected credit losses is based.

The bad debt provision has increased by £20.8 million from 31 March 2025 to 31 March 2026 and the net household trade debtor balance has increased by £36.5 million from the level reported in the previous year. The increase in bad debt provision and net household trade debtor is a result of higher gross receivables flowing through from bill increases in year.

Bad debt is written off when all economically viable efforts to recover outstanding amounts have been fully exhausted or, alternatively, when the write-off of such amounts forms part of customer rehabilitation processes (subject to acceptance criteria and customer ‘matching’ payments). The company’s bad debt write-off policy has remained unchanged and has been consistently applied in the current year compared with the previous year.

Regulatory accounts for the 12 months ended 31 March 2026

Dividend policy



We have an established dividend policy with robust and well-evidenced principles and the board considers that the dividend policy licence condition P31 requirements have been met.

UUW’s dividend policy for the 2025–30 (AMP8) regulatory period has been set as follows:

- i. a 4% (nominal) return on the actual equity portion of the shadow RCV, paid in relation to the appointed activities of UUW;
- ii. a further dividend comprising the profit after tax in relation to the non-appointed activities of UUW; and
- iii. an amount no greater than demonstrable outperformance versus the final determination.

All dividend payments are reviewed annually by UUW board (the “board”). A decision to declare or pay a dividend is subject to a number of key principles committed to by the board in our business plan submissions for the PR24 price review, and obligations under its licence. In particular, before declaring or paying a dividend, the board will:

- Take account of a full range of matters including service delivery for customers and the environment;
- Consider company performance in the round and over time, encompassing all aspects of delivery against its licence, including delivery against performance commitments, investment plans, cost efficiency and other areas of its operations;
- Give consideration to the company’s current and future investment needs and financial resilience over the short and longer term; and,
- Have due regard to whether the dividend rewards efficiency and the effective management of the business, including performance across a number of periods.

Dividends paid during 2025/26

For 2025/26, the board has authorised the payment of dividends of £245.0 million from UUW to its parent comprising:

- i. £227.5 million reflecting a 4% return on the actual equity portion of the shadow RCV;
- ii. £5.3 million reflecting the profit after tax in relation to the non-appointed activities of UUW; and
- iii. £12.2 million reflecting a true-up from 2024/25 as actual base returns in relation to that year were higher than originally forecast at the time of authorising previous dividend payments. This largely resulted from shadow RCV being higher than forecast.

Base dividend approach

The base dividend policy of 4% of the equity portion of the shadow RCV is aligned to the 4% dividend yield expectation set in Ofwat’s Final Determination for 2025–30 for a company operating in line with its determination and is broadly in line with our dividend policy of the cost of equity minus 1%.

The board has reviewed the company’s position in view of these assumptions, having fully considered both statutory obligations and the licence conditions, and has concluded that the approach to the base dividend remains reasonable within the context of the company’s operational performance and financial position, as set out below.

Performance in the round

The board considers that the company’s overall performance is substantially in line with the final determination. This includes delivery against commitments embedded within our business plan and set out in the final determination for AMP8, and wider obligations from different stakeholder perspectives. Areas of underperformance have also been considered in the context of our overall performance, recognising that the company has taken action to deliver improvements and additional investment, to ensure delivery for customers and the environment. Evidence supporting this view includes the following:

- Table 1F of the APR shows the return on regulated equity – a key measure of performance versus the final determination. Our 7.59% return for 2025/26 compares favourably to a base level of 5.24% in the final determination, demonstrating a net outperformance in the round versus the final determination.

- Across every year of AMP7, UUW earned net positive financial incentives reflecting delivery of its package of performance commitments and customer ODIs. In 2025/26, we have continued to see improvements on our operational performance commitments, with the majority showing a year on year improvement. With targets having been significantly strengthened this AMP, we accrued a net ODI penalty of £35 million in 2025/26, although we are forecasting to continue our annual improvements and achieve an overall reward across AMP8.
- The company met stretching targets for internal and external sewer flooding, two important elements of performance for customers. We have reported year on year reductions in internal and external sewer flooding of 42% and 25% respectively. More details on how this performance has been calculated and the steps the company has taken to deliver this performance are provided in the APR Section 1.1 – Outcome Delivery.
- The company’s AMP8 capital delivery programme is progressing to plan. As part of our BIG North West upgrade over the next five years, we are delivering our biggest investment in water and wastewater services, improving and safeguarding water supplies for customers and delivering environmental benefits.
- Delivering a high quality service whenever customers contact us is central to building trust and confidence. Our Trustpilot rating, which reflects customer feedback across telephone, email and digital channels, was 4.5 (Excellent) as at 31 March 2026.
- The company expects to achieve 7th position out of 17 companies in Ofwat’s customer satisfaction measure C-MeX in 2025/26. The company expects to achieve fifth position out of 15 companies in the new BR-MeX (Business Customer and Retailer) survey and seventh position out of 17 companies in D-MeX in 2025/26. We expect to earn an overall net reward again in 2025/26 and this continues our consistently strong AMP7 performance for C-MeX and the D-MeX metrics, earning a net financial reward every year across the AMP.
- Despite unprecedented dry weather conditions at the start of 2025/26, the strength of our integrated supply network, together with the agility and commitment of our operational teams, enabled us to maintain uninterrupted supplies for customers throughout the period. Importantly, this was achieved without the introduction of temporary use bans, despite our region being the first in the country to be formally designated as being in drought by the Environment Agency.
- The company became the first UK water company to achieve the updated ISO 55001:2024 Standard for Asset Management, an international benchmark for how organisations get the best long-term value from their assets.
- UUW is the only UK water and sewage company to earn the ServiceMark with Distinction from the Institute of Customer Service, the Chartered Institute of Credit Management excellence in credit management and the BSI kitemark for inclusive service.
- UUW previously achieved 4-star or 3-star (‘industry leading’ or ‘good’) ratings in the EA’s Environmental Performance Assessment every year since its inception in 2011, also being the only water company to have achieved ‘green’ status on serious pollution incidents every year. There have been changes to methodology for its most recent 2024 assessment, and this, combined with a particularly wet and stormy year, has resulted in an increase in reported pollution incidents across the sector, with only one company achieving 3 or 4 star status. Despite being rated 2 star in this assessment, we were rated as green in four out of the seven metrics, with two amber and only one red, positioning UU in 3rd position of all water companies. We are also still ranked in 2nd position in the sector across AMP7. We recognise there are improvements to be made to address this 2024 score and we are already actively addressing this and are confident of improved performance.
- The industry continues to receive considerable public scrutiny, particularly around its role in protecting rivers and the use of storm overflows. We are committed to ensuring continued compliance with the relevant regulatory and environmental obligations in operating our storm overflows. We have a Pollution Incident Reduction Plan already actively addressing this, including significantly increasing storm tank capacity alongside enhanced surveying and cleansing. We have made

significant progress on our journey to achieve fewer than ten spills per overflow by 2050. Since 2020, we have reduced the level of spills by 47% versus our 2020 baseline, aiming to reduce the number of spills by 60% by 2030. As well as traditional solutions, we are ramping up the use of nature-based solutions, such as rainwater management and sustainable drainage solutions to help us achieve lasting reductions. Our ongoing Better Rivers programme has already improved 1,400km of rivers since 2020, with a further 400km pledged by 2030 as we deliver investments to improve our infrastructure and reduce spills.

There is considerable further detail in Section 1.0 – Year one performance on pages 38 to 95 of this report about the company’s performance and how this compares to the performance commitments and other targets we are targeting in the current regulatory period. Overall, the board considers that the company’s ‘in the round’ performance is substantially in line with the final determination and that this is being sustained over time.

Investment needs and financial resilience

It is important that we are able to provide listed equity investors with a reasonable and sufficient dividend, in order to maintain the health of the equity base and in order to support the funding of substantial new investment. This equity base underpins our robust financial resilience and our ongoing ability to raise new debt and equity to fund our investment programme and do this at efficient cost.

Long-term financial resilience is supported by:

- A long-term viability assessment has been carried out for UUW. This assumed dividend distributions in line with the policy (including the distribution of non-appointed profit) and concluded that UUW had significant headroom and effective mitigating actions available to withstand any risks facing the business in severe but plausible downside scenarios at March 2026. Further details on the long-term viability assessment can be found on pages 116 to 117 of the UUW statutory accounts.
- UUW has a robust set of investment grade credit ratings with current unsecured senior debt credit ratings of A-, Baa1 and BBB+ with Fitch, Moody’s and Standard and Poor’s, respectively, demonstrating significant headroom.
- Following payment of the 2025/26 dividends, reported gearing as at 31 March 2026 was 63% is forecast to remain well below the 70% threshold for high gearing.

The level of growth in the asset base and measures of long-term financial resilience are therefore consistent with the base dividend assumptions.

UUW remains subject to the enforcement case opened by Ofwat in 2024, along with the other water and wastewater companies in England and Wales that have not yet had their investigations concluded. If a company is found to have breached its legal obligations, this could result in a financial penalty of up to 10% of relevant wastewater turnover (which in UUW’s case, would be around £140 million based on 2025/26 wastewater turnover), and/or a requirement to rectify any obligations deemed to be required as a consequence of those findings. To date, Ofwat has issued penalties to one company and agreed enforcement packages with six companies, with values ranging from 5% to 9% of relevant wastewater turnover. UUW has received and responded to notices under s203 of the Water Industry Act 1991 and continues to fully co-operate with Ofwat through the investigation process. Ofwat has stated that, while it has concerns with the sector that it must investigate, the opening of enforcement cases does not automatically imply that companies have breached their legal obligations or that a financial penalty will necessarily follow. Accordingly, the group considers that there was only a possible obligation as at the reporting date and so no provision has been recognised in the statement of financial position in respect of this matter. UUW has not been given a firm indication of the expected timeframe for the conclusion of Ofwat’s ongoing investigation, or any subsequent action. The board does not consider that the dividend payment compromises our ability to respond appropriately to the outcome of the investigation.

Similarly, the Environment Agency has made a number of data requests and undertaken site visits as part of its ongoing industry-wide investigation, with which the group continues to fully comply. This investigation is focused on environmental permit compliance at wastewater treatment works and wastewater networks, with the Environment Agency having a number of enforcement options open to it if it concludes that companies have breached their permit conditions and/or illegally polluted the environment. These include the potential for criminal prosecution and unlimited fines. As with the Ofwat investigation, this remains ongoing. It is currently unclear when this matter will be resolved.

Other additional considerations in determining dividend payments

UUW’s dividend policy is also subject to a number of additional considerations which were committed to by the board in our business plan submissions for the PR24 price review. These principles apply to all dividend payments (including the distribution of profit relating to non-appointed activities) and act to ensure that dividend payments are made subject to consideration of a broad range of stakeholders who have interests in the performance of the company. This approach seeks to ensure that payment of the dividend takes into account consideration of business performance, performance for customers and performance for employees.

Regulatory accounts for the 12 months ended 31 March 2026

Dividend policy



We have provided a summary of the key principles and how they have been applied to all dividend payments in respect of 2025/26:

UUW Dividend considerations	2025/26 commentary
Financial assistance schemes: We committed to provide £200 million of contribution to financial assistance schemes over AMP8, funded entirely by the company. Contributions to these schemes would be made each year, before consideration of any dividend payment.	 The board considers this condition has been satisfied. In 2025/26, the company funded £33 million in financial assistance schemes and remains on track to achieve the £200 million commitment by the end of AMP8.
Gearing safeguards: The AMP8 dividend policy assumes that gearing is within the normal range of 55% to 70%. In the event that the company adopts a high level of gearing (above 70%) then we are committed to sharing the financial benefits arising from gearing exceeding 65% equally with customers. Where gearing rises above the upper bound of 70% then the board would give explicit consideration to whether it should restrict the base dividend in order to lower gearing and explain its decision and explain to stakeholders what the company’s forward looking plan was to manage gearing back to within the normal range. Where gearing falls below the lower bound then the base dividend could be increased up to the greater of 100% of profit after tax or 100% of the nominal allowed equity return for AMP8, in order to manage the company’s gearing position efficiently and align it with credit ratings targets for the actual company and/or the notional company structure. This would only apply up to the point at which gearing reached 55%.	 The board considers this condition has been satisfied. Following payment of the 2025/26 dividends, reported gearing as at 31 March 2026 was 63% and is forecast to be well below the 70% threshold for high gearing and no additional action is required.
Sharing of outperformance: We have committed that, dividend distributions made above a proposed 3% of RoRE outperformance threshold above the base cost of equity will be matched 1:1 with customer benefits through discounted bills, targeted financial assistance or funding of community projects through CommUnity Share 2030. This means that if dividend distributions to shareholders were much higher than forecast in the business plan, customers would receive additional benefits through this matching.	 The board considers this condition has been satisfied. No outperformance dividends have been declared or paid in 2025/26.
Impact of financial resilience of UUW: Before payment of any dividend, the board committed to give consideration to the company’s current and future investment needs and the financial resilience over the short and longer term. This included consideration of the company’s pension deficit – were it to have one – which would, for these purposes, be considered as debt.	 The board considers this condition has been satisfied. A long-term viability assessment across a seven year period has been carried out for UUW at March 2026, including all future forecast investment. This assumed dividend distributions in line with the policy and concluded that UUW had significant headroom and effective mitigating actions available to withstand any risks facing the business in severe but plausible downside scenarios. UUW had a reported pension surplus of £229.7 million at March 2026.
Delivery of statutory obligations: The board has committed that, prior to the payment of both the base and outperformance dividends, the board will consider its performance against its statutory obligations across a range of measures over time.	 The board considers this condition has been satisfied. The company continues to deliver and/or work towards achieving compliance with all its existing and future anticipated statutory obligations.
Exceptional and unforeseen circumstances: In truly exceptional and unforeseen circumstances, the board may have to deviate from these principles – for example to meet changing statutory requirements or during unexpected and exceptional events. However, if it were necessary to do so, the board would explain its reasoning to customers and stakeholders so that it could be judged on the extent to which it sought to meet these commitments and the reasons why a deviation was justified.	 There have been no exceptional or unforeseen circumstances that would trigger a deviation from these principles.

UUW Dividend considerations	2025/26 commentary
Transparency We also committed to further enhancing transparency through our APR in AMP8 about the dividends paid and how these relate to our updated dividend policy. This will be clearly aligned to the consolidated principles, including explanation of how any dividend paid takes account of overall performance for customers and the environment over time. This should help the readers of the document to better understand our policy and approach. This remains in addition to the existing statutory and regulatory requirements that we already disclose. In addition, we will continue to explain how dividend payments have been determined and how these relate to our performance and to clearly explain and set out which year’s performance is covered by any outperformance dividends and explain how the outperformance has arisen. We will provide an explanation of how the allowed equity return relates to that achieved under the actual company structure and how the dividend policy relates to the actual equity returns during the AMP. Where there is any change in dividend policy, we commit to explaining this in our APR. We also committed to provide transparency of how payments from the CommUnity Share 2030 have contributed towards the resilience of communities in the North West.	 We have explained how dividend payments have been determined and how these relate to our performance, providing stakeholders with transparency about our dividend policy and the broader considerations taken into account by the board in making its determination. The Financial Flows table 1F in the APR demonstrates that the total shareholder return is greater than the dividends paid for 2025/26 on both a notional company basis and an actual company basis. In year one of the AMP, no contributions have been allocated to the CommUnity Share 2030 scheme.

Calculation of base dividend as 4% of the equity portion of shadow RCV

Taking all the above into account, it is the board’s view that the conditions have been met and authorised a base dividend of £227.5 million in respect of 2025/26, reflecting 4% of the forecast equity portion of shadow RCV of £5,687.0 million for that year.

A base dividend of £205.2 million had been calculated in respect of 2024/25 reflecting 4% of the equity portion of shadow RCV, of £5,130.5 million for that year. This compares to the payment of £193.0 million made in the prior year based on the forecast equity portion of shadow RCV and therefore a true up of £12.2 million was made during 2025/26.

The calculation of the equity portion of shadow RCV is set out in the table below:

UUW Dividends (£m)	2024/25 Actual	2025/26 Forecast
Reported RCV ⁽¹⁾	15,020.0	16,474.8
Customer share of totex overspend ⁽²⁾	–	(221.1)
Shadow RCV	15,020.0	16,253.7
Net debt	9,889.5	10,566.7
Equity portion of shadow RCV	5,130.5	5,687.0
4% base dividend	205.2	227.5

⁽¹⁾ 2024/25 reported RCV already included all end-of-AMP true-ups hence Shadow RCV equalled reported RCV.

⁽²⁾ Customer share amount of forecast 2025/26 totex underspend due to timing differences, including Ofwat’s PR19 blind year reconciliation draft determination for 2024/25 (published October 2025).

Note that the payment of the 2025/26 base dividend was based on a forecast shadow RCV and net debt at the time of the payment. As disclosed in our AMP8 dividend policy, there will be a true-up in the following year for differences arising between the forecast and actual components used to determine the value of dividend paid.

The shadow RCV used in this calculation reflects accelerated or deferred spend in any given year in line with the PR24 cost reconciliation model and consistent with net debt which takes account of the timing of totex, as well as the relevant 2024/25 blind year adjustments.

The distributable reserves position (excluding the retirement benefit surplus) as at 31 March 2025 was £968.8 million, significantly greater than the dividends paid.

Regulatory accounts for the 12 months ended 31 March 2026

Dividend policy

Profit after tax from non-appointed activities

Dividend payments also reflected profit after tax from non-appointed activities of £5.3 million in respect of 2025/26. These profits result from commercial activities that are identified as being outside the definition of the appointed water and wastewater service.

All dividend payments, including the distribution of non-appointed profit, are subject to the key principles committed to by the board (as described above). The financial resilience assessment assumed distribution of non-appointed profit and concluded that the appointee as a whole has significant headroom and effective mitigating actions available to withstand any risks facing the business in severe but plausible downside scenarios at March 2026.

Linking the policy to APR table 1F financial flows

Our capital structure and dividend policy maps across to the financial flows APR table 1F, presenting our returns earned and how much of this was either distributed as dividends or retained in the company.

Table 1F shows that for 2025/26, we earned a nominal total shareholder return of 12.61% based on actual returns and actual regulatory equity. This comprised a real base equity return of 5.24%, financing outperformance, including tax and gearing, of 5.22% and RCV growth (inflation uplift) of 3.45%, partly offset by operational underperformance of 1.03% (largely driven by ODIs). Of the 12.61% nominal return earned, we have paid 4.27% (34%) as dividends and retained 8.34% (66%) to support the ongoing business and maintain overall financial resilience in line with our credit rating and gearing policy.

The table below summarises our reported performance for 2025/26.

	2025/26 (£m 2022/23 prices)	2025/26 (%)
Actual returns		
Base returns	260.4	5.24
Gearing	30.2	0.61
Financing	229.1	4.61
Totex	(7.6)	(0.15)
ODIs (incl. C-MeX, D-MeX & BR-MeX)	(35.2)	(0.71)
Retail	(14.0)	(0.28)
PCD - time incentives	1.0	0.02
Other	4.3	0.09
Outperformance earned	208.0	4.19
Reported RoRE	468.3	9.43
RCV indexation	171.4	3.45
Voluntary sharing arrangements	(13.5)	(0.27)
Total returns	626.2	12.61
Dividends paid ⁽³⁾	(212.0)	(4.27)
Returns retained	414.1	8.34

⁽³⁾ Dividend paid of £212.0 million in 2022/23 prices, equates to £239.7 million out-turn, which comprises the base dividends of £227.5 million plus the 2024/25 true-up of £12.2 million

The financial flows assessment clearly demonstrates outperformance in excess of dividends paid for 2025/26. We have prudently not distributed outperformance in 2025/26, retaining returns of £414.1 million (in 2022/23 prices), approximately x2.0 of the outperformance earned in 2025/26, to provide greater resilience to any unforeseen or exceptional circumstances.

The majority of outperformance has been earned as follows:

- £229 million financing outperformance – We have maintained strong credit ratings and this, along with our leading treasury management, has enabled us to raise debt at a rate lower than the industry average.
- £30 million gearing outperformance – driven by UUW’s average actual gearing of 64.6% being higher than Ofwat’s assumed notional gearing of 55.0%.

We have, however, seen some areas of underperformance as follows:

- £35 million net ODI penalties – in 2025/26 we incurred a net ODI penalty of £35.2 million. With the introduction of new measures in AMP8 we expect performance to be progressive, resulting in a net reward across the AMP.
- £14 million retail cost to serve - this reflects the additional investment that we’ve made to improve customer service and support cash collection and affordability as we support customers through bill increases.
- £8 million totex underperformance – This totex overspend relates predominantly to disallowable costs incurred during the year, which are subject to no customer share. We remain on track to meet out overall AMP8 totex allowances.

These areas of underperformance have been taken into account in the context of our overall performance, recognising that the company has taken action to deliver improvements and additional investment, to ensure delivery for customers and the environment.

In addition to this we have £422 million (out-turn) of outperformance available for distribution that was earned in AMP7 and not distributed. This can be derived from 2024/25 APR table 1F, noting that this table is presented in 2017/18 prices and that AMP7 outperformance dividends paid was £250 million (out-turn).

Regulatory accounts for the 12 months ended 31 March 2026

Additional unaudited regulatory information



Differences between statutory and RAG definitions

Revenue recognition

The following difference exists between the revenue recognition policies in the statutory accounts and in the regulatory accounts:

- IFRS 15 has been applied to the statutory accounts and requires revenue to be recognised only when it is probable that economic benefits associated with the transactions will flow to the company. The regulatory accounts, however, require revenue to be recognised in full unless properties have been confirmed as being void.

Capitalisation of borrowing costs

For statutory reporting, interest costs under IAS23 are capitalised and subsequently depreciated, whereas interest is charged immediately as an expense in the regulatory accounts.

Developer services and diversions income

All developer services and diversions income recognised in the income statement under IFRS have been reclassified as other income in the regulatory accounts. More specifically, this comprises the following two main reclassifications:

- Diversion income from revenue to other income; and
- The amortisation of developer services income from revenue and operating costs to other income.

Adopted assets

Under IFRS 15, we recognise adopted assets from customers or developers on the balance sheet and amortise the income over the life of the asset through revenue. The amortisation of this income has been reclassified from revenue to other income in the regulatory accounts.

Direct procurement for customers

In accordance with RAG 1.10, lease accounting under IFRS 16, associated with assets procured through a direct procurement for customer process, are to be excluded from the regulatory accounts. For 2025/26 no assets were leased to United Utilities by a competitively appointed provider (CAP).

As part of the Haweswater Aqueduct Resilience Programme (DPC project), UUW made advance purchases of land and other assets (e.g. power connections) of £3.8 million supporting this project in 2025/26, totalling £26.9 million since the start of AMP7. During 2025/26 Cascade Infrastructure was appointed as the CAP and UUW was subsequently reimbursed for these items, along with forecast future spend beyond 2025/26 of £5.2 million. Cascade’s reimbursement of £35.6 million also included £3.5 million for the time value of money of these purchases, recognised in 2025/26 operating profits.

This expenditure incurred by UUW will ultimately be predominantly funded by customers through the unitary charge mechanism. As such, in order to ensure this spend is not inadvertently also captured within appointee totex, which feeds the cost sharing mechanism, it was agreed with Ofwat that this spend would be classified as non-appointed within the regulatory accounts. This has therefore been reported as non-appointed in tables 1C and 1D. With no updates to 2025/26 RAGs, we have also included the associated time value of money profit within non-appointed activities in table 1A.

We have advocated that the primary statements (1A-1D) should be expanded to include a new separate adjustments column to separately report the DPC impacts. This would ensure DPC impacts are no longer reported within non-appointed activities going forward. From April 2026 transactions are expanding significantly with monthly Unitary Charge (UC) (also known as ‘CAP charges’) payable to the CAP and DPC allowed revenue from customers starting to be received. As such, it is particularly important the 2026/27 RAGs are updated to be able to capture this.

Innovation and water efficiency funds cost reporting

For statutory reporting, costs are accrued on receipt of revenue from customers or income from other water companies in relation to the innovation competition and water efficiency funds. This provides for costs that will be incurred on future projects for which we are successful bidders, or for which we will be required to transfer funds to other successful companies.

In accordance with the information notice ‘IN 22/01 Expectations for monopoly company annual performance reporting 2021-22’, we are required to reverse this provision in the regulatory accounts. The same treatment is applied to the water efficiency fund, in accordance with RAG 4.14 section 15.11. Only costs incurred on actual innovation projects should be reported in totex within tables 4D and 4E, therefore, there is a reclassification of intra-company payment and receipts (facilitated by MOSL) and the administration charge from operating costs to other income. This ensures that the intra-company payments remain within the income statement and offset with the revenue collected from customers.

The differences within the income statement (Table 1A) and the statement of financial position (Table 1C) have been summarised on page 130.

Regulatory accounts for the 12 months ended 31 March 2026
Additional table narrative



Table 1A – Income statement

Differences between statutory & RAG definitions	Revenue recognition	Innovation fund ⁽¹⁾	Water efficiency fund ⁽²⁾	Diversions income	Amortisation of deferred income	Adopted assets	Capitalisation of borrowing costs	Reclass from opex to other income ⁽³⁾	Reclass of pension interest to other interest expense	Other	Total
2025/26	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Revenue	49.457			(10.765)	(6.022)	(14.867)				(0.248)	17.646
Operating costs	(40.145)	11.971	3.003		(0.005)		17.724	(9.115)		0.040	(16.527)
Other operating income										(0.332)	(0.332)
Operating profit	9.401	11.971	3.003	(10.765)	(6.027)	(14.867)	17.724	(9.115)	0.000	(0.540)	0.787
Other income		0.823		10.765	6.027	14.867		9.115		0.540	42.135
Interest income									(13.100)		(13.100)
Interest expense							(75.387)				(75.387)
Other interest expense									13.100		13.100
Profit before tax (Table 1A line 11)	9.401	12.794	3.003	0.000	0.000	0.000	(57.663)	0.000	0.000	0.000	(32.465)

⁽¹⁾ Reversal of the 2025/26 provision in the statutory accounts (£12.0 million). The net of intra-company transfers and the administration charge has been reclassified from operating costs to other income (£0.8 million).

⁽²⁾ Reversal of the 2025/26 provision in the statutory accounts (£3.0 million).

⁽³⁾ Other income in the statutory accounts is included within operating costs, this is disclosed separately in the regulatory accounts.

Table 1C – Statement of financial position

Differences between statutory & RAG definitions	Revenue recognition	Innovation & water efficiency funds ⁽⁴⁾	Capitalisation of borrowing costs	Deferred tax adjustment	Other	Total
2025/26	£m	£m	£m	£m	£m	£m
Total non-current assets			(582.165)		(0.707)	(582.872)
Total current assets	49.180				0.204	49.384
Total current liabilities		17.979			0.269	18.248
Total non-current liabilities		37.083		90.765	(0.270)	127.578
Net assets (Table 1C line 31)	49.180	55.062	(582.165)	90.765	(0.503)	(387.662)

⁽⁴⁾ Reversal of the innovation and water efficiency fund provisions.

Table 1A – Income statement
Analysis of interest expense

The interest expense (line 1A.7) and other interest expense (line 1A.8) incurred by the appointed business is broken down into the following components:

Interest component 2025/26	1A.7 £m	1A.8 £m
Interest charged on external borrowings	(456.972)	–
Interest payable on intra-group borrowings	(9.785)	–
Amortisation of debt premiums and discounts	(3.345)	–
Interest payable on leases under IFRS 16	(3.158)	–
Interest on net pension scheme assets	–	13.100
Other financing costs	(5.072)	–
Interest and other interest expense	(478.332)	13.100

Breakdown of other non-appointed revenue

Other non-appointed revenue (line 1A.21) is broken down into revenue generated from providing the following services:

Non-appointed service 2025/26	Total £m
Property searches, asset location, information provided to customers and developers	(2.892)
Non-Household meter reading service provided to business retailers	(1.361)
Scientific services- laboratory services, including sampling, provided to external third parties	(0.685)
Technology services- telemetry equipment installed for external organisations	(0.481)
Use of land for non-appointed activities including fishing and boating	(0.128)
Other	(0.146)
Other non-appointed revenue (line 1A.21)	(5.693)

Table 1C – Statement of financial position

Consistent with 2024/25 reporting, we have continued to report capex creditors (line 14) within current liabilities in Table 1C as zero, and have included a capital accruals liability within trade and other payables (line 13) of £180.317 million. This capital accrual represents work-in-progress not yet invoiced for 2025/26. We believe this classification is better aligned to the line definitions in RAG 4.14.

For 2025/26, UUW reports a statutory current tax asset of £64.868 million. We have included the current tax asset in Table 1C line 9 (trade and other receivables), as there is no equivalent current tax asset line within current assets in this table. We believe this to be aligned to the line definitions in RAG 4.14.

Included within the current trade and other receivables (line 9) is £4.180 million classified as non-current under IFRS, included here as there is no equivalent trade and other receivables line within non-current assets in this table. We believe this classification to be aligned to the line definitions in RAG 4.14.

Included within the non-appointed column of Table 1C are fixed assets (line 1C.1) relating to the advance purchases of land for the Haweswater Aqueduct Resilience Programme DPC project.

Table 1E – Net debt analysis

All figures in the table have been calculated by reference to ‘RAG 4.14 - Guideline for the table definitions in the annual performance report’.

Net debt excludes fair value accounting adjustments which do not impact on the principal sum outstanding on the debt. The interest rate risk profile does not take account of the impact on interest of derivative instruments.

Adjusted gearing represents the consolidated net debt of United Utilities Water as a proportion of the company’s RCV (per the Final determination, in outturn prices), calculated based on the methodology published by Moody’s Investor Services. This is the gearing measure most commonly used by management and is a key ratio used by Moody’s Investor Services in determining the credit rating of the company.

Indicative weighted average interest rates are based on the effective interest rates as at the balance sheet date, which includes the impact of derivative instruments but excludes those with a forward start date, weighted by the notional principal amount.

Due to the nature of the company’s interest rate hedging policy, it has some forward starting interest rate swaps which are not included in the indicative weighted average interest rates as they are not effective at the balance sheet date. As a result, the indicative weighted average interest rates are only representative of our economic cost of borrowing as at the balance sheet date and are not representative of our economic cost of borrowing over the duration of the fixed interest rate hedge.

The indicative weighted average nominal/cash interest rates (lines 11/12) for floating interest rate debt are unrepresentative of the cost of these borrowings and as such, have not been disclosed in the tables. We hedge most of our floating interest rate exposure through ‘floating to fixed’ interest rate swaps which results in a degree of net floating interest rate exposure. As a consequence, the interest cost ends up as an interest expense once we strip out the fixed margin on the debt, due to the basis and timing differences on the floating rate legs of the debt and derivative contracts. The calculated rate was 3.73% as at 31 March 2026 based on a £39.7 million net interest payable on £1,065 million of net floating rate debt (after the impact of swaps).

Weighted average years to maturity takes account of all applicable contractual commitments, which includes derivative instruments with a forward start date, weighted by notional amount and duration.

The calculation of the weighted average years to maturity on floating rate borrowings provides an unrepresentative figure and as such, has not been disclosed in the tables. Typically, we raise debt in fixed rate form, swap it to floating rate for the duration of the debt instrument and then swap it back to fixed rate on a 10-year reducing balance basis. This hedged position makes it difficult to calculate the weighted average duration in a meaningful way.

Annual RPI increase of 4.1% at March 2026 has been applied.

Annual CPI increase of 3.3% at March 2026 has been applied.

Following the adoption of IFRS 16, lease liabilities of £86.9 million have been included within fixed rate borrowings. The inclusion of lease liabilities into borrowings has resulted in an increased average time to maturity as a great proportion of the group’s leases are very long dated (many high value leases have c.150 years term), if leases had not been included the weighted average time to maturity for fixed term borrowings would have been 8.4.

Borrowings reconciliation

The below table shows the reconciliation from borrowings within Table 1C to borrowings in Table 1E.

	2025/26 £m	Notes
Borrowings – current	(297.754)	Table 1C Line 15
Borrowings – non-current	(11,346.696)	Table 1C Line 22
Borrowings (Table 1C)	(11,644.450)	IFRS measurement basis
Remove fair value movements	(301.163)	
Remove bond discount	(67.659)	
Remove interest accrued on FVO debt	2.662	
Borrowings (Table 1E)	(12,010.610)	Table 1E Line 1 notional value basis

There are no reconciling items between the mark-to-market valuation of financial derivatives and the total derivatives balance stated in table 1C, and so no reconciliation has been prepared.

Analysis of debt

There are no reconciling items between total borrowings, indicative weighted average nominal and cash interest rate and cost between tables 1E and 4B, and so no reconciliation has been prepared.

Table 1F – Financial flows and Return on Regulatory Equity (RoRE)

Introduction

Table 1F presents financial flows for 2025/26. The figures are presented both as a percentage of notional regulatory equity and as a percentage of actual regulatory equity. The table also shows the £ million equivalents and these values are all presented in 2022/23 prices.

The following narrative focuses on the actual return percentage on the actual regulatory equity - being most aligned to actual shareholder returns. There will be differences as actual equity is different from Ofwat’s assumed regulatory equity of 45% (or assumed gearing of 55%). Since UUW’s actual average gearing for 2025/26 (64.6%) is higher than Ofwat’s assumed notional gearing (55.0%), the actual return percentage on each sub-measure will be slightly higher than the notional return.

Line 2 – Return on regulatory equity

2025/26 Actual equity: 5.24%

The base return on regulatory equity assumed in the PR24 (Price Review) final determination (FD) was 5.24% (including our 5 basis point business plan reward). In accordance with Ofwat line definitions, on a notional equity basis, this base return is split over line 2 (4.13%) and line 3 (1.12%).

Line 3 – Impact of movement from notional gearing
2025/26 Actual equity: +0.61%

This line represents the impact on the base return (i.e. line 2 above) due to a company’s actual gearing structure. As mentioned in the introduction above, UUW’s average actual gearing of 64.6% is higher than Ofwat’s assumed notional gearing of 55.0%. Since Ofwat’s allowed cost of debt (2.99% real) is less than the allowed cost of equity (as per line 2), this results in an increase in actual return compared to notional.

The average gearing has been calculated using the opening and closing balances for the reporting period.

Regulatory accounts for the 12 months ended 31 March 2026
Additional table narrative



Line 4 – Variance in corporation tax
2025/26 Actual equity: nil

UUW does not have a tax allowance in AMP8, as such no tax performance is reported for 2025/26, in line with clarified guidance issued by Ofwat in June 2026.

Line 5 – Group relief
2025/26 Actual equity: nil

No group relief was claimed as UUW is in a loss position this year. If UUW had utilised losses surrendered from other group companies it would pay for these at the mainstream rate of corporation tax and there would be no financial benefit.

Line 6 – Cost of debt
2025/26 Actual equity: +4.66%

The actual real interest paid used to calculate overall financing outperformance (i.e. sum of lines 7 and 8) has been calculated using UUW's net interest expense plus interest paid/received on swaps. As the table below shows, this is then divided by actual net debt to derive a net interest rate. This rate is then compared to Ofwat's allowed cost of debt (2.99% CPIH real) plus average CPIH in the year, to derive a debt outperformance number (shown as 'c') in the table below. This is then multiplied by UUW's actual gearing position to derive a cost of debt outperformance number, also presented as a percentage of actual regulatory. This has been calculated as 4.66% for 2025/26.

	2025/26 Actual equity £m
Interest income (Line 1A.6)	68.0
Interest expense (Line 1A.7)	(478.3)
Net interest income on derivatives and Fair Value Option debt	(22.9)
a) Net interest paid including derivatives (£m)	433.2
b) Average net debt (£m)	10,171.87
Net interest rate (%)	4.26%
Average CPIH (%)	3.79%
Allowed cost of debt (% CPIH real)	2.99%
c) Debt outperformance (%) (applying Fisher equation)	2.54%
d) x Average RCV (£m 22/23 prices)	13,963.5
e) x Average actual gearing rate (%)	64.6%
Cost of debt outperformance (£m 22/23 prices)	229.1
Cost of debt outperformance (% of regulatory equity)	4.61%
Split by:	
Net interest excluding swaps (Line 7)	4.66%
Interest of swaps (Line 8)	(0.05%)

Financing outperformance is mainly attributable to the embedded cost of debt UUW has locked in at lower rates than Ofwat's PR24 FD assumed cost of debt. Ofwat's assumed cost of debt was based on a water industry average and, under the regulatory model, companies with a below average cost of debt, can expect to outperform on financing. In addition, we have consistently issued debt at efficient rates that compare favourably with the industry average and sector debt indexation mechanism, thanks to our strong balance sheet and credit ratings, along with our leading treasury management, clear and transparent financial risk management policies, and ability to act swiftly to access pockets of opportunity as they arise.

UUW's debt predominantly comprises a mix of index-linked debt (RPI and CPI/CPIH linked) and fixed rate debt. UUW's RPI index-linked debt is locked-in at an average real rate of 1.5%, and CPI/CPIH at -0.6%, locking in outperformance versus the allowed cost of debt of 2.99%. Inclusive of all hedging derivatives, UUW's fixed rate debt is locked-in at a rate of 4.1% nominal. The level of outperformance fluctuates depending on out-turn CPIH – this year average CPIH is 3.79%.

The total outperformance relating to hedging instruments (see line 8 below) is deducted from total cost of debt outperformance to derive a cost of debt outperformance excluding swaps of 4.66% for 2025/26.

Line 7 – Hedging instruments
2025/26 Actual equity: -0.05%

This line shows the impact on financing outperformance of our interest rate and cross-currency swap derivatives. Net interest expense £2.3 million for the year 2025/26 is driven by interest rate swaps transacted during the year, alongside indexation impacting the inflation swaps.

Line 9 – Totex out / (under) performance
2025/26 Actual equity: -0.15%

This line shows totex out/(under) performance versus the amount allowed in the PR24 FD, adjusted for timing differences, and presented net of the customer sharing ratio. Totex underperformance in 2025/26 is £7.56 million (2022/23 prices) consistent with line 4C.73. This reflects variances in business rates, abstraction charges and discharge consents (with no timing differences), as well as disallowable costs not subject to cost sharing. We plan to deliver our AMP8 Final Determination programme of work at the allowed level of expenditure across the five-year regulatory period, and as such over/underspend is classified as timing in table 4C, more detail can be found in section 1.4.

Line 10 – ODI out / (under) performance
2025/26 Actual equity: -0.71%

This line shows the actual out/(under) performance of outcome delivery incentives (ODIs).

In 2025/26 we incurred a net ODI penalty of £35.2 million. With the introduction of new measures in AMP8 we expect performance to be progressive, resulting in a net reward across the AMP. Detail on the performance in each ODI is provided in Section 1 of the Annual Performance Report.

Line 11 – C-MeX out / (under) performance
2025/26 Actual equity: 0.00%

The final C-MeX position is confirmed by Ofwat following publication of companies' APRs. It is therefore reported in the APR with a one year time lag, meaning the final C-MeX reward for 2025/26 will be reflected in 2026/27 RoRE.

As 2025/26 is the first year of the AMP, the reported value is nil. Actual C-MeX performance for 2024/25 is reported in line 1F.17 Other exceptional items in accordance with guidance.

Line 12 – D-MeX out / (under) performance
2025/26 Actual equity: 0.00%

The final D-MeX position is confirmed by Ofwat following publication of companies' APRs. It is therefore reported in the APR with a one year time lag, meaning the final D-MeX reward for 2025/26 will be reflected in 2026/27 RoRE.

As 2025/26 is the first year of the AMP, the reported value is nil. Actual D-MeX performance for 2024/25 is reported in line 1F.17 Other exceptional items in accordance with guidance.

Line 13 – BR-MeX out / (under) performance
2025/26 Actual equity: 0.00%

The final BR-MeX position is confirmed by Ofwat following publication of companies' APRs. It is therefore reported in the APR with a one year time lag, meaning the final BR-MeX reward for 2025/26 will be reflected in 2026/27 RoRE. As 2025/26 is the first year of BR-MeX, the reported value is nil.

Line 14– Retail out / (under) performance
2025/26 Actual equity: -0.28%

This represents the difference between PR24 FD allowed retail costs for household customers (based on FD assumed customer numbers) and actual costs incurred (as reported in table 2C line 17). This reflects the additional investment that we've made to improve customer service

and support cash collection and affordability as we support customers through bill increases.

Line 15 – PCD time incentives
2025/26 Actual equity: +0.02%

The in-year value of Performance Commitment Delivery (PCD) time incentives totals £1.019 million, reflecting the position as at 31 March 2026 for the reporting year. We are on track to deliver against the PCDs set out in the Final Determination over the remainder of AMP8 and remain focused on efficient delivery.

Line 16 – Return adjustment mechanisms
2025/26 Actual equity: 0.00%

The Aggregate Sharing Mechanism (ASM) offers further protection to customers and companies from material out/underperformance against wholesale cost allowances. The wholesale totex ASM will further reduce the effect of out/under performance on equity returns by an additional 50% once a ±200bps return on equity threshold has been exceeded.

The ASM also applies to ODI performance payments beyond ±300bps of a company's wastewater or water return on regulatory equity which are shared with customers 50:50.

The ASM has not been triggered for the reporting year and, accordingly, the reported value is nil.

The Outturn Adjustment Mechanism (OAM) adjusts allowed revenues in the event of there being materially different sector performance than expected, providing protection for customers and companies against the potential for miscalibration of the outcomes package. Following publication of companies' Annual Performance Reports (APRs), the ODI in-period determination model will calculate if the OAM has been triggered. Any resulting adjustment is therefore reported on a one-year lag basis, in accordance with the line definition. As 2025/26 is the first year of the AMP, the reported value for the OAM is nil.

Line 17 – Other exceptional items
2025/26 Actual equity: +0.09%

In accordance with the line definition, the 2025/26 return reflects:

- Proceeds from land sales of £1.2 million, stated net of the customer share and deflated to 2022/23 prices.
- Actual C-MeX and D-MeX performance for 2024/25 of £2.16 million and £1.00 million respectively (in 2022/23 prices), as reported in the ODI determination for 2024-25 published in November 2025.

Line 19 – RoRE
2025/26 Actual equity: 9.43%

This line represents the return on regulatory equity after the base return assumed in the PR24 FD has been adjusted for all items highlighted above.

RoRE on a notional basis is 7.52%, which is the metric disclosed within Table 4H Financial Metrics. On an actual equity basis, reported RoRE at 9.43% is most aligned to actual shareholders' return.

Line 20 – RCV indexation
2025/26 Actual equity: +3.45%

This line shows the inflationary uplift to RCV for the period, representing year end CPIH, as published by Ofwat.

Line 21 – Voluntary sharing arrangements
2025/26 Actual equity: -0.27%

This line represents the revenue voluntarily forgone by the company to fund social tariff discounts for retail customers, as reported in line 2F.5, and deflated to 2022/23 prices. Approximately 330,000 customers received a discounted fixed-price bill under a social tariff during the year, with c£13.5 million (in 2022/23 prices) funded by the company.

Note that shareholder funding used to support household debt matching schemes (reported in line 2N.23) is excluded, as this is already reflected in retail performance (line 1F.14), thereby avoiding double counting of impacts on shareholder returns. We also exclude the United Utilities Trust Fund providing support to residents through grants to clear water bill arrears (reported in line 2N.25), as this funding is provided by United Utilities PLC rather than UUW.

Line 22 – Total shareholder return
2025/26 Actual equity: 12.61%

This line adds inflation in the year (line 20) and the voluntary sharing arrangements in year (line 21) to RoRE (line 19) to represent the actual nominal return.

Lines 23 and 24 – Net dividend
2025/26 Actual equity: 4.27%

This is the net of gross dividends and interest received on intercompany loans. The amount of dividends paid during the period for the appointee business totalled £239.73 million, as reported in Table 1A, in line with the dividend policy on pages 124 to 128.

Line 25 – Retained value
2025/26 Actual equity: 8.34%

This line shows the nominal return (line 22) less the gross dividends paid (line 23) and interest received on intercompany loans (line 24) to represent the value retained in the business post-dividend. Retained value should be considered on a cumulative basis.

Regulatory accounts for the 12 months ended 31 March 2026
Additional table narrative



Table 2A - Segmental income statement
Principal use recharge movement

	Water Resources £m	Water Network+ £m	Wastewater Network+ £m	Bioresources £m	Residential Retail £m	Total £m
2025/26						
Recharge from other segments	(1.0)	(10.3)	(1.6)	(2.3)	(2.5)	(17.7)
Recharge to other segments	1.0	2.0	14.3	0.1	0.3	17.7
Net recharge	-	(8.3)	12.7	(2.2)	(2.2)	-

	Water Resources £m	Water Network+ £m	Wastewater Network+ £m	Bioresources £m	Residential Retail £m	Total £m
2024/25						
Recharge from other segments	(1.0)	(10.5)	(1.7)	(2.2)	(2.2)	(17.6)
Recharge to other segments	1.7	1.9	13.5	0.1	0.4	17.6
Net recharge	0.7	(8.6)	11.8	(2.1)	(1.8)	-

	Water Resources £m	Water Network+ £m	Wastewater Network+ £m	Bioresources £m	Residential Retail £m	Total £m
Variance						
Recharge from other segments	-	0.2	0.1	(0.1)	(0.3)	(0.1)
Recharge to other segments	(0.7)	0.1	0.8	-	(0.1)	0.1
Net recharge	(0.7)	0.3	0.9	(0.1)	(0.4)	-

Overall principal use recharges of £17.7 million for 2025/26 have increased by £0.1 million compared to the recharges in 2024/25. The increase largely relates to shared use IT systems being decommissioned in the year offset by a reduction in pumping station recharges following decommissioning activity in the West Cumbria area.

Recharges are also made from the appointed business to the non-appointed business and non-regulated businesses for the use of appointed assets by these businesses, e.g. for the use of IT assets by non-appointed staff.

Table 2C-Cost analysis-retail
Year on year cost variances

Table 2C Cost line	2025/26 (£m)	2024/25 (£m)	Movement (£m)	Movement (%)	Explanation
Customer services	34.1	26.2	7.9	30%	Increase in costs predominately because of increased contact volumes as we support customers through bill increases.
Debt management	15.3	13.8	1.5	11%	Increase in costs predominately because of increased contact volumes as we support customers through bill increases and additional affordability support.
Doubtful debts	73.6	60.8	12.8	21%	Absolute higher bad debt charge associated with an increase in customer bills, however as a % of revenue is stable year on year.
Meter reading	4.2	3.8	0.4	11%	Increased with inflationary cost increases.
Other operating expenditure	17.6	16.7	0.9	5%	Increased with inflationary cost increases.
Total opex excluding third party services	144.9	121.4	23.5	19%	See above
Depreciation - tangible fixed assets	1.2	1.2	0.0	4%	Reduction in amortisation year on year mainly due to assets coming out of life.
Amortisation - intangible fixed assets	3.9	5.5	-1.6	-30%	
Recharges from wholesale	2.5	2.2	0.3	13%	Small fluctuation year on year driven by commissioning of assets across the wider IT infrastructure.
Income from wholesale	-0.3	-0.4	0.0	9%	
Total retail costs excluding third party and pension deficit repair costs*	152.1	129.8	22.2	17%	See above
Debt written off	54.1	46.9	7.2	15%	Year on year variances driven by timing of aged debt written off.
Capital expenditure	2.8	1.8	1.0	53%	Capital expenditure has increased in year as a result of new lease agreements made in year

* Third party and pension deficit repair costs for 2025/26 were £nil.

Tables 2D and 2O – Historic cost analysis of tangible fixed assets and Historic cost analysis of intangible fixed assets

Lines 3 and 10 of Tables 2D and 2O ‘Additions’ and ‘Charge for the year’ include reclassifications of assets between price controls and between tangible and intangible fixed assets, for capital expenditure and depreciation respectively.

Table 2K – Infrastructure charges reconciliation

The purpose of table 2K is to reconcile the infrastructure charges with the network reinforcement expenditure. This is to ensure that the funds collected due to new connections increasing network demand, are appropriately invested back into the network.

The overall aim is for developer charges to recover the expected infrastructure network reinforcement costs over the AMP, ensuring that the costs of accommodating growth are funded by new developments rather than existing customers.

At the end of the FY 2025/26 the position is shown in the table below:

	Water £m	Wastewater £m	2025/26 Total £m
Comparison of revenue and costs			
Variance brought forward	0.000	0.000	0.000
Revenue (net of discounts applied)	8.933	9.767	18.759
Costs	(3.825)	(6.117)	(9.941)
Variance carried forward	5.168	3.650	8.818

Although there is currently a surplus of revenue, this has been mainly driven by the reduced expenditure in year due to reprofiling with most of the construction activity now planned for the middle of the AMP. The current expectation is that the expenditure will increase significantly next financial year, and therefore this will reduce this surplus position at the end of year 2.

The Network Reinforcement spend profile has been updated as the programme has matured, with early AMP activity focused on investigations and scheme development and the majority of construction now planned for the middle years of AMP8. This revised profile reflects increased delivery certainty and more realistic sequencing, while also recognising external dependencies such as highways permitting and third party consents that influence the timing of construction activity.

The programme remains on track to fully utilise the Network Reinforcement allowance over the AMP period. The current revenue surplus is therefore expected to be timing-related, with costs and revenues anticipated to align over the five-year period.

Table 2L – Analysis of land sales

There have been three disposals in 2025/26, one deed of variation, one removal of easement/restrictions and one leasehold enfranchisement. We can confirm that no property disposals were above the materiality threshold set out in Condition K of U UW’s licence. In addition, the rental portfolio managed by an external agent is made up of 663 individual income streams.

Table 2N – Household affordability support – social tariffs

As reported in Table 2N, there were approximately 330,000 customers that received a discounted fixed price bill under a social tariff during the year. In total, these customers received a £68.2 million discount to their underlying full price bill, of which £15.2 million was funded by the company and £53.0 million was funded by other residential customers. In addition, approximately a further 45,000 customers received £13.8 million in support through our payment matching scheme.

United Utilities PLC provided £3.8 million to the independent United Utilities Trust Fund, of which £2.8 million was provided to support residents in the United Utilities’ region through grants towards clearing water bill arrears.

Further detail on our affordability schemes can be found in Section 1.6 of the Performance section.

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Tax strategy



Consistent with our wider business objectives, we are committed to acting in a responsible manner in relation to our tax affairs.

Our tax policies and objectives, which are approved by the board on an annual basis, ensure that we:

- Only engage in reasonable tax planning aligned with our commercial activities and we always comply with what we believe to be both the letter and the spirit of the law;
- Adopt a low risk approach to tax;
- Do not engage in marketed, artificial or abusive tax avoidance;
- Do not use tax havens for tax avoidance purposes, including not taking advantage of any related secrecy rules that can apply to tax havens;
- Are committed to an open, transparent and professional relationship with HMRC based on mutual trust and collaborative working; and
- Maintain a robust governance and risk management framework to ensure that these policies and objectives are fully complied with and applied at all levels.

We expect to fully adhere to the HMRC framework for co-operative compliance.

Our Chief Financial Officer (CFO) has responsibility for tax governance with oversight from the board. The CFO is supported by a specialist team of tax professionals with many years of tax experience within the water sector and led by the Head of Tax. The Head of Tax has day-to-day responsibility for managing the company’s tax affairs and engages regularly with key stakeholders from around the company in ensuring that tax risk is proactively managed. Where appropriate, they will also engage with both external advisers and HMRC to provide additional required certainty with the aim of ensuring that any residual risk is typically low. All significant tax issues are reported to the board regularly.

Consistent with the company’s general risk management framework, all tax risks are assessed for the likelihood of occurrence and the negative financial or reputational impact on the company and its objectives, should the event occur. In any given period, the key tax risk is likely to be the introduction of unexpected legislative or tax practice changes, which lead to increased cash outflow which has not been reflected in the current regulatory settlement. The company is committed to actively engaging with relevant authorities in order to actively manage any such risk.

In any given year, the company’s effective cash tax rate on underlying profits may fluctuate from the standard UK rate mainly due to the available tax deductions on capital investment. These deductions are achieved as a result of utilising tax incentives, which have been explicitly put in place by successive governments precisely to encourage such investment. This reflects responsible corporate behaviour in relation to tax.

Under the regulatory framework the company operates within, the majority of any benefit from reduced tax payments will typically not be retained by the company but will pass to customers, reducing their bills.

United Utilities Water Limited operates solely in the UK and its customers are based here and all of the company’s profits are taxable in the UK.

Every year, the company pays significant contributions to the public finances on its own behalf as well as collecting and paying further amounts for its 7,622 strong workforce. Details of the total payments for 2025/26 of around £290 million are set out below:

- Business rates – £94 million
- Corporation tax – £0 million
- Employment taxes: company – £45 million
- Employment taxes: employees – £80 million
- Environmental taxes and other duties – £14 million
- Regulatory services fees (e.g. water extraction charges) – £57 million

There has been no corporation tax paid from 2022 onwards due to the introduction of the superdeduction, and the availability of full expensing (made permanent at Autumn Statement 23).

The above tax policy disclosure meets the company’s statutory requirement under Paragraph 16(2) of Schedule 19 of Finance Act 2016 to publish its UK tax strategy for the year ended 31 March 2026.

See our website for our latest separate annual tax report, which includes further details in relation to the following key areas:

- How much tax we pay;
- How we ensure that we pay the right tax at the right time; and
- How we ensure that our tax affairs are transparent for all our stakeholders.

Recognising the company’s ongoing commitment to paying its fair share of tax and acting in an open and transparent manner in relation to its tax affairs, we were delighted to have retained the Fair Tax Mark independent certification for a seventh year.

Current tax reconciliation

	2025/26 £m
Profit on appointed ordinary activities before tax and fair value movements as per Table 1A line 9	750.6
Multiplied at the standard rate of corporation tax of 25%	187.7
Capital allowances in excess of depreciation	(205.1)
Adjustment in respect of prior years	8.1
Net non-deductible expenses	(0.8)
Pension deductions	(3.2)
Fair value movements	(4.0)
Other timing differences	(6.0)
Tax loss carried forward	27.2
Appointed current tax charge per Table 1A line 12	3.9

Details of factors affecting future tax charges:

The headline rate of corporation tax is expected to remain at 25% for the foreseeable future.

Enhanced capital allowance rates will continue to apply to spend on plant and machinery (P&M) assets as follows:

- a. A 100% first year allowance for standard life P&M; and
- b. Expenditure on special rate P&M will continue to attract 50% first year allowance (FYA).

In PR19 Ofwat introduced a tax reconciliation mechanism to reflect legislative changes to either the headline corporation tax rate or to the capital allowances rates available on capital expenditure, recognising that

these matters were outside of management’s control. This mechanism is continuing in PR24:

- To do this, Ofwat will rerun the PR24 financial model using the totex allowances, PAYG and RCV run-off rates (set out in the final determination).
- The resulting difference to the tax allowed at PR24 is then added/ deducted to PR24 revenue requirements.
- In order to ensure that the incentive for companies to manage their liabilities in the most efficient manner is retained, this reconciliation will purely affect the agreed FD scope and profile, not the actual performance of the company.

Reconciliation of significant variations between the appointed current tax charge or credit reported in line 1A.12 to the total current tax charge allowed in price limits

	2025/26 £m	Commentary
Current tax charge allowed in price limits in 2022/23 prices	0.0	Amount allowed in the Final Determination for corporation tax as published in Ofwat’s Financial Flows data reference document. Ofwat has issued a tax allowance of nil for 2026. Note that this reconciliation is based on the tax charge allowed in the FD, prior to the tax true up adjustments.
Indexation	0.0	Inflated using the average CPIH figure for the reporting year.
Current tax charge allowed in price limits in 2025/26 prices	0.0	
Adjustment in respect of prior years	8.1	The adjustments in respect of prior years mainly relate to claims for research and development UK tax allowances on our innovation-related expenditure, in respect of multiple prior years. It reflects an additional claim submitted during the year, along with adjustments relating to ongoing enquiries from the tax authorities in relation to these claims. It also reflects a claim for consortium relief from Water Plus Group in relation to prior years.
Pension deductions	(3.4)	The tax impact of the increase in pension deductions compared to the figures in the FD.
Net decrease in profit before tax and depreciation	(20.3)	The tax impact of the decrease in profit before tax and depreciation compared to the figures per the FD, including the actual interest charge which is higher than the notional amount assumed in the FD.
Fair value movements	1.5	Non-taxable interest, currency and inflation swaps.
Increase in capital allowances/other	74.8	There is a difference between the amount of the first-year capital allowances claimed compared to the figures per FD which is mainly due to the split of expenditure being allocated to the different capital allowance pools.
First year allowances	(83.9)	The UK Government announced in March 2023 that enhanced capital allowances would continue to apply to qualifying plant & machinery (P&M) assets post cessation of the previous ‘superdeduction’ regime. It was subsequently announced in November 2023 that this new regime would be permanent. These enhanced rates are a 100% allowance for standard life P&M and a 50% allowance on special rate P&M. The extension of this enhanced relief means that the company is eligible to continue to claim more capital allowances than anticipated in the FD. This has been claimed in full and includes additional tax relief on the increased capital expenditure noted above. No disclaimers have as yet been made.
Tax loss carried forward	27.2	Tax losses have arisen in the period which are being carried forward to utilise in future periods. These have arisen predominantly as a result of enhanced capital allowances above and a reduction in profit before tax as compared to FD.
Appointed current tax charge per Table 1A line 12	3.9	

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Long-term viability statement

The directors have assessed the viability of UUW, taking account of UUW’s current position, the potential impact of the principal risks facing the business in severe but plausible scenarios, and the effectiveness of any mitigating actions. This assessment has been performed in the context of UUW’s prospects as considered over the longer term. Based on this viability assessment, 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 seven-year period to March 2033. The long-term viability assessment is set out on pages 116 to 117 of the UUW statutory accounts.

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Information in respect of transactions with any other business or activity of the appointee or any associated company



To the best of their knowledge, the directors of the company declare that all appropriate transactions with associated companies have been disclosed and material transactions with associated companies are at arm’s length and no cross-subsidy has occurred. The materiality level of transactions used for reporting is 0.5% of turnover.

Borrowings and loans

The following loans from associated companies existed at 31 March 2026:

	£m	Interest rate	Repayment date
United Utilities PLC: overdraft facility	8.469	0.173%+BoE Base Rate	On demand
United Utilities PLC: £191.5 million loan	122.639	0.155%+BoE Base Rate	Amortising until August 2027
United Utilities Water Finance PLC: EUR Notes 1.129% 2027	44.721	1.129%	April 2027
United Utilities Water Finance PLC: HKD Notes 2.370% 2027	80.669	2.370%	October 2027
United Utilities PLC: \$400.0 million bond	320.569	6.875%	August 2028
United Utilities Water Finance PLC: GBP 0.010% RPI Bond 2028	31.234	0.010% +RPI	September 2028
United Utilities Water Finance PLC: GBP Notes 1.430% 2028	92.131	1.430%	October 2028
United Utilities Water Finance PLC: GBP Notes 0.875% 2029	263.754	0.875%	October 2029
United Utilities Water Finance PLC: GBP 0.178% RPI Bond 2030	55.421	0.178%+RPI	April 2030
United Utilities Water Finance PLC: JPY Notes 0.175% 2030	48.473	0.175%	August 2030
United Utilities Water Finance PLC: EUR Notes 2.058% 2030	24.322	2.058%	October 2030
United Utilities Water Finance PLC: GBP Notes 2.625% 2031	368.447	2.625%	February 2031
United Utilities Water Finance PLC: HKD Notes 2.900% 2031	56.021	2.900%	June 2031
United Utilities Water Finance PLC: EUR Notes 1.641% 2031	23.368	1.641%	June 2031
United Utilities Water Finance PLC: USD Notes 1.474% 2031	22.342	1.474%	August 2031
United Utilities Water Finance PLC: GBP 0.245% CPI Bond 2031	27.602	0.245% +CPI	December 2031
United Utilities Water Finance PLC: GBP 0.010% RPI Bond 2031	59.563	0.010% +RPI	December 2031
United Utilities Water Finance PLC: EUR Notes 1.707% 2032	22.108	1.707%	October 2032
United Utilities Water Finance PLC: EUR Notes 1.653% 2032	20.165	1.653%	December 2032
United Utilities Water Finance PLC: EUR Notes 1.700% 2033	23.636	1.700%	January 2033
United Utilities Water Finance PLC: EUR Notes 3.500% 2033	541.226	3.500%	February 2033
United Utilities Water Finance PLC: GBP Notes 2.000% 2033	325.785	2.000%	July 2033
United Utilities Water Finance PLC: EUR Notes 3.750% 2034	778.672	3.750%	May 2034
United Utilities Water Finance PLC: EUR Notes 3.750% 2035	502.427	3.750%	August 2035
United Utilities Water Finance PLC: NOK Notes 4.950% 2035	109.084	4.950%	October 2035
United Utilities Water Finance PLC: GBP Notes 5.750% 2036	387.191	5.750%	June 2036
United Utilities Water Finance PLC: GBP 0.010% RPI Bond 2036	43.093	0.010% +RPI	September 2036
United Utilities Water Finance PLC: GBP 0.379% CPI Bond 2036	27.587	0.379% +CPI	December 2036
United Utilities Water Finance PLC: GBP 0.010% RPI Bond 2036	45.787	0.010% +RPI	December 2036
United Utilities Water Finance PLC: GBP 0.093% CPI Bond 2037	83.221	0.093% +CPI	February 2037
United Utilities Water Finance PLC: JPY Notes 1.450% 2037	34.600	1.450%	December 2037
United Utilities Water Finance PLC: GBP Notes 1.750% 2038	356.324	1.750%	February 2038
United Utilities Water Finance PLC: GBP Notes 5.125% 2038	297.660	5.125%	October 2038
United Utilities Water Finance PLC: GBP Notes 5.875% 2039	296.811	5.875%	December 2039
United Utilities Water Finance PLC: GBP 0.010% CPI Bond 2040	175.705	0.010% +CPI	July 2040
United Utilities Water Finance PLC: GBP Notes 1.875% 2042	296.217	1.875%	June 2042
United Utilities Water Finance PLC: GBP Notes 5.250% 2046	355.033	5.250%	January 2046
United Utilities Water Finance PLC: GBP 0.359% CPI Bond 2048	43.229	0.359% +CPI	October 2048
United Utilities Water Finance PLC: GBP Notes 5.75% 2051	347.354	5.750%	May 2051
United Utilities Water Finance PLC: GBP 0.387% CPI Bond 2057	44.265	0.387% +CPI	October 2057

Loans to associated companies at 31 March 2026

There were no loans to associated companies as at 31 March 2026.

Dividends paid to associated undertakings

During 2025/26, interim dividends were paid to the parent company, United Utilities North West Limited, totalling £245.0 million (2024/25: £197.0 million).

In line with the dividend policy on pages 126 to 128, dividends paid of £245.0 million comprised:

- £227.5 million reflecting a 4% return of the equity portion of the shadow RCV;
- £5.3 million reflecting the profit after tax in relation to the non-appointed activities of UUW; and
- £12.2 million reflecting a true-up from 2024/25 as actual base returns in relation to that year were higher than originally forecast at the time of authorising previous dividend payments. This largely resulted from shadow RCV being higher than forecast.

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Information in respect of transactions with any other business or activity of the appointee or any associated company



Guarantee by the appointee

A financing subsidiary of United Utilities Water Limited (UUW), United Utilities Water Finance PLC (UUWF), was set up in 2014/15 to issue new listed debt on behalf of UUW, following UUW’s re-registration as a private limited company. Debt instruments issued by UUWF (as listed in borrowing and loans above) have been guaranteed by UUW.

Transfer of assets by or to the appointee

There were no transfers of assets or liabilities by or to the company in 2025/26.

Services supplied to the company by associated companies in 2025/26

Nature of transaction	Company	Turnover of associate £m	Terms of supply	Total value of goods, work or services 2025/26
				£m
Functions	UU PLC	–	Employment costs	14.340
Share-based payments recharge	UU Group PLC	–	Employment costs	2.804
Value added services	Water Plus Ltd	912.041	Purchase of services	0.946
Estates charges	LM Man Co Ltd	–	Contract price	0.631
				18.721

Services supplied by the company to associated companies in 2025/26

Nature of transaction	Company	Turnover of associate £m	Terms of supply	Total value of goods, work or services 2025/26
				£m
Employment costs and travel costs	UU Property Services	0.669	Recharge of costs	0.327
Employment costs and travel costs	UU PLC	–	Recharge of costs	4.021
Employment costs and travel costs	UU International Ltd	–	Recharge of costs	0.034
Employment costs and travel costs	UU US (Industrial) Ltd	–	Recharge of costs	0.004
Wholesale water/wastewater recharge	Water Plus Ltd	912.041	Contract price	378.723
Central services including IT	UU Property Services	0.669	Recharge of costs	0.058
				383.167

Corporation tax group relief received/surrendered by the regulated business in 2025/26

Losses surrendered to other group companies totalled £2.4 million, however, these will be settled at the mainstream rate of corporation tax, so overall there is no financial impact. The company has until 31 March 2028 to finalise the group relief surrendered under UK tax legislation, as a result these figures are draft and subject to change.

Service	Company	Turnover of associate	Terms of supply	Value
Corporation tax group relief surrendered by regulated business	United Utilities PLC	Nil	The losses surrendered by United Utilities Water Limited will be paid for at the mainstream rate of corporation tax	£2.4m

During the 2025/26 period, UUW has surrendered a portion of its tax losses to group companies to enable timely utilisation against taxable profits elsewhere in the group. Tax losses totalling £9.6 million were surrendered for value at the headline rate of tax of 25%. As a result, UUW has received a payment of £2.4 million from the group companies for these transferred losses. This payment has been settled.

In previous periods, group relief surrenders, reported within our response to the APR queries in July 2025, have been subsequently amended in line with statutory timetables as follows:

£m, nominal	FY24 (original)	FY24 (revised)	FY25 (original)	FY25 (revised)
Gross loss surrendered	32.22	27.22	28.66	16.12
Payment received @ 25%	8.05	6.81	7.16	4.03

We have considered the impact on customers. While the surrender reduces losses available to offset the company’s future taxable profits, given the tax relief available for the regulated entity’s significant forecasted capital spend it is not expected that the regulated entity will be tax paying for many years. As a result, the surrenders are not expected to have a material adverse effect on customer bills based on the current regulatory and tax framework and current forecasted tax position.

In addition to the above, the surrenders have been undertaken on arm’s length terms, with appropriate value received by the regulated business ensuring the regulated business is not disadvantaged. For clarity, the amount received for losses has not been distributed to shareholders, and this accelerated value supports the company’s financial resilience and continued investment in services, which is in customers’ interests.

Services supplied to the non-appointed business in 2025/26

Service	Basis of recharge made by the appointed business	Value of recharge made by the appointed business 2025/26 £m
Treatment of imported sludge	Nil	Nil
Treatment of tankered waste	The appointed business recharges the non-appointed business for treating tankered waste at wastewater treatment works. The recharge is calculated using the Mogden formula based on tankered waste volumes and, as per RAG 2.10 (7.2), the income is recorded as negative expenditure, reducing appointed operating expenditure.	2.881
Property searches	The appointed business recharges the non-appointed business for the use of operating systems consumed directly in the performance of non-appointed activities. This is calculated based on the frequency and proportion of system use.	1.065
Meter reading services	The appointed business recharges the non-appointed business in respect of meter reading services provided to retailers in the non-household market. The operating cost recharge is calculated using a cost allocation model that apportions cost based on the volume and type of activity completed for retailers. Amortisation associated with systems used to deliver the meter reading service is calculated based on a split of activity volumes between those performed for domestic customers and those completed for retailers or the wholesaler.	1.681

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Statement of directors’ remuneration and standards of performance

All directors of United Utilities Water Limited ‘U UW’ are also directors of United Utilities Group PLC ‘UUG’. The company’s directors can be split into two categories:

- executive directors of U UW; and
- non-executive directors of U UW.

In respect of the year ended 31 March 2026, the executive directors were eligible for remuneration linked to levels of performance against service standards in connection with activities subject to price regulation. The non-executive Chairman and non-executive directors are not eligible to participate in the company’s performance-related pay arrangements (i.e. annual bonus or long-term incentive schemes) and were paid no remuneration linked to water service standards.

Comprehensive disclosures about the entirety of the directors’ remuneration and standards of performance in respect of the year ended 31 March 2026 are provided on pages 140 to 169 in the integrated annual report and accounts of UUG. (unitedutilities.annualreport2026.com/).

Those disclosures include confirmation that, building on the UUG board’s commitment in recent years that performance-related pay received by executive directors would not be paid for by customers, the UUG board has decided to apply this same philosophy to all elements of pay receivable by executive directors going forward, i.e. all fixed and all performance-related pay. As such, none of the cost of the remuneration received by the executive directors in respect of 2025/26 has been borne by U UW.

The UUG remuneration disclosures have been subject to external assurance by the UUG remuneration committee’s independent adviser, Ellason, in consideration of a number of remuneration-related disclosure regulations, requirements and/or guidance, including Ofwat’s RAG 3.16 “Guideline for the format and disclosures for the annual performance report” (RAG 3.16). Ellason found no information to suggest that the UUG disclosures are not reflective of Ofwat’s expectations in respect of RAG 3.16.

In accordance with RAG 3.16 section 4.14 and as agreed with Ofwat, the following specific cross references to the integrated annual report and accounts of UUG are provided:

- For the UUG remuneration committee (committee) chair’s annual statement, see pages 140 to 143. This includes confirmation on page 141 that U UW will not bear the cost of any elements of pay receivable by executive directors i.e. all fixed and all performance-related pay.
- For details about the remuneration policy and approach that applied to the executive directors in respect of 2025/26, including how remuneration was aligned with delivery for customers, the environment, and other stakeholders, the measures and stretching targets that applied to performance related pay schemes, and how the committee took account of overall performance when assessing performance related pay outcomes, see pages 146 to 153.
- For details about the committee’s assessment of compliance with Ofwat’s performance related executive pay prohibition rule (PRP prohibition rule) in respect of 2025/26, see page 141.
- For details about the entirety of remuneration received by the executive directors in respect of 2025/26, see pages 160 to 161.
- For details about the proposed remuneration policy that will be put to UUG shareholders at the 2026 UUG AGM, see pages 144 to 145 and pages 154 to 159. This includes details about how the policy was developed and consulted on, along with the malus and clawback provisions that will apply to performance related pay and allow the company to comply with the PRP prohibition rule.

Regulatory accounts for the 12 months ended 31 March 2026

Ring-Fencing Certificate



Ring-Fencing Certificate (RFC) under paragraph P32 of condition P of the company’s instrument of appointment

In the opinion of the board of United Utilities Water:

1. United Utilities Water Limited will have available to it sufficient financial resources and facilities to enable it to carry out the Regulated Activities, for at least the next 12 months;
2. United Utilities Water Limited will have available to it sufficient management resources and systems of planning and internal control to enable it to carry out the Regulated Activities, for at least the next 12 months;
3. United Utilities Water Limited has available to it sufficient rights and resources other than financial resources, as required by paragraph P14 of the company’s instrument of appointment; and
4. All contracts entered into between United Utilities Water Limited and any Associated Company include the necessary provisions and requirements in respect of the standard of service to be supplied to United Utilities Water Limited, to ensure that it is able to carry out the Regulated Activities.

Statement under paragraph P35 of condition P of the instrument of appointments

In providing this opinion under paragraph P32 of the Licence, the Directors have considered many factors, which fully incorporate the 28 factors listed by Ofwat in Information Notice IN20/01 as the minimum factors to consider.

Senior management from the relevant business areas provide confirmation, along with supporting documentation, for each factor listed. The RFC is presented to the Compliance Committee, a sub committee of UUG board, for review and scrutiny ahead of board approval. In accordance with Condition P37 the company’s instrument of appointment, U UW engaged with KPMG to examine the RFC in conjunction with the completion of their audit of the Regulatory Accounting Statements within the Company’s regulatory accounts for the year ended 31 March 2026. KPMG presented a report to the U UW board stating whether they were aware of any inconsistencies between the RFC and their findings arising from their audit or any information they obtained in the course of their work as the company’s auditor. A copy of KPMG’s RFC report is included on page 223.

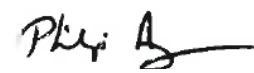
The list of factors considered, include, but is not limited to:

Financial resources and facilities	• U UW’s financial position at 31 March 2026 as represented by the statutory and regulatory accounts. • U UW’s IFRS pension surplus of £230 million, fully-funded on a low dependency basis. • U UW’s projected cash flows as represented by the business plan, budget and treasury funding plan. • U UW’s expected performance against the 2025–30 Final Determination, underpinned by its historical track record. • U UW’s current liquidity position with £2,576 million of available liquidity at March 2026. • U UW’s capital solvency position with a net debt to RCV gearing ratio of 63% as at March 2026. • U UW’s robust credit rating position with unsecured senior debt ratings of Moody’s Baa1; S&P BBB+ and Fitch A- (Fitch issuer default rating BBB+), with all ratings on stable outlook. • U UW’s compliance with its financial covenants. • U UW’s long-term viability statement of seven years, included on pages 116 to 117 of the U UW statutory accounts.. • U UW’s dividend policy, which takes into account financial resilience, consideration of business performance and service delivery for customers and the environment.
Management resources	• A capability audit forms the basis of broad recruitment plans, ensures the right supply of management skills, experience, qualifications and capabilities to respond to the needs of the business. • Outstanding colleague engagement, evidenced by a 90% engagement in our most recent survey, significantly outperforming UK High Performing Companies’ Norm benchmark by 8%, supporting colleague retention and wellbeing. • Succession plan maintained for all executive directors and team, including outline timescales. • Training and personal development programmes exist for all colleagues, enabling the development and competence of key skills for colleagues. • Board appointments and succession planning overseen by Nomination Committee (100% non-executive directors), applying board diversity policy to ensure balance of experience, skills and perspectives. • Equality, Diversity and Inclusion policy and action plan supports our intention of providing opportunity for all our colleagues in an inclusive working environment. • The strategy of the company set by the board, including the company’s approach to business planning, risk management and the development of policies including health and safety. • Non-executive directors considered to be independent when assessed against Provision 10 of the 2024 UK Corporate Governance Code (including Alison Goligher, notwithstanding that she has served as a director beyond the ninth anniversary of her first appointment, but will step down from the board with effect from the conclusion of the AGM on 17 July 2026 , see pages 104 to 105 of the U UW annual report) and in accordance with the relevant Board Leadership, Transparency and Governance (BLTG) objectives and provisions. • The Chairman was independent on appointment when assessed against Provision 10 and in accordance with the relevant BLTG objectives and provisions.

Systems of planning and internal control	- Established risk and resilience framework including the governance and reporting structure. - Biannual board review of the principal risks and uncertainties facing the business and mitigating controls. - Board supported by the Group Audit and Risk Board (GARB) which review and monitor compliance with governance processes, risk management and the internal control framework. - Operational controls across asset management, service delivery, statutory compliance, and long-term resilience are supported by integrated management systems certified to ISO 9001, ISO 14001, and ISO 55001, enabling consistent governance, risk-informed decision-making, and continual improvement in asset performance and regulatory compliance. - Three lines of assurance are embedded throughout the company, including dedicated second line assurance teams for health & safety and environmental compliance, and an independent internal audit team. - UUG Audit Committee approves annual internal audit plan of work, underpinned by five-year strategic plan, with findings reported back to them. - Business continuity system aligned to International standards best practice, with plans addressing loss of buildings, people, systems and key services and updated to reflect our enhanced ability to support remote working for office staff. - Security policy framework to help mitigate cyber risk and ensure data and technology assets are not compromised, including robust controls reflecting multiple sources of threat intelligence, employee training and awareness, and oversight by the GARB. We operate a continuous cyber security improvement programme to ensure our technology, processes and people remain resistant to modern day cyber attacks. These controls are continuously tested through a robust infrastructure and people testing programme, alongside a cyber incident preparedness framework. We are supported by leading cyber incident operations and incident response teams. - Policies to prevent unethical behaviours including an anti-fraud policy, anti-bribery and corruption policy, whistleblowing policy, modern slavery act policy and security policy, supported by an independently provided, confidential, whistleblowing hotline. - Dedicated colleague voice panel sponsored by non-executive director Liam Butterworth enabling the board to have a close and regular check in with colleagues and a clear temperature check of the colleague voice. - Published assurance framework used to support assurance statements supporting key regulatory submissions. - Compliance working group actively maintains a log of key obligations that are referred to within the risk and compliance statement, with each obligations linked policy having a senior named owner.
Rights and resources other than financial resources	- Clear purpose to provide great water for a stronger, greener and healthier North West. - Underpinned by our core values to do the right thing; make it happen; be better, and our strategic themes to improve our rivers; create a greener future; provide a safe and great place to work; deliver great service for all customers; spend customers' money wisely; and contribute to our communities. - Committed to a long-term strategy, embracing systems approach to how we run our service, certified to the international standard for asset management ISO55001. - Monitoring and control technology systems cover real-time monitoring of our water and wastewater systems, ensuring continuing operations. - Key policies encouraging an integrated and consistent approach, including policies on Risk Management, Asset Management and the Environment. - Well-established approach to water production planning with real-time central tracking of site production capacities and water demand forecasting. - Comprehensive asset maintenance plans, developed on a risk basis with high criticality assets receiving additional preventative maintenance activities. - Operational insurance policies protect against material financial loss on insurable risks, supplemented by appropriate levels of self-insurance ensuring ongoing focus on internal-risk management. - Significant investment through our 'Better Rivers' programme and 'Storm Overflow Taskforce', to materially reduce storm overflow activations and improve river health across the region, ensuring new environmental targets are achieved.
Contracting	- Major contracts, typically 5+ years, completed with financially robust organisations which have been thoroughly tested through our procurement processes, with flexibility to use alternative suppliers to ensure continuous service. - In line with UUW's transfer pricing policy, all intercompany trading relationships must have a contract in place with defined Service Level Agreements (SLAs). - Transactions between the appointee and any associated company are completed at arm's length in accordance with UUW's transfer pricing policy and Licence Condition P19. - The APR includes a list of all transactions between the appointee and associated companies in line with RAG 3.16. - No guarantees or cross-default obligations have been given without Ofwat's written consent.

Material issues or circumstances	- The board regularly reviews principal risks and uncertainties facing the business. Due consideration is given to the management of risks spanned by eight common causal themes – asset health; climate change/extreme weather; culture; demographic change; economic conditions; legislative & regulatory change; technology and data and third party assets and service. An overview of our risk management approach that supports the company's long-term planning and prospects, together with the principal risks and uncertainties facing the business, can be found on pages 58 to 63 of the UUW statutory accounts. - We are also subject to the following material litigation claims and regulatory investigations. Whilst these matters are significant, we remain of the opinion that the likelihood of a material adverse impact on the financial position of the Company due to them resulting in an adverse finding is remote based on the facts currently known to us: - We remain subject to two separate but related national/industry wide investigations (one by each of Ofwat and the Environment Agency) in relation to discharges, and the implications may only be known at their conclusion. - Collective proceedings in the Competition Appeal Tribunal (CAT) were issued on 8 December 2023 against UUW and United Utilities Group PLC on behalf of approximately 5.6 million domestic customers following an application by the Proposed Class Representative (PCR), Professor Carolyn Roberts. The PCR alleges that customers have collectively paid an overcharge for sewerage services during the claim period as a result of UUW allegedly abusing a dominant position by providing misleading information to regulatory bodies. The estimated total aggregate amount the PCR is claiming against UUW (including interest) for household customers is at least £141 million. Separate letters before action were issued on 20 December 2024 in relation to similar claims in respect of non-household customers, however it is not clear how these will proceed following the CAT and Court of Appeal's decision not to certify the claims brought in respect of domestic customers. On 7 March 2025, the CAT unanimously concluded that claims could not proceed on the basis that the claims brought forward are excluded by section 18(8) of the Water Industry Act 1991. Subsequently, the PCR was granted permission by the Court of Appeal to appeal this decision. The hearing took place in early 2026 where the Court of Appeal rejected the PCR's appeal and concluded that the CAT's original decision should not be overturned. Following this, the PCR has applied to the Supreme Court to appeal the decision made by the Court of Appeal. The outcome of this request is not yet known. UUW believes the claim is without merit and will robustly defend it, should the certification decision be overturned on appeal.
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This certificate was approved by the board and signed on its behalf by:


Phil Aspin
Chief Financial Officer
23 June 2026

An extract from the board minutes evidencing that the board approved the RFC and delegated authority to sign the certificate to any one director can be found in appendix 2.

Regulatory accounts for the 12 months ended 31 March 2026

Pro forma tables in sections 3 to 11

This section of the UUW annual performance report provides a copy of the pro forma tables in sections 3 to 11, (plus table 2H) which Ofwat requires all companies to publish, that have not been subject to financial audit opinion. The information within these tables has been subject to detailed governance and assurance by either KPMG or Jacobs (our non-financial auditor), with the nature and findings of the assurance being set out in Appendix 1 Assurance summary and findings.

The list of data tables is shown below:

Section 2: Price review and other segmental reporting	
Pro forma 2H	Cash collection performance rates - residential retail
Section 3: Performance summary	
Pro forma 3A	Outcome performance – all performance commitments
Pro forma 3B	Underlying data - measures of experience performance commitments
Pro forma 3C	Underlying calculations and supplementary data – customer facing performance commitments
Pro forma 3D	Underlying calculations and supplementary data – demand common performance commitments
Pro forma 3E	Underlying calculations and supplementary data – environmental common performance commitments
Pro forma 3F	Underlying calculations and supplementary data – asset health performance commitments
Pro forma 3G	Underlying calculations – compliance based common performance commitments
Pro forma 3H	Underlying calculations and supplementary data – bespoke performance commitments
Section 4: Additional regulatory information – service level	
Pro forma 4A	Water bulk supply information
Pro forma 4B	Analysis of debt – omitted from inclusion within regulatory accounts due to size in adherence with RAG 3.16. The table is submitted to Ofwat separately, and published on the company website
Pro forma 4C	Actual expenditure against cost allowances by cost sharing rate
Pro forma 4D	Totex analysis – water resources and water network+
Pro forma 4E	Totex analysis – wholesale wastewater
Pro forma 4F	Major project expenditure for wholesale water by purpose
Pro forma 4G	Major project expenditure for wholesale wastewater by purpose
Pro forma 4H	Financial metrics
Pro forma 4I	Financial derivatives
Pro forma 4J	Base expenditure analysis – wholesale water
Pro forma 4K	Base expenditure analysis – wholesale wastewater
Pro forma 4L	Enhancement expenditure analysis – water resources and water network+
Pro forma 4M	Enhancement expenditure analysis – wastewater network+ and bioresources
Pro forma 4N	Site-specific developer services expenditure – network+
Pro forma 4O	Diversions expenditure – network+
Pro forma 4P	Infrastructure network reinforcement projects for the 2025–30 period
Pro forma 4Q	Developer services – new connections, properties and mains
Pro forma 4R	Properties, customers and population
Pro forma 4V	Mark-to-market of financial derivatives analysed based on payment dates
Pro forma 4W	Defined benefit pensions scheme – additional information
Pro forma 4Z	Household bill reduction schemes, debt, Guaranteed Standards Scheme payments and Priority Service Register data
Pro forma 4AA	Third-party services water expenditure
Pro forma 4AB	Third-party services wastewater expenditure
Pro forma 4AC	Base expenditure analysis – water asset refurbishment and replacement
Pro forma 4AD	Base workload analysis – wastewater asset refurbishment and replacement

Regulatory accounts for the 12 months ended 31 March 2026

Pro forma tables in sections 3 to 11



Section 5: Additional regulatory information – water resources	
Pro forma 5A	Water resources asset and volume data
Section 6: Additional regulatory information – water network+	
Pro forma 6A	Raw water transport, raw water storage and water treatment data
Pro forma 6B	Treated water distribution – assets and operations
Pro forma 6C	Water network+ – mains, communication pipes and other data
Pro forma 6D	Demand management – metering and leakage activities
Pro forma 6E	Leakage activity
Pro forma 6F	WRMP annual reporting on delivery – excluding leakage and metering activities
Section 7: Additional regulatory information – wastewater network+	
Pro forma 7A	Wastewater network+ – functional expenditure
Pro forma 7B	Wastewater network+ – large sewage treatment works. The table is submitted to Ofwat separately, and published on the company website
Pro forma 7C	Wastewater network+ – sewer and volume data
Pro forma 7D	Wastewater network+ – sewage treatment works data
Pro forma 7E	Wastewater network+ – other data including energy consumption and scheme delivery
Pro forma 7F	Wastewater network+ – WINEP / NEP phosphorus removal scheme costs and cost drivers. The table is submitted to Ofwat separately, and published on the company website
Pro forma 7G	Wastewater network+ – WINEP / NEP sanitary parameters scheme costs and cost drivers. The table is submitted to Ofwat separately, and published on the company website
Pro forma 7H	Wastewater network+ – WINEP / NEP nitrogen removal scheme costs and cost drivers. The table is submitted to Ofwat separately, and published on the company website
Pro forma 7I	Wastewater network+ – growth at STWs scheme costs and cost drivers. The table is submitted to Ofwat separately, and published on the company website
Pro forma 7J	Wastewater network+ – Bioresources – Industrial Emissions Directive scheme costs and cost drivers. The table is submitted to Ofwat separately, and published on the company website
Pro forma 7K	Wastewater network+ – WINEP storm overflow scheme costs and cost drivers. The table is submitted to Ofwat separately, and published on the company website
Pro forma 7L	Wastewater network+ – sewage pumping mains renewals. The table is submitted to Ofwat separately, and published on the company website
Section 8: Additional regulatory information – bioresources	
Pro forma 8A	Bioresources sludge data
Pro forma 8C	Bioresources energy and liquors analysis
Pro forma 8D	Bioresources sludge treatment and disposal data
Section 9: Additional regulatory information – innovation competition	
Pro forma 9A	Innovation competition
Section 11: Greenhouse gas emissions and Net Zero reporting	
Pro forma 11A	Greenhouse gas emissions reporting
Pro forma 11B	Net Zero enhancement reporting

Commentary is also provided for tables 3A–3H, 4A, 4F, 4G, 4L, 4M, 4P–4R, 4Z, 4AC, 4AD, 5A, 6A–6F, 7A–7L, 8A, 8C, 8D, 9A, 11A and 11B within the supporting commentary document which is published on our website.

Pro forma 2H
Cash collection performance rates - residential retail

Keys to cells	
Input cell	
Calculation cell	
Copy cell	

Billing year	Units	DPs	% Revenue collected					RAG 4 reference
			2025-26	2026-27	2027-28	2028-29	2029-30	
All customers								
Collection rates for bills raised in 2025-26 - all customers	%	1	90.4%	93.3%	94.0%	94.4%	94.6%	2H.1
Collection rates for bills raised in 2026-27 - all customers	%	1		90.7%	93.6%	94.3%	94.6%	2H.2
Collection rates for bills raised in 2027-28 - all customers	%	1			90.7%	93.6%	94.3%	2H.3
Collection rates for bills raised in 2028-29 - all customers	%	1				90.7%	93.6%	2H.4
Collection rates for bills raised in 2029-30 - all customers	%	1					90.7%	2H.5
Measured customers								
Collection rates for bills raised in 2025-26 - measured customers	%	1	90.9%	94.6%	95.2%	95.5%	95.7%	2H.6
Collection rates for bills raised in 2026-27 - measured customers	%	1		91.1%	94.8%	95.4%	95.7%	2H.7
Collection rates for bills raised in 2027-28 - measured customers	%	1			91.1%	94.8%	95.4%	2H.8
Collection rates for bills raised in 2028-29 - measured customers	%	1				91.1%	94.8%	2H.9
Collection rates for bills raised in 2029-30 - measured customers	%	1					91.1%	2H.10
Non measured customers								
Collection rates for bills raised in 2025-26 - non-measured customers	%	1	89.9%	92.2%	93.0%	93.3%	93.6%	2H.11
Collection rates for bills raised in 2026-27 - non-measured customers	%	1		90.2%	92.5%	93.3%	93.7%	2H.12
Collection rates for bills raised in 2027-28 - non-measured customers	%	1			90.2%	92.5%	93.3%	2H.13
Collection rates for bills raised in 2028-29 - non-measured customers	%	1				90.2%	92.5%	2H.14
Collection rates for bills raised in 2029-30 - non-measured customers	%	1					90.2%	2H.15



Pro forma 3A
Outcome performance – all performance commitments

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Unit	Decimal places	Performance level - actual	PCL met? (Yes/No)	Outperformance or underperformance payment	Total 2025-30 outperformance or underperformance payment	RAG 4 reference
					£m	£m	
Common PCs - Water (Financial)							
Biodiversity	Biodiversity units gained	2	0	Yes	0.00	0.00	3A.1
Business demand	% reduction of three-year average business demand	1	-1.0%	No	-0.519	-0.519	3A.2
Compliance Risk Index (CRI)	Number	2	2.11	No	-0.553	-0.553	3A.3
Customer contacts about water quality	Number of customer contacts per 1000 population (MI/d)	2	1.33	No	-1.107	-1.107	3A.4
Discharge permit compliance	% compliance	2	98.20	No	-0.999	-0.999	3A.5
Greenhouse gas emissions (water)	% reduction in greenhouse gas emissions	2	-3.36%	No	-0.684	-0.684	3A.6
Leakage	% reduction of three-year average leakage (MI/d)	1	9.4%	No	-13.490	-13.490	3A.7
(For use by NES and SSC only)	% reduction of three-year average leakage (MI/d)	1			0.000	0.000	3A.8
Repairs to burst mains	Number of mains repairs per 1,000km	1	104.2	Yes	2.425	2.425	3A.9
Per capita consumption	% reduction of three-year average PCC in (l/person/d)	1	6.2%	Yes	0.616	0.616	3A.10
(For use by SSC only)	% reduction of three-year average PCC in (l/person/d)	1					3A.11
Serious pollution incidents	Number of serious pollution incidents	-	2	No	-1.557	-1.557	3A.12
Unplanned outage	% loss of company peak week production capacity	2	1.34%	Yes	9.875	9.875	3A.13
Water supply interruptions	average number of minutes lost per customer		00:13:02	No	-9.373	-9.373	3A.14
Common PCs - Wastewater (Financial)							
Bathing water quality	Number average bathing water quality score	1	45.8	No	-7.452	-7.452	3A.18
External sewer flooding	Number of external sewer flooding incidents per 10,000 sewer connection	2	15.86	Yes	7.782	7.782	3A.19
Greenhouse gas emissions (wastewater)	% reduction in greenhouse gas emissions	2	4.64%	Yes	2.680	2.680	3A.20
Internal sewer flooding	Number of internal sewer flooding incidents per 10,000 sewer connection	2	2.01	Yes	9.032	9.032	3A.21
Sewer collapses	Number of sewer collapses per 1,000 km of all sewers	2	12.39	Yes	0.591	0.591	3A.22
Storm overflows	Average number of spills per storm overflow	2	29.60	No	-0.864	-0.864	3A.23
Total pollution incidents	Pollution incidents per 10,000 km of sewer length	2	42.15	No	-31.595	-31.595	3A.24
Common PCs- Non-financial							
River water quality	% reduction of phosphorus emissions into river catchment	2	-17.15%	Yes			3A.25
Bespoke PCs (Financial)							
Capital carbon (For use by SVE only)	% reduction in tCO ₂ e (cumulative)	2	0.00				3A.26
Embodied greenhouse gas emissions (For use by SWB only)	% reduction in tCO ₂ e (cumulative)	2	0.00				3A.27
Embodied greenhouse gas emissions (For use by UUW only)	% reduction in tCO ₂ e (cumulative)	3	69.45%	Yes	0.000	0.000	3A.28
Lower carbon concrete assets (For use by ANH only)	% reduction in tCO ₂ e (cumulative)	2	0.00				3A.29
Low pressure (For use by AFW only)	Hours per premise per year (hh:mm:ss)	0	0.0				3A.30
Streetworks (For use by TMS only)	Number of collaborative projects delivered (cumulative)	0	0				3A.31
Wonderful Windermere (For use by UUW only)	Kg phosphorus removed (cumulative)	2	12.57	Yes	0.002	0.002	3A.32
Tideway PCs (Financial)							
Managing early handback of Tideway project land (For use by TMS only)	Months	0	0				3A.33
Systems acceptance incentive (For use by TMS only)	Date	0	0				3A.34
Tideway PCs (Non-financial)							
Effective stakeholder management (For use by TMS only)	Average score	1	0.0				3A.35
Maximising the value of Tideway project land sales (For use by TMS only)	Total net profit / loss	1	0.0				3A.36
Financial water performance commitments achieved	%		33				3A.37
Financial wastewater performance commitments achieved	%		57				3A.38
Overall financial common performance commitments achieved (excluding BR-MeX)	%		42				3A.39
Bespoke performance commitments achieved	%		100				3A.40
Non-financial performance commitment achieved	%		100				3A.41
Total performance commitments achieved	%		50				3A.42

Lines 3A.25 -3A.26 are unused freeform lines.

Pro forma 3B
Outcome performance - all performance commitments

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Unit	Value	RAG 4 reference
Business customers in Wales measure of experience			
Business customers in Wales measure of experience contact survey	Number		3B.1
Business customers in Wales measure of experience non-contact survey	Number		3B.2
Business customers in Wales score	Number	0.00	3B.3
Business customer and retailer measure of experience (BR-MeX)			
Annual customer satisfaction score for the Business customer contact survey (B-MeX)	Number	70.81	3B.4
Annual retailer satisfaction score for the Retailer experience survey (R-MeX)	Number	83.17	3B.5
Annual MPF Score	Number	95.19	3B.6
Annual BR-MeX score	Number	79.995	3B.7
Customer measure of experience (C-MeX)			
Annual customer satisfaction score for the customer service survey	Number	67.11	3B.8
Annual customer satisfaction score for the customer experience survey	Number	69.53	3B.9
Annual C-MeX score	Number	67.92	3B.10
Total household complaints	Number	27,349	3B.11
Total connected household properties	Number	3,424,312	3B.12
Total household complaints per 10,000 connections	Number	79.87	3B.13
Developer measure of experience (D-MeX)			
Developer satisfaction (small developers) qualitative component annual results	Number	73.06	3B.14
Developer satisfaction (large developers) qualitative component annual results	Number	78.12	3B.15
Quantitative component annual results	Number	99.77	3B.16
D-MeX score	Number	83.64	3B.17

Levels of service performance metrics	Unit	Reporting period (1 April to 31 March)	
Calculating the D-MeX quantitative component			
S1.1 Pre-development enquiry – reports issued within target	%	99.59%	3B.W1
S3.1 Sewer requisition design – offers issued within target	%	100.00%	3B.W2
S4.1 Sewer requisition – constructed and commissioned within agreed extension	%	n/a	3B.W3
S7.1 Adoption legal agreement – draft agreements issued within target	%	n/a	3B.W4
SAM - 3/1 Execute Adoption Agreement (Stage 3) – Sewerage Company – SAM – 3/1 – Update draft Agreement	%	98.53%	3B.W5
SAM - 4/1 Customer notifies of construction start date and requests inspections (Stage 4) – Sewerage Company – SAM – 4/1 Inspections & construction period	%	100.00%	3B.W6
SLPM - 2/2b Design Self-Laid Main (Stage 2) – Water Company – SLPM - S2/2b – Water Company to Provide design acceptance	%	100.00%	3B.W7
SLPM – S1/2 POC (Stage 1C) – Water Company – SLPM – S1/2 – Review PoC proposal	%	100.00%	3B.W8
SLPM - S2/2a Design Self-Laid Main (Stage 2) – Water Company – SLPM - S2/2a – Provide design	%	n/a	3B.W9
SLPM – S3 Execute Water Adoption Agreement (Stage 3) – Water Company – SLPM – S3 – Review / revise Water Adoption Agreement	%	100.00%	3B.W10
SLPM – S4/1 Delivery Date (Stage 3 / 4) – Water Company – SLPM – S4/1 – Source of Water Delivery Date	%	98.44%	3B.W11
SLPM – S5/1a Connect Self-Laid Main – (Stage 5) – Water Company – SLPM – S5/1a – Review request and carry out Final Connection	%	100.00%	3B.W12
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%	3B.W13
SN2.2 % Bulk discharge offer letters issued to the applicant within target period	%	100.00%	3B.W14
SN4.1 % of main laying schemes constructed and commissioned within the target period	%	n/a	3B.W15
W1.1 Pre-development enquiry – reports issued within target	%	99.68%	3B.W16
W17.1 Mains diversions (without constraints) - quotations within target	%	100.00%	3B.W17
W17.2 Mains diversions (with constraints) - quotations within target	%	100.00%	3B.W18
W18.1 Mains diversions - construction/commissioning within target	%	100.00%	3B.W19
W20.1 Self-lay Point of Connection report < 500 plots etc - reports issued within target	%	n/a	3B.W20
W21.1 Self-lay Point of Connection reports >500 plots etc - reports issued within target	%	n/a	3B.W21
W23.1 Self-lay design and terms request <500 plots etc - quotations within target	%	100.00%	3B.W22
W24.1 Self-lay design and terms request >500 plots etc - quotations within target	%	n/a	3B.W23
W26.1 Self-lay water for pressure/bacteriological testing - provided within target	%	n/a	3B.W24
W27.1 Self-lay permanent water supply - provided within target	%	n/a	3B.W25
W3.1 s45 quotations - within target	%	99.97%	3B.W26
W30.1 Self-lay plot references and costing details - issued within target	%	n/a	3B.W27
W4.1 s45 service pipe connections - within target	%	99.44%	3B.W28
W6.1 Mains design <500 plots - quotations within target	%	100.00%	3B.W29
W7.1 Mains design >500 plots - quotations within target	%	100.00%	3B.W30
W8.1 Mains construction within target	%	98.92%	3B.W31
WN1.1 % of confirmations issued to the applicant within target period	%	100.00%	3B.W32
WN2.2 % Bulk supply offer letters issued to the applicant within target period	%	100.00%	3B.W33
WN4.1 % of main laying schemes constructed and commissioned within the target period	%	n/a	3B.W34
WN4.2 % of testing supplies provided within target period	%	100.00%	3B.W35
WN4.3 % of permanent supplies made available within the target period	%	n/a	3B.W36
D-MeX quantitative score (for the reporting period)	%	99.77%	3B.18

Pro forma 3C
Underlying calculations - customer experience common performance commitments

Keys to cells

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Calculation cell
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Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - actual (current reporting year)	Performance level - Calculated (i.e. standardised)	RAG 4 reference
Performance commitments set in standardised units						
Internal sewer flooding						
Internal sewer flooding - customer proactively reported	Number of internal sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	3525.716	603	1.71	3C.1
Internal sewer flooding - company reactively identified (ie neighbouring properties)	Number of internal sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	3525.716	105	0.30	3C.2
Internal sewer flooding	Number of internal sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	3525.716	708	2.01	3C.3
External sewer flooding						
External sewer flooding - customer proactively reported	Number of external sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	3525.716	5028	14.26	3C.4
External sewer flooding - company reactively identified (ie neighbouring properties)	Number of external sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	3525.716	565	1.60	3C.5
External sewer flooding	Number of external sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	3525.716	5593	15.86	3C.6
Customer contacts about water quality						
Customer contacts - taste and odour	Number of contacts per 1,000 resident population	Resident population (thousands)	7557.655	1968	0.26	3C.7
Customer contacts - appearance	Number of contacts per 1,000 resident population	Resident population (thousands)	7557.655	8112	1.07	3C.8
Customer contacts about water quality	Number of contacts per 1,000 resident population	Resident population (thousands)	7557.655	10080.00	1.33	3C.9

Line description	Unit	Standardising data indicator	Standardising data numerical value	Total minutes lost	Number of properties supply interrupted	Calculated performance level	
Water supply interruptions							
Water supply interruptions (≥3 hours)	Average number of minutes lost per property per year	Number of properties (thousands)	3498.798	45618435	131,370	00:13:02	3C.10
Water supply interruptions (≥6 hours)	Average number of minutes lost per property per year	Number of properties (thousands)	3498.798	23620759	40,147	00:06:45	3C.11
Water supply interruptions (≥12 hours)	Average number of minutes lost per property per year	Number of properties (thousands)	3498.798	8683146	8,586	00:02:29	3C.12
Water supply interruptions (≥24 hours)	Average number of minutes lost per property per year	Number of properties (thousands)	3498.798	275130	2,216	00:00:05	3C.13

Supplementary data - customer experience common performance commitments

Line description	Unit	Performance level - Actual (current reporting year)	
Internal sewer flooding			
Number of internal sewer flooding incidents with a root cause of hydraulic overloading	Number	49	3C.14
Number of internal sewer flooding incidents with root cause of sewer blockage	Number	433	3C.15
Number of internal sewer flooding incidents with root cause of sewer collapse	Number	157	3C.16
Number of internal sewer flooding incidents with root cause of equipment failure	Number	4	3C.17
Number of internal sewer flooding incidents with root cause not specified above	Number	65	3C.18
Number of properties that have experienced more than one internal sewer flooding incident within the last year	Number	21	3C.19
Total number of internal sewer flooding incidents arising from properties that have experienced more than one internal sewer flooding incident within the last year	Number	49	3C.20
Number of properties that have experienced more than one internal sewer flooding incident within the last three years	Number	347	3C.21
Total number of internal sewer flooding incidents arising from properties that have experienced more than one internal sewer flooding incident within the last three years	Number	798	3C.22
Number of properties that have experienced more than one internal sewer flooding incident within the last five years	Number	582	3C.23
Total number of internal sewer flooding incidents arising from properties that have experienced more than one internal sewer flooding incident within the last five years	Number	1377	3C.24
External sewer flooding			
Number of external sewer flooding incidents with a root cause of hydraulic overloading	Number	169	3C.25
Number of external sewer flooding incidents with root cause of sewer blockage	Number	4397	3C.26
Number of external sewer flooding incidents with root cause of sewer collapse	Number	886	3C.27
Number of external sewer flooding incidents with root cause of equipment failure	Number	11	3C.28
Number of external sewer flooding incidents with root cause not specified above	Number	130	3C.29
Number of properties that have experienced more than one external sewer flooding incident within the last year	Number	299	3C.30
Total number of external sewer flooding incidents arising from properties that have experienced more than one external sewer flooding incident within the last year	Number	691	3C.31
Number of properties that have experienced more than one external sewer flooding incident within the last three years	Number	1858	3C.32
Total number of external sewer flooding incidents arising from properties that have experienced more than one external sewer flooding incident within the last three years	Number	4696	3C.33
Number of properties that have experienced more than one external sewer flooding incident within the last five years	Number	3378	3C.34
Total number of external sewer flooding incidents arising from properties that have experienced more than one external sewer flooding incident within the last five years	Number	8633	3C.35

Section 3 Performance summary

Pro forma 3D
Underlying calculations and supplementary data- demand common performance commitments

Keys to cells

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Calculation cell
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Line description	Units	DPs	2017-18 baseline	2018-19 baseline	2019-20 baseline	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	RAG 4 reference
Leakage - company level													
Annual average leakage	MI/d	1	449.4	452.0	439.8	408.6	411.2	394.9					3D.1
Three-year average leakage	MI/d	1			447.1			404.9					3D.2
% reduction in 3 - year average leakage from 2019-20 baseline	%	1						9.4%					3D.3
Leakage - region 1													
Annual average leakage	MI/d	1						0.0					3D.4
Three-year average leakage	MI/d	1						0.0					3D.5
% reduction in 3 - year average leakage from 2019-20 baseline	%	1						0.0					3D.6
Leakage - region 2													
Annual average leakage	MI/d	1						0.0					3D.7
Three-year average leakage	MI/d	1						0.0					3D.8
% reduction in 3 - year average leakage from 2019-20 baseline	%	1						0.0					3D.9
Per capita consumption- company level													
Annual average PCC	l/h/d	1	136.2	134.9	132.6	127.1	124.6	127.2					3D.10
Three-year average PCC	l/h/d	1			134.6			126.3					3D.11
% reduction in 3 - year average PCC from 2019-20 baseline	%	1						6.2%					3D.12
Annual household consumption level	MI/d	1						1015.2					3D.13
Total household population	000s	3						7978.413					3D.14
Per capita consumption- region 1													
Annual average PCC	l/h/d	1						-					3D.15
Three-year average PCC	l/h/d	1						-					3D.16
% reduction in 3 - year average PCC from 2019-20 baseline	%	1						-					3D.17
Annual household consumption level	MI/d	1						0.0					3D.18
Total household population	000s	3											3D.19
Per capita consumption- region 2													
Annual average PCC	l/h/d	1						-					3D.20
Three-year average PCC	l/h/d	1						-					3D.21
% reduction in 3 - year average PCC from 2019-20 baseline	%	1						-					3D.22
Annual household consumption level	MI/d	1						0.0					3D.23
Total household population	000s	3											3D.24
Business demand - company level - performance													
Annual average business demand (incl. voids)	MI/d	1	365.6	381.6	379.1	382.0	378.9	377.0					3D.25
Three-year average business demand (incl. voids)	MI/d	1			375.4			379.3					3D.26
% reduction in 3 - year average business demand from 2019-20 baseline (incl. voids)	%	1						-1.00%					3D.27
Annual average business consumption (excl. voids)	MI/d	1						362.9					3D.28
Annual average business voids consumption	MI/d	1						14.1					3D.29
Business demand - company level - annual changes													
Annual average business demand (incl. voids) variance of reporting year from previous year	MI/d	1						-1.9					3D.30
Increase in business demand in reporting year due to new business demand (new supply points).	MI/d	1						0.6					3D.31
Changes in existing business demand (existing supply points) in reporting year compared to previous year.	MI/d	1						-9.4					3D.32
Business demand - region 1 level - performance													
Annual average business demand (incl. voids)	MI/d	1						0.0					3D.33
Three-year average business demand (incl. voids)	MI/d	1						0.0					3D.34
% reduction in 3 - year average business demand from 2019-20 baseline	%	1						-					3D.35
Annual average business consumption (excl. voids)	MI/d	1						0.0					3D.36
Annual average business voids consumption	MI/d	1											3D.37
Business demand - region 1 - annual changes													
Annual average business demand (incl. voids) variance of reporting year from previous year	MI/d	1						0.0					3D.38
Increase in business demand in reporting year due to new business demand (new supply points).	MI/d	1											3D.39
Changes in existing business demand (existing supply points) in reporting year compared to previous year.	MI/d	1											3D.40
Business demand - region 2 level - performance													
Annual average business demand (incl. voids)	MI/d	1						0.0					3D.41
Three-year average business demand (incl. voids)	MI/d	1						0.0					3D.42
% reduction in 3 - year average business demand from 2019-20 baseline	%	1						-					3D.43
Annual average business consumption (excl. voids)	MI/d	1						0.0					3D.44
Annual average business voids consumption	MI/d	1											3D.45
Business demand - region 2 - annual changes													
Annual average business demand (incl. voids) variance of reporting year from previous year	MI/d	1						0.0					3D.46
Increase in business demand in reporting year due to new business demand (new supply points).	MI/d	1											3D.47
Changes in existing business demand (existing supply points) in reporting year compared to previous year.	MI/d	1											3D.48

Keys to cells

Input cell
Calculation cell
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Pro forma 3E
Underlying calculations and supplementary data- environmental common performance commitments

Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)
Serious pollution incidents					
Number of serious pollution incidents (water)	Number			0	0
Number of serious pollution incidents (wastewater)	Number			2	2
Number of serious pollution incidents	Number			2	2
Total pollution incidents					
Pollution incidents - category 1 (wastewater)	Number of pollution incidents per 10,000 km of sewer length	Sewer length in km	77339	0	0.00
Pollution incidents - category 2 (wastewater)	Number of pollution incidents per 10,000 km of sewer length	Sewer length in km	77339	2	0.26
Pollution incidents - category 3 (wastewater)	Number of pollution incidents per 10,000 km of sewer length	Sewer length in km	77339	324	41.89
Pollution incidents - dry day spills	Number of pollution incidents per 10,000 km of sewer length	Sewer length in km	77339	1216	157.23
Pollution incidents - Total (wastewater)	Number of pollution incidents per 10,000 km of sewer length	Sewer length in km	77339	326	42.15
Storm overflows					
Total number of monitored spills	Number			60843	
Total number of storm overflows	Number			2270	
Uptime	% EDM uptime			97.20%	
Average number of spills per overflow - monitored	Number				26.80
Unmonitored storm overflows adjustment	Number				2.80
Average number of spills per overflow - with unmonitored adjustment	Number				29.60

RAG 4 reference
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Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)	PC definition weighting
Bathing water quality						
Number of 'poor' bathing waters	Bathing water quality score	Number of bathing sites		9	0.0	0
Number of 'sufficient' bathing waters	Bathing water quality score	Number of bathing sites		9	3.0	0.33
Number of 'good' bathing waters	Bathing water quality score	Number of bathing sites		10	6.6	0.66
Number of 'excellent' bathing waters	Bathing water quality score	Number of bathing sites		6	6.0	1
Bathing water quality	Bathing water quality score	Total number of bathing sites	34		45.8	

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Line description	Unit	Standardising data indicator	Standardising data numerical value	Baseline	Current reporting year	Performance level - Net change	Performance level - Calculated (i.e. standardised)
Biodiversity							
Biodiversity net change - area	Net change in biodiversity per 100km2	Company land area (100km2)	295.13	1111.49	1111.49	0.00	0.00
Biodiversity net change - hedgerow	Net change in biodiversity per 100km2	Company land area (100km2)	295.13	0.00	0.00	0.00	0.00
Biodiversity net change - river	Net change in biodiversity per 100km2	Company land area (100km2)	295.13	0.00	0.00	0.00	0.00
Biodiversity net change - total	Net change in biodiversity per 100km2	Company land area (100km2)	295.13	1111.49	1111.49	0.00	0.00

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River water quality							
Phosphorus emitted from treatment works that had a phosphorus limit for the latest calendar year.	% reduction in phosphorus emissions	2020 baseline	2508968.11	677026.20	246694.19	-430332.01	-0.17
Phosphorus prevented from entering rivers from partnership working	% reduction in phosphorus emissions	2020 baseline	2508968.11	0.00	0.00	0.00	0.00
Reduction in phosphorus	% reduction in phosphorus emissions	2020 baseline	2508968.11	677026.20	246694.19	-430332.01	-0.17

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Line Description	Unit	Actual tCO ₂ e
Operational greenhouse gas emissions (water)		
Scope one emissions		
Direct emissions from burning of fossil fuels (location-based)	tCO ₂ e	1323.01
Process and fugitive emissions (incl. refrigerants)	tCO ₂ e	0.00
Emissions from vehicle transport (owned or leased)	tCO ₂ e	5214.15
Emissions from land	tCO ₂ e	0.00
Total scope one emissions	tCO ₂ e	6537.16
Scope two emissions		
Purchased electricity (location-based)	tCO ₂ e	64297.58
Purchased heat	tCO ₂ e	0.00
Electric vehicles	tCO ₂ e	41.27
Removal of electricity to charge electric vehicles	tCO ₂ e	0.00
Total scope two emissions	tCO ₂ e	64338.85
Scope three emissions		
Business travel on public transport and private vehicles used for company business	tCO ₂ e	896.34
Outsourced activities	tCO ₂ e	0.00
Purchased electricity: extraction, production, transmission and distribution (location based)	tCO ₂ e	22680.63
Purchased heat: extraction, production, transmission and distribution	tCO ₂ e	0.00
Purchased fuels: extraction, production, transmission and distribution	tCO ₂ e	1517.27
Chemicals	tCO ₂ e	60605.46
Total scope three emissions	tCO ₂ e	85699.70
Emissions reductions		
Exported renewables (generated onsite and exported)	tCO ₂ e	682.09
Exported biomethane (generated onsite and exported)	tCO ₂ e	0.00
Insets	tCO ₂ e	0.00
Total emissions reductions	tCO ₂ e	682.09
Baseline tCO ₂ e (2024-2025)	tCO ₂ e	150831.00
Gross emissions	tCO ₂ e	156575.70
Net emissions	tCO ₂ e	155893.61
Percentage reduction from 2024-25 baseline (tonnes CO ₂ e)	%	-0.03
Emissions by base expenditure	tCO ₂ e	155893.61
Emissions by enhancement expenditure	tCO ₂ e	0.00
Emissions by net zero enhancement scheme	tCO ₂ e	0.00

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Operational greenhouse gas emissions (wastewater)		
Scope one emissions		
Direct emissions from burning of fossil fuels (location-based)	tCO ₂ e	18660.23
Process and fugitive emissions (incl. refrigerants)	tCO ₂ e	89544.90
Emissions from vehicle transport (owned or leased)	tCO ₂ e	13425.11
Emissions from land	tCO ₂ e	0.00
Total scope one emissions	tCO ₂ e	121630.25
Scope two emissions		
Purchased electricity (location-based)	tCO ₂ e	72418.92
Purchased heat	tCO ₂ e	0.00
Electric vehicles	tCO ₂ e	64.05
Removal of electricity to charge electric vehicles	tCO ₂ e	0.00
Total scope two emissions	tCO ₂ e	72482.97
Scope three emissions		
Business travel on public transport and private vehicles used for company business	tCO ₂ e	850.99
Outsourced activities	tCO ₂ e	4705.31
Purchased electricity: extraction, production, transmission and distribution (location based)	tCO ₂ e	25551.58
Purchased heat: extraction, production, transmission and distribution	tCO ₂ e	0.00
Purchased fuels: extraction, production, transmission and distribution	tCO ₂ e	7726.31
Chemicals	tCO ₂ e	37746.87
Disposal of waste	tCO ₂ e	32979.45
Total scope three emissions	tCO ₂ e	109560.50
Emissions reductions		
Exported renewables (generated onsite and exported)	tCO ₂ e	2363.37
Exported biomethane (generated onsite and exported)	tCO ₂ e	8603.64
Insets	tCO ₂ e	0.00
Total emissions reductions	tCO ₂ e	10967.01
Baseline tCO ₂ e (2024-2025)	tCO ₂ e	306961.58
Gross emissions	tCO ₂ e	303673.71
Net emissions	tCO ₂ e	292706.71
Percentage reduction from 2024-25 baseline (tonnes CO ₂ e)	%	0.05
Emissions by base expenditure	tCO ₂ e	292706.70
Emissions by enhancement expenditure	tCO ₂ e	0.00
Emissions by net zero enhancement scheme	tCO ₂ e	0.00

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Additional supplementary data - environmental common performance commitments

Line description	Unit	Performance level - Actual (current reporting year)
Storm overflows		
Average spills per overflow performance assuming 100% monitoring	Average spills per storm overflow	27.58
Spills under verified trial conditions	Total spills - number	0.00
Spills outside of verified trial conditions	Total spills - number	30843

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Line description	Storm overflow name	WINEP ID	SOAP ID	Months valid trial in operation during reporting year	Number of spills (under verified trial conditions)	Number of spills included in the PR24 PCL	Total number of spills associated with NBS trials (outside of PR24 forecast performance);
Storm overflows - wetland trial information							
Trial overflow information - trial site 1							0.00
Trial overflow information - trial site 2							0.00
Trial overflow information - trial site 3							0.00
Trial overflow information - trial site 4							0.00
Trial overflow information - trial site 5							0.00

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Pro forma 3F
Underlying calculations- asset health common performance commitments

Keys to cells		
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Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)	RAG 4 reference
Repairs to burst mains						
Mains repairs - Reactive	Mains repairs per 1,000km	Mains length in km	43270	2361	54.6	3F.1
Mains repairs - Proactive	Mains repairs per 1,000km	Mains length in km	43270	2148	49.6	3F.2
Mains repairs	Mains repairs per 1,000km mains length	Mains length in km	43270	4509	104.2	3F.3
Sewer collapses						
Sewer collapses	Number of sewer collapses per 1,000km of all sewers	Sewer length in km	79407	984	12.39	3F.4
Line description	Unit		Current company level peak week production capacity (PWPC) MI/d	Reduction in company level PWPC MI/d	Outage proportion of PWPC %	
Unplanned outage						
Unplanned outage	% loss of company peak week production capacity		3354.50	45.01	1.34%	3F.5

Pro forma 3G
Underlying calculations- compliance based common performance commitments

Keys to cells		
	Input cell	
	Calculation cell	
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Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)	RAG 4 reference
Discharge permit compliance						
Discharge permit compliance (water)	% permit compliance	Number of numeric discharge permits (water)	13	1	92.31	3G.1
Discharge permit compliance (wastewater)	% permit compliance	Number of numeric discharge permits (wastewater)	376	6	98.40	3G.2
Discharge permit compliance	% permit compliance	Number of numeric discharge permits (total)	389	7	98.20	3G.3
Compliance Risk Index						
Water treatment works Compliance Risk Index score	Number			0.316		3G.4
Service reservoirs Compliance Risk Index score	Number			0.027		3G.5
Supply points Compliance Risk Index score	Number			0.000		3G.6
Customer zones Compliance Risk Index score	Number			1.765		3G.7
Compliance Risk Index	Number				2.11	3G.8

Section 3 Performance summary

Pro forma 3H
Underlying calculations and supplementary data - bespoke
performance commitments

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Line description	Units	DPs	Constant	2025-26	2026-27	2027-28	2028-29	2029-30	RAG 4 reference
Embodied greenhouse gas emissions [UUV]									
Tonnes CO ₂ e - baseline	tCO ₂ e	2		2938.00					3H.14
Tonnes CO ₂ e - cumulative baseline	tCO ₂ e	2		2938.00					3H.15
Tonnes CO ₂ e emitted	tCO ₂ e	2		897.53					3H.16
Cumulative tonnes CO ₂ e emitted	tCO ₂ e	2		897.53					3H.17
Reduction % from baseline	%	2		69.45%					3H.18
Wonderful Windermere [UUV]									
Kgs of phosphorus equivalents removed from third-party septic tanks - sampled	Kg	2		0.00					3H.36
Kgs of phosphorus equivalents removed from third-party septic tanks - modelled	Kg	2		0.00					3H.37
Kgs of phosphorus equivalents removed from private WwTWs - sampled	Kg	2		0.00					3H.38
Kgs of phosphorus equivalents removed from private WwTWs - modelled	Kg	2		12.57					3H.39
Kgs of phosphorus equivalents removed from agricultural catchments - quantified with Farmscoper	Kg	2		0.00					3H.40
Kgs of phosphorus equivalents removed from agricultural catchments - alternative methodology	Kg	2		0.00					3H.41
Kgs of phosphorus equivalents removed from non-agricultural catchments - modelled	Kg	2		0.00					3H.42
Kgs of phosphorus equivalents removed from non-agricultural catchments - alternative methodology	Kg	2		0.00					3H.43
Total Kgs of phosphorus equivalents removed from Windermere catchment	Kg	2		12.57					3H.44
Total Kgs of phosphorus equivalents removed from Windermere catchment (cumulative)	Kg	2		12.57					3H.45

Rows 3H.1 - 3H.35 not relevant for UUV



Pro forma 4A
Water bulk supply information for the 12 months ended 31 March 2026

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Volume	Operating costs	Revenue	RAG 4 reference
Units	MI	£m	£m	
DPs	3	3	3	
Bulk supply exports				
Severn Trent Water Ltd - Chester Resilience	31,142.000	0.269	0.579	4A.1
Total bulk supply exports	31,142.000	0.269	0.579	4A.26
Line description	Volume	Operating costs		
Units	MI	£m		
DPs	3	3		
Bulk supply imports				
Total bulk supply imports	0.000	0.000		4A.52

Lines 4A.2-4A.25 and 4A.27-4A.51 are unused freeform lines.

Pro forma 4B
Analysis of debt

For the 12 months ended 31 March 2026

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Issuance costs have been disclosed for debt issued after 1 April 2020. No costs have been provided before that as it does not provide relevant information regarding the cost of issuing new debt and the operational difficulties of accurately defining the costs of older debt.

The effective interest rate disclosed represents the interest cost of debt as at 31 March 2026 including accounting adjustments. The effective interest rate for floating and index-linked debt incorporates current and future expectations of rates, providing a more relevant guide to the cost of debt than observing floating rates at the time of issuance.

Pro forma 4C
Actual expenditure against cost allowances by cost sharing rate

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	12 months ended 31 March 2026				Price control period to date				RAG 4 reference
			Water resources	Water network plus	Wastewater network plus	Bioresources	Water resources	Water network plus	Wastewater network plus	Bioresources	
Standard base											
Final determination allowed totex	£m	3	49.028	543.579	598.539	101.110	49.028	543.579	598.539	101.110	4C.1
Actual totex	£m	3	54.956	626.937	694.662	164.035	54.956	626.937	694.662	164.035	4C.2
Disallowable costs	£m	3	0.010	6.374	2.395	0.008	0.010	6.374	2.395	0.008	4C.3
Total actual totex	£m	3	54.946	620.563	692.267	164.027	54.946	620.563	692.267	164.027	4C.4
Variance	£m	3	5.918	76.984	93.728	62.917	5.918	76.984	93.728	62.917	4C.5
Variance due to timing of expenditure	£m	3	5.918	76.984	93.728	62.917	5.918	76.984	93.728	62.917	4C.6
Variance due to efficiency	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.7
Company cost sharing rate - outperformance	%	2	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	4C.8
Company cost sharing rate - underperformance	%	2	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	4C.9
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.10
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.11
Business rates											
Final determination allowed totex	£m	3	15.574	42.082	30.827	9.210	15.574	42.082	30.827	9.210	4C.12
Actual totex	£m	3	14.908	40.074	29.186	8.311	14.908	40.074	29.186	8.311	4C.13
Variance	£m	3	-0.666	-2.008	-1.641	-0.900	-0.666	-2.008	-1.641	-0.900	4C.14
Company cost sharing rate	%	2	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	4C.15
Company share of outperformance	£m	3	-0.067	-0.201	-0.164	-0.090	-0.067	-0.201	-0.164	-0.090	4C.16
Company share of underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.17
Abstraction charges and discharge consents											
Final determination allowed totex	£m	3	26.524	0.201	14.861	0.000	26.524	0.201	14.861	0.000	4C.18
Actual totex	£m	3	27.155	0.444	14.804	0.321	27.155	0.444	14.804	0.321	4C.19
Variance	£m	3	0.631	0.244	-0.057	0.321	0.631	0.244	-0.057	0.321	4C.20
Company cost sharing rate	%	2	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	4C.21
Company share of outperformance	£m	3	0.000	0.000	-0.014	0.000	0.000	0.000	-0.014	0.000	4C.22
Company share of underperformance	£m	3	0.158	0.061	0.000	0.080	0.158	0.061	0.000	0.080	4C.23
Standard enhancement											
Final determination allowed totex	£m	3	53.852	114.459	622.448	-3.996	53.852	114.459	622.448	-3.996	4C.24
Actual totex	£m	3	29.678	98.295	405.566	9.313	29.678	98.295	405.566	9.313	4C.25
Disallowable costs	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.26
Total actual totex	£m	3	29.678	98.295	405.566	9.313	29.678	98.295	405.566	9.313	4C.27
Variance	£m	3	-24.174	-16.163	-216.882	13.310	-24.174	-16.163	-216.882	13.310	4C.28
Variance due to timing of expenditure	£m	3	-24.174	-16.163	-216.882	13.310	-24.174	-16.163	-216.882	13.310	4C.29
Variance due to efficiency	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.30
Company cost sharing rate - outperformance	%	2	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	4C.31
Company cost sharing rate - underperformance	%	2	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	4C.32
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.33
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.34
25:25 enhancement											
Final determination allowed totex	£m	3	0.000	42.970	120.618	71.362	0.000	42.970	120.618	71.362	4C.35
Actual totex	£m	3	0.000	51.296	80.421	17.167	0.000	51.296	80.421	17.167	4C.36
Disallowable costs	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.37
Total actual totex	£m	3	0.000	51.296	80.421	17.167	0.000	51.296	80.421	17.167	4C.38
Variance	£m	3	0.000	8.326	-40.197	-54.196	0.000	8.326	-40.197	-54.196	4C.39
Variance due to timing of expenditure	£m	3	0.000	8.326	-40.197	-54.196	0.000	8.326	-40.197	-54.196	4C.40
Variance due to efficiency	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.41
Company cost sharing rate - outperformance	%	2	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	4C.42
Company cost sharing rate - underperformance	%	2	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	4C.43
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.44
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.45
40:10 enhancement											
Final determination allowed totex	£m	3	10.503	0.000	52.918	0.000	10.503	0.000	52.918	0.000	4C.46
Actual totex	£m	3	3.705	0.000	12.995	0.000	3.705	0.000	12.995	0.000	4C.47
Disallowable costs	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.48
Total actual totex	£m	3	3.705	0.000	12.995	0.000	3.705	0.000	12.995	0.000	4C.49
Variance	£m	3	-6.798	0.000	-39.924	0.000	-6.798	0.000	-39.924	0.000	4C.50
Variance due to timing of expenditure	£m	3	-6.798	0.000	-39.924	0.000	-6.798	0.000	-39.924	0.000	4C.51
Variance due to efficiency	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.52
Company cost sharing rate - outperformance	%	2	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	4C.53
Company cost sharing rate - underperformance	%	2	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	4C.54
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.55
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.56
SRO - use it or lose it											
Final determination allowed totex	£m	3	2.150	6.264	0.000	0.000	2.150	6.264	0.000	0.000	4C.57
Actual totex	£m	3	6.155	0.000	0.000	0.000	6.155	0.000	0.000	0.000	4C.58
Disallowable costs	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.59
Total actual totex	£m	3	6.155	0.000	0.000	0.000	6.155	0.000	0.000	0.000	4C.60
Variance	£m	3	4.006	-6.264	0.000	0.000	4.006	-6.264	0.000	0.000	4C.61
Variance due to timing of expenditure	£m	3	4.006	-6.264	0.000	0.000	4.006	-6.264	0.000	0.000	4C.62
Variance due to efficiency	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.63
Company cost sharing rate - outperformance	%	2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4C.64
Company cost sharing rate - underperformance	%	2	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	4C.65
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.66
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.67
Totex not subject to cost sharing											
Final determination allowed totex - not subject to cost sharing	£m	3	0.363	59.174	39.731	0.000	0.363	59.174	39.731	0.000	4C.68
Actual totex - not subject to cost sharing	£m	3	1.017	37.500	15.010	0.247	1.017	37.500	15.010	0.247	4C.69
Variance	£m	3	0.655	-21.674	-24.721	0.247	0.655	-21.674	-24.721	0.247	4C.70
Variance due to timing	£m	3	0.644	-28.048	-27.116	0.239	0.644	-28.048	-27.116	0.239	4C.71
Variance for company	£m	3	0.010	6.374	2.395	0.008	0.010	6.374	2.395	0.008	4C.72
Total company variance	£m	3	0.101	6.234	2.216	-0.001	0.101	6.234	2.216	-0.001	4C.73

Pro forma 4D
Totex analysis for the 12 months ended 31 March 2026 –
water resources and water network+

Keys to cells	
Input cell	
Calculation cell	
Copy cell	

Line description	Units	DPs	Water resources	Network+			Total	RAG 4 reference
				Raw water distribution and storage	Water treatment	Treated water distribution		
Operating expenditure								
Base operating expenditure	£m	3	79.174	27.014	134.312	185.838	426.338	4D.1
Enhancement operating expenditure	£m	3	0.595	0.000	0.110	8.965	9.670	4D.2
Total operating expenditure	£m	3	79.769	27.014	134.422	194.803	436.008	4D.3
Capital expenditure								
Base capital expenditure	£m	3	18.749	0.545	128.321	221.277	368.892	4D.4
Enhancement capital expenditure	£m	3	39.047	0.206	15.591	125.994	180.838	4D.5
Total gross capital expenditure	£m	3	57.796	0.751	143.912	347.271	549.730	4D.6
Gross totex - water	£m	3	137.565	27.765	278.334	542.074	985.738	4D.7
Atypical expenditure								
Item 1	£m	3	0.000	0.000	0.000	0.000	0.000	4D.8
Item 2	£m	3	0.000	0.000	0.000	0.000	0.000	4D.9
Item 3	£m	3	0.000	0.000	0.000	0.000	0.000	4D.10
Item 4	£m	3	0.000	0.000	0.000	0.000	0.000	4D.11
Item 5	£m	3	0.000	0.000	0.000	0.000	0.000	4D.12
Total atypical expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	4D.13

Further information on cost allocation processes and year-on-year variances is provided in Appendix 3, 'Accounting Methodology Statement'.

Pro forma 4E
Totex analysis for the 12 months ended 31 March 2026 –
wastewater network+ and bioresources

Keys to cells	
Input cell	
Calculation cell	
Copy cell	

Line description	Units	DPs	Network+ Sewage collection			Network+ Sewage treatment	Bioresources			Total	RAG 4 reference
			Foul	Surface water drainage	Highway drainage	Sewage and sludge liquor - treatment and disposal	Sludge transport	Sludge treatment	Sludge disposal		
Operating expenditure											
Base operating expenditure	£m	3	80.526	26.223	10.096	229.566	20.830	62.788	12.977	443.007	4E.1
Enhancement operating expenditure	£m	3	0.014	0.012	0.005	0.009	0.000	0.971	0.000	1.011	4E.2
Total operating expenditure	£m	3	80.540	26.235	10.101	229.575	20.830	63.759	12.977	444.018	4E.3
Capital expenditure											
Base capital expenditure	£m	3	68.369	56.817	22.205	230.134	0.014	76.089	0.118	453.746	4E.4
Enhancement capital expenditure	£m	3	106.610	91.077	35.595	292.989	0.000	25.599	0.000	551.871	4E.5
Total gross capital expenditure	£m	3	174.980	147.894	57.800	523.124	0.014	101.688	0.118	1,005.617	4E.6
Gross totex - wastewater	£m	3	255.520	174.129	67.901	752.698	20.844	165.448	13.095	1,449.635	4E.7
Atypical expenditure											
Item 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.8
Item 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.9
Item 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.10
Item 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.11
Item 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.12
Total atypical expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.13

Further information on cost allocation processes and year-on-year variances is provided in Appendix 3, 'Accounting Methodology Statement'.

Pro forma 4F
Major project expenditure for wholesale water by purpose for the 12 months ended 31 March 2026

Keys to cells	
	Input cell
	Calculation cell
	Copy cell

Line description	Units	DPs	Expenditure in report year £m						Cumulative expenditure on incurred on schemes in £m						RAG 4 reference
			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		
Major project capital expenditure by purpose															
Kielder Transfer SRO	£m	3	0.186	0.000	0.000	0.000	0.000	0.186	0.186	0.000	0.000	0.000	0.000	0.186	4F.1
North West Transfer	£m	3	5.379	0.000	0.000	0.000	0.000	5.379	5.379	0.000	0.000	0.000	0.000	5.379	4F.2
STT	£m	3	0.591	0.000	0.000	0.000	0.000	0.591	0.591	0.000	0.000	0.000	0.000	0.591	4F.3
Total major project capital expenditure	£m	3	6.155	0.000	0.000	0.000	0.000	6.155	6.155	0.000	0.000	0.000	0.000	6.155	4F.11
Major project operating expenditure by purpose															
Kielder Transfer SRO	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.12
North West Transfer	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.13
STT	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.14
Total major project operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.22

Lines 4F.4-4F.10 and 4F.15-4F.21 are unused freeform lines.

Pro forma 4G
Major project expenditure for wholesale wastewater by purpose for the 12 months ended 31 March 2026

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Expenditure in report year £m									Cumulative expenditure incurred on schemes in £m										RAG 4 reference	
			Wastewater network+					Bioresources				Total	Wastewater network+					Bioresources			Total		
			Sewage collection			Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Sewage collection			Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal					
			Foul	Surface water drainage	Highway drainage						Foul		Surface water drainage						Highway drainage				
Major project capital expenditure by purpose																							
Capital expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.1	
Capital expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.2	
Capital expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.3	
Capital expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.4	
Capital expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.5	
Capital expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.6	
Capital expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.7	
Capital expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.8	
Capital expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.9	
Capital expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.10	
Total major project capital expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.11	
Major project operating expenditure by purpose																							
Operating expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.12	
Operating expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.13	
Operating expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.14	
Operating expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.15	
Operating expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.16	
Operating expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.17	
Operating expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.18	
Operating expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.19	
Operating expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.20	
Operating expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.21	
Total major project operating expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.22	

There is no expenditure that meets the definition of a major project in wholesale wastewater, as per RAG 4.14 Section 16.1

Pro forma 4H
Financial metrics for the 12 months ended 31 March 2026

Keys to cells	
Input cell	
Calculation cell	
Copy cell	

Line description	Units	DPs	Current year	AMP to date	RAG 4 reference
Financial indicators					
Net debt	£m	3	10,454.281		4H.1
Regulatory equity	£m	3	6,032.292		4H.2
Regulatory gearing	%	2	63.41%		4H.3
Post tax return on regulatory equity	%	2	13.38%		4H.4
RORE (return on regulatory equity)	%	2	7.52%	7.52%	4H.5
Dividend yield	%	2	3.97%		4H.6
Retail profit margin - Household	%	2	1.76%		4H.7
Retail profit margin - Non household	%	2	0.00%		4H.8
Credit rating - Fitch	Text	n/a	BBB+ (Stable)		4H.9
Credit rating - Moody's	Text	n/a	Baa1 (Stable)		4H.10
Credit rating - Standard and Poor's	Text	n/a	BBB+ (Stable)		4H.11
Return on RCV	%	2	7.21%		4H.12
Dividend cover	dec	2	2.29		4H.13
Funds from operations (FFO)	£m	3	1,378.563		4H.14
Interest cover (cash)	dec	2	5.24		4H.15
Adjusted interest cover ratio (ACICR)	dec	2	3.08		4H.16
FFO/Net debt	dec	2	0.13		4H.17
Effective tax rate	%	2	-0.55%		4H.18
Retained cash flow (RCF)	£m	3	1,138.830		4H.19
RCF/Net debt	dec	2	0.11		4H.20
Borrowings					
Proportion of borrowings which are fixed rate	%	2	51.48%		4H.21
Proportion of borrowings which are floating rate	%	2	10.44%		4H.22
Proportion of borrowings which are index linked	%	2	38.09%		4H.23
Proportion of borrowings due within 1 year or less	%	2	2.41%		4H.24
Proportion of borrowings due in more than 1 year but no more than 2 years	%	2	4.70%		4H.25
Proportion of borrowings due in more than 2 years but no more than 5 years	%	2	18.33%		4H.26
Proportion of borrowings due in more than 5 years but no more than 20 years	%	2	58.25%		4H.27
Proportion of borrowings due in more than 20 years	%	2	16.31%		4H.28

The values included on the table do not include any rounding adjustments.

Lines 9 -11 include the long-term issuer default ratings. Fitch long-term issuer default rating is BBB+ (stable), which differs from the senior unsecured debt rating of A- (stable).

Lines 4H.15 and 4H.16 – In accordance with RAG 4.14, the interest cover metrics are calculated using the interest paid element of net interest paid reported in 1D.10

Breakdown of interest paid on borrowings	2025/26
Interest paid (used in the above interest cover ratios)	325.3
Interest received and similar income	-73.9
Net interest paid as reported in 1D.10	251.4

The breakdown of interest paid and interest received has been taken directly from UUW's statutory accounts. Note that interest paid comprises of circa £322 million interest paid on borrowings, offset by net income received on swaps of circa £3 million, in line with statutory accounting treatment.

Line 17 – FFO/Debt of 13.1% is calculated in accordance with the Ofwat line definition as per RAG 4.14. UUW's FFO/Debt applying Standard & Poor's (S&P) calculation method would equal 10.9%. The main difference is that S&P FFO definition includes all interest, whereas the Ofwat FFO definition includes just cash interest, so would exclude all interest on index-linked debt.

Lines 21-28 – Borrowings represents the notional value in the company's statutory accounts and does not take account of the impact on interest of derivative instruments. Further narrative regarding borrowings is disclosed on page 131.

Lines 21-23 – The proportion of borrowings between fixed, floating and index-linked takes into account hedging arrangements in place, mirroring how borrowings are allocated to each category in Table 1E.



Pro forma 4l

Financial derivatives

[illegible]

Currency interest rate										
Currency interest rate swaps USD	0.000	0.000	226.083	26.783	252.866	-85.966	0.000			41.14
Currency interest rate swaps EUR	0.000	37.440	22.224	1,946.009	2,005.673	-22.182	0.000			41.15
Currency interest rate swaps YEN	0.000	0.000	73.221	51.069	124.291	43.264	0.000			41.16
Currency interest rate swaps Other	0.000	78.879	54.234	159.335	292.447	-5.545	0.000			41.17
Total	0.000	116.319	375.763	2,183.196	2,675.277	-70.430	0.000			41.18

Forward currency contracts										
Forward currency contracts USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		41.19
Forward currency contracts EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		41.20
Forward currency contracts YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		41.21
Forward currency contracts CAD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		41.22
Forward currency contracts AUD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		41.23
Forward currency contracts HKD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		41.24
Forward currency contracts Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		41.25
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		41.26
Other financial derivatives										
Other financial derivatives	0.000	0.000	0.000	0.000	0.000	-3.500	0.000			41.27
Total financial derivatives	389.776	666.934	3,512.125	4,871.146	9,439.982	-38.311	151.356			41.28

	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)	
Line description	0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable	Reivable
Units	£m	£m	£m	£m	£m	£m	£m	%	%
DPs	3	3	3	3	3	3	3	%	3

Interest rate swap (sterling)											
Floating to fixed rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.29
Floating from fixed rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.30
Floating to index linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.31
Floating from index linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.32
Fixed to index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.33
Fixed from index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.34
Index-linked to index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.35
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.36

[illegible]

Currency interest rate										
Currency interest rate swaps USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.42
Currency interest rate swaps EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.43
Currency interest rate swaps YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.44
Currency interest rate swaps Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.45
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.46

[illegible][illegible]

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			
	0 to 1 years	1 to 2 years	2 to 5 years	Over 5 years	Nominal value (net)	Mark to Market		Payable		Reivable	
	£m	£m	£m	£m	£m	£m	£m	%		%	
Units	3	3	3	3	3	3	3	3	3		
DPs	3	3	3	3	3	3	3	3	3		
Interest rate swap (sterling)											
Floating to fixed rate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.57
Floating from fixed rate	0.000	0.000	0.000	450.000	450.000	44.425	0.000	0.000	5.057%	5.139%	41.58
Floating to index linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.59
Floating from index linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.60
Fixed to index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.61
Fixed from index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.62
Index-linked to index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%	41.63
Total	0.000	0.000	0.000	450.000	450.000	44.425	0.000				41.64

Foreign Exchange										
Cross currency swap USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.65
Cross currency swap EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.66
Cross currency swap YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.67
Cross currency swap Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.68
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.69

Currency interest rate										
Currency interest rate swaps USD	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			41.70
Currency interest rate swaps EUR	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			41.71
Currency interest rate swaps YEN	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			41.72

[illegible]

Other financial derivatives										
Other financial derivatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.83
Total financial derivatives	0.000	0.000	0.000	450.000	450.000	44.425	0.000			41.84

[illegible]

Foreign Exchange										
Cross currency swap USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.93
Cross currency swap EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.94
Cross currency swap YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.95
Cross currency swap Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.96
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.97

Currency interest rate										
Currency interest rate swaps USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.98
Currency interest rate swaps EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.99
Currency interest rate swaps YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.100
Currency interest rate swaps	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.101
Other										
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.102

[illegible][illegible]

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	%	%
DPs	3	3	3	3	3	3	3	3	3
Interest rate swap (sterling)									
Floating to fixed rate	389.776	250.615	1,836.363	1,537.572	4,014.326	-178.081	0.000	2.975%	3.801%
Floating from fixed rate	0.000	300.000	825.000	500.000	1,625.000	121.477	0.000	4.833%	3.513%
Floating to index linked	0.000	0.000	475.000	100.000	575.000	55.154	163.625	1.973%	4.513%
Floating from index linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%
Fixed to index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%
Fixed from index-linked	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000%	0.000%
Index-linked to index-linked	0.000	0.000	0.000	100.379	100.379	-7.356	-12.269	4.130%	4.083%
Total	389.776	550.615	3,136.363	2,237.951	6,314.705	-8.806	151.356		

Foreign Exchange										
Cross currency swap USD	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.121
Cross currency swap EUR	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.122
Cross currency swap YEN	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.123
Cross currency swap Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.124
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000			41.125

Currency interest rate										
Currency interest rate swaps USD	0.000	0.000	226.083	26.783	252.866	-85.966	0.000			41,126
Currency interest rate swaps EUR	0.000	37.440	22.224	1,946.009	2,005.673	-22.182	0.000			41,127
Currency interest rate swaps YEN	0.000	0.000	73.221	51.069	124.291	43.264	0.000			41,128
Currency interest rate swaps Other	0.000	78.879	54.234	159.335	292.447	-5.545	0.000			41,129
Total	0.000	116.319	375.763	2,183.196	2,675.277	-70.430	0.000			41,130

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Regulatory accounts for the 12 months ended 31 March 2026

Section 4 Additional regulatory information – service level

In-the-money (asset) positions are presented as a negative balance and out-of-the money (liability) positions are presented as a positive balance in the mark-to-market analysis. Positive positions in the accretion column in turn represent a liability on the balance sheet and negative positions represent an asset.

For certain interest rate swaps we have swapped the fixed coupon on the debt (including credit spread) to a floating interest rate plus margin, whereas for other interest rate swaps we have swapped a fixed rate representing underlying interest (i.e. debt coupon less the credit spread) to a floating interest rate without any margin. Therefore, certain rates payable/receivable included in the table are market interest rates excluding any element of credit spread, whereas other rates are ‘all in’ effective interest rates including credit spread. Care should be taken when interpreting the rates in the table.

For certain cross currency swaps that have historically reached mandatory breaks, these have been re-hedged mid-life at on-market rates (at that point). In these scenarios the fair value of the swap would have been paid to/received from the counterparty (affecting the volume of debt), with the rate on the re-hedged swap being amended either up or down accordingly (sometimes significantly so). Therefore the rates payable on these swaps may not reflect the underlying cost of debt (for instance we have some swaps where we receive the debt coupon but pay the floating reference rate minus a margin and others where we pay the floating reference rate plus a margin significantly higher than the underlying credit spread), again care should be taken when interpreting the rates in the table.

The interest rates incorporate fixed interest rates which are reflective of the position at the balance sheet date, and floating interest rates based on SONIA as at the balance sheet date. As such, these are not representative of our future cost of debt.

The paying interest rate on the floating to index linked swaps represents the weighted average effective interest rate at the balance sheet date. An annual CPI increase of 3.3% at March 2026 has been applied to calculate this nominal effective rate.

The nominal value of the currency swaps reflects the sterling receivable amount.

Other Financial derivatives include forward starting swaps and electricity swaps which ensures the table agrees to table 1C.

The Index-linked to index-linked derivatives (line 7) contains RPI-to-CPI derivatives (£100m nominal). The nominal effective interest rate on these RPI-to-CPI swaps has been disclosed, where the annual RPI increase of 4.1% and annual CPI increase of 3.3% have been used to calculate the weighted average receivable and payable legs, respectively.

Electricity swaps – £1.8m liability

S26 – 131,760MWh @ £122.86 £ per MWh

W26 – 131,040MWh @ £100.08 £ per MWh

S27 – 65,880MWh @ £69.72 £ per MWh

W27 – 65,880MWh @ £78.08 £ per MWh

S28 – 65,880MWh @ £65.43 £ per MWh

W28 – 87,360MWh @ £73.20 £ per MWh

S29 – 43,920MWh @ £64.85 £ per MWh

W29 – 43,680MWh @ £75.00 £ per MWh

Forward starting floating to fixed rate swaps – £5.5 million asset

£100.0m April 26 - April 31 pay 3.600%, receive 6 month compounded SONIA

£86.8m May 26 - May 31 pay 3.542%, receive 6 month compounded SONIA



Regulatory accounts for the 12 months ended 31 March 2026
Section 4 Additional regulatory information – service level



Pro forma 4J
Base expenditure analysis for the 12 months ended 31 March 2026 -
water wholesale

Keys to cells	
Input cell	
Calculation cell	
Copy cell	

Line description	Units	DPs	Water resources	Water network+			Total	RAG 4 reference
				Raw water distribution and storage	Water treatment	Treated water distribution		
Operating expenditure - operational								
Power	£m	3	13.566	13.404	30.812	20.097	77.880	4J.1
Income treated as negative expenditure	£m	3	0.000	-0.244	0.000	0.000	-0.244	4J.2
Bulk Supply/Bulk discharge	£m	3	0.188	0.032	0.199	0.000	0.419	4J.3
Renewals expensed in year (infra)	£m	3	0.000	0.000	0.000	31.797	31.797	4J.4
Renewals expensed in year (non-infra)	£m	3	0.000	0.000	0.000	0.000	0.000	4J.5
Local authority and Cumulo rates	£m	3	14.908	2.275	6.637	31.162	54.981	4J.6
Canal & River Trust abstraction charges/ discharge consents	£m	3	1.026	0.000	0.000	0.000	1.026	4J.7
Environment Agency / NRW abstraction charges/ discharge consents	£m	3	23.684	0.000	0.444	0.000	24.128	4J.8
Other abstraction charges/ discharge consents	£m	3	2.445	0.000	0.000	0.000	2.445	4J.9
Costs associated with Traffic Management Act	£m	3	0.000	0.000	0.000	0.472	0.472	4J.10
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	4J.11
Statutory water softening	£m	3	0.000	0.000	0.000	0.000	0.000	4J.12
Routine repair and maintenance	£m	3	0.365	0.057	3.648	17.780	21.849	4J.13
Chemical costs - water	£m	3	0.246	0.002	21.658	12.334	34.239	4J.14
Finance, Regulation and Procurement costs - water	£m	3	1.359	0.439	2.544	2.630	6.972	4J.15
Insurance - water	£m	3	0.795	0.720	4.203	6.152	11.870	4J.16
Fines and penalties - water	£m	3	0.000	0.000	0.000	0.000	0.000	4J.17
Investigation costs - water	£m	3	0.000	0.000	0.000	0.000	0.000	4J.18
GSS payments - water	£m	3	0.000	0.000	0.000	4.082	4.082	4J.19
Non-GSS compensation payments - water	£m	3	0.010	0.041	0.022	2.229	2.303	4J.20
HR	£m	3	0.221	0.074	0.676	0.612	1.582	4J.21
Training	£m	3	0.092	0.071	0.561	0.552	1.276	4J.22
CEO, Corporate affairs and Governance	£m	3	0.114	0.073	0.537	0.515	1.238	4J.23
IT&T (business support)	£m	3	0.932	0.633	5.861	5.245	12.671	4J.24
Property management (business support)	£m	3	0.377	0.169	1.379	1.299	3.225	4J.25
Other support function and overheads opex - water	£m	3	18.077	8.488	54.083	46.773	127.421	4J.26
Developer services & Diversions opex								
Network reinforcement opex	£m	3		0.000	0.000	0.000	0.000	4J.27
Site-specific developer services opex	£m	3				0.645	0.645	4J.28
Diversions opex	£m	3		0.000		0.087	0.087	4J.29
Third-party opex - water								
Third-party opex - water	£m	3	0.770	0.781	1.048	1.377	3.975	4J.30
Total base operating expenditure								
	£m	3	79.174	27.014	134.312	185.838	426.338	4J.31
Capital expenditure								
Maintaining the long term capability of the assets - infra	£m	3	6.771	0.000	0.000	146.198	152.969	4J.32
Maintaining the long term capability of the assets - non-infra	£m	3	11.843	0.526	128.297	45.382	186.048	4J.33
Total base capital expenditure	£m	3	18.614	0.526	128.297	191.580	339.018	4J.34
Developer services & Diversions								
Network reinforcement capex	£m	3		0.000	0.000	3.825	3.825	4J.35
Site-specific developer services capex - water	£m	3				14.576	14.576	4J.36
Diversions capex - water	£m	3		0.000		6.569	6.569	4J.37
Third-party capex - water								
Third-party capex - water	£m	3	0.135	0.019	0.024	4.727	4.905	4J.38
Total base capital expenditure								
	£m	3	18.749	0.545	128.321	221.277	368.892	4J.39
Total base expenditure								
	£m	3	97.924	27.559	262.633	407.115	795.230	4J.40

Further information on cost allocation processes and year-on-year variances is provided in Appendix 3, 'Accounting Methodology Statement' .

Pro forma 4K
Base expenditure analysis for the 12 months ended 31 March 2026 -
wastewater wholesale

Keys to cells	
Input cell	
Calculation cell	
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Line description	Units	DPs	Wastewater network+				Bioresources			Total	RAG 4 reference
			Foul	Surface water drainage	Highway drainage	Sewage and sludge liquor - treatment and disposal	Sludge Transport	Sludge Treatment	Sludge Disposal		
Operating expenditure - operational											
Power	£m	3	10.999	4.816	1.882	81.109	0.002	16.632	0.023	115.464	4K.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	0.001	0.000	-26.319	0.000	-26.319	4K.2
Bulk Supply/Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.3
Renewals expensed in year (infra)	£m	3	4.017	1.760	0.688	0.000	-0.203	0.000	0.000	6.263	4K.4
Renewals expensed in year (non-infra)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.5
Local authority and Cumulo rates	£m	3	0.000	0.000	0.000	29.185	0.124	7.286	0.901	37.496	4K.6
Canal & River Trust abstraction charges/ discharge consents	£m	3	0.139	0.169	0.068	0.444	0.000	0.000	0.000	0.821	4K.7
EA / NRW abstraction charges/ discharge consents	£m	3	2.059	2.445	0.978	9.890	0.000	0.321	0.000	15.694	4K.8
Other abstraction charges/ discharge consents	£m	3	-0.641	-1.085	-0.435	0.773	0.000	0.000	0.000	-1.389	4K.9
Costs associated with Traffic Management Act	£m	3	0.098	0.026	0.010	0.000	0.000	0.000	0.000	0.134	4K.10
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.11
Costs associated with Industrial emissions directive	£m	3	0.000	0.000	0.000	0.000	0.000	3.537	0.000	3.537	4K.12
Routine repair and maintenance	£m	3	15.751	4.172	1.526	15.226	0.071	7.900	0.004	44.651	4K.13
Chemical costs - wastewater	£m	3	0.198	0.048	0.018	17.489	0.012	11.392	0.000	29.157	4K.14
Finance and regulation costs - wastewater	£m	3	1.316	0.406	0.155	3.804	0.456	0.931	0.248	7.317	4K.15
Insurance - wastewater	£m	3	1.324	0.262	0.070	2.436	0.087	0.159	0.052	4.390	4K.16
Fines and penalties - wastewater	£m	3	0.000	0.000	0.000	0.547	0.000	0.000	0.000	0.547	4K.17
Investigation costs - wastewater	£m	3	0.000	0.000	0.000	-0.026	0.000	0.000	0.000	-0.026	4K.18
GSS payments - wastewater	£m	3	0.464	0.400	0.156	0.000	0.000	0.000	0.000	1.020	4K.19
Non-GSS compensation payments - wastewater	£m	3	0.400	0.289	0.112	0.052	0.000	0.008	0.000	0.861	4K.20
HR	£m	3	0.343	0.093	0.034	0.991	0.097	0.316	0.027	1.902	4K.21
Training	£m	3	0.361	0.114	0.055	1.047	0.069	0.362	0.046	2.055	4K.22
CEO	£m	3	0.326	0.095	0.036	0.941	0.061	0.171	0.023	1.653	4K.23
IT&T (business support)	£m	3	3.743	1.027	0.435	8.511	0.562	1.817	0.176	16.271	4K.24
Property management (business support)	£m	3	0.571	0.161	0.062	1.704	0.125	0.461	0.043	3.126	4K.25
Other support function and overheads opex - wastewater	£m	3	38.639	10.951	4.089	55.091	19.340	37.763	11.414	177.287	4K.26
Developer services & Diversions opex											
Infrastructure network reinforcement	£m	3	0.000	0.000	0.000	0.000				0.000	4K.27
Site-specific developer services opex	£m	3	0.054							0.054	4K.28
Diversions opex	£m	3	0.029	0.025	0.010					0.063	4K.29
Third-party											
Third-party opex - wastewater	£m	3	0.334	0.049	0.147	0.350	0.026	0.051	0.020	0.978	4K.30
Total base operating expenditure											
	£m	3	80.526	26.223	10.096	229.566	20.830	62.788	12.977	443.007	4K.31
Capital expenditure											
Maintaining the long term capability of the assets - infra	£m	3	42.757	36.593	14.247	0.550	0.000	0.000	0.000	94.146	4K.32
Maintaining the long term capability of the assets - non-infra	£m	3	18.420	15.736	6.150	229.414	0.000	76.062	0.107	345.890	4K.33
Total base capital expenditure	£m	3	61.176	52.329	20.397	229.964	0.000	76.062	0.107	440.036	4K.34
Developer services & Diversions capex											
Infrastructure network reinforcement	£m	3	2.795	2.388	0.933	0.000				6.117	4K.35
Site-specific developer services capex - wastewater	£m	3	1.863							1.863	4K.36
Diversions capex - wastewater	£m	3	2.457	2.099	0.820					5.377	4K.37
Third-party											
Third-party capex - wastewater	£m	3	0.077	0.000	0.054	0.170	0.014	0.027	0.011	0.352	4K.38
Total base capital expenditure											
	£m	3	68.369	56.817	22.205	230.134	0.014	76.089	0.118	453.746	4K.39
Total base expenditure											
	£m	3	148.896	83.039	32.302	459.700	20.844	138.877	13.095	896.752	4K.40

Further information on cost allocation processes and year-on-year variances is provided in Appendix 3, 'Accounting Methodology Statement' .

Regulatory accounts for the 12 months ended 31 March 2026

Section 4 Additional regulatory information – service level



Fines and investigations

During the year, the Company did not pay any fines or penalties levied by a regulator or other authority.

In addition to the broad sector-wide investigations disclosed in the contingent liabilities note to the United Utilities Water Limited Integrated Annual Report and Financial Statements (note 22), with which the company continues to fully comply, the company was subject to investigations by regulatory bodies in the normal course of business in relation to a number of specific incidents as follows:

- Investigations carried out by the Environment Agency in relation to alleged, suspected or self-reported pollution incidents and/or permit non-compliance issues, that were either ongoing as at 31 March 2026 or were concluded during the year then ended with no fine or penalty levied;
- Investigations carried out by the Drinking Water Inspectorate in relation to alleged, suspected or self-reported issues relating to drinking water standards, that were either ongoing as at 31 March 2026 or were concluded during the year then ended with no fine or penalty levied; and
- Investigations carried out by the Health and Safety Executive in relation to workplace incidents in which breaches of health and safety regulations are alleged or suspected, that were either ongoing as at 31 March 2026 or were concluded during the year then ended with no fine or penalty levied.

The Company has cooperated fully with the investigating bodies. Costs incurred during the year relate primarily to internal management time and external professional advice.

Non-GSS compensation payments

Non-GSS payments are grouped across five key areas: Wastewater, Water, Billing, Developer Services and Metering. In wastewater, we made c.1,600 payments totalling c.£580k, mainly reflecting additional discretionary compensation paid alongside statutory GSS amounts for internal and external flooding incidents. In water, we made around 4,150 payments totalling c.£624k. These typically relate to interruptions that did not meet GSS thresholds or were intermittent in nature, as well as other supply issues such as discolouration.

Billing accounts for c.82,000 payments totalling c.£1.01m largely driven by discretionary goodwill payments used as part of our service recovery approach, helping address service shortfalls and maintain customer trust where outcomes have not met expectations.

In Developer Services, around 200 payments totalling just over £78k were made due to discretionary goodwill payments. Metering represents c.55,000 payments totalling c.£1.2m, largely reflecting compensation where meter installations exceeded the expected four- to eight-week timeframe.

Pro forma 4L

Enhancement expenditure for the 12 months ended 31 March 2026 - water resources and water network+

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Pro forma 4M

Enhancement expenditure for the 12 months ended 31 March 2026 - wastewater network+ and bioresources

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Pro forma 4N

Site-specific developer services expenditure services expenditure for the 12 months ended 31 March 2026 - Network+

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Capex	Opex	Totex	RAG 4 reference
Water network+						
New connections costs - water	£m	3	10.499	0.413	10.913	4N.1
Requisition mains costs - water	£m	3	4.077	0.000	4.077	4N.2
Asset payments costs - water	£m	3	0.000	0.000	0.000	4N.3
Other site-specific activities costs - water	£m	3	0.000	0.231	0.231	4N.4
Total site-specific developer services costs - water	£m	3	14.576	0.645	15.220	4N.5
Wastewater network+						
New connections costs - wastewater	£m	3	0.000	0.000	0.000	4N.6
Requisition sewers costs - wastewater	£m	3	0.000	0.000	0.000	4N.7
Asset payments costs - wastewater	£m	3	0.000	0.000	0.000	4N.8
Other site-specific activities costs - wastewater	£m	3	1.863	0.054	1.917	4N.9
Total site-specific developer services costs - wastewater	£m	3	1.863	0.054	1.917	4N.10

Regulatory accounts for the 12 months ended 31 March 2026

Section 4 Additional regulatory information – service level

Pro forma 4O

Diversions expenditure for the 12 months ended 31 March 2026 - network+

Keys to cells

Input cell

Calculation cell

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Line description	Units	DPs	Capex	Opex	Totex	RAG 4 reference
Water network+						
s185 diversions costs - water	£m	3	3.499	-0.041	3.459	4O.1
NRSWA diversions costs - water	£m	3	3.069	0.128	3.197	4O.2
Non-s185 diversions costs - water	£m	3	0.000	0.000	0.000	4O.3
Total diversions costs - water	£m	3	6.569	0.087	6.656	4O.4
Wastewater network+						
s185 diversions costs - wastewater	£m	3	3.746	0.031	3.776	4O.5
NRSWA diversions costs - wastewater	£m	3	1.631	0.033	1.664	4O.6
Non-s185 diversions costs - wastewater	£m	3	0.000	0.000	0.000	4O.7
Total diversions costs - wastewater	£m	3	5.377	0.063	5.440	4O.8
Water network+ diversions type						
Raw water distribution and storage - share of diversions	%	2	0.00%			4O.9
Treated water distribution - share of diversions	%	2	100.00%			4O.10
Wastewater network+ diversions type						
Foul - share of diversions	%	2	45.70%			4O.11
Surface water drainage - share of diversions	%	2	39.04%			4O.12
Highway drainage - share of diversions	%	2	15.26%			4O.13

Pro forma 4P

Infrastructure network reinforcement projects for the 2025-30 period

Keys to cells

Input cell

Calculation cell

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						Network reinforcement expenditure						Network capacity increases delivered per project						Asset type and location of network capacity increases per year													
Project name (projects over £5m must be reported)	Service (water or wastewater)	Project delivery date	Project id (if available)	Units	DPs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Units	Other unit (please fill in if "Other" is selected in the Units dropdown)	DPs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Units	DPs	2024-25	2025-26	2026-27	2027-28	2028-29		2029-30		RAG 4 reference
Carrington	Wastewater	30/03/2030	U.80066788	£m	3	0.000	0.148	0.071	7.036	6.693	0.092	Metres of new sewers		3	0.000	0.000	0.000	0.000	1,100.000	2,340.000	Text (Asset type/Location)	0					Construction of new wastewater network capacity (gravity sewers and rising main) along Carrington Moss corridor aligned with proposed Carrington Relief Road (Option 2)		Completion of wastewater network capacity including rising main connection and wastewater pumping station (WwPS) serving Carrington Moss / Sale WwTW catchment		4P.1
Penrith	Water	30/03/2030		£m	3	0.000	0.280	4.159	10.036	13.849	0.000	Metres of new sewers		3	0.000	0.000	0.000	0.000	0.000	2.300	Text (Asset type/Location)	0					New Service Reservoir constructed near the existing Penrith High Level Service Reservoir, adding 2.3 ML treated water storage capacity (Penrith)			4P.2	
Total				£m	3	0.000	0.428	4.230	17.072	20.542	0.092	Metres of new sewers		3	0.000	0.000	0.000	0.000	1,100.000	2,342.300											

Lines 4P.3-4P.15 are unused freeform lines.

Pro forma 4Q
Developer services – New connections, properties and mains

Keys to cells

Input cell
Calculation cell
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Line description	Units	DPs	Water			Wastewater	RAG 4 reference
			Sites that require new mains	Sites that do not require new mains	Total sites		
Connections volumes							
New connections (residential – excluding NAVs)	nr	0	8230	1081	9311	17793	4Q.1
New connections (business – excluding NAVs)	nr	0	171	409	580	1108	4Q.2
Total new connections served by incumbent	nr	0	8401	1490	9891	18901	4Q.3
New connections – SLPs	nr	0	7953	49	8002		4Q.4
Properties volumes - incumbents							
New properties (residential - excluding NAVs)	nr	0	9271	4301	13572	13301	4Q.5
New properties (business - excluding NAVs)	nr	0	175	420	595	583	4Q.6
Total new properties served by incumbent	nr	0	9446	4721	14167	13884	4Q.7
New properties – SLP connections	nr	0	8975	133	9108		4Q.8
Properties volumes - NAVs							
New residential properties served by NAVs	nr	0	0	11248	11248	5624	4Q.9
New business properties served by NAVs	nr	0	0	16	16	8	4Q.10
Total new properties served by NAVs	nr	0	0	11264	11264	5632	4Q.11
Properties volumes - Total							
Total new properties	nr	0	9446	15985	25431	19516	4Q.12
New sites							
Number of development sites	nr	0	508	967	1475		4Q.13
New water mains - length							
Length of new mains (km) - requisitions	nr	0	12				4Q.14
Length of new mains (km) - SLPs	nr	0	45				4Q.15
Environmental incentives							
New connections claiming Environmental Incentives	nr	0			531	128	4Q.16

Pro forma 4R
Connected properties, customers and population

Keys to cells

Input cell
Calculation cell
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Line description	Units	DPs	Unmeasured	Measured	Total	Voids
Customer numbers - average during the year						
Residential water only customers	000s	3	40.965	35.936	76.901	3.395
Residential wastewater only customers	000s	3	24.560	70.498	95.058	5.748
Residential water and wastewater customers	000s	3	1,479.044	1,611.195	3,090.239	137.829
Total residential customers	000s	3	1,544.569	1,717.629	3,262.198	146.972
Business water only customers	000s	3	0.727	22.467	23.194	3.191
Business wastewater only customers	000s	3	1.655	17.186	18.841	20.921
Business water & wastewater customers	000s	3	14.513	117.747	132.260	24.820
Total business customers	000s	3	16.895	157.400	174.295	48.932
Total customers	000s	3	1,561.464	1,875.029	3,436.493	195.904

Line description	Units	DPs	Water			Wastewater		
			Unmeasured	Measured	Total	Unmeasured	Measured	Total
Property numbers - average during the year								
Residential properties billed	000s	3	1,520.008	1,647.131	3,167.139	1,503.604	1,681.693	3,185.297
Residential void properties	000s	3			141.225			143.577
Total connected residential properties	000s	3			3,308.364			3,328.874
Business properties billed	000s	3	15.240	140.214	155.454	16.168	134.933	151.101
Business void properties	000s	3			28.011			45.741
Total connected business properties	000s	3			183.465			196.842
Total connected properties	000s	3			3,491.829			3,525.716

Line description	Units	DPs	Water														Unbilled			Total
			Unmeasured					Measured					Uneconomic to bill	Other	Total					
			No meter	Basic meter	AMR meter	AMI meter	Total	No meter	Basic meter	AMR meter	AMI meter	Total								
Property and meter numbers - at end of year (31 March)																				
Total new residential properties connected in year	000s	3	0.000	0.000	0.000	0.000	0.000	0.124	0.001	13.447	0.000	13.572				13.572				
Total number of new business properties connections	000s	3	0.000	0.000	0.000	0.000	0.000	0.001	0.001	0.593	0.000	0.595				0.595				
Residential properties billed at year end	000s	3	1,375.419	1.919	64.470	51.086	1,492.894	0.000	514.276	1,020.197	142.437	1,676.910				3,169.804				
Residential properties unbilled at year end	000s	3											0.000	0.000	0.000	0.000				
Residential void properties at year end	000s	3					74.695					71.410				146.105				
Total connected residential properties at year end	000s	3					1,567.589					1,748.320				3,315.909				
Business properties billed at year end	000s	3	14.785	0.000	0.000	0.000	14.785	0.000	70.807	64.202	2.744	137.754				152.539				
Business properties unbilled at year end	000s	3											0.000	0.000	0.000	0.000				
Business void properties at year end	000s	3					6.575					23.775				30.350				
Total connected business properties at year end	000s	3					21.360					161.529				182.889				
Total connected properties at year end	000s	3					1,588.949					1,909.849				3,498.798				

Line description	Units	DPs	Water	Wastewater
Population data				
Resident population	000s	3	8,116.241	7,603.552
Non-resident population (wastewater)	000s	3		317.332

Household population data	Units	DPs	Water		
			Resident population	Non-resident population	Total
Household population	000s	3	7,978.413	0.000	7,978.413
Household measured population (water only)	000s	3	4,066.629	0.000	4,066.629
Household unmeasured population (water only)	000s	3	3,911.784	0.000	3,911.784

4R.1
4R.2
4R.3
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4R.28
4R.29

4R.30
4R.31
4R.32

Pro forma 4V
Mark-to-market of financial derivatives analysed based on payment dates

Keys to cells		
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	Calculation cell	
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Line description	Units	DPs	Derivatives - Analysed by earliest payment date				Derivatives - Analysed by expected maturity date				RAG 4 reference
			Net settled	Gross Settled outflows	Gross Settled inflows	Total	Net settled	Gross Settled outflows	Gross Settled inflows	Total	
Due within one year	£m	3	-6.476	0.000	0.000	-6.476	-6.476	0.000	0.000	-6.476	4V.1
Between one and two years	£m	3	-9.087	120.551	-126.070	-14.606	-9.087	120.551	-126.070	-14.606	4V.2
Between two and three years	£m	3	-36.698	238.296	-328.349	-126.751	-36.698	238.296	-328.349	-126.751	4V.3
Between three and four years	£m	3	69.427	113.654	-114.654	68.427	68.006	113.654	-114.654	67.006	4V.4
Between four and five years	£m	3	57.538	99.668	-77.104	80.102	56.103	99.668	-77.104	78.667	4V.5
After five years	£m	3	-42.585	2,423.745	-2,420.167	-39.007	-39.729	2,423.745	-2,420.167	-36.151	4V.6
Total	£m	3	32.119	2,995.914	-3,066.344	-38.311	32.119	2,995.914	-3,066.344	-38.311	4V.7

Pro forma 4W
Defined Benefit Pension Scheme – Additional Information

Keys to cells		
	Input cell	
	Calculation cell	
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Line description	Units	DPs	Defined benefit pension schemes		RAG 4 reference
			Pension scheme 1	Pension scheme 2	
Scheme details					
Scheme name	Text	n/a	United Utilities Pension Scheme (“UUPS”)	United Utilities PLC Group of the Electricity Supply Pension Scheme (“ESPS”)	4W.1
Scheme status	Text	n/a	Closed to new members; not closed to accrual of future defined benefits	Closed to new members; not closed to accrual of future defined benefits	4W.2
Scheme valuation under IAS/IFRS/FRS					
Scheme assets	£m	3	1,615.500	20.600	4W.3
Scheme liabilities	£m	3	1,387.900	18.500	4W.4
Scheme surplus / (deficit) Total	£m	3	227.600	2.100	4W.5
Scheme surplus / (deficit) Appointed business	£m	3	227.600	2.100	4W.6
Pension deficit recovery payments	£m	3	0.000	0.000	4W.7
Scheme valuation under part 3 of Pensions Act 2004					
Scheme funding valuation date	Date	n/a	31/03/24	31/03/24	4W.8
Assets	£m	3	1,925.305	25.010	4W.9
Technical Provisions	£m	3	1,805.379	23.922	4W.10
Scheme surplus / (deficit)	£m	3	119.926	1.088	4W.11
Discount rate assumptions	Text	n/a	Gilts+0.30%	Gilts+0.08%	4W.12
Recovery plan (where applicable)					
Recovery Plan Structure	Text	n/a	N/A as fully funded	N/A as fully funded	4W.13
Recovery plan end date	Date	n/a	N/A as fully funded	N/A as fully funded	4W.14
Asset Backed Funding (ABF) arrangements	Text	n/a	N/A as fully funded	N/A as fully funded	4W.15
Responsibility for ABF arrangements	Text	n/a	N/A as fully funded	N/A as fully funded	4W.16

Scheme valuation under part 3 of Pensions Act 2004

4W.8 Scheme funding valuation date

This is the date of the latest triennial actuarial valuation.

4W.9 Assets

As the participating employers are United Utilities Water Limited (‘UUW’) and United Utilities PLC (‘UUPLC’), the asset figure presented reflects the proportion attributable to UUW only.

4W.10 Technical provisions

As the participating employers are United Utilities Water Limited (‘UUW’) and United Utilities PLC (‘UUPLC’), the technical provisions figure presented reflects the proportion attributable to UUW only.

4W.12 Discount rate assumption

A single equivalent discount rate is shown for the ESPS scheme, expressed on a ‘gilts plus’ basis.

Pro forma 4Z
Household bill reduction schemes, debt, Guaranteed Standards Scheme payments and
Priority Service Register data

Section A - other direct bill reduction schemes for household customers struggling to pay. These should exclude any of the table 2N schemes.

Other household affordability schemes supported with funding from shareholders			
Line description	Target households	Actual number of unique households helped by scheme	Total value of support
Units		number	£'000s
DPs	Text	0	3
United Utilities Trust Fund	Unique households with Trust Fund Grant	3,582	2,819,147
WaterSure Plus	Unique households with that don't meet the standard WaterSure criteria but meet our WaterSure Plus criteria	220	51,893

Other household affordability schemes supported with funding from customers			
Line description	Target households	Actual number of unique households helped by scheme	Total value of support
Units		number	£'000s
DPs	Text	0	3
Lowest Bill Guarantee	Unique income deprived households with savings made from their LBG FM charges	14,264	2,689,696
Direct Debit Discount	Unique income deprived households with savings made from their Direct Debit Discount (£5 per account)	271,475	1,357,375
Local Authority Discount	Unique households with LA Discount (£10 per account)	25,543	253,487

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
DPs	0	0	0
Number of household customers served – active accounts	77,041	102,153	3,092,763
Number of household customers served – final accounts	851	861	123,011

Household customers in arrears		
Line description	Number of households	Total amount of debt
Units	number	£'000s
DPs	0	3
Households in arrears – active accounts with debt repayment arrangements	107,402	116,755,349
Households in arrears – final accounts with debt repayment arrangements	3,948	2,408,247
Households in arrears – active accounts without debt repayment arrangements	169,515	197,115,592
Households in arrears – final accounts without debt repayment arrangements	93,172	64,492,356
Households not having made any payment for the year – active accounts	119,098	230,272,496
Households not having made any payment for the year – final accounts	92,619	58,223,803

Temporary payment suspension		
Line description	Number of households	Total amount deferred
Units	number	£'000s
DPs	0	3
Households with temporarily suspended payments – payment break arrangements	34	4,299
Households with temporarily suspended payments – breathing space arrangements	4,251	5,298,943

Household debt collection through third party agents where water company remains creditor		
Line description	Number of households	Total value of debt
Units	number	£'000s
DPs	0	3
Debt collected by external agents – active accounts	131,319	131,307,797
Debt collected by external agents – final accounts	64,796	40,528,142
PSR customers with debt passed on to external debt collection agents – active and final accounts	20,410	17,467,473

Household debt sold to external agencies			
Line description	Number of accounts	Total value of debt	Total sale value of debt
Units	number	£'000s	£'000s
DPs	0	3	3
Debt sold to an external agency / third party debt purchaser – active accounts	0	0.000	0.000
Debt sold to an external agency / third party debt purchaser – final accounts	0	0.000	0.000
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.	0	0.000	0.000

Payment matching activities		
Line description	Number of accounts	Total value of payment matches
Units	number	£'000s
DPs	0	3
Active accounts supported through the matched payment schemes and the total contribution of matched payments made by the water company for the reporting year	41,375	13,023,633
Final accounts supported through the matched payment schemes and the total contribution of matched payments made by the water company for the reporting year	3,387	793,204

Unpaid household bills referred to courts		
Line description	Number of accounts	Total amount involved
Units	number	£'000s
DPs	0	3
Number of county court claims	8,521	7153,245
Number of county court judgements	6,741	5,815,067
Number of county court judgement enforcements	5,350	2,007,106
Number of high court claims	1,166	1,778,784
Number of high court judgements	1,112	1,763,300
Number of high court judgement enforcements	909	616,639

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
DPs	0	3	0
Total value of payments made to household customers under GSS		2,050,308	
Total number of payments made to household customers under GSS	28,884		
Total number of unique household customers receiving GSS payments			26,606

Number and value of statutory payments and other payments in excess of the statutory amounts for events and standards that are currently part of the GSS to household customers by type in the reporting period													
Line description	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	
	Total number of times the statutory GSS amounts were paid to household customers – before 2 July	Total number of times the statutory GSS amounts were paid to household customers – from 2 July	Total value of payments made in relation to column 1	Total value of payments made in relation to column 2	Total number of times enhanced payments were made to household customers for GSS related events – before 2 July	Total number of times enhanced payments were made to household customers for GSS related events – from 2 July	Total value of payments made in relation to column 5	Total value of payments made in relation to column 6	Total number of times the statutory GSS penalty payments were made to household customers – before 2 July	Total number of times the statutory GSS penalty payments were made to household customer – from 2 July	Total value of payments made in relation to column 9	Total value of payments made in relation to column 10	
Units	number	number	£'000s	£'000s	number	number	£'000s	£'000s	number	number	£'000s	£'000s	
DPs	0	0	3	3	0	0	3	3	0	0	3	3	
Making appointments	0	0	0.000	0.000	0	0	0.000	0.000	0	0	0.000	0.000	4Z.C4
Keeping appointments	1,947	4,601	97,200	230,075	0	0	0.000	0.000	265	771	2,650	30,660	4Z.C5
Low water pressure	0	634	0.000	32,150	0	0	0.000	0.000					4Z.C6
Notice of supply interruptions	8	1,022	0.400	51,100	2	664	0.120	33,175	7	130	0.140	5,200	4Z.C7
Supply restoration – initial period	1,873	10,877	92,050	543,850	1,228	11,997	56,740	682,619	326	1,203	6,520	48,120	4Z.C8
Supply restoration – each full 12-hr period	181	1,571	9,030	78,550									4Z.C9
Correctness of a bill query	251	980	9,980	39,200	0	0	0.000	0.000	44	206	0.440	8,210	4Z.C10
Changes to payment arrangements requests	214	8,540	26,840	0	0	0	0.000	0.000	8	57	0.080	2,250	4Z.C11
Complaints not answered on time	37	166	1,480	6,625	0	0	0.000	0.000	13	57	0.130	2,250	4Z.C12
Sewer flooding inside property	133	467	50,846	201,013	140	508	16,204	68,982	26	79	0.520	3,160	4Z.C13
Sewer flooding outside property	754	1,742	137,991	363,108	6	31	0.970	7,158	112	205	2,240	8,100	4Z.C14

Number and value of payments made to household customers for additional GSS standards that came into effect from 1 October 2025				
Line description	Column 1	Column 2	Column 3	Column 4
	Total number of times the statutory GSS amounts were paid to household customers	Total value of payments made in relation to column 1	Total number of times the statutory GSS penalty payments were made to household customers	Total value of payments made in relation to column 3
Units	number	£'000s	number	£'000s
DPs	0	3	0	3
Core priority services	62	6,200	47	1,880
Domestic customers in debt	0	0.000	0	0.000
Meter readings	0	0.000	0	0.000
Meter installation	2,159	37,260	715	28,600
Water quality notices	286	26,820	2	0.080

Number and value of payments made to household customers for events that are not part of the GSS		
Line description	Column 1	Column 2
	Total number of payments for all events that are not part of the GSS scheme	Total value of payments made in relation to column 1
Units	number	£'000s
DPs	0	3
Wastewater	1,636	581,085
Water	4,153	624,156
Billing	82,182	1,008,851
Developer Services	204	75,241
Metering	54,526	1,207,014

Number and value of statutory GSS penalty payments made to household customers		
Line description	Column 1	Column 2
	Total number of penalty payments made under the current GSS scheme	Total value of payments made in relation to column 1
Units	number	£'000s
DPs	0	3
Penalty payments made for the year.		
This may be under the previous GSS scheme ending on 1 July 2025 and current GSS scheme effective from 2 July 2025 (Column 1 value should equal the sum of the values in column 9 and column 10 of lines 4Z.C4 - 4Z.C14 and the sum of the values in column 3 of lines 4Z.C15 - 4Z.C19)	4,907	176,590
and		
(Column 2 value should equal the sum of the values in column 11 and column 12 of lines 4Z.C4 - 4Z.C14 and the sum of the values in column 4 of lines 4Z.C15 - 4Z.C19)		

Section D - PSR

PSR reach, attempted contacts and actual contacts								
Line description	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
	Total number of households served	Number of households on the PSR	PSR reach	Attempted contacts over a two-year period	Number of households on the PSR over a two-year period	PSR - Attempted contacts over a two-year period	Actual contacts over a two-year period	PSR - Actual contacts
Units	Number	Number	Percentage	Number	Number	Percentage	Number	Percentage
DPs	0	0	0	0	0	1	0	1
PSR reach, attempted contacts and actual contacts	3,271,957	597,401	18.3%	206,984	226,811	91.7%	96,843	42.9%

Different broad categories of PSR support						
Line description	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
	Medical / Health (non-water dependent)	Communication and Non-Physical Accessibility Needs	Safety and Practical Support	Temporary Circumstances	Dependency on Water Supply	Other
Units	Number	Number	Number	Number	Number	Number
DPs	0	0	0	0	0	0
Different broad categories of PSR support	190,773	115,587	39,990	24,338	170,529	421,531

Keys to cells
Input cell
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RAQ a reference

4Z.A1
4Z.A2

4Z.A6
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4Z.B1
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4Z.B4
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4Z.B6
4Z.B7
4Z.B8

4Z.B9
4Z.B10

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4Z.B21
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4Z.C1
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4Z.C18
4Z.C19

4Z.C20
4Z.C21
4Z.C22
4Z.C23
4Z.C24

4Z.C30

4Z.D2

Regulatory accounts for the 12 months ended 31 March 2026
Section 4 Additional regulatory information – service level



Pro forma 4AA
Third party services water expenditure for the 12 months ended 31 March 2026

Keys to cells
Input cell
Calculation cell
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Line description	Units	DPs	Water resources	Water network+			Total	RAG 4 reference
				Raw water distribution and storage	Water treatment	Treated water distribution		
Third-party services - opex (price control)								
Non potable water (which are not bulk supplies) opex	£m	3	0.174	0.660	0.000		0.833	4AA.1
Rechargeable opex - Fluoridation	£m	3			0.300		0.300	4AA.2
Rechargeable opex - Fire hydrant install & repair	£m	3				0.257	0.257	4AA.3
Rechargeable opex - third party damage	£m	3	0.000	0.000		0.009	0.009	4AA.4
Rechargeable opex - build over	£m	3	0.000	0.000		0.000	0.000	4AA.5
Other rechargeable opex	£m	3	0.000	0.000	0.000	0.165	0.165	4AA.6
Total third party opex (price control)	£m	3	0.174	0.660	0.300	0.431	1.564	4AA.7
Third-party services - capex (price control)								
Non potable water (which are not bulk supplies) capex	£m	3	0.003	0.018	0.011		0.032	4AA.8
Rechargeable capex - Fluoridation	£m	3			0.012		0.012	4AA.9
Rechargeable capex - Fire hydrant install & repair	£m	3				0.000	0.000	4AA.10
Rechargeable capex - third party damage	£m	3	0.000	0.000		0.000	0.000	4AA.11
Rechargeable capex - build over	£m	3	0.000	0.000		0.000	0.000	4AA.12
Other rechargeable capex	£m	3	0.000	0.000	0.000	0.000	0.000	4AA.13
Total third party capex (price control)	£m	3	0.003	0.018	0.023	0.000	0.044	4AA.14
Third-party services - opex (non-price control)								
Bulk supplies opex	£m	3	0.502	0.098	0.600	0.669	1.869	4AA.15
Reservoir operating agreements opex	£m	3	0.000				0.000	4AA.16
Other excluded charge opex	£m	3	0.094	0.023	0.148	0.276	0.541	4AA.17
Total third party costs opex (non-price control)	£m	3	0.596	0.121	0.748	0.945	2.411	4AA.18
Third-party services - capex (non-price control)								
Bulk supplies capex	£m	3	0.133	0.001	0.001	4.727	4.861	4AA.19
Reservoir operating agreements capex	£m	3	0.000				0.000	4AA.20
Other excluded charge capex	£m	3	0.000	0.000	0.000	0.000	0.000	4AA.21
Total third party costs capex (non-price control)	£m	3	0.133	0.001	0.001	4.727	4.861	4AA.22
Third-party services - totex								
Total third-party services totex	£m	3	0.905	0.800	1.072	6.103	8.880	4AA.23

Fire hydrants and maintenance

We report revenues associated with fire hydrant installation, repair and maintenance within line 2P.3 ‘Third party services revenue’, and the associated costs within line 4AA.3 ‘Fire hydrant install and repair’, in accordance with RAG 4.14 Appendix 1.

Revenue reported within line 2P.3 arises from works carried out on fire hydrants. These activities include repairs (including both no dig and excavation works), replacement of existing hydrants, installation of new hydrants including connections and associated pipework, removal of hydrants, and associated reinstatement and ancillary works such as marker posts, plates and numerals.

Charges are set in accordance with our published schedule of rates and are designed to recover all costs incurred in relation to the investigation, administration, repair and installation of fire hydrants. We do not currently levy separate charges for Highways Authority permits, traffic management or internal operational time.

The costs reported within line 4AA.3 include direct costs associated with repair, replacement and installation activities, excavation and reinstatement costs across all surface types, materials, fittings and contractor delivery costs, investigation and administrative activities, and an allocation of overheads associated with these services.

Costs relating to permits, traffic management and line stops are not separately identified or charged and are therefore not explicitly reported, although elements of overhead recovery may be included within overall costs.

During 2025/26, three fire hydrants were installed in new locations and 57 fire hydrants were replaced. We do not currently collect information on whether hydrant installations or replacements include isolator switches.

Pro forma 4AB
Third party services wastewater expenditure for the 12 months ended 31 March 2026

Keys to cells
Input cell
Calculation cell
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Line description	Units	DPs	Wastewater network+				Bioresources			Total	RAG 4 reference
			Foul	Surface water drainage	Highway drainage	Sewage and sludge liquor - treatment and disposal	Sludge Transport	Sludge Treatment	Sludge Disposal		
Third-party services - opex (price control)											
Rechargeable opex - third party damage	£m	3	0.019	0.005	0.002					0.026	4AB.1
Rechargeable opex - build over	£m	3	0.016	0.004	0.002					0.021	4AB.2
Other rechargeable opex	£m	3	0.152	0.040	0.015	0.000	0.000	0.000	0.000	0.208	4AB.3
Total third party opex (price control)	£m	3	0.187	0.049	0.018	0.000	0.000	0.000	0.000	0.255	4AB.4
Third-party services - capex (price control)											
Rechargeable capex - third party damage	£m	3	0.000	0.000	0.000					0.000	4AB.5
Rechargeable capex - build over	£m	3	0.000	0.000	0.000					0.000	4AB.6
Other rechargeable capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.7
Total third party capex (price control)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.8
Third-party services - opex (non-price control)											
Bulk supplies opex	£m	3	0.147	0.000	0.129	0.350	0.026	0.051	0.020	0.723	4AB.9
Other excluded charge opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.10
Total third party costs opex (non-price control)	£m	3	0.147	0.000	0.129	0.350	0.026	0.051	0.020	0.723	4AB.11
Third-party services - capex (non-price control)											
Bulk supplies capex	£m	3	0.077	0.000	0.054	0.170	0.014	0.027	0.011	0.352	4AB.12
Other excluded charge capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.13
Total third party costs capex (non-price control)	£m	3	0.077	0.000	0.054	0.170	0.014	0.027	0.011	0.352	4AB.14
Third-party services - totex											
Total third-party services totex	£m	3	0.411	0.049	0.201	0.520	0.040	0.078	0.031	1.330	4AB.15

Pro forma 4AC
Base expenditure analysis for the 12 months ended 31 March 2026 -
water asset refurbishment and replacement

Keys to cells
Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Total	RAG 4 reference
Expenditure				
Service reservoir asset renewals				
Asset replacements - expensed	£m	3	0.000	4AC.1
Asset refurbishment - expensed	£m	3	0.000	4AC.2
Asset renewals - expensed	£m	3	0.000	4AC.3
Asset replacements - capitalised	£m	3	0.000	4AC.4
Asset refurbishment - capitalised	£m	3	10.595	4AC.5
Asset renewals - capitalised	£m	3	10.595	4AC.6
Water tower asset renewals				
Asset replacements - expensed	£m	3	0.000	4AC.7
Asset refurbishment - expensed	£m	3	0.000	4AC.8
Asset renewals - expensed	£m	3	0.000	4AC.9
Asset replacements - capitalised	£m	3	0.000	4AC.10
Asset refurbishment - capitalised	£m	3	0.066	4AC.11
Asset renewals - capitalised	£m	3	0.066	4AC.12
Other network storage asset renewals				
Asset replacements - expensed	£m	3	0.000	4AC.13
Asset refurbishment - expensed	£m	3	0.000	4AC.14
Asset renewals - expensed	£m	3	0.000	4AC.15
Asset replacements - capitalised	£m	3	0.000	4AC.16
Asset refurbishment - capitalised	£m	3	2.583	4AC.17
Asset renewals - capitalised	£m	3	2.583	4AC.18
Boreholes asset renewals				
Asset replacements - expensed	£m	3	0.000	4AC.19
Asset refurbishment - expensed	£m	3	0.000	4AC.20
Asset renewals - expensed	£m	3	0.000	4AC.21
Asset replacements - capitalised	£m	3	0.000	4AC.22
Asset refurbishment - capitalised	£m	3	1.598	4AC.23
Asset renewals - capitalised	£m	3	1.598	4AC.24
RGFs asset renewals				
Asset replacements - expensed	£m	3	0.000	4AC.25
Asset refurbishment - expensed	£m	3	0.000	4AC.26
Asset renewals - expensed	£m	3	0.000	4AC.27
Asset replacements - capitalised	£m	3	0.604	4AC.28
Asset refurbishment - capitalised	£m	3	3.796	4AC.29
Asset renewals - capitalised	£m	3	4.399	4AC.30
Water mains asset renewals				
Asset replacements - expensed	£m	3	0.000	4AC.31
Asset refurbishment - expensed	£m	3	0.000	4AC.32
Asset renewals - expensed	£m	3	0.000	4AC.33
Asset replacements - capitalised	£m	3	56.046	4AC.34
Asset refurbishment - capitalised	£m	3	98.945	4AC.35
Asset renewals - capitalised	£m	3	154.991	4AC.36
Workload				
Service reservoir asset renewals				
Asset replacements	nr	1	0.0	4AC.37
Asset refurbishment	nr	1	2.0	4AC.38
Water tower asset renewals				
Asset replacements	nr	1	0.0	4AC.39
Asset refurbishment	nr	1	0.0	4AC.40
Other network storage asset renewals				
Asset replacements	nr	1	0.0	4AC.41
Asset refurbishment	nr	1	0.0	4AC.42

Line description	Units	DPs	Total	RAG 4 reference
Boreholes asset renewals				
Asset replacements	nr	1	0.0	4AC.43
Asset refurbishment	nr	1	1.0	4AC.44
RGFs asset renewals				
Asset replacements	nr	1	8.0	4AC.45
Asset refurbishment	nr	1	6.0	4AC.46

Pro forma 4AD
Base expenditure analysis for the 12 months ended 31 March 2026
- wastewater asset refurbishment and replacement

Keys to cells
Input cell
Calculation cell
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Line description	Units	DPs	Total	RAG 4 reference
Expenditure				
Settlement tanks asset renewals				
Asset replacements - expensed	£m	3	0.000	4AD.1
Asset refurbishment - expensed	£m	3	0.000	4AD.2
Asset renewals - expensed	£m	3	0.000	4AD.3
Asset replacements - capitalised	£m	3	1.008	4AD.4
Asset refurbishment - capitalised	£m	3	8.730	4AD.5
Asset renewals - capitalised	£m	3	9.738	4AD.6
Activated sludge plants asset renewals				
Asset replacements - expensed	£m	3	0.000	4AD.7
Asset refurbishment - expensed	£m	3	0.000	4AD.8
Asset renewals - expensed	£m	3	0.000	4AD.9
Asset replacements - capitalised	£m	3	0.407	4AD.10
Asset refurbishment - capitalised	£m	3	7.959	4AD.11
Asset renewals - capitalised	£m	3	8.366	4AD.12
Trickle filters asset renewals				
Asset replacements - expensed	£m	3	0.000	4AD.13
Asset refurbishment - expensed	£m	3	0.000	4AD.14
Asset renewals - expensed	£m	3	0.000	4AD.15
Asset replacements - capitalised	£m	3	0.000	4AD.16
Asset refurbishment - capitalised	£m	3	2.793	4AD.17
Asset renewals - capitalised	£m	3	2.793	4AD.18
Gravity sewers asset renewals				
Asset refurbishment - expensed	£m	3	0.000	4AD.19
Asset refurbishment - capitalised	£m	3	59.792	4AD.20
Sewage pumping mains asset renewals				
Asset refurbishment - expensed	£m	3	0.000	4AD.21
Asset refurbishment - capitalised	£m	3	34.618	4AD.22

Workload				
Settlement tanks asset renewals				
Asset replacements	nr	1	1.0	4AD.23
Asset refurbishment	nr	1	45.0	4AD.24
Activated sludge plants asset renewals				
Asset replacements	nr	1	3.0	4AD.25
Asset refurbishment	nr	1	30.0	4AD.26
Trickle filters asset renewals				
Asset replacements	nr	1	0.0	4AD.27
Asset refurbishment	nr	1	35.0	4AD.28

Regulatory accounts for the 12 months ended 31 March 2026
Section 5 Additional regulatory information – water resources

Pro forma 5A
Water resources asset and volume data for the 12 months ended 31 March 2026

Keys to cells	
Input cell	
Calculation cell	
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Line description	Units	DPs	Input	RAG 4 reference
Water resources				
Water from impounding reservoirs	MI/d	2	1205.09	5A.1
Water from pumped storage reservoirs	MI/d	2	0.00	5A.2
Water from river abstractions	MI/d	2	824.50	5A.3
Water from groundwater works,excluding managed aquifer recharge (MAR) water supply schemes	MI/d	2	182.37	5A.4
Water from artificial recharge (AR) water supply schemes	MI/d	2	0.00	5A.5
Water from aquifer storage and recovery (ASR) water supply schemes	MI/d	2	0.00	5A.6
Water from saline abstractions	MI/d	2	0.00	5A.7
Water from water reuse schemes	MI/d	2	0.00	5A.8
Number of impounding reservoirs	nr	0	53	5A.9
Number of pumped storage reservoirs	nr	0	0	5A.10
Number of river abstractions	nr	0	17	5A.11
Number of groundwater works excluding managed aquifer recharge (MAR) water supply schemes	nr	0	63	5A.12
Number of artificial recharge (AR) water supply schemes	nr	0	0	5A.13
Number of aquifer storage and recovery (ASR) water supply schemes	nr	0	0	5A.14
Number of saline abstraction schemes	nr	0	0	5A.15
Number of reuse schemes	nr	0	0	5A.16
Total number of sources	nr	0	133	5A.17
Total number of water reservoirs	nr	0	162	5A.18
Total volumetric capacity of water reservoirs	MI	0	286320	5A.19
Total number of intake and source pumping stations	nr	0	137	5A.20
Total installed power capacity of intake and source pumping stations	kW	0	26976	5A.21
Total length of raw water abstraction mains and other conveyors	km	2	533.63	5A.22
Average pumping head – raw water abstraction	m.hd	2	13.81	5A.23
Energy consumption - water resources (MWh)	MWh	3	64,919.575	5A.24
Total number of raw water abstraction imports	nr	0	0	5A.25
Water imported from 3rd parties to raw water abstraction systems	MI/d	2	0.00	5A.26
Total number of raw water abstraction exports	nr	0	1	5A.27
Water exported to 3rd parties from raw water abstraction systems	MI/d	2	7.30	5A.28
Water resources capacity (measured using water resources yield)	MI/d	2	2350.14	5A.29
Total number of completed investigations (WINEP/NEP), cumulative for AMP	nr	0	0.00	5A.30

Additional average pumping head data - raw water abstraction				
Percentage of APH derived from measured data - raw water abstraction	%	2	89.22	5A.31
Percentage of sites with measured volumes and/or lift - raw water abstraction	%	2	72.67	5A.32

Regulatory accounts for the 12 months ended 31 March 2026
Section 6 Additional regulatory information – water network+



Pro forma 6A
Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 2026

Keys to cells	
Input cell	
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Line description	Units	DPs	Input	RAG 4 reference
Raw water transport and storage				
Total number of balancing reservoirs	nr	0	3	6A.1
Total volumetric capacity of balancing reservoirs	MI	0	549	6A.2
Total number of raw water transport stations	nr	0	7	6A.3
Total installed power capacity of raw water transport pumping stations	kW	0	31428	6A.4
Total length of raw water transport mains and other conveyors	km	2	956.79	6A.5
Average pumping head ~ raw water transport	m.hd	2	22.78	6A.6
Energy consumption – raw water transport (MWh)	MWh	3	62208.419	6A.7
Total number of raw water transport imports	nr	0	0	6A.8
Water imported from 3rd parties to raw water transport systems	MI/d	2	0.00	6A.9
Total number of raw water transport exports	nr	0	0	6A.10
Water exported to 3rd parties from raw water transport systems	MI/d	2	0.00	6A.11
Total length of raw and pre-treated (non-potable) water transport mains for supplying customers	km	2	80.23	6A.12

Water treatment - treatment type analysis	Surface water		Ground water		
	Water treated	Number of works	Water treated	Number of works	
Units	MI/d	nr	MI/d	nr	
DPs	2	0	2	0	
All simple disinfection works	0.00	0	1.77	1	6A.13
W1 works	0.00	0	0.00	0	6A.14
W2 works	269.63	2	19.82	12	6A.15
W3 works	677.74	13	0.00	0	6A.16
W4 works	297.19	6	73.38	13	6A.17
W5 works	874.03	27	16.90	3	6A.18
W6 works	0.00	0	0.00	0	6A.19

Water treatment - works size	% of total DI	Number of works	
Units	DI	nr	
DPs	1	0	
WTWs in size band 1	0.3	5	6A.20
WTWs in size band 2	0.9	11	6A.21
WTWs in size band 3	2.4	16	6A.22
WTWs in size band 4	3.6	15	6A.23
WTWs in size band 5	5.8	10	6A.24
WTWs in size band 6	7.5	6	6A.25
WTWs in size band 7	18.7	8	6A.26
WTWs in size band 8	60.9	6	6A.27

Water treatment - other information	Units	DPs	Input	
Peak week production capacity (PWPC)	MI/d	2	3354.50	6A.28
Total peak week production capacity (PWPC) having enhancement expenditure for grey solution improvements to address raw water quality deterioration	MI/d	2	0.00	6A.29
Total peak week production capacity (PWPC) having enhancement expenditure for green solutions improvements to address raw water quality deterioration	MI/d	2	0.00	6A.30
Total water treated at more than one type of works	MI/d	2	350.68	6A.31
Number of treatment works requiring remedial action because of raw water deterioration	nr	0	0	6A.32
Zonal population receiving water treated with orthophosphate	000's	3	7942.676	6A.33
Average pumping head – water treatment	m.hd	2	15.15	6A.34
Energy consumption - water treatment (MWh)	MWh	3	165659.852	6A.35
Total number of water treatment imports	nr	0	0	6A.36
Water imported from third parties to water treatment works	MI/d	2	0.00	6A.37
Total number of water treatment exports	nr	0	1	6A.38
Water exported to third parties from water treatment works	MI/d	2	0.09	6A.39

Additional average pumping head data - raw water transport				
Percentage of APH derived from measured data - raw water transport	Percentage	2	96.81	6A.40
Percentage of sites with measured volumes and/or lift - raw water transport	Percentage	2	73.58	6A.41

Additional average pumping head data - raw water treatment				
Percentage of APH derived from measured data - raw water treatment	Percentage	2	9.44	6A.42
Percentage of sites with measured volumes and/or lift - raw water treatment	Percentage	2	4.93	6A.43

Regulatory accounts for the 12 months ended 31 March 2026

Section 6 Additional regulatory information – water network+



Pro forma 6B

Treated water distribution – assets and operations for the 12 months ended 31 March 2026

Line description	Units	DPs	Input
Assets and operations			
Total installed power capacity of potable water pumping stations	kW	0	88364
Total volumetric capacity of service reservoirs	MI	1	3538.8
Total volumetric capacity of water towers	MI	1	10.6
Water delivered (non-potable)	MI/d	2	53.33
Water delivered (potable)	MI/d	2	1584.32
Water delivered (billed measured residential properties)	MI/d	2	475.91
Water delivered (billed measured businesses)	MI/d	2	344.67
Proportion of distribution input derived from impounding reservoirs	Propn 0 to 1	3	0.294
Proportion of distribution input derived from pumped storage reservoirs	Propn 0 to 1	3	0.000
Proportion of distribution input derived from river abstractions	Propn 0 to 1	3	0.576
Proportion of distribution input derived from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	Propn 0 to 1	3	0.130
Proportion of distribution input derived from artificial recharge (AR) water supply schemes	Propn 0 to 1	3	0.000
Proportion of distribution input derived from aquifer storage and recovery (ASR) water supply schemes	Propn 0 to 1	3	0.000
Proportion of distribution input derived from saline abstractions	Propn 0 to 1	3	0.000
Proportion of distribution input derived from water reuse schemes	Propn 0 to 1	3	0.000
Total number of potable water pumping stations that pump into and within the treated water distribution system	nr	0	538
Number of potable water pumping stations delivering treated groundwater into the treated water distribution system	nr	0	23
Number of potable water pumping stations delivering surface water into the treated water distribution system	nr	0	62
Number of potable water pumping stations that re-pump water already within the treated water distribution system	nr	0	453
Number of potable water pumping stations that pump water imported from a 3rd party supply into the treated water distribution system	nr	0	0
Total number of service reservoirs	nr	0	350
Number of water towers	nr	0	4
Energy consumption – treated water distribution (MWh)	MWh	3	94573.615
Average pumping head – treated water distribution	m.hd	2	63.67
Total number of treated water distribution imports	nr	0	4
Water imported from third parties to treated water distribution systems	MI/d	2	0.81
Total number of treated water distribution exports	nr	0	227
Water exported to third parties from treated water distribution systems	MI/d	2	6.19
Peak seven day rolling average distribution input	MI/d	2	2026.60
Peak seven day rolling average distribution input / annual average distribution input	Percentage	2	107.81%

Water balance			Company level	Region 1	Region 2
Measured household consumption (excluding supply pipe leakage)	MI/d	2	434.91		
Unmeasured household consumption (excluding supply pipe leakage)	MI/d	2	580.28		
Measured non-household consumption (excluding supply pipe leakage)	MI/d	2	343.52		
Unmeasured non-household consumption (excluding supply pipe leakage)	MI/d	2	19.37		
Total annual leakage	MI/d	2	394.85		
Distribution system operational use	MI/d	2	3.29		
Water taken unbilled	MI/d	2	96.18		
Distribution input	MI/d	2	1872.40		
Distribution input (pre-MLE)	MI/d	2	1879.81		

Additional average pumping head data			Treated water distribution
Percentage of APH derived from measured data	Percentage	2	76.99
Percentage of sites with measured volumes and/or lift	Percentage	2	55.04

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RAG 4 reference

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Pro forma 6C

Water network+ – Mains communication pipes and other data for the 12 months ended 31 March 2026

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Line description	Units	DPs	Input	Condition grade 1	Condition grade 2	Condition grade 3	Condition grade 4	Condition grade 5	RAG 4 reference
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Treated water distribution - mains analysis									
Length of potable mains relined (excludes structural relining)	km	1	0.0	0.0	0.0	0.0	0.0	0.0	6C.1
Length of potable mains structurally relined	km	1	0.0	0.0	0.0	0.0	0.0	0.0	6C.2
Length of potable mains renewed (excludes relining)	km	1	173.2	54.2	19.8	37.9	27.2	34.1	6C.3
Length of new potable mains	km	1	56.8						6C.4

Treated water distribution - mains analysis by diameter									
Total length of potable water mains (≤320mm)	km	1	39626.7						6C.5
Total length of potable water mains (>320mm and ≤ 450mm)	km	1	1229.7						6C.6
Total length of potable water mains (>450mm and ≤610mm)	km	1	999.5						6C.7
Total length of potable water mains (> 610mm)	km	1	1414.4						6C.8
Total length of potable mains as at 31 March	km	1	43270.2						6C.9

Treated water distribution - mains age profile									
Total length of potable mains laid or structurally refurbished pre-1880	km	1	874.5						6C.10
Total length of potable mains laid or structurally refurbished between 1881 and 1900	km	1	620.2						6C.11
Total length of potable mains laid or structurally refurbished between 1901 and 1920	km	1	1822.5						6C.12
Total length of potable mains laid or structurally refurbished between 1921 and 1940	km	1	5344.1						6C.13
Total length of potable mains laid or structurally refurbished between 1941 and 1960	km	1	3710.1						6C.14
Total length of potable mains laid or structurally refurbished between 1961 and 1980	km	1	6653.2						6C.15
Total length of potable mains laid or structurally refurbished between 1981 and 2000	km	1	13880.0						6C.16
Total length of potable mains laid or structurally refurbished between 2001 and 2020	km	1	9657.6						6C.17
Total length of potable mains laid or structurally refurbished during and after 2021	km	1	708.1						6C.18
Length of potable mains - all ages	km	1	43270.3						6C.19

Communication pipes									
Number of lead communication pipes	nr	0	493150						6C.20
Number of galvanised iron communication pipes	nr	0	750						6C.21
Number of other communication pipes	nr	0	2607670						6C.22
Number of lead communication pipes replaced or relined for water quality	nr	0	3819						6C.23

Other									
Company area	km²	0	15045						6C.24
Properties below reference level at end of year	nr	0	119						6C.25

Traffic Management Act		Units	DPs	Treated water distribution	Additional water control	Total
Projects incurring costs associated with Traffic Management Act		nr	0	80141	n/a	80141

6C.26

Pro forma 6D
Demand management – Metering and leakage activities for the 12 months ended 31 March 2026

Keys to cells

Input cell
Calculation cell
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Line description	Units	DPs	Basic meter	AMR meter	AMI meter	Total	RAG 4 reference
Metering activities - Totex expenditure							
New optant meter installation for existing customers	£m	3	0.000	1.153	16.062	17.215	6D.1
New selective meter installation for existing customers	£m	3	0.000	0.006	12.803	12.809	6D.2
New business meter installation for existing customers	£m	3	0.001	0.089	0.451	0.541	6D.3
Residential meters renewed	£m	3	0.000	0.031	15.144	15.175	6D.4
Business meters renewed	£m	3	0.005	0.200	5.021	5.226	6D.5
Total cost of replacement of basic meters with AMR or AMI meters for residential customers	£m	3		0.016	12.830	12.846	6D.6
Total cost of replacement of AMR meter with AMI meters for residential customers	£m	3			2.104	2.104	6D.7
Total cost of replacement of basic meters with AMR or AMI meters for business customers	£m	3		0.003	0.059	0.062	6D.8
Total cost of replacement of AMR meter with AMI meters for business customers	£m	3			4.672	4.672	6D.9
Metering activities - Explanatory variables							
New optant meters installed for existing customers	000s	3	0.000	3.316	43.027	46.343	6D.10
New selective meters installed for existing customers	000s	3	0.000	0.028	52.170	52.198	6D.11
New business meters installed for existing customers	000s	3	0.001	0.063	0.315	0.379	6D.12
Residential meters renewed	000s	3	0.000	0.267	106.529	106.796	6D.13
Business meters renewed	000s	3	0.010	0.414	9.875	10.299	6D.14
Replacement of basic meters with AMR or AMI meters for residential customers	000s	3		0.136	89.965	90.101	6D.15
Replacement of AMR meter with AMI meters for residential customers	000s	3			14.753	14.753	6D.16
Replacement of basic meters with AMR or AMI meters for business customers	000s	3		0.006	0.122	0.128	6D.17
Replacement of AMR meter with AMI meters for business customers	000s	3			9.628	9.628	6D.18
Metering activities - benefits delivered							
New residential meters installed for existing customers – supply-demand balance benefit	MI/d	2	0.00	0.11	2.32	2.43	6D.19
New business meters installed for existing customers – supply-demand balance benefit	MI/d	2	0.00	0.01	0.03	0.04	6D.20
Replacement of basic meter with AMR or AMI meters for residential customers – supply-demand balance benefit	MI/d	2		0.00	2.85	2.85	6D.21
Replacement of AMR meter with AMI meter for residential customers – supply-demand balance benefit	MI/d	2			0.00	0.00	6D.22
Replacement of basic meter with AMR/AMI meters for business customers – supply-demand balance benefit	MI/d	2		0.00	0.00	0.00	6D.23
Replacement of AMR meter with AMI meter for business customers – supply-demand balance benefit	MI/d	2			0.00	0.00	6D.24
Metering - penetration and connectivity							
Residential properties - meter penetration	%	1	16.2%	32.2%	4.5%	52.9%	6D.25
Business properties - meter penetration	%	1	46.4%	42.1%	1.8%	90.3%	6D.26
Residential properties - connected AMI meters at year end	%	1			1.2%	1.2%	6D.27
Business properties - connected AMI meters at year end	%	1			0.1%	0.1%	6D.28
Per capita consumption (excluding supply pipe leakage)							
Per capita consumption (measured)	l/h/d	1	106.9				6D.29
Per capita consumption (unmeasured)	l/h/d	1	148.3				6D.30
Meter installation types			Internal	External requiring dig	External no dig		
New meters installed for existing customers - basic	000s	3	0.000	0.000	0.000		6D.31
New meters installed for existing customers - AMR	000s	3	2.409	0.499	0.436		6D.32
New meters installed for existing customers - AMI	000s	3	16.529	35.082	43.586		6D.33
New Basic installations - business	000s	3	0.000	0.000	0.001		6D.34
New AMR installations - business	000s	3	0.061	0.000	0.002		6D.35
New AMI installations - business	000s	3	0.231	0.035	0.049		6D.36
Upgrades - Basic to AMR - residential	000s	3	0.088	0.006	0.042		6D.37
Upgrades - Basic to AMI - residential	000s	3	1.503	1.065	87.397		6D.38
Upgrades - AMR to AMI - residential	000s	3	1.525	0.549	12.679		6D.39
Upgrades - Basic to AMR - business	000s	3	0.002	0.001	0.003		6D.40
Upgrades - Basic to AMI - business	000s	3	0.037	0.001	0.084		6D.41
Upgrades - AMR to AMI - business	000s	3	2.546	0.416	6.666		6D.42
Boundary boxes			Total				
Number of new boundary box installations	000s	3	38.212				6D.43
Number of boundary box replacements	000s	3	0.000				6D.44

Regulatory accounts for the 12 months ended 31 March 2026

Section 6 Additional regulatory information – water network+

Pro forma 6E

Leakage activity detailed analysis

Keys to cells	
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Line description	Units	DPs	Total	RAG 4 reference
Leakage expenditure				
Maintaining leakage activity - totex	£m	3	160.245	6E.1
Reducing leakage activity - totex	£m	3	31.048	6E.2
Total leakage activity - totex	£m	3	191.293	6E.3
Leakage improvements delivering benefits in current price review period	MI/d	1	16.4	6E.4

Pro forma 6F

WRMP annual reporting on delivery – non-leakage activities

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026



Regulatory accounts for the 12 months ended 31 March 2026

Section 7 Additional regulatory information – wastewater network+

Pro forma 7A

Wastewater network+ – Functional expenditure for the 12 months ended 31 March 2026

Keys to cells	
Input cell	
Calculation cell	
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Line description	Units	DPs	£'000	RAG 4 reference
Costs of STWs in size bands 1 to 5				
Direct costs of STWs in size band 1	000s	3	14,801.504	7A.1
Direct costs of STWs in size band 2	000s	3	6,082.216	7A.2
Direct costs of STWs in size band 3	000s	3	9,912.849	7A.3
Direct costs of STWs in size band 4	000s	3	14,099.546	7A.4
Direct costs of STWs in size band 5	000s	3	14,558.166	7A.5
General & support costs of STWs in size bands 1 to 5	000s	3	4,436.187	7A.6
Functional expenditure of STWs in size bands 1 to 5 (excluding 3rd party services)	000s	3	63,890.468	7A.7
Costs of large STWs (size band 6)				
Service charges for STWs in size band 6	000s	3	4,635.790	7A.8
Estimated terminal pumping costs size band 6 works	000s	3	7,204.244	7A.9
Other direct costs of STWs in size band 6	000s	3	117,297.691	7A.10
Direct costs of STWs in size band 6	000s	3	129,137.725	7A.11
General & support costs of STWs in size band 6	000s	3	6,821.737	7A.12
Functional expenditure of STWs in size band 6 (excluding 3rd party services)	000s	3	135,959.461	7A.13
Costs of STWs - all sizes				
Total operating functional expenditure (excluding 3rd party services)	000s	3	199,849.929	7A.14

Pro forma 7B

Wastewater network+ – Large sewage treatment works for the 12 months ended 31 March 2026

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Regulatory accounts for the 12 months ended 31 March 2026

Section 7 Additional regulatory information – wastewater network+

Pro forma 7C

Wastewater network+ – Sewer and volume data

for the 12 months ended 31 March 2026

Keys to cells	
	Input cell
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Line description	Units	DPs	Input	RAG 4 reference
Wastewater network (as at 31 March)				
Connectable properties served by s101A schemes completed in the report year	nr	0	13	7C.1
Number of s101A schemes delivered in the report year	nr	0	1	7C.2
Total pumping station capacity	kW	0	104,932	7C.3
Number of network pumping stations	nr	0	2,809	7C.4
Total number of sewer blockages	nr	0	17,782	7C.5
Total number of gravity sewer collapses	nr	0	934	7C.6
Total number of sewer rising main bursts	nr	0	50	7C.7
Number of combined sewer overflows	nr	0	2,077	7C.8
Number of emergency overflows - sewage pumping stations	nr	0	649	7C.9
Number of settled storm overflows	nr	0	191	7C.10
Sewer age profile (constructed post 2001)	km	0	1,919	7C.11
Volume of trade effluent	MI/yr	2	49,721.34	7C.12
Volume of wastewater receiving treatment at sewage treatment works	MI/yr	2	1,164,411.04	7C.13
Length of gravity sewers rehabilitated	km	0	22	7C.14
Length of rising mains replaced or structurally refurbished	km	0	2	7C.15
Length of foul (only) public sewers	km	0	7,476	7C.16
Length of surface water (only) public sewers	km	0	10,892	7C.17
Length of combined public sewers	km	0	22,816	7C.18
Length of rising mains	km	0	1,208	7C.19
Length of other wastewater network pipework	km	0	451	7C.20
Total length of "legacy" public sewers as at 31 March	km	0	42,843	7C.21
Length of formerly private sewers and lateral drains (s105A sewers)	km	0	36,565	7C.22
Storm overflows - additional reporting (as at 1 January)				
Number of combined sewer overflows (as at 1 January)	nr	0	2,013	7C.23
Number of settled storm overflows (as at 1 January)	nr	0	191	7C.24
Number of storm overflows - other (as at 1 January)	nr	0	66	7C.25
Number of storm overflows - pending investigation (as at 1 January)	nr	0	0	7C.26
Number of permitted storm overflows closed in the previous reporting year (as at 1 January)	nr	0	0	7C.27
Number of storm overflows - consistent with PR24 performance commitment definition	nr	0	2,270	7C.28
Number of storm overflows closed in the previous reporting year - (as at 1 January)	nr	0	1	7C.29
Number of storm overflows with event duration monitors installed (as at 1 January)	nr	0	2,270	7C.30
Proportion of the time that event duration monitors on storm overflows were operational (from 1 January to 31 December)	%	2	97.20%	7C.31
Number of spills from storm overflows (from 1 January to 31 December)	nr	0	60,843	7C.32
Emergency overflows - additional reporting (as at 1 January)				
Number of emergency overflows - sewage pumping stations (as at 1 January)	nr	0	649	7C.33
Number of emergency overflows - network (as at 1 January)	nr	0	2	7C.34
Number of emergency overflows - other (as at 1 January)	nr	0	0	7C.35
Number of emergency overflows - all (as at 1 January)	nr	0	651	7C.36
Number of emergency overflows with event duration monitors installed (as at 1 January)	nr	0	21	7C.37
Number of emergency overflows with an MCERTS certified event duration monitors installed (as at 1 January)	nr	0	0	7C.38
Proportion of the time that event duration monitors on emergency overflows were operational (from 1 January to 31 December)	%	2	98.76%	7C.39
Number of spills from emergency overflows (from 1 January to 31 December)	nr	0	309	7C.40



Regulatory accounts for the 12 months ended 31 March 2026

Section 7 Additional regulatory information – wastewater network+



Pro forma 7D

Wastewater network+ – Sewage treatment works data for the 12 months ended 31 March 2026

Keys to cells		
	Input cell	
	Calculation cell	
	Copy cell	

Line description	Units	DPs	Treatment categories								Treatment works consents																RAG 4 reference		
			Primary	Secondary		Tertiary				Total	Phosphorus					BOD5					Ammonia								
				Activated Sludge	Biological	A1	A2	B1	B2		<=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																													
Load received by STWs in size band 1	kg BOD ₅ /day	0	295	316	1,263	40	75	121	65	2,176	13	19	124	2,019	2,176	0	0	66	1,099	1,010	2,176	0	9	135	302	1,730	2,176	7D.1	
Load received by STWs in size band 2	kg BOD ₅ /day	0	0	225	920	0	0	133	49	1,328	25	50	92	1,161	1,328	0	0	51	1,237	39	1,328	0	0	149	298	881	1,328	7D.2	
Load received by STWs in size band 3	kg BOD ₅ /day	0	0	412	2,113	0	304	506	743	4,078	308	385	314	3,071	4,078	80	110	194	3,694	0	4,078	0	201	958	590	2,330	4,078	7D.3	
Load received by STWs in size band 4	kg BOD ₅ /day	0	0	1,215	4,118	467	2,499	1,797	6,047	16,141	5,500	1,439	2,144	7,058	16,141	368	1,066	3,629	11,078	0	16,141	1,396	3,057	3,247	3,097	5,343	16,141	7D.4	
Load received by STWs in size band 5	kg BOD ₅ /day	0	0	1,801	775	0	5,333	1,346	20,463	29,718	16,394	3,707	3,865	5,752	29,718	1,891	7,724	6,100	13,281	722	29,718	5,457	6,445	10,696	4,544	2,576	29,718	7D.5	
Load received by STWs above size band 5	kg BOD ₅ /day	0	0	138,560	21,207	20,454	239,367	1,642	90,703	511,932	65,841	106,816	34,860	304,416	511,932	29,508	72,314	197,773	212,337	0	511,932	112,490	147,854	118,518	24,220	108,851	511,932	7D.6	
Total load received	kg BOD ₅ /day	0	295	142,529	30,396	20,961	247,578	5,544	118,070	565,373	88,081	112,417	41,398	323,477	565,373	31,848	81,214	207,813	242,727	1,772	565,373	119,343	157,566	133,703	33,052	121,710	565,373	7D.7	
Load received from trade effluent customers at treatment works	kg BOD ₅ /day	0								90,127																		7D.8	
Number of sewage treatment works																													
STWs in size band 1	nr	0	93	32	181	4	3	12	4	329	1	2	7	319	329	0	0	8	89	232	329	0	1	10	27	291	329	7D.9	
STWs in size band 2	nr	0	0	8	37	0	0	5	2	52	1	2	4	45	52	0	0	2	48	2	52	0	0	6	12	34	52	7D.10	
STWs in size band 3	nr	0	0	7	32	0	3	9	9	60	3	5	6	46	60	1	3	2	54	0	60	0	4	13	10	33	60	7D.11	
STWs in size band 4	nr	0	0	3	14	2	7	5	18	49	15	5	8	21	49	1	4	11	33	0	49	3	11	11	8	16	49	7D.12	
STWs in size band 5	nr	0	0	2	1	0	5	1	20	29	16	3	4	6	29	2	8	6	12	1	29	5	7	10	4	3	29	7D.13	
STWs above size band 5	nr	0	0	13	5	5	25	1	16	65	15	13	8	29	65	2	13	20	30	0	65	7	22	19	6	11	65	7D.14	
Total number of works	nr	0	93	65	270	11	43	33	69	584	51	30	37	466	584	6	28	49	266	235	584	15	45	69	67	388	584	7D.15	
Population equivalent																													
Current population equivalent served by STWs	000s	3	9,197.818																									7D.16	
Current population equivalent served by STWs with tightened/ new P consents	000s	3	33.263																									7D.17	
Current population equivalent served by STWs with tightened/ new N consents	000s	3	0.000																									7D.18	
Current population equivalent served by STWs with tightened/ new sanitary parameter consents	000s	3	1,442.319																									7D.19	
Current population equivalent served by STWs with tightened/ new microbiological treatment consents (for example UV, ozone etc)	000s	3	0.000																									7D.20	
Population equivalent treatment capacity enhancement	000s	3	0.000																									7D.21	
Current population equivalent served by STWs with tightened/ new consents for chemicals or other hazardous substances.	000s	3	0.000																									7D.22	

Regulatory accounts for the 12 months ended 31 March 2026

Section 7 Additional regulatory information – wastewater network+



Pro forma 7E

Wastewater network+ – Other data including energy consumption and scheme delivery for the 12 months ended 31 March 2026

Line description	Units	DPs	Input
Other			
Total sewerage catchment area	km²	0	2,130
Designated bathing waters (inland and coastal)	nr	0	34
Energy consumption			
Energy consumption - sewage collection	MWh	3	44,319.726
Energy consumption - sewage treatment	MWh	3	487,568.674
Energy consumption - wastewater network +	MWh	3	531,888.400
Scheme delivery			
Number of intermittent discharge event duration monitor installed (STW and network)	nr	0	0
Number of odour related complaints	nr	0	62
Flow to full treatment to increase to increase STW capacity	l/s	0	0
Number of sites with an increase in sewage treatment works FFT	nr	0	0
Additional equivalent storage provided for storm overflow spill reduction schemes; grey	m³	3	2,069.000
Additional equivalent storage provided for storm overflow spill reduction schemes; green	m³	3	0.000
Additional equivalent storage provided for storm overflow spill reduction schemes; other	m³	3	1,918.343
Number of network storm overflow schemes delivered	nr	3	12
Number of STW storm overflow schemes delivered	nr	3	1
Storm overflow wetlands - sites	nr	0	0
Storm overflow wetlands - area	nr	0	0
Number of screen-only schemes delivered	nr	1	0
Number of schemes delivered to meet tightened or new sanitary consents	nr	0	8
New wetlands for tightened sanitary or nutrient (N or P) permits - sites	nr	0	0
New wetlands for tightened sanitary or nutrient (N or P) permits - area	m2	0	0
Septic tank replacement projects	nr	0	0
Septic tank replacement projects - total PE	nr	0	0
Fish outfall screens	nr	0	0
Schemes with tightened / new P permits (met by biological treatment)	nr	0	0
Schemes with tightened / new P permits (met by chemical treatment)	nr	0	9
Schemes with tightened / new N permits (met by biological treatment)	nr	0	0
Schemes with tightened / new N permits (met by chemical treatment)	nr	0	0
Schemes with tightened/new microbiological standards (UV, ozone etc)	nr	0	0
Schemes with tightened/new chemicals/hazardous substances permits	nr	0	0
N-TAL trials	nr	0	0
STW flow monitors installed	nr	0	0
STW flow monitoring schemes requiring permit changes only	nr	0	0

RAG 4 reference
7E.1
7E.2
7E.3
7E.4
7E.5
7E.6
7E.7
7E.8
7E.9
7E.10
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7E.29
7E.30
7E.31
7E.32

Line description	Units	DPs	Input
STW flow monitoring schemes requiring simple meter installations	nr	0	0
STW flow monitoring schemes requiring complex civils installations	nr	0	0
Continuous water quality monitor installations	nr	0	8
MCERTs monitoring schemes at SPS emergency overflows - EDM only	nr	0	0
MCERTs monitoring schemes at SPS emergency overflows - EDM + civils	nr	0	0
MCERTs monitoring schemes at SPS emergency overflows - EDM + PFF	nr	0	0
MCERTs monitoring schemes at SPS emergency overflows - EDM + PFF + civils	nr	0	0
MCERTs monitoring schemes at SPS emergency overflows - Permits only	nr	0	0
WINEP/NEP investigations - desk-based studies only	nr	0	9
WINEP/NEP investigations - survey, monitoring or simple modelling	nr	0	2
WINEP/NEP investigations - multiple surveys and/or monitoring locations, and/or complex modelling	nr	0	2
WINEP/NEP investigations - total	nr	0	13
Catchment management nutrient balancing schemes	nr	0	0
Catchment management catchment permitting schemes	nr	0	0
Catchment management habitat restoration schemes	nr	0	0
River connectivity schemes (fish passes etc)	nr	0	0
Marine conservation zones (new and existing)	nr	0	0
Contribution to third party WINEP/NEP schemes	nr	0	0
25 yr Environment Plan schemes	nr	0	0
Additional sludge storage - tank volume (pre-thickening/pre-dewatering/untreated sludge)	m³	0	0
Additional sludge storage - tank volume (thickened/dewatered/treated sludge)	m³	0	0
Additional sludge storage - cake pads/bays area or equivalent (cake)	m2	0	10,887
Sludge treatment schemes providing sludge storage	nr	0	0
Sludge treatment schemes providing sludge thickening and dewatering	nr	0	0
Sludge treatment schemes (Other)	nr	0	8
Sludge investigation and monitoring schemes (NEP only)	nr	0	N/A
Traffic Management Act			Foul
Projects incurring costs associated with Traffic Management Act	nr	0	3,693

Keys to cells
Input cell
Calculation cell
Copy cell

RAG 4 reference
7E.33
7E.34
7E.35
7E.36
7E.37
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7E.42
7E.43
7E.44
7E.45
7E.46
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7E.58

7E.59

Regulatory accounts for the 12 months ended 31 March 2026

Section 7 Additional regulatory information – wastewater network+

Pro forma 7F

Wastewater network+ - WINEP / NEP phosphorus removal scheme costs and cost drivers

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Pro forma 7G

Wastewater network+ - WINEP / NEP sanitary parameters scheme costs and cost drivers

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Pro forma 7H

Wastewater network+ - WINEP / NEP nitrogen removal scheme costs and cost drivers

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Pro forma 7I

Wastewater network+ - Growth at STWs scheme costs and cost drivers

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Pro forma 7J

Bioresources - Industrial Emissions Directive scheme costs and cost drivers

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Pro forma 7K

Wastewater network+ - WINEP storm overflow scheme costs and cost drivers

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Pro forma 7L

Wastewater network+ - Sewage pumping mains renewals for the 12 months ended 31 March 2026

► Omitted from inclusion within Regulatory Accounts due to size in adherence with RAG 3.16, Section 1.7. The table is submitted to Ofwat separately, and published on the company website www.unitedutilities.com/globalassets/documents/pdf/apr-tables-2026

Regulatory accounts for the 12 months ended 31 March 2026

Section 8 Additional regulatory information – bioresources

Pro forma 8A

Bioresources sludge data for the 12 months ended 31 March 2026

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Total	RAG 4 reference
Total sewage sludge produced, treated by incumbents	ttds/ year	1	190.8	8A.1
Total sewage sludge produced, treated by 3rd party sludge service provider	ttds/ year	1	25.5	8A.2
Total sewage sludge produced	ttds/ year	1	216.3	8A.3
Total sewage sludge produced from non-appointed liquid waste treatment	ttds/ year	1	2.0	8A.4
Percentage of sludge produced and treated at a site of STW and STC co-location	%	2	30.13	8A.5
Total sewage sludge disposed by incumbents	ttds/ year	1	72.2	8A.6
Total sewage sludge disposed by 3rd party sludge service provider	ttds/ year	1	18.7	8A.7
Total sewage sludge disposed	ttds/ year	1	90.9	8A.8
Total measure of intersiting 'work' done by pipeline	ttds*km/year	0	1,649	8A.9
Total measure of intersiting 'work' done by tanker	ttds*km/year	0	2,161	8A.10
Total measure of intersiting 'work' done by truck	ttds*km/year	0	3,721	8A.11
Total measure of intersiting 'work' done (all forms of transportation)	ttds*km/year	0	7,531	8A.12
Total measure of intersiting 'work' done by tanker (by volume transported)	m³*km/yr	0	66,929,826	8A.13
Total measure of 'work' done in sludge disposal operations by pipeline	ttds*km/year	0	0	8A.14
Total measure of 'work' done in sludge disposal operations by tanker	ttds*km/year	0	0	8A.15
Total measure of 'work' done in sludge disposal operations by truck	ttds*km/year	0	17,466	8A.16
Total measure of 'work' done in sludge disposal operations (all forms of transportation)	ttds*km/year	0	17,466	8A.17
Total measure of 'work' done by tanker in sludge disposal operations (by volume transported)	m³*km/yr	0	0	8A.18
Chemical P sludge as % of sludge produced at STWs	%	2	43.02	8A.19

Pro forma 8C
Bioresources energy and liquors analysis for the 12 months ended 31 March 2026

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total	RAG 4 reference
	MWh (0 DP)				£m (3 DP)				
Energy									
Energy consumption - bioresources	45,444	124,173	6,282	220,238	9.824	9.830	0.325	19.979	8C.1
Energy generated by and used in bioresources control	29,915	97,297	0	127,213	6.144	8.033	0.000	14.177	8C.2
Energy generated by bioresources and used in network plus control	68,902	0	0	68,902	13.128	0.000	0.000	13.128	8C.3
Energy generated by bioresources and exported to the grid or third party	5,465	0	53,514	58,979	0.403	0.000	1.555	1.958	8C.4
Energy generated by bioresources that is unused	0	40,248	0	40,248					8C.5
Energy bought from grid or third party and used in bioresources control	15,529	26,876	6,282	48,687	3.679	1.797	0.325	5.802	8C.6
Income from renewable energy subsidies	Unit	DPs	Value						
Income claimed from Renewable Energy Certificates (ROCs)	£m	3	-6.611						8C.7
Income claimed from Renewable Heat Incentives (RHIs)	£m	3	-3.931						8C.8
Income claimed from Green Gas Certs (RGGO's))	£m	3	-0.691						8C.9
Income claimed from (other renewable energy subsidy (2))	£m	3	0.000						8C.10
Income claimed from (other renewable energy subsidy (3))	£m	3	0.000						8C.11
Total income claimed from renewable energy subsidies	£m	3	-11.233						8C.12
Percentage of total number of renewable energy subsidies due to expire in the next 2 financial years	%	0	50%						8C.13
This year's value of renewable energy subsidies due to expire in the next 2 financial years	£m	3	-5.777						8C.14
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	DPs	Value						
BOD load of liquor or partially treated liquor returned from bioresources to network plus	kg/d	0	22,591						8C.15
Ammonia load of liquor or partially treated liquor returned from bioresources to network plus	kg Amm-N/d	0	10,788						8C.16
Recharge to Bioresources by network plus for costs of handling and treating bioresources liquors	£m	3	16.329						8C.17
Percentage of bioresources energy consumption that is metered	%								
Percentage of bioresources energy consumption that is metered	69.93%								8C.18

Pro forma 8D
Bioresources sludge treatment and disposal data for the 12 months ended 31 March 2026

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	By incumbent	By 3rd party sludge service providers	RAG 4 reference
Sludge treatment process					
% Sludge - untreated	%	1	8.4%	0.0%	8D.1
% Sludge treatment process - raw sludge liming	%	1	3.9%	11.1%	8D.2
% Sludge treatment process - conventional AD	%	1	17.7%	0.0%	8D.3
% Sludge treatment process - advanced AD	%	1	58.3%	0.6%	8D.4
% Sludge treatment process - incineration of raw sludge	%	1	0.0%	0.0%	8D.5
% Sludge treatment process - other (specify)	%	1	0.0%	0.0%	8D.6
% Sludge treatment process - Total	%	1	88.3%	11.7%	8D.7
(Un-incinerated) sludge disposal and recycling route					
% Sludge disposal route - landfill, raw	%	1	0.0%	0.0%	8D.8
% Sludge disposal route - landfill, partly treated	%	1	0.0%	0.0%	8D.9
% Sludge disposal route - land restoration/ reclamation	%	1	0.0%	9.4%	8D.10
% Sludge disposal route - sludge recycled to farmland	%	1	78.5%	12.0%	8D.11
% Sludge disposal route - other (specify)	%	1	0.0%	0.2%	8D.12
% Sludge disposal route - Total	%	1	78.5%	21.5%	8D.13

Pro forma 9A
Innovation competition

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Units	DPs	Current year
Allowed			
Allocated innovation revenue collection by PR24	£m	3	12.167
Revenue collected for the purposes of the innovation competition			
Actual Innovation Fund income drawn down from customers	£m	3	12.167
Total amount awarded to fund innovation projects the company is leading on	£m	3	6.473
Funding allocated for the current year as part of the Inflation Top-up Mechanism	£m	3	0.260
Total amount transferred to MOSL as part of the Innovation Fund	£m	3	6.368
Non-price control revenue (e.g. royalties, assets sold that were purchased using innovation funding)	£m	3	0.000
Administration			
Administration charge for Innovation Fund delivery partner(s)	£m	3	0.666

RAG 4
reference

9A.1

9A.2

9A.3

9A.4

9A.5

9A.6

9A.7

Line description	Units	DPs	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
Innovation project 1 - IWC Round 1 - Sewer AI (WRC)	£m	3	0.189	0.000	0.000	0.000	0.000	0.189	0.189	0.000	0.000	0.000	0.000	0.021	0.000	0.000
Innovation project 2 - IWC Round 1 - Industrial Symbiosis	£m	3	0.200	0.000	0.000	0.000	0.000	0.200	0.200	0.000	0.000	0.000	0.000	0.022	0.000	0.000
Innovation project 3 - WBC Round 2 - Alternative Phosphorous (Natural Coagulants)	£m	3	2.837	0.389	0.000	0.000	0.000	3.226	3.226	0.000	0.000	0.000	0.000	0.112	0.203	0.000
Innovation project 4 - WBC Round 2 - Catchment Systems Thinking Cooperative	£m	3	6.395	1.388	0.260	0.076	-0.184	7.783	7.588	-0.195	0.195	0.000	0.000	0.040	0.699	n/a
Innovation project 5 - WBC Round 3 - Biopolymers in Circular Economy	£m	3	6.149	0.000	2.252	2.235	-0.017	6.149	4.697	-1.452	1.452	0.000	0.026	0.370	0.313	n/a
Innovation project 6 - WBC Round 3 - Mainstreaming Nature Based Solutions	£m	3	8.028	0.000	3.105	2.337	-0.768	8.028	4.977	-3.051	3.051	0.000	0.275	0.150	0.613	n/a
Innovation project 7 - WBC Round 3 - Water Industry Printfrastructure	£m	3	1.544	0.000	0.174	0.155	-0.019	1.544	1.522	-0.021	0.021	0.000	0.000	0.091	0.080	n/a
Innovation project 8 - WBC Round 5 - Metagenomics	£m	3	1.349	0.000	0.597	0.324	-0.274	1.349	0.324	-1.025	1.025	0.022	0.032	0.022	0.032	n/a
Innovation project 9 - WBC Round 5 - Next Generation Digestion	£m	3	5.124	0.000	0.155	-0.311	-0.466	5.124	-0.311	-5.436	5.436	0.377	0.000	0.377	0.000	n/a
Total	£m	3	31.815	1.777	6.544	4.815	-1.729	33.593	22.412	-11.181	11.181	0.399	0.333	1.206	1.941	0.000

9A.8

9A.9

9A.10

9A.11

9A.12

9A.13

9A.14

9A.15

9A.16

9A.23

Lines 9A.17-9A.22 are unused freeform lines.

Pro forma 9A
Innovation competition

Innovation Competition Fund

UUW has won nine lead bids since the innovation competition fund was launched, with the breakdown of spend shown below, which is in line with bid documentation agreed:

Innovation round	Lead projects	Total project value £m	Amount awarded from fund inc. inflation top-up funding– Table 9A, column 1 + 2 £m	Amount contributed by lead water company and partner shareholders £m	Spend to date (excl. 10% partnership) – Table 9A, column 7 £m
Innovation in Water Challenge	AI and Sewer Defect Analysis	0.210	0.189	0.021	0.189
	Industrial Symbiosis	0.222	0.200	0.022	0.200
Water Breakthrough Challenge 1	Alternative approaches to phosphorus removal on rural wastewater treatment works	3.541	3.226	0.315	3.226
	Catchment Systems Thinking Cooperative	8.522	7.783	0.739	7.588
Water Breakthrough Challenge 3	Biopolymers in the Circular Economy	6.832	6.149	0.683	4.697
	Mainstreaming Nature based Solutions	8.928	8.028	0.900	4.977
	Water Industry Printfrastructure	1.716	1.544	0.172	2.815
Water Breakthrough Challenge 5	Making Microbes Matter (Metagenomics)	1.499	1.349	0.150	0.32.
	Next Generation Digestion	5.693	5.124	0.569	-0.311

Note that ‘Income from customers as part of the inflation top-up mechanism’ is £0.3 million for 2025/26 as part of Water Breakthrough Challenge 1.

Note that ‘Next Generation Digestion Spend to date’ is negative due to a delayed contract signing meaning project expenditure has not been incurred as originally forecast. UU has paid their full contribution upfront into the project, causing a negative variance against the original forecast. Ofwat is aware of the delay to contract signatures and a deadline for completion has been agreed to get the project back on track and kicked off.

In accordance with the information notice ‘IN 22/01 Expectations for monopoly company annual performance reporting 2021-22’, actual costs incurred on innovation projects are reported within totex in Tables 4D and 4E, and also within enhancement tables 4L and 4M. The provision recognised in the statutory accounts is reversed in the regulatory accounts, and intra-company transfers facilitated by MOSL and the administration charge are reclassified to other income, as outlined in the differences between statutory and RAG definitions on page 129.

Innovation costs are classified as totex not subject to cost sharing within table 4C (as per RAG 4.14), and therefore excluded from the totex cost sharing mechanism, as funded directly through customer revenues. Consequently, this results in a reported company totex overspend of £5.5 million in 2025/26, which is then excluded from totex performance within financial flows in Table 1F.

In 2025/26, we have reported £12.0 million in appointed revenue (1A.1) and cash (1C.11), with a cumulative total of £45.7 million of revenue collected from our customers over AMP7 and AMP8, for the purpose of innovation fund projects. There have been seven competition rounds as at 31 March 2026, resulting in £28.6 million payments into the innovation fund via MOSL.

We have been awarded funding in the Water Breakthrough Challenge 6 – Catalyst and Transform will be required to pay 13.45% of the awarded funding from revenue collected (which is expected to be £6.7–7.4 million – this will be paid in FY27).

Breakdown of the cash balance in respect of the innovation competition fund:

Cumulative cash flows 2020/21 – 2025/26	AMP7 £m	AMP8 £m	Total £m
Revenue collected from customers	33.7	12.0	45.7
Receipts from the fund via MOSL	26.8	6.5	33.3
10% contributions for our lead bids	2.4	0.4	2.8
Payments into the fund via MOSL	(22.2)	(6.4)	(28.6)
Actual expenditure of innovation fund projects	(20.0)	(5.3)	(25.3)
Administration charge	(1.3)	(0.3)	(1.6)
Net cash inflow	19.4	6.9	26.3



Regulatory accounts for the 12 months ended 31 March 2026

Section 11 Additional regulatory information – Greenhouse gas emissions and Net Zero reporting



Pro forma 11A

Greenhouse gas emissions reporting for the 12 months ended 31 March 2026

Keys to cells

Input cell
Calculation cell
Copy cell

Line description	Unit	DPs	Operational Emissions			RAG 4 reference
			Water	Wastewater	Total	
Scope one emissions						
Burning of fossil fuels (location-based)	tCO ₂ e	3	1316.023	18508.660	19824.683	11A.1
Process and fugitive emissions	tCO ₂ e	3	0.000	329720.710	329720.710	11A.2
Vehicle transport	tCO ₂ e	3	5235.808	13488.289	18724.097	11A.3
Emissions from land	tCO ₂ e	3	0.000	0.000	0.000	11A.4
Total scope one emissions (location-based)	tCO ₂ e	3	6551.831	361717.659	368269.490	11A.5
Scope one emissions; GHG type CO ₂						
Scope one emissions; GHG type CO ₂	tCO ₂ e	3	6475.396	31561.216	38036.612	11A.6
Scope one emissions; GHG type CH4	tCO ₂ e	3	2.165	51450.857	51453.022	11A.7
Scope one emissions; GHG type N2O	tCO ₂ e	3	74.270	278514.450	278588.720	11A.8
Scope one emissions; GHG other types	tCO ₂ e	3	0.000	191.136	191.136	11A.9
Scope two emissions						
Purchased electricity (location-based)	tCO ₂ e	3	58851.339	66284.768	125136.107	11A.10
Purchased electricity (market-based)	tCO ₂ e	3	78970.884	91703.941	170674.825	11A.11
Purchased heat	tCO ₂ e	3	0.000	0.000	0.000	11A.12
Electric vehicles	tCO ₂ e	3	37.772	58.623	96.395	11A.13
Removal of electricity to charge electric vehicles at site	tCO ₂ e	3	0.000	0.000	0.000	11A.14
Total scope two emissions (location-based)	tCO ₂ e	3	58889.111	66343.391	125232.502	11A.15
Total scope two emissions (market-based)	tCO ₂ e	3	79008.656	91762.564	170771.220	11A.16
Scope two emissions; GHG type CO ₂						
Scope two emissions; GHG type CO ₂	tCO ₂ e	3	58183.773	65548.770	123732.543	11A.17
Scope two emissions; GHG type CH4	tCO ₂ e	3	299.436	337.339	636.775	11A.18
Scope two emissions; GHG type N2O	tCO ₂ e	3	405.902	457.282	863.184	11A.19
Scope two emissions: GHG other types	tCO ₂ e	3	0.000	0.000	0.000	11A.20
Scope three emissions						
Business travel	tCO ₂ e	3	864.417	819.842	1684.259	11A.21
Outsourced activities	tCO ₂ e	3	0.000	2340.348	2340.348	11A.22
Purchased electricity; extraction, production, transmission and distribution (location-based)	tCO ₂ e	3	22757.148	25637.785	48394.933	11A.23
Purchased heat; extraction, production, transmission and distribution	tCO ₂ e	3	0.000	0.000	0.000	11A.24
Purchased fuels; extraction, production, transmission and distribution	tCO ₂ e	3	1515.206	7934.115	9449.321	11A.25
Chemicals	tCO ₂ e	3	24148.235	22995.938	47144.173	11A.26
Disposal of waste	tCO ₂ e	3	0.000	14049.066	14049.066	11A.27
Total scope three emissions (location-based)	tCO ₂ e	3	49285.006	73777.094	123062.100	11A.28
Scope three emissions; GHG type CO ₂						
Scope three emissions; GHG type CO ₂	tCO ₂ e	3	49215.628	59378.615	108594.243	11A.29
Scope three emissions; GHG type CH4	tCO ₂ e	3	27.640	824.571	852.211	11A.30
Scope three emissions; GHG type N2O	tCO ₂ e	3	41.738	13573.908	13615.646	11A.31
Scope three emissions: GHG other types	tCO ₂ e	3	0.000	0.000	0.000	11A.32
Gross operational emissions (Scopes 1,2 and 3)						
Gross operational emissions (location-based)	tCO ₂ e	3	114725.948	501838.144	616564.092	11A.33
Gross operational emissions (market-based)	tCO ₂ e	3	134845.493	527257.317	662102.810	11A.34
Emissions reductions						
Exported renewables	tCO ₂ e	3	624.316	2163.180	2787.496	11A.35
Exported biomethane	tCO ₂ e	3	0.000	8623.477	8623.477	11A.36
Insets	tCO ₂ e	3	0.000	0.000	0.000	11A.37
Other emissions reductions	tCO ₂ e	3	0.000	0.000	0.000	11A.38
Total emissions reductions	tCO ₂ e	3	624.316	10786.657	11410.973	11A.39

Keys to cells

Input cell
Calculation cell
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Line description	Unit	DPs	2024 - 25 Operational Emissions			RAG 4 reference
			Water	Wastewater	Total	
Emissions reductions						
Green tariff electricity	tCO ₂ e	3	0.000	0.537	0.537	11A.40
Net annual emissions						
Net annual emissions (location-based)	tCO ₂ e	3	114101.632	491051.487	605153.119	11A.41
Line description	Unit	DPs	Water	Wastewater		
GHG intensity ratios						
Emissions per Ml of treated water	kgCO ₂ e/Ml	3	166.297			11A.42
Emissions per Ml of sewage treated	kgCO ₂ e/Ml	3		421.717		11A.43
Line description	Unit	DPs	Embedded emissions			
			Water	Wastewater	Total	
Capital projects						
Capital projects (cradle-to-gate)	tCO ₂ e	3	49708.785	49708.785	99417.570	11A.44
Capital projects (cradle-to-build)	tCO ₂ e	3	66278.380	66278.380	132556.760	11A.45
Purchased goods and services						
Purchased goods and services	tCO ₂ e	3	162642.000	162642.000	325284.000	11A.46

Pro forma 11B

Net Zero Enhancement reporting for the 12 months ended 31 March 2026

		Reporting Year Progress							RAG 4 reference
		Technology delivered as proposed* (Yes, No)	Totex (£m)	Totex delivered as forecast* (Yes, No)	Carbon benefit (tCO ₂ e)	Carbon benefit delivered as forecast* (Yes, No)	No. of sites / No. of hectares for peatlands	No. of sites / No. of hectares delivered as forecast* (Yes, No)	
Line description									
Scheme ID	Scheme Name								
PCDWW34	Net Zero Catchment strategy	Yes	0.127	No	0	Yes	0	Yes	11B.1
PCDWW34	Net Zero Process emissions	Yes	1.431	No	0	Yes	0	Yes	11B.2
PCDWW34	Net Zero Peatland restoration	Yes	0.449	No	0	Yes	0	Yes	11B.3
Line description	Unit	DPs	Reporting year net zero cost adjustment totex						
			Water	Wastewater					
Net zero base cost adjustment totex									
Net zero base cost adjustment totex	£	3	39,953.565	391,023.075	11B.19				

Lines 11B.4-11B.18 are unused freeform lines.

Regulatory accounts for the 12 months ended 31 March 2026

Net Zero challenge schemes

The information in this section of the APR is to address the requirement in Ofwat’s RAG 3.16 guidance (Section 4.45), to provide a statement on the progress in delivering the Net Zero challenge schemes. This supports the sharing of lessons learnt with the wider water sector, promotes the sharing of best practices, and highlight obstacles to implementation. It also includes information on barriers to action and how they can be addressed, with detail of the risks that may threaten continued progress.

Net Zero scheme summary

The Net Zero PCD (PCDWW34) comprises three individual programmes of work to help deliver the Net Zero challenge and reduce greenhouse gas emissions. A summary of progress within the reporting year is included in APR Table 11B and the outputs are reported in PCD Delivery Plan Progress Reports. The three programmes are:

- **Net Zero Process Emissions:** reported outputs are the number of projects delivered to reduce process emissions (wastewater) and the reduction in tCO₂e from these projects. The number of projects includes the Net Zero Catchment Strategy as an output.

- **Net Zero Catchment Strategy (St Cuthbert’s garden village):** stated as an output within the Net Zero Process Emissions PCD line but monitored and reported independently. The output is the production of a sustainable integrated water and wastewater management plan in collaboration with a wide range of partners.
- **Net Zero Peatland Restoration:** reported outputs are hectares (ha) of peatland restoration and the reduction in tCO₂e from these projects.

No outputs are being claimed in 2025/26 which is in line with our Delivery Plan. There is only one output forecast before 2029/30, which is the Net Zero Catchment Strategy deliverable in 2027/28. All other outputs are forecast to be delivered by 31 March 2030 and we are on track to deliver projects to this timeframe.

An extract of table 11B is included below, with further detail in the additional sections of this summary document. The PCD outputs and progress against milestones will be reported in the upcoming Delivery Plan Progress report.

Table 1 - Extract from 11B. Reporting year progress for Net Zero challenge schemes (PCDWW34)

APR line	Scheme name	Technology delivered as proposed	Totex £m	Carbon benefit delivered as forecast	No. of sites delivered as forecast	Table comments
11B.1	Net Zero Catchment Strategy	Yes	0.127	NA	Yes	No tCO ₂ e benefit required for this scheme. Plan (site) not expected to be delivered until March 2028.
11B.2	Net Zero Process Emissions	Yes	1.431	Yes	Yes	No sites or tCO ₂ e benefit required in PCD output until 2029-30.
11B.3	Net Zero Peatland Restoration	Yes	0.449	Yes	Yes	No hectares or tCO ₂ e benefit required in PCD output until 2029-30.

Net Zero Process Emissions and Catchment Strategy

Net Zero Process Emissions

The process emissions deliverable of the PCD introduces innovative technologies to monitor and reduce nitrous oxide (N₂O) emissions from wastewater treatment processes across 17 wastewater treatment works. It will integrate advanced sensing technologies, using liquid-phase monitoring, with real-time data acquisition and control systems. These systems will enable dynamic optimisation of key process parameters – such as dissolved oxygen, aeration rates and ammonia-based aeration control (ABAC) – to influence nitrification and denitrification pathways. In addition, process loading and operational setpoints can be adjusted in response to live N₂O signals, supporting targeted mitigation of emissions while maintaining treatment performance.

The impact will be determined over the maximum timeframe possible during the 2025-30 period following completion of the scheme. For example, if the scheme is delivered and fully operational on 31 March 2028, the impact of the scheme will be determined using the data for the final two years of the period. The deliverables are due by 31 March 2030.

Overview and Achievements

The Net Zero Process Emissions programme is currently on track to deliver its 2030 PCD commitment, with all sites progressing through definition and solution design stages and the majority advancing into delivery phases. 17 sites are now defined and engineered, with 15 of these demonstrating substantial mobilisation of delivery activity. Monitors are being installed at 10 sites, to enable monitoring starting before reduction measures can begin. Baseline monitoring has commenced at one site, where we have successfully deployed a first of its kind mobile monitoring system called N2O-in-a-box.

Site specific reduction plans are being developed ahead of full baseline completion and there are ongoing investigations and assessment of emerging technologies for both monitoring and mitigation, informing programme development and shaping the AMP8 Delivery Plan.

Innovation

A key differentiator of this programme has been the use of innovative monitoring approaches to accelerate learning and reduce uncertainty. Deployment of N2O-in-a-box enables rapid, flexible and lower-risk characterisation of emissions prior to fixed installation, reducing dependency on permanent installation for early insights. In addition, deployment of multiple probes within individual reactors to capture process variability in greater detail, supports a more robust understanding of intra-reactor variability in nitrous oxide generation.



Figures. 1 – 4. N2O-in-a-box

Challenges and obstacles to implementation

The programme has encountered several structural challenges that are likely to be common across the sector. These include specialist supply chain constraints, limited skilled resources and reliance on niche equipment suppliers. In addition, there can be operational constraints at live treatment works, affecting access and delivery sequencing.

Mitigation for these challenges is in place. We have seen delays in some early interim milestones, but these can be accommodated in the project delivery timescale and have not impacted overall forecast delivery by 2030.

Addressing barriers to action

To address some of these barriers, we have completed early engagement with specialists to accelerate optimisation and are using mobile monitoring (N2O-in-a-box) to de-risk site selection and technology decisions. We are also embedding strong site-level ownership and operational alignment to improve access and delivery co-ordination.

Flexibility on solution design, including openness to alternative monitoring approaches, is also key to overcoming barriers alongside actively sharing lessons learnt and best practice with other water companies to accelerate sector-wide improvement.

Risks to delivery

The programme highlights several ongoing risks that will be carefully monitored:

- Supply chain maturity risk – the current market for N2O monitoring is not yet fully scaled.
- Technology uncertainty risk – evolving understanding of appropriate monitoring approaches (e.g. liquid vs gas phase).
- Performance uncertainty risk – emissions reduction forecasts remain estimates until baselines are established.
- Integration risk – interaction with other site activities can impact both baselines and mitigation effectiveness.

Net Zero Catchment Strategy

Development of the Net Zero Catchment Strategy for St Cuthbert’s garden village development is to support the new wastewater treatment works in Carlisle in facilitating the expected population growth. The strategy is to develop a sustainable integrated water and wastewater management plan in collaboration with a wide range of partners. This will enable surface water management whilst minimising need for investment in the sewer network and wastewater treatment works over the long term. It includes interventions such as reusing products, local composting solutions, using greywater recycling, and reducing household energy requirements. The final deliverable will be a partner endorsed masterplan vision strategy document outlining innovative, science-based solutions for a holistic Net Zero approach. From this the scheme learnings can be shared with the wider water sector. The final deliverable is due by 31 March 2028.

Progress

Delivery partners have been commissioned to support the production of the strategy. Initial engagement has been completed with key external stakeholder, including Eden Rivers Trust, Cumberland Council and the Environment Agency and Stakeholders and alignment opportunities have been mapped

The delivery partners will now develop a long list of options which will be shortlisted using a carbon focused multi criteria analysis, including wider ecosystem benefits to identify the preferred solution.

Net Zero Peatland Restoration

The projects included in this Net Zero scheme are to restore 1,494 hectares of peatland to store carbon and deliver wider environmental benefits. Restored hectares and carbon outcomes are measured to an agreed standard by the end of AMP8 and will generate a greenhouse gas emissions reduction of 13,227 tCO₂e.

Progress

In 2025/26 around 250 hectares of Net Zero enhancement peatland restoration has been physically delivered, however verification against the Peatland Code is still ongoing, therefore no outputs have been claimed in 2025/26. This is in line with the plan to deliver (and verify) all projects by 2029/30. The remaining hectares are phased across the AMP with summer surveys informing each winter’s restoration plans.

Innovation

The Net Zero peatland project adopts a range of innovative, nature-based approaches to carbon reduction and environmental improvement. This includes peatland restoration and re-wetting techniques that reduce carbon emissions while enhancing biodiversity and water quality outcomes. It also incorporates carbon accounting methodologies, such as the Peatland Code, to quantify emissions savings and support potential carbon financing. Delivery is further strengthened through collaborative partnerships with landowners and environmental organisations, alongside the use of low-carbon construction techniques and adaptive water level management to optimise environmental benefits.

Challenges and obstacles to implementation

Implementation of the Net Zero peatland project faces several challenges, including the need to align multiple landowners and stakeholders with differing priorities and land uses. There is also uncertainty associated with quantifying carbon benefits, especially over shorter programme timescales. Practical constraints such as difficult access to remote peatland sites, limited availability of specialist contractors, and seasonal working windows add further complexity. In addition, there may be competing requirements between peatland restoration, water resource management, and flood risk considerations, alongside potential gaps in baseline environmental data.

Addressing barriers to action

To overcome these barriers, the project adopts a proactive and collaborative approach, engaging stakeholders early to build alignment and secure agreements with landowners and partners. Established frameworks such as the Peatland Code are used to provide consistency and confidence in carbon measurement and reporting.

Risks to delivery

The programme has identified several ongoing risks that will be closely monitored including:

- Anticipated carbon savings may not be fully realised due to variability in peatland condition or hydrological response.
- Costs may increase as a result of access challenges, adverse weather conditions, or limited availability of specialist resources.
- Potential landowner resistance or withdrawal could impact site availability and programme progress
- Extreme weather events disrupting works, as well as unintended consequences such as changes in water quality that may increase treatment requirements.

Report of KPMG LLP to United Utilities Water Limited (“the Company”) and the Water Services Regulation Authority (“the WSRA”) under License Condition of Condition P

In accordance with the terms of our engagement letter dated 22 June 2026, we have examined the Company directors’ Ring-Fencing Certificate under Paragraph P32 of Condition P of the Company’s Instrument of Appointment dated 23 June 2026 (“the Certificate”) which is included within the Company’s Annual Performance Report on pages 143 to 145, in conjunction with the completion of our audit of the Regulatory Accounting Statements within the Company’s Annual Performance Report for the year ended 31 March 2026.

Respective duties of directors and auditors

The directors of the Company have sole responsibility for the preparation and presentation of the Certificate in accordance with the requirements of Paragraph P32 of Condition P of the Instrument of Appointment granted by the Secretary of State for the Environment to the Company as a water and sewerage undertaker under the Water Industry Act 1991 (“Condition P”).

As specified in our engagement letter dated 22 June 2026, it is our responsibility to examine the Certificate and report to you whether we are aware of any inconsistencies between that Certificate and the Regulatory Accounting Statements within the Company’s Annual Performance Report and any information which we obtained in the course of our work as the Company’s auditors.

For the avoidance of doubt, our audit of the Regulatory Accounting Statements within the Company’s Annual Performance Report for the year ended 31 March 2026 was, not directed towards meeting the requirements of the Company or the directors under the terms of Paragraph P 32 of Condition P. We have not carried out, specific procedures designed to verify the substance of the matters certified by the directors of the Company. Our sole responsibility is to examine the Certificate for consistency with our knowledge of the Company’s financial affairs gained in the course of our normal audit work. Furthermore, we have not carried out any audit procedure in relation to the Company since 23 June 2026, the date of our audit opinion on the Regulatory Accounting Statements within the Company’s Annual Performance Report for the year ended 31 March 2026.

This report is made solely to the Company and the WSRA in accordance with the condition P37 of Company’s instrument of appointment and other relevant material issued by the WSRA, including Information Notice IN 20/01 February 2020 - Requirements and expectations for ringfencing certificates, and the terms of our engagement with the Company. Our examination 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 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 report, or for the opinions we have formed. We will accept such responsibility to the WSRA on condition that the WSRA agrees in writing to the WSRA’s Contract by signing our engagement letter. The terms of our engagement do not confer benefits on any other parties and exclude the application of the Contracts (Rights of Third Parties) Act 1999.

Basis of our findings

Our work consisted of an examination of the Certificate signed by the directors, to determine whether there were any inconsistencies with our findings arising from the audit of the Regulatory Accounting Statements within the Company’s Annual Performance Report and any information which we obtained in the course of our work as the Company’s auditors.

Findings

Nothing has come to our attention during the course of our audit work on the Regulatory Accounting Statements within the Company’s Annual Performance Report for the year ended 31 March 2026 that would indicate any material inconsistencies between the Certificate and the Regulatory Accounting Statements within the Company’s Annual Performance Report and any information which we obtained in the course of our audit work on the Regulatory Accounting Statements within the Company’s Annual Performance Report of the Company for the year ended 31 March 2026.

KPMG LLP.

KPMG LLP

Chartered Accountants
1 St Peter’s Square
Manchester
M2 3AE

23 June 2026



Appendices

Executive summary

UUW has implemented a comprehensive, risk based assurance framework to support the integrity of data reported in principal regulatory submissions.

This includes ensuring that performance commitment and outcome delivery incentive (ODI) data is reliable, accurate and complete within the Annual Performance Report (APR). Independent third-party assurance forms a core component of this framework, with technical assurance covering performance metrics and ODI calculations, and financial audit assurance covering regulatory financial reporting. This assurance is proportionate to risk and aligned with Ofwat requirements, incorporating both internal and external review to provide confidence to stakeholders in the quality of reported information.

This appendix describes how we have executed our published assurance plan. It sets out the assurance activities that we undertake to provide reliable, accurate and complete data, the key findings from the assurance process and updates on our specific targeted risk areas.

Within this appendix we also highlight how we meet the assurance and reporting requirements outlined by Ofwat in the PR24 final determination and any additional requirements in RAG3.16.

The approach to reporting and assuring performance commitments and ODI payments is clearly defined and transparent. Documented methodologies are maintained and reviewed throughout the year and robust governance processes are in place. Given their importance, external assurance has been applied to all performance commitments and ODI payments reporting. UUW's Corporate Audit team has also reviewed the processes which underpin the APR.

Reports from the Independent Technical Assurer are provided on pages 246 to 261. This sets out their scope of work and their key findings. Similarly, a report from the UUW Corporate Audit team is also included on pages 262 to 266.

A) Overview and assurance framework

As we strive for best practice in assurance arrangements to deliver reliable, accurate and transparent information, we have continued to evolve our assurance framework. As a minimum, we have adopted the requirements established by the targeted category under Ofwat's previous company monitoring framework. This involves engagement with stakeholders and publication of an annual assurance plan. Accordingly, we published our 'Assurance strategy' for 2025/26 reporting, and invited feedback from customers and stakeholders.

► This publication is available on our website at: unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2025-30

The purpose of the assurance strategy is to ensure that stakeholders can rely on the information we provide as a water company and to make sure that the assurance of this information builds confidence and trust. In order to satisfy ourselves that we meet stakeholder expectations for our approach to monitoring and assuring delivery, we have processes in place to:

- publish information that can be trusted;
- demonstrate the board is taking an active role to ensure accurate and accessible information is provided about company performance and challenge for improvements;
- show the assurance activities we have put in place to provide accurate data; and
- provide confidence to all customers and stakeholders that we will continue to deliver the services they want in both an efficient and affordable manner and report on our performance.

Assurance strategy

The assurance strategy sets out the overarching approach to assurance to ensure that the assurance activities we have in place to provide reliable, accurate and complete data are robust

► Our AMP8 regulatory reporting assurance strategy is published on our website at: unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2025-30

The key elements of our assurance process are summarised below:

- **Measurement and data capture** – the data required to report on the delivery of our performance commitments and other activities has been developed to be a subset of our routine and often long standing operational and management information that is directly used to support and direct key business activities. We have established a centralised reporting function, which has accountability for both assuring the quality of the data and for providing a central source of management information that can be used by many areas of the business.
- **Risk based assurance** – we have adopted a structured risk assessment process to underpin the governance and assurance processes supporting our regulatory reporting. The overall combined risk rating is used to help to determine the level of governance and assurance that is applied to the reported information.
 - As the level of risk increases, the governance and assurance applied to the reporting of this data increases and ensures that key risks are escalated, ultimately, up to board level where necessary. This ensures that the management, control and reporting of any risks and resulting actions identified through the process are proportionate to the level of risk.
- **Targeted audit and assurance** – we have adopted a well-established 'three lines of assurance' framework. The three lines of assurance are:
 - First line – management has accountability for developing and maintaining sound processes, systems and controls in the normal course of their operations;
 - Second line – Regulation and Compliance or Finance teams, where applicable, have accountability for providing the framework and governance for our regulatory reporting.
 - Third line – independent audit and assurance activities are undertaken by specialist external providers; The Corporate Audit team undertakes rolling and cyclical audit activity and targeted reviews of key submissions.
- **Governance and accountability** – we are committed to the very highest standards of corporate governance with defined accountabilities from the UUW board level cascaded into our operational governance and review processes. The boards of both UUW and UUG PLC fully support Ofwat's drive for the highest standards of board leadership, transparency and governance in the industry. We are satisfied that current practices and the application of the 2024 Code at the holding company level is entirely consistent with the Ofwat principles.

Appendices

Appendix 1 Assurance summary and findings

- **Independent challenge and review** – to ensure that our reporting is independently challenged, we established an independent challenge panel called ‘YourVoice’. The role of YourVoice is to both monitor and challenge us on the delivery of our business plan, to review and assure our reporting and to scrutinise our customer engagement on the development of our future business plans.
- **Additional communications and publications** – we are a purpose-led company, driven by what matters to customers and other stakeholders. We go beyond publishing the minimum requirements for information in the APR. We are committed to providing regular and transparent reporting of our performance and using a broad range of communications channels to communicate with customers.

Corporate responsibility

We publish information on how we operate in a responsible manner in the United Utilities Group PLC Annual Report and Financial Statements and on the responsibility pages of our corporate website (which can be found on our website: unitedutilities.com/corporate/responsibility). Our APR assurance process provides a level of assurance for a number of measures relating to corporate responsibility performance across the six stakeholder groups that we identify that we create value for.

B) 2025/26 Annual Performance Report assurance plan

Our annual assurance plan for 2025/26 sets out how data reported in this year’s APR would be subject to a structured and risk based governance and assurance process. This is summarised in the table below. Our planning process identified a number of potentially higher risk (targeted) areas. These are summarised on the next page.

Risk based assurance plan for the 2025/26 Annual Performance Report

Section	Content	Governance and assurance activities
Risk and compliance statement	Annual statement confirming compliance with the relevant statutory, licence and regulatory obligations for the provision of services to its customers	• Approved by the U UW board, based upon the defined governance and assurance approach relevant for each obligation. • The U UW board has established a board committee with delegated responsibility to oversee compliance with regulatory and statutory reporting requirements, to be kept abreast of any changes to the requirements and to oversee the structure and processes of interactions with U UW’s regulators. In 2025/26, this Committee has reviewed several compliance updates and made recommendations to further enhance the assurance approach.
Regulatory financial reporting	Historical cost financial information. Disaggregation of income, from a regulatory accounting perspective, with reconciliation to the U UW statutory accounts	• Data providers, their managers and business unit directors produce and approve data, commentaries and methodologies and audit trails to support the reported performance and demonstrate the control checks that have been applied. • Finance team review of information and audit trails. • Financial Auditors (KPMG) audit as set out in the audit opinion on pages 98 to 100.
Price review and other segmental reporting	Further separation of revenue and costs to allow stakeholders to review the company’s performance against the FD	• Data providers, their managers and business unit directors produce and approve data, commentaries and methodologies and audit trails to support the reported performance and demonstrate the control checks that have been applied. • Finance team review of information and audit trails. • Financial Auditors (KPMG) audit as set out in the audit opinion on pages 98 to 100.
Performance summary	A high-level report of the operational performance of the business against the performance commitments set out in the PR24 FD, highlighting any financial incentives accrued in the year	• Data providers, their managers and business unit directors produce and approve data, commentaries and methodologies and audit trails to support the reported performance and demonstrate the control checks that have been applied. • Regulatory Reporting team review of information and audit trails. • Independent Technical Auditors (Jacobs) review data and commentary and report opinion to the board.
Additional regulatory tables	Additional financial and non-financial information, including wholesale totex performance against both the PR24 FD assumptions and intercompany unit cost metrics, retail operating cost analysis and financial metrics	• Data providers, their managers and business unit directors produce and approve data, commentaries and methodologies and audit trails to support the reported performance and demonstrate the control checks that have been applied. • Regulatory Reporting team review of information and audit trails. • Financial Auditors (KPMG) or Technical Auditors (Jacobs) procedures as agreed with management on the relevant tables in Section 2 below.

Targeted areas, mitigation and assurance

In addition to our published assurance processes described above and which have been applied to data within the APR, we reviewed the potential risks to our reporting as part of the development of the assurance plan. In 2025/26 we removed the following areas from the targeted assurance category:

- PR24 – In December 2024, Ofwat published their PR24 Final Determination for all companies. The specific programme assurance on the price review programme has now been completed. Delivery of our subsequent AMP8 obligations will be assured and this is covered within the AMP8 Performance Targeted area.
- Reconciliation models and applications for in-period determinations – these will be included within the AMP8 Performance targeted area.
- Market support – whilst the markets we operate evolve and we continue to support their effective development, our competition law compliance programme is considered mature. The activities in place to support effective participation in these markets have become business as usual and therefore not considered areas of targeted assurance.
- Haweswater Aqueduct Resilience Programme – this programme of work will be delivered via the Direct Procurement for Customers (DPC) framework. Within this framework the processes to assure delivery of the scheme is separately defined and therefore removed from the list of items for targeted assurance.

This risk assessment process confirmed that our established systems of governance and control were effective in identifying and managing reporting risk levels. The areas we identified for additional assurance activity in our final assurance plan were flagged as a result of four main factors:

- Previous reporting issues had been identified;
- Inherent data accuracy issues (usually due to new requirements or changes in circumstances or reporting regimes), we consider the findings of regulatory investigations from other companies and how they may impact on our reporting or what we can learn;
- High priority areas from a customer or stakeholder view point; and
- Areas where of our performance commitment targets may have been at risk.

The targeted areas are summarised in the table below.

Our published 2025/26 assurance plan contains full details of the reasons for the targeted status, the ongoing and planned activity to mitigate the risks, and the planned activity to assure our reporting in these areas.

► The assurance strategy and plan can be found at: unitedutilities.com/corporate/about-us/performance/Assuring-our-performance-2025-30

The corporate audit report – set out on pages 262 to 266 of this Appendix – confirms that the assurance activities included within the Final assurance plan have been complied with and sets out the summary of the team’s findings.

Targeted area	Status	Previous issues	Inherent data accuracy	High priority	Delivery and performance
Performance commitments and outcome delivery incentives and Delivery Plans	Continued		✓	✓	✓
Water quality	Continued			✓	✓
Charges and tariffs scheme	Continued		✓	✓	
Permit compliance	Continued		✓	✓	
Strategic Resource Programme	Continued		✓	✓	
Drainage and wastewater management plans	Continued		✓	✓	✓
Internal sewer flooding	Continued			✓	✓
Storm overflows	Continued		✓	✓	

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C) 2025/26 targeted areas and reason for status

Following the publication of our 2025/26 assurance plan, we said that we would highlight any variations in approach that were taken in delivery of the assurance. We are pleased to confirm that we were able to deliver each area of targeted work in line with the governance and assurance approach set out in the plan and no variations were required. The actions from our 2025/26 assurance plan for each targeted risk area are set out below.

Targeted area	Action taken to assure targeted area
Performance commitments and outcome delivery incentives	For each performance commitment reported, any resulting financial incentive is reviewed and signed off by an executive sponsor. The executive sponsors review performance against our performance commitments regularly through director review meetings and performance boards, which are typically held monthly. Performance reviews and forecasts are carried out each month to track progress against delivery of our performance commitments. Performance against each commitment is reported at U UW board level throughout the year. We have regular liaison with relevant external regulators and groups (the Environment Agency, Drinking Water Inspectorate and Consumer Council for Water) who also publish annual company performance reports. Regular challenge sessions are held to ensure compliance with methodologies for water and wastewater network performance commitments. We regularly review performance against our performance commitments with the independent challenge group, YourVoice, who challenge the measures we are taking to manage performance levels or manage the customer impacts of any issues. For all performance commitments, the detailed internal methodologies and calculation tools have been subject to third party review by our independent technical auditor, Jacobs. These have been reviewed in accordance with Ofwat's PR24 guidance Performance commitments are subject to a detailed audit of the data collection, incentive calculations and reporting process by our independent technical auditor, Jacobs, to provide assurance that the data can be reported reliably, accurately and completely and in accordance with reporting requirements. This includes sample checks to test process, assumptions, methodology, implementation, governance and results. Some performance commitments require the completion of a compliance checklist with a RAG status for components of the reporting process and data. This is audited as part of the assurance process and where any elements are not green, is submitted with the APR.
Water quality	Water Quality performance is monitored throughout the year, with monthly updates provided to the board. DWI also assesses our performance throughout the year and confirm the CRI score after year end. Quarterly meetings are held with senior management at DWI and six weekly with the Northern team including the principal inspector and liaison inspector. Water quality continues as a metric on the U UW scorecard to provide additional focus across all teams. The reported data is reviewed and signed off by the appropriate executive director. A detailed audit of the data collection and reporting process by our independent technical auditor, Jacobs. This provides assurance that data reported is reliable, accurate and complete and in accordance with reporting requirements. The reporting of our performance in this area is reviewed with the independent challenge group, YourVoice.
Charges and tariffs scheme	The charges schemes are subject to a series of reviews by members of the company's legal team for compliance with the relevant legislation. Management undertakes a review of each charging rule to demonstrate how each charging rule has been complied with, and this document is published on the United Utilities website. Corporate Audit reviews Section 3 of the assurance statements for wholesale and household and section 2 for new connections and presents its findings to the U UW board. The company publishes and provides to Ofwat assurance statements from the U UW board, no later than the time of publication of the charges schemes, confirming that: U UW has complied with its legal obligations relating to the charges set out in the charges schemes; The board has assessed the effects of the new charges on retailers and on customers' bills for a range of different customer types and approves the impact assessments and handling strategies developed in instances where the bill increases for particular customer types exceed 5%; U UW has appropriate systems and processes in place to make sure that the information contained in the charge schemes, and additional information is accurate; The company has consulted the Consumer Council for Water (CCW) in a timely and effective manner on its charges schemes; and Where applicable, where final wholesale charges are significantly different from the indicative wholesale charges published for the same period, that the board has considered the reasons why those changes occurred and has issued a statement explaining why those changes were not anticipated and/or mitigated. We published the assurance statement for charges schemes in early 2026.
Permit compliance	The November 2019 Jacobs report aimed to examine whether United Utilities has sufficient and effective governance, processes, controls and systems to identify and mitigate the types of risks highlighted by the Southern Water investigation. The report also looked to recommend actions to strengthen process controls. For the water compliance regime, the report concluded that there were no issues identified, stating that there is clear organisational separation and accountability for operations, regulatory sampling, sample analysis and board/regulatory reporting, which are effective in ensuring that performance of drinking water assets is being fully and correctly disclosed. For the wastewater regime, the report concluded that United Utilities has comprehensive processes in place to manage the compliance regime, to prevent, detect and correct any potential compliance issues and to escalate through the business and to the EA. In terms of opportunities for improvement, Jacobs suggested the company would benefit from small improvements to the sampling regime, post-incident technical reviews and the process to reclassify erroneous sample results for wastewater. These suggested improvements were then addressed through a series of changes in practices, associated control checks and extended audits. A secondary Jacobs audit was carried out in June 2022 to assess the effectiveness of implementing these improvements. In addition to this, an independent environmental regulation and compliance team now provides independent advice, challenge and assessment for compliance matters including independent review of first and second line assurance outputs and horizon scanning to assess business preparedness for new compliance requirements. We also undertake reviews of permit compliance processes and procedures on a targeted basis, based on data analysis and any reported concerns. Where necessary, we take steps to ensure that permit compliance processes are robust and in line with guidance and remedy issues where they arise.
Strategic programmes	A number of intercompany working groups have been established as part of the water transfer with representatives from each participating company. These include stakeholder, engineering and environmental working groups and an overall programme board and steering group. Within U UW, accountability for development of water transfers lies with the Director of Asset Management, who reports progress directly to the monthly executive meeting. The executive meeting is chaired by the Chief Executive, with key risks and decisions being highlighted to the U UW board as required.
Drainage and wastewater management plans	Throughout the development of cycle 2 of the DWMP, U UW will continue to adopt a tiered approach to governance to provide internal scrutiny on plan development, promote alignment with wider processes, and support the internal team in developing the plan. Specific assurance and governance requirements will be reviewed, and acted upon accordingly, once final guidance is received.

Targeted area	Action taken to assure targeted area
Internal sewer flooding	Performance and any resulting financial incentive is reviewed and signed off by an executive sponsor. Executive sponsors review performance against our performance commitments regularly through director review meetings and performance boards, which are typically held monthly. Performance reviews and forecasts are carried out each month to track progress against delivery of our performance commitments. We regularly review outturn performance against our performance commitments with the customer challenge group, YourVoice, which challenges the measures we are taking to manage performance levels or manage the customer impacts of any issues. A detailed audit of the data collection and reporting process by our independent technical auditor, Jacobs, to provide assurance that data reported is reliable, accurate and complete and in accordance with reporting requirements. This includes sample checks to test process, assumptions, methodology, implementation, governance and results. We continually complete in-year data quality checks using systemised reports to provide additional assurance that sewer flooding incidents have been coded correctly.
Storm overflows	Under our 'Better Rivers: Better North West' initiative, we have the support of a dedicated senior analyst for the provision of daily, weekly, monthly and ad-hoc reports and analysis. Data is presented at meetings and forums across the full hierarchy of the organisation, including operational meetings and senior leader meetings. This provides a full view of performance and allows performance to be monitored using the same information across the organisation. The business work streams (treatment and network) come together during these forums to ensure operational performance is being reviewed, monitored and managed end to end. There is continual regular engagement with any contractors and service providers who manage our monitoring equipment. This provides a speedy and direct escalation route to help manage any potential data queries. The regulatory returns have multi layered review and are signed off by the Wastewater Services Director following engagement from the executive ahead of any regulatory submission. In addition, the 2025 Event Duration Monitor submissions were reviewed and approved by the Compliance Committee ahead of the submission of information to the EA.

In addition to our published targeted areas, we focused more specific assurance relating to a number of our performance commitments. The tables below outlines specific assurance and reporting requirements as defined in the PR24 Price Determinations.

Table D1 - Customers receiving excellent service everyday

Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
C-MeX	The company will provide the Agent with a complete and accurate list of unique customer identification numbers (updated on an annual basis), from which the Agent will select the sample for the customer experience survey.	This measure has been assured in line with our published assurance framework.	Jacobs
	The company shall maintain up-to-date contact information for all customers, to enable the Agent to contact them in the event that they are selected for survey. At the Agent's request, the company will provide the Agent with contact details of all customers selected for survey.	Up to date and accurate customer contact information to ensure that the Agent could reach customers selected for survey participation are assured through business-as-usual operations.	
	The company shall maintain accurate, complete and verifiable records of all customer contacts for the purposes of the customer service survey.	Prior to data submission to the Agent, we maintain a number of levels of assurance. These includes joint governance reviews by the Customer Services Director, the Customer Insight Manager and the Customer Reporting & Analytics Manager, to ensure the completeness of data.	
D-MeX	The company will report the process the company has taken to assure itself that its performance against the selected in D-MeX is an accurate reflection of its underlying performance in the reporting year, and any findings that indicate this is not the case.	This measure has been assured in line with our published assurance framework and the assurance was able to confirm that the selected Water UK metrics in D-MeX are an accurate reflection of our underlying performance in the reporting year. We maintain a number of levels of assurance activity to collate and calculate quantitative metrics reported in table 3B. These include: a. Performance data is managed through our corporate system, which contains coded tasks and service level agreements (SLA) for D-MeX; b. Staff are provided with training and support for compliance in system operation; c. Performance analysts maintain a live system dashboard to show workloads, risk to SLA and compliance results. These dashboards are generated directly from the corporate system; d. This information is audited by the performance analyst throughout the month to provide data assurance. Each week, the performance analyst meets with the respective area manager to review their results, and discuss corrective actions or training needed; e. D-MeX performance is managed in-month in regular performance meetings within the Developer services function, as well as a director-lead ODI board each month; f. Internal, second line assurance against agreed methodologies is provided by the regulatory reporting team as well as periodic corporate audit reviews; and g. In additional to our annual reporting we maintain six and nine month financial year reporting, which is prepared though a designated line owner with assurance from a designated senior manager. At year end there is Executive sponsor sign off of the D-MeX performance.	Jacobs

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Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
BR-MeX	Companies should report the process they have taken to assure themselves that their performance against the selected metrics in Br-MeX is an accurate reflection of their underlying performance in the reporting year.	This measure has been assured in line with our published assurance framework and the assurance was able to confirm that the selected MPF metrics are an accurate reflection of our underlying performance in the reporting year. We maintain a number of levels of assurance activity to collate and calculate data used in BR-MeX. These include:	Jacobs
	The level of assurance associated with reporting of the MPF metrics should be aligned to the approach Wholesalers (i.e. companies) currently employ for other performance commitments in their annual performance report.	a. Performance data is managed through our work management system, which contains service level agreement (SLA) measures of wholesaler performance for MPF metrics. b. Staff are provided with training and support for compliance in system operation. c. Team managers maintain a live system dashboard to show workloads, risks to SLA and compliance results. These dashboards are generated directly from the work management system. d. The information is audited by the compliance manager throughout the month to provide data assurance. Each week, the team managers meet with the respective operational lead manager to review their results, and discuss corrective actions or training needed.	
Water Supply Interruptions	It should be possible to correlate and reconcile the company's reported figures for this measure and customer services data relating to reports of and complaints about interruptions to supply (including social media contact);	Contacts are recorded by our Integrated Control Centre and responses are triggered appropriately. Following resolution, events are validated and assured via a risk-based approach which includes verification to contact data.	Jacobs
	Evidence for subsequent challenge shall, as a minimum, be stored where the loss of supply lasted greater than 150 minutes and for split time events, with the purpose of being available for assurance audit.	All interruptions greater than 150 minutes are flagged on the system.	
	The company must maintain records of all reportable incidents of supply interruption in the form of a supply interruptions dataset to allow verification and audit of the reported information and to enable the identification of the properties affected. It should contain information on the timing, duration, and sufficient information to enable all properties affected by interruptions lasting three hours or more to be identified;	The dataset maintained to support supply interruptions includes property listings, data and time of the interruption, duration and names. To provide extra rigour, this system data is transferred to a secure site by the respective area Performance Teams. Our Compliance Team will then carry out additional validation and assurance checks to corroborate start and end times.	
	The information in the supply interruptions dataset should be available for verification of incidents and evaluation of ODI underperformance and outperformance payments and supporting evidence should be stored for a minimum period of 10 years;	Supply Interruption records are maintained for over 10 years.	
	The company shall maintain a methodology statement, which shall be used as a decision support tool for this performance commitment. It should record any changes in approach compared to previous years and will be reviewed as part of the company's assurance process.	We maintain a methodology statement which is reviewed periodically with any changes noted. This statement is reviewed by the independent assurer.	
	Alongside its performance, report on what proportion of its start/stop times has been informed by each data source (customer contact/pressure and flow data/ modelled data/valve operation): a compliance checklist is to be completed and reported.	For the FY26 reporting year, the company applies a range of approaches to determine start and stop times, including the use of pressure and flow data (via the drain down tool). Network Analysts were instructed in February to begin recording specific data source attribution within the register; consequently, a proportion of earlier entries remain unpopulated. The reported counts also include multiple stages within individual events, rather than a single record per event. For FY27, this position has improved, with approximately 35% of start and stop times informed by pressure and flow data sources.	

Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
Customer contacts about water quality	The company is also required to report consumer contacts separately for appearance and taste and odour for the Discover Water website.	We provide the information on consumer contacts reported separately for appearance and taste and odour to Water UK for publication on the Discover Water website at: https://www.discoverwater.co.uk/	Jacobs
Internal sewer flooding	Verifiable records of all reported flooding incidents, irrespective of whether they are included should be maintained and assured.	Verifiable records of all reported flooding incidents are maintained on our corporate system. Amongst several controls, additional governance and oversight is provided by Flood Review Panel which is a senior level governance group with a focus on ensuring reliable, accurate and complete data.	Jacobs
	The company shall maintain a methodology statement, which shall be used as a decision support tool for this performance commitment. It shall record any changes in approach compared to previous years and will be reviewed as part of the company's assurance process.	We maintain a methodology statement which is reviewed periodically with any changes noted. This statement is reviewed by the independent assurer.	
	Reported numbers should be as absolute and normalised with changes in the normalisation factor highlighted and explained.	We do report internal flooding numbers as both the absolute number and a normalised value of flooding incidents per 10,000 sewer connections. This can be found in table 3C line 3.	
	Evidence of adjustments by more than 1% of sewer connections from the business plan should be provided.	The number of sewer connections have not changed by 1% between 2024/25 and 2025/26.	
	Verifiable records of all reported flooding incidents, irrespective of whether they are included should be maintained and assured;	Verifiable records of all reported flooding incidents are maintained on our corporate system. Amongst several controls, additional governance and oversight is provided by Flood Review Panel which is a senior level governance group with a focus on ensuring reliable, accurate and complete data.	
External sewer flooding	The company shall maintain a methodology statement, which shall be used as a decision support tool for this performance commitment. It shall record any changes in approach compared to previous years and will be reviewed as part of the company's assurance process.	We maintain a methodology statement which is reviewed periodically with any changes noted. This statement is reviewed by the independent assurer.	Jacobs
	Reported numbers should be as absolute and normalised with changes in the normalisation factor highlighted and explained.	We do report internal flooding numbers as both the absolute number and a normalised value of flooding incidents per 10,000 sewer connections. This can be found in table 3C line 3.	
	Evidence of adjustments by more than 1% of sewer connections from the business plan should be provided.	The number of sewer connections is within 1% of that forecast in PR24 for 2025/26.	

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Table D2 – Reducing the environmental impact

Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
Biodiversity	Interventions should have been guided by appropriate expert ecological advice.	Regular engagement with the Biodiversity Action Group, alongside the selection of appropriately qualified assessors ensures that interventions are guided by expert appropriate ecological advice.	Jacobs
	The company should have identified, engaged with, and conscientiously taken into account the views of those stakeholders whom it is reasonable to consider would have an interest in the company's activities relating to this performance commitment with regard to selecting sites for nomination, activities on the nominated land, monitoring of biodiversity and the scope and methods for conducting surveys.	We have engaged with relevant stakeholders throughout the process including identification of locations, baselining and monitoring phases. A Biodiversity Action Group (BAG) has been established to provide governance on the delivery of the commitment. The purpose of the BAG is to act as an external third-party advisory group, supporting, advising and acting as consultees in key areas relating to biodiversity.	
	The company should have implemented appropriate processes in selecting assessors that are appropriate to the habitat being surveyed;	Expert ecological advice is being used at all times to guide the baseline and follow up surveys. All surveyors complete a qualification evidence form with details of training that is verified by the project manager and external stakeholders (if appropriate). This information is used to select assessors to complete biodiversity surveys.	
	The company should have implemented appropriate processes to collect relevant information so that assessments on each site can be undertaken in as similar way as possible across a pair of surveys over time.	All surveys have been conducted in line with Defra's 'the Statutory Biodiversity Metric User guide' dated July 2024. We have designed the Biodiversity performance commitment methodologies for specific habitats with common standardised parameters to ensure that information collected on surveys is as similar as possible.	
	Ensure that overall biodiversity across all other company owned sites which are not included in the performance commitment is not deteriorating.	This is controlled by a variety of management plans in place across our landholding to support and conserve biodiversity. Should losses to biodiversity arise, that are outside of our control, for example a wildfire, we will work to determine appropriate action to support recovery, engaging with relevant stakeholders such as the Biodiversity Advisory group where appropriate.	
Operational greenhouse gas emissions (water and wastewater)	Confirmation is required that all data relating to the company's operational GHG emissions aligns with an internationally recognised standard (e.g. ISO 14064). Data must be assured following an audit by an appropriately qualified independent third-party who is accredited and capable of providing appropriate certification to confirm alignment to the chosen standard.	Our company greenhouse gas inventory, and the underlying energy data, has undergone independent third-party verification by Achilles group and is certified by the Toitu CarbonReduce programme that it is aligned to the GHG Protocol Corporate Accounting and Reporting Standard (2015) and the international carbon reporting standard ISO 14064, Part 1:2018. All greenhouse gas related regulatory reporting has also been audited by our independent and appropriately qualified technical auditor, Jacobs.	Achilles Group Jacobs
	It is expected the company must use the excel workbook linked to the CAWv17 (04-01 to 03) (published in May 2023), consistently such that data and linked variables are consistently inputted. These cannot change throughout the duration of PR24. The company shall maintain a methodology statement, which shall be used as a decision support tool for this performance commitment. It shall record any changes in approach compared to previous years and will be reviewed as part of the company's assurance process. The company must clearly explain any differences between actual and forecast annual GHG emissions.	We maintain a methodology statement which is reviewed periodically with any changes noted. This statement is reviewed by the independent assurer. Relevant emissions for the operational greenhouse gas emissions were calculated using the UK Water Industry Research Ltd (UKWIR) Carbon Accounting Workbook v20. As per the performance commitment definitions, data for 3E lines 27- 83 used 2022 UK Government GHG conversion factors for company reporting and Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) global warming potentials (GWPs) Any other emissions factors, parameters, internal methodologies, and internal calculations were those used to produce the company baseline and forecast emissions provided in advance of final determinations and contained within this dataset: PR24-Key-Dataset-1-Outcomes-data-V9	
Total pollution incidents	This measure will be reported as both the absolute number of pollution incidents and a normalised value of pollution incidents per 10,000km of sewer.	We do report pollution incidents as both the absolute number of pollution incidents and a normalised value of pollution incidents per 10,000km of sewer. This can be found in table 3E line 8.	Jacobs
	Any changes to the length of the wastewater network that will have a material impact on the performance of this measure should be highlighted in the report commentary.	Estimates to the length of the length of the wastewater network between report years have not had a material impact on the reported performance. The length in 2025 is in line with EPA version 11	

Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
River Water Quality (phosphorous)	For both elements of phosphorus reduction, reported reductions are those that result from plans that represent the best value long-term approach for customer and the environment, taking into account a wide range of factors including the long-term resilience of the supply chain.	Detail for our approach to phosphorous removal was included in UUW63 Final Effluent Document in our PR24 business plan submission and additional information on best value included in our response UUWR33. We developed our AMP8 programme using a best value approach and solutions have been delivered in line with this.	Jacobs
	Where phosphorus is prevented from entering rivers from partnership working, assurance will include that: the method agreed with the Environment Agency has been followed; all data used in the method, unless otherwise stated in the method, has been accurately inputted from measured sources where practicable or otherwise are robust estimates; and the reduction in phosphorus from partnership working in the base period is a fair comparison with the reduction of phosphorus in the latest reporting year.	There are no schemes to deliver phosphorous reduction through partnership working as part of this performance commitment in AMP8.	
Storm Overflows	Spill records required for the 12/24 spill counting method set out above for at least 10 years from the date the company made the records. And broken monitors must be made fully operational as soon as reasonably practicable.	Data is available from 2016 onwards. Improvements in data collection and validation have continued year on year, leading to more complete and accurate data in recent reporting years. We have a programme of work focussed on improving the operability of the monitors. This has contributed to significant improvement in operability and performance was above target in 2025.	Jacobs
	Assurance is required to ensure that appropriate processes to identify event duration monitors that do not accurately report spills have been implemented and a reconciliation of the performance reported under the performance commitment with any publicly available information, including that reported to each appropriate agency is reported.	A methodology and full set of data is provided and assured for Event Duration Monitoring (EDM) submission for the EPA. This includes quality checks on reported spill accuracy. For consistency this data is also used for reporting the Storm Overflows performance commitment, which has additional assurance including compliance with the PC definition. In line with the performance commitment definition, assets are included as of the 1 January of the reporting year. For new assets, they are included on the 1 January after the date they are identified/permitted and closed outfalls are removed in the following reporting year. Data table 7E lines 23-32 are completed using this methodology.	

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Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
Embodied Greenhouse Gas emissions	United Utilities will openly report its emissions annually across all relevant areas of scopes 1, 2 and 3. The company's reporting will cover both its operational and embodied emissions.	UUW's carbon reporting covers both operational and embodied carbon emissions.	Jacobs
	United Utilities will continue to make strides in improving regulatory reporting for its inventory of scope 3 emissions, including maturing in line with Ofwat's APR reporting requirements to report 'embedded emissions'.	Within 2025/26 embodied carbon reporting has matured with the development of project carbon tool. This enables delivery partners to complete carbon estimates in line with the performance commitment definitions. In turn this has allowed in year performance against the baseline developed at PR24 to be reported.	
	For this performance commitment, United Utilities proposes to report its emissions associated with built solutions in each reporting year (i.e. for performance commitment projects that achieve PIU within that year) in its annual report. United Utilities will also report its performance against its performance commitment baseline position. The emissions United Utilities report for the performance commitment will be based on the methodology outlined in the 'built PR24 Bespoke performance commitments 9 solutions methodology' section of this definition document. United Utilities will report progress of the PC independently to its usual scope 3 regulatory reporting.	We maintain a methodology statement for embodied greenhouse gas reporting. This is maintained throughout the year and within the annual reporting process we populate six and nine month financial year reporting. This is led by a designated line owner with assurance from a designated senior manager. At year end there is also Executive sponsor sign off of the performance. Third party verification has been undertaken by the Independent Technical Auditor, Jacobs.	
	United Utilities will commit to sharing lessons learned from its bespoke PC performance commitment with the wider water industry, including carbon measurement, management, reduction and innovations explored. United Utilities will also explore other forums and channels where the company can share learnings from the performance commitment i.e. hosting webinars through the Supply Chain Sustainability School, of which the company is an active and supporting member.	Building upon presentations already provided as reporting maturity develops we will take further opportunity to relay learnings to other companies and Ofwat on embodied carbon reporting.	
	When reporting, the company will provide commentary in its report that makes clear that the performance commitment has not led to the creation of other pollution types and/or sources of pollution shifting to a different environmental medium. If this is found to be the case, the company should be clear in its commentary how it is managing this outcome to reduce and/or eliminate said impacts.	The performance commitment has not led to the creation of other pollution types and/or sources of pollution shifting to a different environmental medium.	
Wonderful Windermere	The company's standard APR reporting and assurance processes are to be applied to this bespoke performance commitment, including board review and approval.	The reporting and assurance process has been applied as with all performance commitments, including an independent audit by a third party.	Lancaster University
	Partner sign off of interventions shall be obtained in line with the governance process included in the methodology, prior to claiming the associated benefit under this performance commitment.	A review of data from the appointed Independent assurer, Lancaster University, and governance via the Love Windermere Board, including the Environment Agency has been completed, The sign off of the delivery of the intervention at YMCA Lakeside has been obtained in line with the methodology and governance processes and the resultant kg of Phosphorous removal confirmed.	
	United Utilities will undertake proactive engagement with stakeholders whom it is reasonable to consider are likely to have an interest in the company's activities relating to this performance commitment to ensure that the processes, interventions, their monitoring and reporting are accessible, comprehensive and transparent. There should be active engagement on the optimum way to meet these requirements to foster trust in the scheme.	We have undertaken proactive engagement on the development of the performance commitment methodology and United Utilities is a member of the Love Windermere Group. This is a partnership made up on nine organisations from a range of sectors. The group aims to better understand the complex and interdependent pressures facing Windermere and prioritise effective solutions to improve the condition of the lake.	
	United Utilities should proactively share the materials developed through this work to support transparency at a local level with stakeholders whom it is reasonable to consider would have interest in the activities relating to this performance commitment. The company should also support the wider sector in the development of similar schemes in the future.	A progress report is to be published for year one.	

Table D3 – Reducing the environmental impact

Performance commitment	Reporting/assurance requirement	Assurance activity	Assurance provider
Leakage	The company shall have a written methodology or procedure in place for reporting total leakage. The company shall review its methodology or procedure annually and update it as required.	We maintain a methodology statement for leakage reporting. This is maintained throughout the year and within the annual reporting process we populate six and nine month financial year reporting. This is led by a designated line owner with assurance from a designated senior manager. At year end there is also Executive sponsor sign off of the performance.	Jacobs
	The company will also report leakage as a three year average in MI/d to one decimal place, corresponding to the percentage reduction reported.	We do report leakage as a three year average to one decimal place. This can be found in table 3d line 2.	
Per capita consumption	The company will also report per capita consumption as a three year average in litres per person per day to one decimal place, corresponding to the percentage reduction reported.	We do report per capita consumption as a three year average in litres per person per day to one decimal place. This can be found in table 3d line 11.	Jacobs
Business Demand	The company shall populate and return the pro forma in Annex 2 in respect of each retailer or other third party it has engaged with, on an annual basis, to provide evidence of collaboration. In each case, the relevant retailer or other third party shall confirm whether the company's description is an accurate reflection of the engagement and may provide further commentary on the collaboration efforts. Business contact details for the third party should be provided.	The proforma to show collaboration has been provided to Ofwat under separate cover.	Jacobs
	The company will also report business demand as a three-year average in mega litres per day (MI/d) to one decimal place, corresponding to the percentage reduction reported.	We do report business demand as a three year average in litres per person per day to one decimal place. This can be found in table 3d line 26.	
	Any differences with reports made to the Environment Agency or Natural Resources Wales in the Annual Review of Water Resources Management Plans shall be quantified and clearly explained.	There are no differences.	
	The company shall provide commentary in its Annual Performance Report annual submission if there are any differences in its 2019-20 baseline three-year average business demand expressed in MI/d in comparison with its business plan. Reasons for any differences shall be clearly explained and their volumetric impacts on the baseline quantified.	There have been no changes to baseline.	
	The company shall explain any variances between its data and the data recorded in the Central Market Operating System (CMOS).	There are no variances.	

Appendices

Appendix 1 Assurance summary and findings



UUW Annual Performance Report data tables – independent assurance

Section 1 Regulatory financial reporting at 31 March 2026		Lines	Independent assurance
1A	Income statement	All	KPMG audit opinion
1B	Statement of comprehensive income	All	KPMG audit opinion
1C	Statement of financial position	All	KPMG audit opinion
1D	Statement of cashflows	All	KPMG audit opinion
1E	Net debt analysis	All	KPMG audit opinion
1F	Financial flows	All	KPMG audit opinion
Section 2 Price review and other segmental reporting at 31 March 2026			
2A	Segmental income statement	All	KPMG audit opinion
2B	Totex analysis	All	KPMG audit opinion
2C	Operating Cost analysis – retail	All	KPMG audit opinion
2D	Historical cost analysis of tangible fixed assets	All	KPMG audit opinion
2E	Analysis of Developer services income by price control	All	KPMG audit opinion
2F	Residential retail	All	KPMG audit opinion
2G	Non-household – revenues by tariff type	All	N/A
2H	Cash collection performance rates - residential retail	All	KPMG agreed upon procedures
2I	Revenue analysis & Wholesale control reconciliation	All	KPMG audit opinion
2K	Infrastructure charges	All	KPMG audit opinion
2L	Analysis of land sales	All	KPMG audit opinion
2M	Revenue reconciliation – wholesale tariffs	All	KPMG audit opinion
2N	Household affordability support	All	KPMG audit opinion
2O	Historic cost analysis of intangible fixed assets	All	KPMG audit opinion
2P	Third party services revenue	All	KPMG audit opinion
2R	Analysis of diversions income	All	KPMG audit opinion
Section 3 Performance summary			
3A	Outcome performance – all performance commitments	All	Jacobs agreed upon procedures
3B	Underlying data - measures of experience performance commitments	All	Jacobs agreed upon procedures
3C	Underlying calculations and supplementary data – customer facing performance commitments	All	Jacobs agreed upon procedures
3D	Underlying calculations and supplementary data – demand common performance commitments	All	Jacobs agreed upon procedures
3E	Underlying calculations and supplementary data – environmental common performance commitments	All	Jacobs agreed upon procedures
3F	Underlying calculations and supplementary data – asset health performance commitments	All	Jacobs agreed upon procedures
3G	Underlying calculations – compliance based common performance commitments	All	Jacobs agreed upon procedures
3H	Underlying calculations and supplementary data – bespoke performance commitments	All	Jacobs agreed upon procedures
Section 4 Additional regulatory information – service level			
4A	Water bulk supply information	All	Jacobs agreed upon procedures
4B	Analysis of debt	All	KPMG agreed upon procedures
4C	Actual expenditure against cost allowances by cost sharing rate	All	KPMG agreed upon procedures
4D	Totex analysis – water resources and water network+	All	KPMG agreed upon procedures
4E	Totex analysis – wastewater network plus and bioresources	All	KPMG agreed upon procedures
4F	Major project expenditure for wholesale water by purpose	All	Jacobs agreed upon procedures
4G	Major project expenditure for wholesale wastewater by purpose	All	Jacobs agreed upon procedures
4H	Financial metrics	All	KPMG agreed upon procedures
4I	Financial derivatives	All	KPMG agreed upon procedures
4J	Base expenditure analysis – wholesale water	All	KPMG agreed upon procedures
4K	Base expenditure analysis – wholesale wastewater	All	KPMG agreed upon procedures
4L	Enhancement expenditure analysis – water resources and water network+	All	Jacobs agreed upon procedures
4M	Enhancement expenditure analysis – wastewater network+ and bioresources	All	Jacobs agreed upon procedures
4N	Site specific developer services expenditure	All	KPMG agreed upon procedures
4O	Diversions expenditure	All	KPMG agreed upon procedures
4P	Infrastructure network reinforcement projects	All	Jacobs agreed upon procedures
4Q	Developer services – new connections, properties and mains	All	Jacobs agreed upon procedures
4R	Properties, customers and population	All	Jacobs agreed upon procedures
4V	Mark-to-market of financial derivatives analysed based on payment dates	All	KPMG agreed upon procedures
4W	Defined benefit pensions scheme – additional information	All	KPMG agreed upon procedures
4Z	Household bill reduction schemes, debt, Guaranteed Standards Scheme payments and Priority Service Register data	All	Jacobs agreed upon procedures
4AA	Third-party services water expenditure	All	KPMG agreed upon procedures
4AB	Third-party services wastewater expenditure	All	KPMG agreed upon procedures
4AC	Base expenditure analysis – water asset refurbishment and replacement	All	Jacobs agreed upon procedures
4AD	Base workload analysis – wastewater asset refurbishment and replacement	All	Jacobs agreed upon procedures

Section 5 Additional regulatory information – water resources			
5A	Water resources asset and volume data	All	Jacobs agreed upon procedures
Section 6 Additional regulatory information – water network plus			
6A	Raw water transport, raw water storage and water treatment data	All	Jacobs agreed upon procedures
6B	Treated water distribution – assets and operations	All	Jacobs agreed upon procedures
6C	Water network+ – mains, communication pipes and other data	All	Jacobs agreed upon procedures
6D	Demand management – metering and leakage activities	All	Jacobs agreed upon procedures
6E	Leakage activity	All	Jacobs agreed upon procedures
6F	WRMP annual reporting on delivery – excluding leakage and metering activities	All	Jacobs agreed upon procedures
Section 7 Additional regulatory information – wastewater network plus			
7A	Wastewater network+ – functional expenditure	All	Jacobs agreed upon procedures
7B	Wastewater network+ – large sewage treatment works	All	Jacobs agreed upon procedures
7C	Wastewater network+ – sewer and volume data	All	Jacobs agreed upon procedures
7D	Wastewater network+ – sewage treatment works data	All	Jacobs agreed upon procedures
7E	Wastewater network+ – other data including energy consumption and scheme delivery	All	Jacobs agreed upon procedures
7F	Wastewater network+ – WINEP / NEP phosphorus removal scheme costs and cost drivers	All	Jacobs agreed upon procedures
7G	Wastewater network+ – WINEP / NEP sanitary parameters scheme costs and cost drivers	All	Jacobs agreed upon procedures
7H	Wastewater network+ – WINEP / NEP nitrogen removal scheme costs and cost drivers	All	Jacobs agreed upon procedures
7I	Wastewater network+ – growth at STWs scheme costs and cost drivers	All	Jacobs agreed upon procedures
7J	Wastewater network+ – Bioresources – Industrial Emissions Directive scheme costs and cost drivers	All	Jacobs agreed upon procedures
7K	Wastewater network+ – WINEP storm overflow scheme costs and cost drivers	All	Jacobs agreed upon procedures
7L	Wastewater network+ – sewage pumping mains renewals	All	Jacobs agreed upon procedures
Section 8 Additional regulatory information – bioresources			
8A	Bioresources sludge data	All	Jacobs agreed upon procedures
8C	Bioresources energy and liquors analysis	All	Jacobs agreed upon procedures
8D	Bioresources sludge treatment and disposal data	All	Jacobs agreed upon procedures
Section 9 Additional regulatory information – innovation competition			
9A	Innovation competition	All	KPMG agreed upon procedures
Section 11 Greenhouse gas emissions and Net Zero reporting			
11A	Greenhouse gas emissions reporting	All	Jacobs agreed upon procedures
11B	Net Zero enhancement reporting	All	Jacobs agreed upon procedures

► Relevant commentary for tables 3-11 is provided on our website at:
unitedutilities.com/globalassets/documents/pdf/apr-tables-commentary-2026

Appendices

Appendix 1 Assurance summary and findings



The below tables outline our compliance with water supply interruptions, biodiversity, leakage and wonderful Windermere. The amber RAGs identified do not have a material impact on the reporting of the performance commitment.

Water Supply Interruptions compliance checklist

Component		Component R/A/G	Reason for any non-compliant component	Confidence grade
1	Property Counts	G		B2
2	Start Time	G		B2
2a	Evidence to support start time	G		B2
2b	Treatment of 3m pressure definition	G		B2
2c	Treatment of blocks of flats	G		B2
3	Stop time	G		B2
3a	Evidence to support stop time	G		B2
3b	Treatment of 3m pressure definition	G		B2
3c	Treatment of blocks of flats	G		B2
4	Short Term Restoration of Supply	G		B2
5	Exclusion	G		B2
6	Calculation of Performance	G		B2
7	Application of Precautionary Principle	G		B2
8	Records	G		B2
9	Properties affected >1 interruption in year	A	Data for this metric can be reported from our company system, with additional checks and validation carried out. Outputs feed into the monthly customer impact reporting which forms part of wider customer metrics. However, this metric does not influence the Water Supply Interruptions (WSI) performance. Each event in the Loss of Supply Register is assessed individually, with WSI performance calculated based on the specific outage duration, property count, and associated event data, rather than being driven by the customer impact metric.	B3

Biodiversity compliance checklist

Component		Component R/A/G	Reason for any non-compliant component	Confidence grade
1	Appropriate actions are taken to conserve and enhance biodiversity	G		A1
1a	Stakeholders identified and appropriately engaged with	G		A1
1b	Agreed areas of Strategic Significance in Wales in advance with NRW	n/a		N/A
1c	Management interventions are guided by appropriate expert ecological advice	G		A1
2	Assessments are undertaken to assess changes in biodiversity on nominated sites	G		A1
2a	Assessors are selected that have training/ experience appropriate to the habitat being surveyed.	G		A1
2b	Information is collected so that assessments on each site can be undertaken in as similar way as possible across a pair of surveys over time.	G		A1
2c	Site surveys are carried out at four-year intervals using the baseline pre-intervention assessment of the biodiversity metric (and, where necessary, any earlier version of this metric in accordance with section 1.1).	G		A1
2d	Appropriate management is in place to conserve biodiversity and the company has no information that there may have been a loss in biodiversity, that it has not taken proportionate action to address.	G		A2
2e	For any land in Wales the company follows the advice issued by NRW.	n/a		N/A

Component		Component R/A/G	Reason for any non-compliant component	Confidence grade
3	Overall biodiversity across sites not included in the biodiversity metric is not deteriorating	A	United Utilities has a variety of management plans in place across our landholding to support and conserve biodiversity. Should losses to biodiversity arise, that are outside of UU's control, e.g. a wildfire, UU will work to determine appropriate action to support recovery, engaging with relevant stakeholders such as the Biodiversity Advisory group where appropriate. The use of technology such as satellite, drones and AI are being explored to understand potential in supporting the demonstration of biodiversity conservation and no overall deterioration of the UU estate, whilst considering value for money. An action plan is in place to facilitate this, and it is anticipated that an approach with be decided and implemented in 2026/27.	B2
3a	The company follows the assurance processes set out in its 2024 business plan in accordance with the Assurance Requirements and with any guidance Ofwat issues.	G		A1
3b	For any land in Wales, the water company has prepared a "Net Benefits for Biodiversity Report" in line with guidance issued by the Welsh Government.	n/a	Data for this metric can be reported from our company system, with additional checks and validation carried out. Outputs feed into the monthly customer impact reporting which forms part of wider customer metrics. However, this metric does not influence the Water Supply Interruptions (WSI) performance. Each event in the Loss of Supply Register is assessed individually, with WSI performance calculated based on the specific outage duration, property count, and associated event data, rather than being driven by the customer impact metric.	N/A

Leakage compliance checklist

Component		Component R/A/G	Element R/A/G	Reason for any non-compliant component	Confidence grade
1	Coverage	G			B2
1a	At least 95% of all properties have continuous night flow monitoring throughout the year.		G		B2
2	Availability	A			B2
2a	Above 90% of all properties within continuous night flow monitoring networks available for reporting night data throughout the year.		A	This is amber because we are at 89.93%, which is only marginally below the 90% (0.07%). This difference does not have a material impact on reporting, with plans in place to improve the percentage going forward.	B2
3	Properties	G			B2
3a	All properties mapped to defined zones or DMAs (District Meter Area) using geolocation or similar methods		G		B2
3b	Consistency of property numbers contained within DMAs or zones within company billing system. Valid differences explained to the independent third-party assurer		G		B2
3c	Properties that are defined as void excluded from night use allowances unless evidence for use of losses from illegal occupation is available and assured by an independent third-party		G		B2
3d	Leakage allowance for properties not within DMAs or monitored zones consistent with other leakage estimates.		G		B2
3e	Property data updated at least annually.		G		B2
3f	Classification of properties as household / non-household according to Ofwat guidance		G		B2
4	Night flow period and analysis	G			B2
4a	Independent third-party assurance of night use allowances.		G		B2
4b	Change of night use allowances be assured by an independent third-party to ensure validity and representativeness.		G		B2
4c	Night flow data frequency at least every 15 minutes.		G		B2
4d	Leakage derived from a fixed period during the night of between one and two hour periods.		G		B2
4e	If the fixed period is varied during the year for some or all DMAs or zones to address significant changes to night use patterns, such as during Ramadan, evidence for this is provided and assured by an independent third-party.		G		B2

Appendices

Appendix 1 Assurance summary and findings



Component		Component R/A/G	Element R/A/G	Reason for any non-compliant component	Confidence grade
4f	Leakage allowance applied for properties not within DMAs or monitored zones is consistent with other leakage estimates.		G		B2
4g	Data infilling for a single DMA or zone/Tile does not use more than three months of historical data before moving to the area average.		G		B2
4h	Data infilling where historical data is not available uses the area average in which the DMA or zone/ Tile is located.		G		B2
4i	When a DMA or zone/Tile is restored to operability, the subsequent leakage data is used to retrospectively update the data infilling interpolating between pre and post- data over at least one month		G		B2
4j	Where properties are continuously monitored, the actual values of flow over the night flow period are used in place of estimates within the night flow analysis.		G		B2
4k	Weekly leakage estimates are used for annual reporting with no exclusions for summer months		G		B2
4l	Negative leakage values are used in compiling values of annual average leakage.		G		B2
4m	The reasons for any prolonged periods of negative leakage are investigated and explained		G		B2
5	Household night use	G			B2
5a	The night time period for household night use (HHNU) is the same time period as used for night flow and non household night use (NHHNU)		G		B2
5b	Own data or shared data with proximate companies is used for HHNU		G		B2
5c	Plumbing losses are included and based on own data		G		B2
5d	Evidence that survey is representative (based on demography, property type or other factors) of the company as a whole and assured by an independent third-party		G		B2
5e	Sample size is sufficient to capture continuous and intermittent night use with reasonable confidence and assured by an independent third-party.		G		B2
5f	Continual monitoring and maintenance of IHM (individual household monitor) and SAMs (small area monitors) monitors.		G		B2
5g	HHNU is derived daily with regular adjustment of values on a weekly or monthly frequency to reflect actual seasonal use. This may be done retrospectively.		G		B2
6	Supply pipe leakage	G			B2
6a	Methodology is accurate and assured by an independent third-party.		G		B2
7	Non household night use	G			B2
7a	The time period for NHHNU is the same time period as used for night flow and HHNU.		G		B2
7b	Own data or shared data with proximate companies is used for NHHNU		G		B2
7c	1999 UKWIR methodology with the appropriate time window as used for the night flow and the published outcome of further methodology development is applied		G		B2
7d	Stratification of non-households to a number of groups and consumption bands is representative of the varying characteristics of commercial and industrial properties		G		B2
7e	Sample size is sufficient to capture night use by stratifications with reasonable confidence		G		B2
7f	Reliable and representative average billed volume (ABV) model based on data logging of the representative sample sufficient to capture demand variations with further seasonal logging where relevant. Continuously logged properties not part of the sample.		G		B2

Component		Component R/A/G	Element R/A/G	Reason for any non-compliant component	Confidence grade
7g	ABV model linked to billing system or replacement database of billed volumes. Average billed volumes updated at least annually.		G		B2
7h	Continuous monitoring of selected NHH is carried out where average demand of an individual non-household has a material impact on the ability for a DMA or zones to provide valid and consistent data within operability limits		G		B2
8	Hour to day conversion	G			B2
8a	The hour-to-day factor is derived separately for each DMA or zone using pressure logging within each DMA or zone. The factors are updated at least annually or where there are any significant changes to pressure regimes		G		B2
8b	As an alternative, hydraulic models reflecting latest network configuration and pressure changes, are used if they disaggregate		G		B2
8c	Evidence based N1 value used. Expected range is from 1.0 to 1.20		G		B2
9	Annual distribution leakage	G			B2
9a	Average weekly data is derived from valid daily values of leakage using data points which are representative of the week. Backfilling, using the methods described in night flow analysis, is done when valid data is not available for three or more data points.		G		B2
9b	The annual value of leakage expressed as mega-litres per day (ML/d) to be derived from an average of the 52 week data.		G		B2
10	Trunk main losses (only applicable if DMA level leakage assessment used).	G			B2
10a	Monitor trunk main losses using a flow balance approach or an accurate alternative approach		G		B2
10b	Company-specific data is used to assess the value of trunk main leakage, using either physical surveys and inspections or a mass balance approach.		G		B2
10c	Most recent data available is used to monitor trunk main losses.		G		B2
10d	Proactive leakage monitoring approach applied where trunk main losses form a significant element of total leakage (ie, >5%), or the MLE (maximum likelihood estimation) water balance gap is greater than +/-2%.		G		B2
10e	If trunk main losses greater than 5% of total leakage estimates, the data used for deriving the estimates is reviewed annually.		G		B2
10f	If estimates are derived by extrapolation, the sample size and extrapolation approach as accurate as possible, properly documented and assured by an independent third-party		n/a		n/a
10g	Imbalance in estimates should be investigated to ensure no material impact on accuracy		G		B2
10h	If estimating through BABE approach, the methodology, calculation and figures is assured by an independent third party		n/a		n/a
10i	Where the company has redefined lengths of pipe as trunk main, the estimated leakage from those additional lengths is not estimated using a BABE approach		n/a		n/a
10j	If the company estimates trunk main losses using a BABE approach, the company should explain in its APR submission the steps it is taking to move away from that approach		n/a		n/a
11	Service reservoir losses (only applicable if DMA level leakage assessment used).	G			B2
11a	Company specific data is used to assess the value of service reservoir losses.		G		B2
11b	Reservoirs with known high leakage, structural deficiencies or at risk of water quality failures are investigated on an individual basis		G		B2

Appendices

Appendix 1 Assurance summary and findings



Component		Component R/A/G	Element R/A/G	Reason for any non-compliant component	Confidence grade
11c	Drop tests (12 hour duration depending on size) carried out every five or ten years. All valves checked for tight close; and losses through overflows investigated. Appropriate monitoring arrangements in place to control and		G		B2
12	Distribution input (DI)	G			B2
12a	Distribution input to the system is metered with at least daily readings at all defined locations		G		B2
12b	Meters are appropriate size for the flow to be measured and located at appropriate inputs to the network confirmed by record plans. Any treatment works take-off downstream of a meter are excluded from the DI calculations		A	Meters are appropriately sized, however we are undertaking calibration and secondary verification validation checks. Eight WTWs with process water are subtracted from DI meters.	B2
12c	Data validity checks are carried out at least monthly		G		B2
12d	Missing data is infilled using both pre and post-data for the location over at least one month, extrapolated from pump hours or used of upstream or downstream meters.		G		B2
12e	The data transfer systems from meter output to central database are checked and validated on a risk-based frequency from one up to two years		A	The data transfer process has improved in the year. The data transfer is now checked and compared to the central database as part of the meter calibration process.	B2
12f	Flow checks are carried out on DI meters consistent with the principles of the document 'EA Abstraction Good Metering Guide' and in particular the frequency of flow checking defined in Table 6.2 of the Environment Agency guide. Where the checks show under registration greater than 3% the results shall be subject to independent third-party assurance.		G		B2
13	MUR	G			B2
13a	Meter under-registration (MUR) is applied consistent with own estimates. Evidence of MUR available and is compelling for MUR above 3%. Any MUR above 3% shall be subject to independent third-party assurance.		G		B2
14	Company own water use	G			B2
14a	All sewage treatment sites, and other sites and assets supplied downstream of the DI meters using greater than 10m3 /d (0.01 MI/d) are metered		G		B2
14b	An estimate of total company own use is included in the water balance, based on a clear methodology and actual data		G		B2
14c	Estimate of distribution operational use is evidence based and not greater than 0.6% of distribution input		G		B2
15	Other water use	G			B2
15a	Other use components are based on own data.		G		B2
15b	Estimate of water delivered unbilled (legally and illegally) is evidence based and not greater than 1.8% of distribution input		A	The estimate of water delivered unbilled is 5.1%. This estimate is based on our own evidence including internal and external studies and reports	B2
15c	Estimates are updated when there is a material increase or decrease to volumes		G		B2
16	Water balance and MLE	G			B2
16a	Set out MLE approach. Apply it in identifying water balance gap. Report each element separately		G		B2
16b	Set out water balance discrepancy: <2% = G, >2% and <3% = A, >3% = R. Explain in cases of >2%		A	The water balance discrepancy was 2.89%. The reason for this can be attributed to the prolonged period of hot, dry weather in 2025 which increased demand but was not picked up in billed measured data.	B2
16c	Add any water balance in excess of +5% gap to the leakage component		n/a		n/a
16d	Revisit all material components of water balance where the water balance gap is >±5% to the leakage component		n/a		n/a

Component		Component R/A/G	Element R/A/G	Reason for any non-compliant component	Confidence grade
16e	Water balance including confidence intervals for all components of water balance are assured by an independent third-party. Confidence intervals for all components to fall within the respective expected range or compelling evidence is provided to Ofwat through the APR.		G		B2
17	The information and assumptions made for leakage, per capita consumption and business demand PCs is consistent and be based on the same water balance calculations.	G			B2
18	In case of varying its 2019-20 leakage baseline relative to the final determinations baseline, provide commentary in APR		n/a		n/a
19	Disclose in the APR where its methodology does not comply using this checklist, and any factors which have an impact on the methodology for reporting leakage		n/a		n/a

Wonderful Windermere compliance checklist

Component		Component R/A/G	Reason for any non-compliant component	Confidence grade
1	Outcome delivery incentive payments only relate to real performance changes and not definitional, methodological or data changes in performance commitments.	G		
2	Interventions are only to assets/land that meets all regulatory requirements and this has been confirmed by the Environment Agency	G		
3	Any exceptional circumstances where monitoring of third party interventions is not possible are agreed with the Environment Agency.	G		
4	Third party assurance of compliance with the methodology agreed with the Environment Agency.	G		
5	Partners have signed-off interventions in compliance with the agreed governance process.	G		
6	An annual review of the modelled phosphorus load has been undertaken and has been agreed with relevant parties	A	At the time of assessment, year one data related to PC delivery has been validated by an Independent Assurer and endorsed by Love Windermere partnership Board. Meetings scheduled from May 2026 to review methodology requirements in advance of September 2026 reporting. Following publication of this report we envisage the assessment will be green.	
7	Information relating to the PC is publicly available and accessible.	A	At the time of assessment, year one data related to PC delivery has been validated by an Independent Assurer and endorsed by Love Windermere partnership Board. The Year 1 PC report, due by 1 September 2026, will be made available on UUW website containing Year one data. Following publication of this report we envisage the assessment will be green.	
8	Proactive engagement with interested parties has occurred.	A	At the time of the assessment, year 1 data related to PC delivery has been validated by an Independent Assurer and endorsed by Love Windermere partnership Board. The Year 1 PC report, due by 1 September 2026 will be made available on UUW website containing year one data. This will be developed from May 2026 and will include engagement with interested parties in advance of publication. Following publication of this report we envisage the assessment will be green.	



RR26 Board Assurance Statement

Client name:

United Utilities

Project no:

B2349203

Project name:

Technical Assurance

Project manager:

Yingshi Zhang

Revision:

3.0

Date:

4 June 2026

Document history and status

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1.0	28/05/2026	Draft	LS/TH	JM	AIJH	YZ
2.0	03/06/2026	Final	JM	LS	AIJH	YZ
3.0	04/06/2026	Final following updates	JM	LS	AIJH	

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This assurance was completed in accordance with the ISAE 3000 (Revised) standard including following ethical and quality requirements.

RR26 Board Assurance
Statement

Independent Assurance Report

Revision: 3.0
United Utilities
Technical Assurance

4 June 2026





Attention: United Utilities board

Introduction

United Utilities (U UW) engaged Jacobs UK Limited to provide external technical assurance. This was to confirm that specific technical and expenditure elements of Regulatory Reporting 2026 (RR26) comply with; the guidance of the Water Services Regulatory Authority (Ofwat); good practice; and the Price Review 2024 (PR24) Final Determination.

All water companies are required by Ofwat to submit an Annual Performance Report (APR). The APR reports progress on the delivery of customer outcomes, service level improvements, transparent cost information and financial performance. Data used by U UW to populate the APR has been derived from their RR26 data return.

The APR prepared by the U UW is required to be accessible to all stakeholders so that they show how the sector is delivering for its customers, environment, and wider society. In this regard, Ofwat has provided a series of standard templates and accompanying guidance for the outcome, performance commitment and incentive mechanisms. The information in the spreadsheet will assist stakeholders to track and compare actual performance.

Each company's Board is accountable for the quality and transparency of the information they provide and for implementing assurance procedures to make sure they meet all their legal and regulatory obligations.

This statement covers our work in providing independent technical assurance on aspects of the Company's APR submission to Ofwat.

Scope of Work and Approach

This assurance report provides the conclusions from the work specified in our Statement of Work, RR26 assurance v1, issued on 16th February 2026.

Jacobs UK Ltd was appointed to provide an independent review of U UW's compliance and governance processes. This includes the key technical information presented in supporting U UW's regulatory performance and public domain information reports.

Our scope is summarised below, and is intended to confirm that:

APR information (as reported in RR26), is prepared in accordance with Ofwat's APR guidance and information which supported the Final Determination for the Asset Management Plan (AMP) 8 period.

The information we have considered to confirm this includes;

- General information
- Customer service information
- Operational activities and performance in AMP8 against PR24 and other business targets
- Networks and treatment
- Capital expenditure allocations to revenue controls and business streams, to investment categories and to performance commitments
- Calculation of 2025/26 performance associated with the Outcome Delivery Incentives and Performance Commitments.
- Other miscellaneous metrics

Where the above guidance does not cover the items assured, they are assessed against the guidelines set out by Ofwat for June Return information up to 2012. The following hierarchy of guidance is deemed to apply:

- Relevant Regulatory Accounting Guidelines: version 4.10, 11, 12, 13, 14 and subsequent clarifications
- APR26 table templates and guidance



- Performance commitments and definitions agreed with Ofwat for the AMP8 period, or as subsequently superseded
- Ofwat Information Notes
- Ofwat's most recent 'June Return' guidance (2012)
- U UW procedures, definitions and assumptions which should where relevant, be compliant with the guidance hierarchy above
- Reasonable and appropriate judgement

The assurance work was undertaken with the following limitations:

- A risk-based sample was assessed.

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.

For Greenhouse Gas audits we have conducted our limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements.

Duty of Care

Ofwat has introduced a new requirement in regard to duty of care where it expects the third-party assurance providers, such as Jacobs, to provide an actionable duty of care to Ofwat.

To ensure compliance with Ofwat's new requirements our Letter of Reliance issued on 10th December 2025 has covered our assurance work on RR26.

Conflict of Interest

In line with Ofwat's AMP8 requirements, we will continue to proactively manage both real and perceived conflicts of interest in collaboration with your Regulation and Compliance team. All audit team members will sign a declaration before the audit programme begins and will have completed conflict of interest training.

We have processes in place to ensure that all real and perceived conflicts of interest are promptly identified and addressed. Our internal Conflict of Interest Management Plan is underpinned by routine awareness training for all employees and ongoing situational monitoring.

If we identify a potential Conflict-of Interest during this commission, we will assess the risk and disclose the issue to United Utilities We will then work together to establish whether the risk can be mitigated., We will decline the commission if there is an obvious conflict which cannot be mitigated.

Jacobs' assurance team operates independently to other parts of Jacobs, and we maintain separate lines of management. This ensures the independence of the assurance provided and alignment to ISAE3000(R). In addition to the above, all audit team members have signed a declaration before the audit programme began and have completed conflict of interest training. These declarations were recorded in our register. We confirm that we have completed our conflict-of-interest processes, in line with the above, for this submission. No actual or perceived conflicts of interest were identified, meaning no additional mitigating actions – beyond the standard approach – were required.



Approach

Assurance approach

Our assurance approach is summarised in the following steps:

1. Agree scope and assurance plan with U UW
2. Review preliminary topic information
3. Discuss and agree which areas would benefit from an early process audit and schedule
4. Undertake Remote Audits via Microsoft Teams
 - Check that the Company’s reported data conforms to the published guidance
 - Identify and examine the material assumptions to assess their reasonableness, and challenge those which we deem to be inappropriate
 - Where appropriate, test on a sample basis, U UW’s approach against its stated methods, procedures, policies and assumptions, and reliability of source data
 - Review the appropriateness of the confidence grades assigned,
 - Assess performance in the Report Year and check consistency against that of previous years, and
 - Ensure relevant performance data has been accurately utilised in the calculation of the various performance commitments and ODIs, where applicable.
5. Summarise Audit Findings (SAF)
 - For RR26, the SAF consists of a brief bullet point summary of the findings and a tabulation of any outstanding issues or areas identified for further U UW action.
6. Close out key issues – through iteration between auditor and U UW specialists, escalating through both organisations where appropriate to agree, as appropriate: adjustment to reported information; future action plans; or additional statements which provide adequately transparency of the issue.
7. Presentations and preparation of Reports and Assurance Statement.

Process audits and data audits approach

The process audits took place between October 2025 and April 2026. Undertaking early process audits have supported more effective data audits.

The data audits build on the Method Statement process audits we undertook during the year for some of your performance commitments and data lines. These were selected as part of a risk-based review for the following data lines:

- Greenhouse Gas
- Wonderful Windermere
- Population and PCC
- Business Demand
- Leakage
- Supply Interruptions
- Unplanned Outages
- Carbon
- BR-MeX

Most audits took place remotely using Microsoft Teams with Leakage, Population and PCC and Business Demand undertaken in person. When reviewing your proposed performance figures, we have taken a risk-based approach (via sampling) to assess the completeness, reliability and accuracy of the source data, the robustness of the reported performance figure and the appropriateness of the confidence grade the team had assigned. Where available, we also checked consistency of your teams’ internal commentaries with the data we reviewed and ensured that they did not contain any obviously misleading or false statements.



After each process or data audit we provided you with detailed feedback that explained our assessment of the risk associated with the methodology and reported performance figure and listed any actions.

Assessment

We use the following Audit Risk Score coding to simply highlight the areas of concern:

Table 1 – Audit Risk Score Criteria used by Jacobs for reporting compliance against the guidelines

Key to Audit Audit Risk Score status	
A	Low reporting risk - No material exceptions and compliant with the requirements (No actions)
B	Low to medium reporting risk - Content with reported information but supporting data needs completion/noting/or future improvements required (weaknesses exist but they are not material - must have action)
C	Medium to high reporting risk - Potential material concerns over reported information (material weakness or several minor weaknesses with material effect).
D	High reporting risk - Material concerns over the validity of the reported information (two or more material weaknesses)
N/A	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 to a greater degree than assumed by the confidence grade. All weaknesses (material and non-material) are described below (issues) and have been given a corresponding action.	

Table 2 - Example of Tests applied to APR Data and Performance Commitment information.

Process:

RR25 Table Criteria	Assessment
Governance	Is the reporting methodology subject to appropriate governance?
Compliance with requirements	Is the methodology consistent with the requirements?
Inputs	Is the quality of the input data / information to the process known and appropriate?
Process	Is the methodology adequate to provide reliable data?
Reporting risks and controls	Are reporting risks being managed and are there sufficient checks and controls?

Data:

RR25 Table Criteria	Assessment
Performance and context	Is the reported data and commentary reasonable and consistent with the other information seen at the audit?
Process compliance	Has the process defined in the methodology document been followed?
Data checks	Have the data checks identified any issues?



Summary of Key Findings

Below we highlight the key findings and exceptions:

- The reported data is materially compliant with Ofwat’s Reporting Requirements (Regulatory Accounting Guidelines, APR26 table guidance, 2024 Final Determination or superseding definitions, or June Return definitions, as appropriate);
- The tables, commentaries and statements provide a fair and balanced overview of the Company's 2025/26 circumstances and performance;
- Procedures and assumptions are generally reasonable and well embedded, well documented, and appropriately implemented; and
- Overall, UUW staff were knowledgeable, helpful, receptive, and generally well prepared for the audits.
- We assured the current year (2025-26) ODI model, the in-period adjustment model, the bioresource revenue reconciliation model and the ODI payment calculator model. The team were knowledgeable of the process and methodology and displayed a clear understanding of the models. We have not found any material issues from the audits undertaken to date.

Table 3: RAG issues

The table below summarises the status of issues identified through the audit, using a RAG rating (specific to UUW). It shows that no major (red) issues were found that were detrimental to the reported values, highlights a number of amber issues relating to open material actions (with further detail provided in Table 4), and notes several minor blue issues, which are mainly opportunities for future continuous improvement rather than significant concerns.

RAG issues	Comments
Red issues	There were no RED status issues.
Amber issues	There are no Amber status issue outstanding. Several amber status issues were raised during the course of the audits, however UUW was swift to respond to our auditors and provide supporting/additional evidence to close actions down.
Blue issues	Several non-material BLUE issues were identified during the audit process, predominantly relating to future continuous improvements. Some examples of these are summarised below.

Non- Material Blue Actions

Below is a summary showing general themes identified in the audits that were classified as blue actions;

- There were examples of appropriate sign offs not being in place at the time of audit. This was mostly attributable to the audit schedule and timings being in advance of final authorisations. In these cases, evidence of appropriate sign off has been subsequently shared with the auditor or a plan agreed to complete the authorisation. A risk-based sample audit took place to evidence JIRA sign-off and display evidence of the sign off process across all data lines and tables. No issues were identified.
- Overall, the audit findings point to a solid foundation, with data tables completed for inclusion, but also highlight several opportunities to further strengthen consistency, clarity and audit readiness across the documentation.
- Commentary documents would benefit from closer alignment with the processes set out in the methodology, including clear explanations of performance trends and any notable movements compared to previous years. Expanding the description of internal checks and controls within the commentary, alongside providing supporting evidence where data or governance inputs are sourced from other internal teams, would also enhance transparency and assurance.
- There is an opportunity to ensure that methodology and Performance and Compliance Statement (P&CS) documents are consistently kept up to date for the current reporting year, including reflecting



- any changes to data owners and providers and ensuring all required sections are included. Strengthening alignment between the P&CS, supporting commentary and associated confidence grades will also help present a more cohesive and consistent narrative.
- From an audit readiness perspective, making sure that key artefacts such as final Board sign-off and RAG compliance checklists are complete and available ahead of the audit would streamline the process. Similarly, providing greater detail on assurance activities, such as the number of sample checks undertaken and their outcomes, within the methodology and P&CS would further enhance confidence in the reported data.
 - Finally, adding more transparency around manual calculations within spreadsheets and methodology documents, and ensuring that all relevant risks are fully captured, would help round out the overall control environment and support a more comprehensive and robust submission.

Recommended future actions

The following recommendations which were highlighted as blue actions do not affect 2025/26 Annual Performance reporting but are recommended to be taken forward ahead of 2026/27 assurance.

Table 5: Recommended future actions

Theme	Issues/Recommendations
No or limited recorded evidence of checks with other internal teams	For future APR submissions it would be best practice to capture evidence of checks with other teams e.g. emails, screenshots of teams chat.
Monitoring checks, control, risks and opportunities	Tracker to ensure checks, controls, risks and opportunities are reviewed at least 4 times per year.

Independent Technical Assurance Statement

Jacobs UK Ltd has been appointed by United Utilities to provide independent technical assurance of the data that feeds into their regulatory submissions. Through a series of virtual meetings and information exchanges, we have reviewed and tested the methodologies, processes and supporting evidence on which the data and statements in the Annual Performance Report 2026 are based.

Conclusion

Based on our scope of work and the limited assurance undertaken to date, we did not find any material issues or misstatement. We consider that:

- your processes and internal systems of control are sufficient to meet your regulatory obligations;
- your processes for reporting performance commitments are in line with the guidance and exclusions have been correctly applied; and
- you have appropriate systems and processes in place to identify, manage and review your risks.

A. Heather

Andrew Heather
Lead Assurer



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RR26 Performance Commitments

Client name:	United Utilities	Project no:	B2349203
Project name:	Technical Assurance	Project manager:	Yingshi Zhang
Revision:	4.0		
Date:	6 July 2026		

Document history and status

Revision	Date	Description	Author	Checked	Reviewed	Approved
1.0	18/05/2026	Draft	LS	JM	AIJH	YZ
2.0	20/05/2026	Final draft	JM	YZ	JM	YZ
3.0	26/05/2026	Final	JM	YZ	NBA	JM
3.1	26/05/2026	Final – update following client comments	JM	YZ	NBA	JM
4.0	06/07/2026	Final v4	LS	JM	AIJH	JM

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Attention: United Utilities board

Introduction

Jacobs UK Ltd was appointed to provide an independent review of United Utilities (UU) compliance and governance processes covering the key technical information presented, in or supporting, their regulatory performance submission and public domain information reports.

Scope of Work and Approach

This assurance report provides the conclusions from the work specified in our Statement of Work, RR26 assurance v1, issued on 16th February 2026. This statement covers our work in providing independent technical assurance on the performance commitments as part of the Regulatory Reporting 2026 (RR26).

We have produced this statement in response to a request from the Company's financial auditor, KPMG. The statement confirms that our audit programme of Performance Commitments (PCs) is now compete. Our audit programme of the wider Annual Performance Report (APR) is still ongoing. We have been asked by UU to complete the pro-forma included in Appendix A to support KPMG's financial auditing. The pro-forma was provided to us by the UU Regulation team. The pro-forma records the audited year-end position for each of the Company's PCs alongside the associated reward or penalty. We have also included our risk score for each of the reported figures assessed. The risk score provides our assessment of the reported PC's compliance with Ofwat guidance. We have assessed compliance against the PC definitions and reporting guidelines laid out in the Financial Determination (FD) published in 2025 and Ofwat's Regulatory Accounting Guidelines version 4.14 (RAG 4.14).

The assurance work was undertaken with the following limitations:

- A risk-based sample was assessed.

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. For Greenhouse Gas audits we have conducted our limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements.

Summary of Key Findings

As part of our technical role, we have reviewed and provided independent third-party assurance on the following PCs:

Unique reference	Description
DIS	Discharge Permit Compliance
PCC	Per Capita Consumption
UNO	Unplanned Outages
NHH	Business Demand
LEA	Leakage
WSI	Water Supply Interruptions
POL	Total Pollution Incidents (Cat 1, 2 & 3)
SPL	Serious Pollution Incidents (Cat 1 & 2)
BWQ	Bathing Water Quality
RWQ	River Water Quality (phosphorus)

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RR26 Performance Commitments

Unique reference	Description
SOF	Storm Overflows
WQC	Customer Contacts about Water Quality
CRI	Compliance Risk Index
WW	Wonderful Windermere
BIO	Biodiversity
D-MeX	Developer Service Measure of Experience
C-MeX	Customer Measure of Experience
BR-MeX	Business Customer and Retailer Measure of Experience
ISF	Internal Sewer Flooding
SCO	Sewer Collapses
ESF	External Sewer Flooding
EGG	Embodied Greenhouse Gas Emissions
WWGHG	Operational Greenhouse Gas Emissions (Wastewater)
WGHG	Operational Greenhouse Gas Emissions (Water)
MRP	Repairs to Burst Mains

Independent Technical Assurance Statement

Jacobs UK Ltd has been appointed by UU to provide independent technical assurance of the data that feeds into its regulatory submissions. Through a series of virtual, in person audits and information exchanges, we have reviewed and tested the methodologies, processes and supporting evidence on which the performance commitments in Appendix A are based.

All individual audit reports (Summary of Findings (SAFs)) have been subject to the Jacobs internal check, review and approve process before being released to UU.

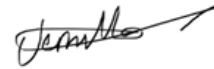
Total and Serious Pollution Incidents has a RAG score of B. We are aware there is the potential for all performance to change as you have advised us that you have not received the final EA NIRS tracker yet, however we understand the underperformance penalty has reached the collar and therefore the ODI figure is at the maximum. We note that for C-MeX, BR-MeX and D-MeX the Q4 scores have not been received yet and these figures are subject to change.

Additionally, UU has confirmed that several Performance Commitments are still awaiting Executive Manager sign off. There is an evidence sign off audit planned between UU and Jacobs on 28th May 2026. As all other due diligence has been completed, we believe this to present a low-medium reporting risk.

Conclusion

Based on our scope of work and the limited assurance undertaken, we did not find any material issues or misstatement. We consider that:

- the sign-off approval process has been followed;
- data is competently sourced, processed and fairly reflects the company position; and
- any commentaries reviewed were consistent with the data we saw at the time of audit and did not contain any obviously false or misleading statements in relation to that data.


Jenni Mason, Client Lead

U

Appendix A. Summary of Performance Commitments Audit Findings

We use the following RAG coding to highlight the areas of concern:

Figure 1 - RAG Criteria used by Jacobs for reporting compliance against the guidelines:

Key to Audit RAG status	
A	Low reporting risk - No material exceptions and compliant with the requirements (No actions)
B	Low to medium reporting risk - Content with reported information but supporting data needs completion/noting/or future improvements required (weaknesses exist but they are not material - must have action)
C	Medium to high reporting risk - Potential material concerns over reported information (material weakness or several minor weaknesses with material effect).
D	High reporting risk - Material concerns over the validity of the reported information (two or more material weaknesses)
N/A	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 to a greater degree than assumed by the confidence grade. All weaknesses (material and non-material) are described below (issues) and have been given a corresponding action.	

Table 1 – Performance Commitments reported performance for RR26

Unique reference	Description	Reported performance for RR26	ODI financial reward / penalty (£m)	RAG rating
DIS	Discharge Permit Compliance	98.20%	-0.999	B
PCC	Per Capita Consumption	126.3 (3 yr avg)	0.616	B
		127.2 (25/26)		
		6.2%		
UNO	Unplanned Outages	1.34%%	9.875	B
NHH	Business Demand	379.3 (3 yr avg)	-0.519	B
		377.0 (25/26)		
		-1.0%		
LEA	Leakage	404.9 (3 yr avg)	-13.490	B
		394.8 (25/26)		
		9.4%		
WSI	Water Supply Interruptions	00:13:02	-9.373	B
POL	Total Pollution Incidents (Cat 1, 2 & 3)	331	-31.595	B



Unique reference	Description	Reported performance for RR26	ODI financial reward / penalty (£m)	RAG rating
SPL	Serious Pollution Incidents (Cat 1 & 2)	2	-1.557	B
BWQ	Bathing Water Quality	45.8	-7.452	A
RWQ	River Water Quality (phosphorus)	-17.15%	0	B
SOF	Storm Overflows	29.60	-0.864	B
WQC	Customer Contacts about Water Quality	1.33	-1.107	B
CRI	Compliance Risk Index	2.11	-0.553	B
WW	Wonderful Windermere	12.57	0.002	A
BIO	Biodiversity	0.00	0.00	B
D-MeX	Developer Service Measure of Experience	33.22	N/A	B
C-MeX	Customer Measure of Experience	67.66	N/A	B
BR-MeX	Business Customer and Retailer Measure of Experience	0	N/A	B
ISF	Internal Sewer Flooding	2.01	9.032	B
SCO	Sewer Collapses	12.39	0.591	A
ESF	External Sewer Flooding	15.86	7.782	B
EGG	Embodied Greenhouse Gas Emissions	N/A	N/A	N/A
WWGHG	Operational Greenhouse Gas Emissions (Wastewater)	292,706.70 tCO2e 4.64%	2.680	B
WGHG	Operational Greenhouse Gas Emissions (Water)	155,893.61 tCO2e -3.36%	-0.684	B
MRP	Repairs to Burst Mains	104.2	2.425	A



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CORPORATE AUDIT MEMORANDUM

United Utilities

Water for the North West

Review of the Annual Performance Report (APR) 2026

To: [REDACTED]

From: [REDACTED] Head of Audit & Risk

Date: 4 June 2026

1. Background

Ofwat require companies to report on their financial and operational performance in an Annual Performance Report (APR). This includes information specific to customers and stakeholders, together with information that enables comparison between companies across the sector.

The APR is supplemented by a series of data tables and supporting commentary in four main sections:

- Section 1: Regulatory financial reporting;
- Section 2: Price control and additional segmental reporting of costs and revenues;
- Section 3: Performance summary, including outcome delivery performance; and
- Section 4: Additional regulatory information, including totex and financeability information.

Alongside the Annual Performance Report, the following reports and statements are required:

- Board Statement - stating that the data and information which the company has provided to Ofwat in the reporting year and/or which they have published in their role as water and sewerage undertaker was accurate and complete and setting out any exceptions to this.
- Risk and Compliance Statement - setting out how the company has complied with its relevant statutory, licence and regulatory obligations and is taking appropriate steps to manage and/or mitigate key risks it faces.
- Assurance Report - a summary of the results of the data assurance.

The Annual Performance Report, together with Assurance Report and statements, need to be published by 15 July 2026. Our audit is therefore timed to provide assurance over the process by which regulatory data is compiled in advance of sign-off at the Compliance Committee on 15 June 2026.

Key Risks

The overall risk is that inaccurate, incomplete or misleading data / information is published and reported to Ofwat resulting in regulatory action being taken against UU and/or its Directors. Consequently, financial penalties could be imposed together with a loss of confidence by customers, investors and regulators.

2. Audit Objective and Scope

The objective of the audit was to provide assurance in respect of the governance, processes and key controls over the production of the 2025-26 Annual Performance Report, including associated Board and Risk & Compliance statements and Assurance Report.

The scope of this review, which supplements the assurance provided by KPMG and Jacobs, covered the following:

- Overall governance arrangements in place to ensure the regulatory data is complete, accurate and reported in line with the required timescales;
- The validity and consistency of the data and associated commentaries reported in Sections 3 and 4 of the Annual Performance Report. This will include sample testing to agree data back to underlying UU records and systems. *Note: this review will not duplicate the testing performed by KPMG or Jacobs;*
- Compliance of the reported data in the APR with key aspects of Regulatory Guidelines 3.16 “Guideline for the format and disclosures for the annual performance report” and 4.14 “Guidance for Table Definitions”;
- Review the proposed Assurance Report to ensure it is appropriately aligned with UU’s published Final Assurance Plan and a fair reflection of associated assurance activities;
- Review the process for identifying and agreeing compliance departures from statutory, licence and regulatory obligations and reporting of these within the Risk & Compliance Statement; and
- Review the Board statement for reasonableness.

Review of the Annual Performance Report (APR) 2026

Note: The review was carried out alongside the preparation of the regulatory data and therefore we fed back any observations in real-time to the Economic Regulation team.

Exclusions from scope:

- As testing was performed on a sample basis, the review has not verified all the regulatory data / compliance with regulatory obligations;
- Sections 1 and 2 of the Annual Performance Report which are subject to external audit by KPMG with opinion;
- Review of the performance commitment data collection, incentive calculations and reporting processes as this will be performed by the technical auditor Jacobs; and
- The underlying adequacy of other assurance activities performed or the competency and objectivity of the assurance provider. However, we will consider, by reference to the scope and provider, the appropriateness of the assurance activity given the nature of the risk.

3. Conclusion

There is a robust governance framework in place over the production of the APR data tables and commentaries, and our sample testing has not highlighted any inconsistencies or inaccuracies in the data. The Assurance Report is a fair reflection of the published Assurance Plan and associated assurance activities. The format of the APR is compliant with RAG 3.16 “Guideline for the format and disclosures for the annual performance report” and 4.14 “Guidance for Table Definitions”, and consistent with previous APR submissions. We did not identify any issues in our review of the process to identify potential material departures or the content of the Risk and Compliance Statement. The draft Board statement is reasonable and, where relevant, supportable.

Note: our work has been performed on draft copies of associated documents, and all data sets have not yet been fully signed off. We will continue to work alongside the Regulation & Compliance team to ensure all data sets are signed off and assure any significant changes made to the data, commentaries and other documents prior to publication of the APR.

4. Summary of Audit Findings

4.1 Overall governance arrangements

- ✓ The governance over Regulatory Reporting is documented in a Board paper and is an integral part of the Assurance Framework for AMP8, incorporating the three lines of defence approach.
- ✓ The Assurance Framework was previously subject to independent assessment by Deloitte who concluded that “the framework is effective in its design and operation, comprising of the key, expected elements”.
- ✓ The submission of the data is managed through standard evidence packs, the “Performance and Compliance Statements”.
- ✓ A JIRA based workflow methodology has been used to workflow and record electronic sign-off of the APR data tables and the associated documentation.
- ✓ The Regulatory Reporting SharePoint site is well structured enabling easy navigation and serves as an audit trail to support the submission.

No issues noted.

4.2 The validity and consistency of the data and associated commentaries reported in Sections 3 and 4

- ✓ We selected all data table blocks which were risk assessed as High or Medium-High risk, (which included multiple lines) and these were traced back to the underlying systems and records with reference to the supporting Methodology Statements.
- ✓ For the selected data lines, we confirmed consistency with associated APR commentary.

See Section 5 of this report for details of the sample testing.

As at the date of this report there were two of the 17 data sets sampled for which the data had not yet been fully signed off via JIRA, although all other assurance activities over these have been completed with no material issues raised. One of the 17 sampled items is no longer being reported in the final submission due to Ofwat removing the associated data items from the final requirements. Corporate Audit will confirm completion of outstanding sign-offs for the selected data sets prior to publication of the APR.

Review of the Annual Performance Report (APR) 2026

4.3 Compliance of the reported data in the APR with key aspects of Regulatory Accounting Guideline 3.16 “Guideline for the format and disclosures for the annual performance report” and 4.14 “Guidance for Table Definitions”

- ✓ We reviewed the content of the draft Annual Performance Report (APR) against the requirements set out in RAG 3.16 “Guideline for the format and disclosures for the annual performance report” to ensure that the APR included all the required disclosures (e.g. policy notes on revenue recognition, capitalisation policy, bad debt etc.).
- ✓ We reviewed the content of the draft Annual Performance Report (APR) against the requirements set out in RAG 4.14 “Guidance for Table Definitions” to ensure that the APR included all the required disclosures.
- ✓ All required disclosures are included in the APR. Specifically, the Board statement on completeness and accuracy of data and the measures taken to assure this, complies with the provisions set out in RAG 3.16.

No issues noted.

4.4 Review the proposed Assurance Report to ensure it is a fair reflection of UU’s published Final Assurance Plan and associated assurance activities

- ✓ In line with the published Assurance Plan, Jacobs have performed technical reviews of the APR procedures, tables and commentaries, and their Final Report states: *“Based on our scope of work and the limited assurance undertaken to date, we did not find any material issues or misstatement. We consider that:*
 - *your processes and internal systems of control are sufficient to meet your regulatory obligations;*
 - *your processes for reporting performance commitments are in line with the guidance and exclusions have been correctly applied; and*
 - *you have appropriate systems and processes in place to identify, manage and review your risks.”*
- ✓ We verified, on a sample basis, that the targeted assurance activities as described within the Assurance Plan and Report had been performed.
- ✓ We have reviewed the Assurance Report and are satisfied that it is a fair reflection of the assurance activities performed and the results of those activities.

No issues noted.

4.5 Review the process for identifying and agreeing compliance departures from statutory, licence and regulatory obligations and reporting of these within the Risk & Compliance Statement

- ✓ Potential compliance departures were identified in advance of this year’s reporting processes by key stakeholders within the business.
- ✓ The draft statement is in line with expectations, including items on full to flow permit conditions, licence condition L, and over abstraction of water (Section 24(1)(a) of the Water Resources Act 1991).
- ✓ We reviewed the Risk and Compliance Statement and are satisfied that it is a reasonable description of the activities that the Board undertake to comply with relevant statutory, licence and regulatory obligations.

No issues noted.

4.6 Review the Board statement for reasonableness

- ✓ The requirement within RAG 3.16 for a Board statement on the accuracy and completeness of data and information is included within the Risk and Compliance Statement and we confirmed compliance with the requirement.
- ✓ We have confirmed that the Board statement and Risk and Compliance Statement contain the elements required by RAG 3.16, such as Board engagement and challenge on assurance.
- ✓ We confirmed that exceptions to data accuracy or completeness have been set out in a table following the Risk and Compliance Statement, as required by RAG 3.16.
- ✓ We reviewed the Draft Board Statement commentary against Ofwat’s “Board leadership, governance and transparency principles” and can confirm that the draft Board statement is reasonable and, where appropriate, supportable.

No issues noted.

Review of the Annual Performance Report (APR) 2026

5. Sample Testing

Sample No.	Table Line Reference	Measure Description	Type	*All tests completed without any Issues noted
1	3A.14, 3C.10-13	Water supply interruptions and supporting information	PC - Regulatory	Yes
2	3A.9 & 3F.1-3	Repairs to Burst Mains and supporting information	PC - Regulatory	Yes
3	3A.13, 3F.5	Unplanned outages and supporting information	PC - Regulatory	Yes
4	3A.3, 3G.4-8	Compliance Risk Index and supporting information	PC - Regulatory	Yes
5	3A.10, 3D.10-14, 6D.29-30	Per capita consumption and supporting information	PC - Regulatory	Yes
6	3A.2, 3D.25-35	Business Demand and supporting information	PC - Regulatory	Yes
7	3A.7, 3D.1-3, 6B.4-15, 29-39, 6E.4, 6a-10a, 11-14	Leakage and supporting information	PC - Regulatory	Yes
8	3A.21, 3C.1-3, 3C.14-23	Internal Sewer Flooding PC and supporting information.	PC - Regulatory	Yes
9	5A.31-32	Percentage of APH derived from measured data - raw water abstraction. Percentage of sites with measured volumes and/or lift - raw water abstraction	Other - Regulatory	Yes
10	6A.28-30	Peak week production capacity, Peak week production capacity having enhancement expenditure for grey solution improvements to address raw water quality deterioration, Peak week production capacity having enhancement expenditure for green solutions improvements to address raw water quality deterioration	Other - Regulatory	Yes, except for the Accountable Manager and Executive signoffs are outstanding (tests (f) and (h))
11	6A.40-41	Percentage of APH derived from measured data - raw water transport. Percentage of sites with measured volumes and/or lift - raw water transport	Other - Regulatory	Yes
12	6A.42-43	Percentage of APH derived from measured data - raw water treatment. Percentage of sites with measured volumes and/or lift - raw water treatment	Other - Regulatory	Yes
13	6B.24	Average pumping head - Treated water distribution	Other - Regulatory	Yes

Review of the Annual Performance Report (APR) 2026

Sample No.	Table Line Reference	Measure Description	Type	*All tests completed without any Issues noted
14	6B.31-39	Water balance - company level	Other - Regulatory	Yes
15	6B.40-41	Percentage of APH derived from measured data. Percentage of sites with measured volumes and/or lift.	Other - Regulatory	Yes
16	7C.23-32 and 33-40	Storm Overflows and Emergency Overflows additional reporting	Other - regulatory	Yes, except for the Responsible and Accountable Manager signoffs are outstanding (tests (e) and (f))
17	7E.18 and 7E.21	Scheme delivery - Surface water separation. Drainage area removed and nr of schemes	Other - Regulatory	These data lines are no longer required for the final APR.

- * Tests performed:
- (a) RR26 timetable reflects accurately the contributors/owners, and Responsible / Accountable managers;
 - (b) Table line data consistent with Performance & Compliance statement;
 - (c) Methodology drafted by the Owner and verified by the Responsible and Accountable managers;
 - (d) Performance & Compliance statement verified (signed off) by the Owner, Responsible & Accountable managers;
 - (e) Responsible manager review evidenced in JIRA;
 - (f) Accountable manager review evidenced in JIRA;
 - (g) Traced to underlying records and evidence obtained; and
 - (h) Executive sign-off evidenced in JIRA (applies to higher risk lines only).



Certificate demonstrating the delegated authority to sign off the Condition P certificate (ring fencing) June 2026

United Utilities Water Limited



EXTRACT FROM THE MINUTES OF A MEETING OF A COMMITTEE OF THE BOARD OF DIRECTORS HELD 23 JUNE 2026

.....

3. CONDITION P RING-FENCING CERTIFICATE

3.1 In relation to the Company’s regulatory accounts, it was confirmed that the appointee had sufficient financial resources and systems of planning and internal controls to carry out its regulated activities over the next 12 months, Mr Aspin was authorised to sign the Condition P Ring-Fencing Certificate on behalf of the Company.

.....

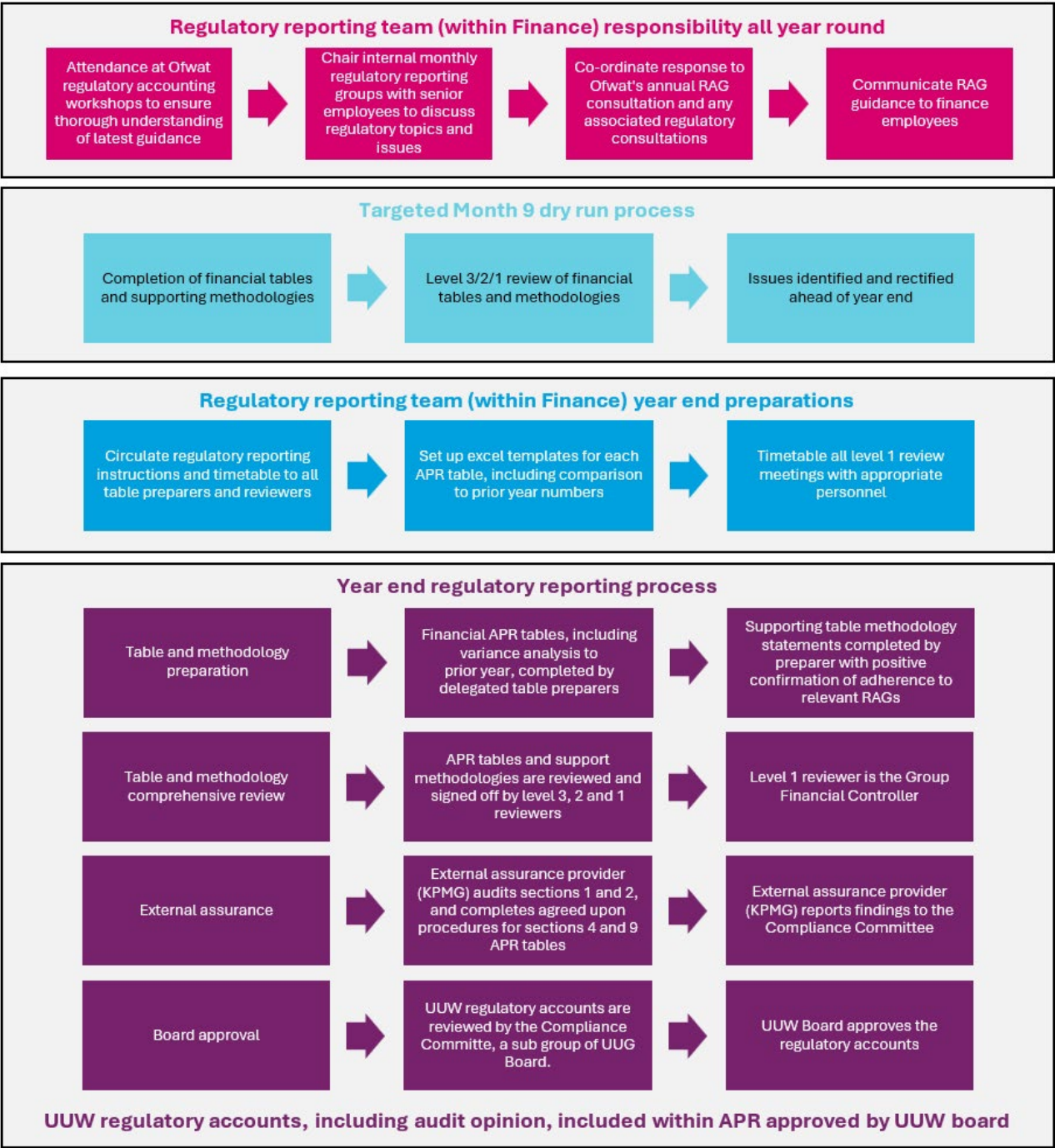
Certified to be a true extract from the original minutes.

J L Gilmore
Deputy Secretary
25 June 2026

The purpose of this methodology statement is to describe the systems and processes followed by United Utilities Water Limited (U UW, the company) to report disaggregated costs and asset data within the APR.

3.1 Governance processes

We have a well-established, robust, governance structure underpinning the production of our APR.



3.2 Outsourced functions

The company has not outsourced complete functions, but the following activities are performed by third parties (primarily in North West England):

- Bill printing and posting
 - Retail cash processing
 - Debt collection
 - Billing and cash collection for wastewater service provision to cross boundary properties
 - Capital programme construction
 - Network repairs and maintenance
- Facilities management
 - Capital programme estimating
 - IT system support (partial)
 - Standpipe
 - Leakage detection (partial)
 - Meter installations
 - Selective functions within People Services (e.g. occupational health)

Cost allocation process

3.3 IT systems

There are three key IT systems used to populate the Section 2 and Section 4 tables of the APR:

- SAP – Core financial accounting system
- CostPerform – Bespoke activity-based costing software solution used to allocate operating expenditure to upstream service
- Capital Project Management System (CPMS) – Central repository for the project management of capital expenditure within U UW

3.4 Operating expenditure

The three key steps in allocating operating expenditure to price controls and upstream services are illustrated below.

Step 1: SAP captures data (IFRS basis) at a cost centre level. Costs centres within U UW are structured into the following areas:



The operational cost centres largely align with Ofwat's five price controls for 2025–30, although the water resources and water network plus price controls are both included within the 'Water including Networks' operational cost centres. Other wholesale includes business areas which predominately relate to the wholesale business, but have a more overarching remit than the more specific operational cost centres, for example fleet management. See section 3.6 for other areas included within Other wholesale. The functional support cost centres are mapped to the five relevant price controls using Cost Perform (see below).

The costs in each area are reviewed by the relevant budget managers.

Step 2: Some adjustments are required to the IFRS position to convert it to a regulatory accounting basis in accordance with RAG 1.10, for example:

- Revenue recognition to reinstate the sales and related bad debt expense which are derecognised on an IFRS basis.

Some cost reallocations are required from operational cost centres to different price controls and upstream services, for example:

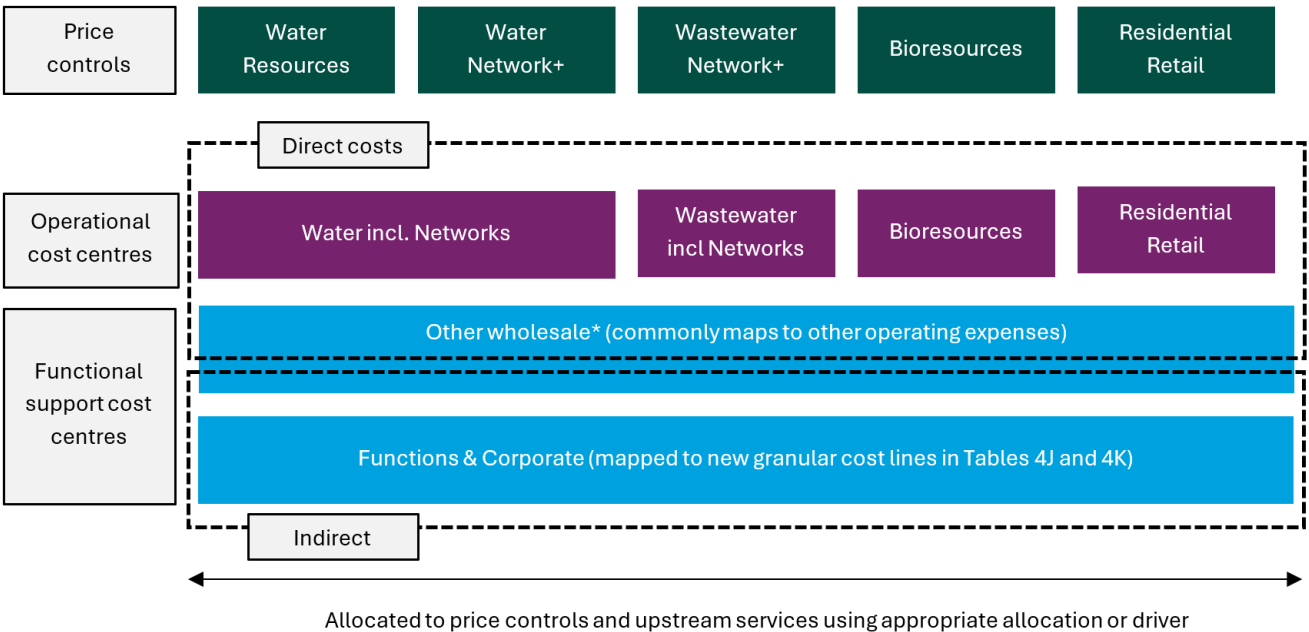
- The cost for the treatment of water sludges at wastewater treatment works are reallocated from the wastewater to the water price control.

Non-appointed and third party costs recorded within U UW's cost centres are identified, with reference to the RAG 4.14 Appendix 1 Income Categorisation, and mapped accordingly.

Step 3: The CostPerform reporting solution takes the operating expenditure outputs from SAP, plus adjustments required within step 2, groups the costs of each cost centre by expense type e.g. employment, power, chemicals, etc. It then applies established allocation rules to attribute costs to price control, and ultimately, to upstream service within wholesale.

Where costs within a cost centre can be directly mapped to a specific upstream service (or price control for retail) and cost line, then no allocations are required, and the costs will be mapped directly in CostPerform. Otherwise, costs are allocated across price controls, and to upstream services, using an appropriate driver or allocation rule.

Cost drivers and allocation rules are provided by the operational budget manager or finance representative responsible for those costs and are completed in accordance with RAG 2.10. These are also reviewed by the relevant budget managers and/or finance business partner. See section 3.9 for details of how costs are allocated. This process results in cost centres being principally allocated to the five price controls as below:



3.5 Capital expenditure

Data from SAP and the Capital Project Management System (CPMS) is used to attribute or allocate capital expenditure. CPMS is the central repository for the project management of capital expenditure within UUW. The data within the system includes spend, milestones and regulatory investment categories.

The regulatory accounting guidelines cover the classification of expenditure and the allocations are used for the completion of the annual regulatory reporting returns, company business plan setting, capital investment programme build and internal programme performance reporting.

There is a mandatory requirement of CPMS project creation, functionality and the company’s project approval process for each capital project to be assigned to one or more investment category.

Project expenditure can be assigned to a single investment category or, particularly for the complex project solutions, across multiple investment categories reflecting the various enhancement drivers which the project fulfils together with any associated maintenance investment.

All projects must have asset/investment classification assignments to a total of 100% with a prime indicator assigned, reflecting the principal driver for the project.

There is a defined relationship between the categories and the APR financial table requirements.

The relationship is held as a rule within CPMS and allows the analysis and allocation of project and programme level data in a consistent and comparable manner and, importantly, allows reporting across AMP periods and changing reporting requirements by:

- regulatory price controls and/or upstream services;
- investment drivers (Maintenance, Quality, Supply & Demand and Enhanced Levels of Service); and
- asset classifications (e.g. infrastructure, civils and mechanical & electrical).

An important feature of the defined relationship is the ability to report across multiple tables and business units.

The use of investment categories and asset classifications within SAP and CPMS is an established process which has been reviewed each year as part of the annual regulatory reporting exercise and provides a robust framework for cost reporting and validation of project costs across multiple years and AMP periods. As part of the PR24 submission and regulatory reporting, the list of investment categories has been reviewed and extended to include drivers specific to the AMP8 programme.

For the new asset renewal tables (4AC/4AD), the “asset classes” do not directly map to CPMS investment categories. For these tables, it was necessary to undertake further analysis of projects to identify the relevant “asset class(es)” for each project. For example, the investment categories will classify the project as being “infrastructure” but do not identify whether this infrastructure is a water main or an impounding reservoir.

3.6 Developer services

Data from SAP and CPMS is used to identify the following characteristics for each income project:

- infrastructure/non-infrastructure/infrastructure renewals (IRE) status;
- income type (connection charges, infrastructure charges, diversions, requisitioned mains, requisitioned sewers, other); and
- regulatory price control and/or upstream service

This information is then used to populate the developer services lines, which is further explained in Section 3.9.

3.7 Fixed assets

The company maintains its fixed asset register in the SAP accounting system. All fixed asset and depreciation information in the APR is presented on an IFRS (historical cost) basis of reporting, adjusted for the removal of capitalisation of borrowing costs under IAS23, as required under RAG 1.10.

Each commissioned asset in the SAP register is assigned to a business unit which determines the price control unit that the asset/depreciation is allocated to in the Annual Performance Report (using the ‘principal use’ method). The business unit is assigned to the asset on commissioning in conjunction with the project team.

Additional processes are followed to allocate assets under construction, shared assets and year-end adjustments:

- **Fixed Asset Report** – A fixed asset report is run in SAP as at year end. For every commissioned asset it details the movements in the year from opening cost to closing net book value.
- **Assets Under Construction (AUC) allocation** – AUC are posted to summary AUC asset classes in SAP which cannot be used to allocate to asset types. The investment categorisation from CPMS is used to further allocate across price control units/upstream services and asset types.
- **Shared asset reallocation** – Shared assets are allocated to Management & General (“M&G”) service areas. These M&G service areas determine the allocation percentages across the direct business units and therefore price control units and upstream services allocations as determined by operational management in conjunction with the Fixed Asset Accounting Team. Further information on these drivers is included in Section 3.12.
- **Year-end adjustments** – Allocations of year-end adjustments (opening and closing journal accruals) are individually reviewed to allocate across the price control and upstream services. Adjustments for reallocations across price controls are included within additions and depreciation to ensure cumulative balances by price control are correct.

3.8 Revenue

Table 2I sets out the actual build-up of the wholesale revenue for 2025/26 by price control. Companies are required to split wholesale revenues by the four wholesale price controls. Our annual tariffs are set based on our latest view of forecast customer numbers and consumption. If each tariff is multiplied by the forecast number of customers and consumption for that tariff, we would expect to recover the allowed revenue for each price control. The tariff split between price controls varies depending upon the characteristics of each individual tariff and is predominantly based on the underlying costs forecast to be incurred in providing that particular service to customers.

Cost allocation performed

3.9 Wholesale

The following tables show the cost drivers and allocations used to populate each line of the APR tables for wholesale Water (4D, 4J) and wholesale Wastewater (4E, 4K) by upstream service. They also explain the allocation of costs to the four wholesale price controls in Table 2B, which represents the combined total of Tables 4D and 4E. Cost allocations have been applied in accordance with the boundary points and asset definitions set out in RAG 4.14.

Base operating expenditure for water (APR table 4J) and wastewater (APR table 4K)

Expenditure line item	Allocation basis to price control and upstream service
Power	Water - Power cost allocation is allocated on an MPAN meter basis to an upstream service applying asset classifications within RAG 4.14 and where necessary RAG 2.10 Appendix 2. Where this is not possible, for sites that include an element of power in relation to more than one business unit or upstream service the costs are apportioned based on management assessment at a site level. Fuel costs are split based upon the average electricity upstream services percentage split calculated from the above. Wastewater – Direct costs at co-located sites are allocated based on either sub metering (where available) or engineering’s assessment of power usage by asset, which are then apportioned across upstream services. All other costs are allocated directly to the individual sites. For sewage collection costs are allocated to upstream service based on GMEAV of network assets.
Income treated as negative expenditure	Direct cost
Bulk supply	Direct cost – Allocated to upstream service based on prior year cost allocations from the receiving company as shown in the annual performance report.
Renewals expensed in year (infrastructure)	Direct from a cost centre to an upstream service.
Renewals expended in year (non-infrastructure)	Nil operating costs
Local authority and cumulo rates	Rates are split proportionally based on the Gross Modern Equivalent Asset Value (GMEAV) of those assets attracting rates.
Abstraction Charges/Discharge Consents	Direct from a cost centre to an upstream service except for Canals & Rivers trust payment which is allocated based on the split of non marine outfalls.
Costs associated with Traffic Management Act	Permits are directly allocated to Treated Water Distribution and Sewage Collection, with a proportional allocation of support costs.
Costs associated with Industrial Emissions Directive	Costs are specifically identifiable at site level and allocated to upstream service on that basis.
Routine repair and maintenance	Costs for reactive and planned maintenance are captured through specific work orders and/or GL accounts and are directly allocated to the relevant asset, whether at site level or across the network.
Chemical costs	Direct chemical costs are charged to the individual sites against process level cost centres. The process level cost centre directly maps to an upstream service.
Finance, Regulation and Procurement costs	Cost centres are directly mapped to this cost line. Consistent with RAG 2.10, regulatory costs are allocated 1/8th to retail and 7/8th to wholesale. Treasury and tax costs are allocated based on regulatory capital expenditure. The remaining finance costs are allocated using management’s assessment of the most appropriate driver, predominantly FTE.
Insurance	Cost centres are directly mapped to the insurance cost line. Claims are directly attributed where possible. Insurance premium costs are allocated using drivers aligned to the basis of the charge, such as asset values for property insurance.
Fines and penalties	Provisions are recognised based on management’s best estimate of settlement value. During the year, the Company did not pay any fines or penalties levied by a regulator or other authority.
Investigation costs	Costs relate primarily to internal management time and external professional advice. Directly attributed based on the scope of the investigation.
GSS payments	Payments are allocated in accordance with GSS standards and events reported in Table 4Z (including non-household and developer elements where applicable)
Non-GSS compensation payments	These relate to enhanced schemes or other compensation payments outside of GSS, as reported in Table 4Z.
HR	Cost centres are directly mapped to the HR cost line and allocated to price controls using an FTE-based driver.
Training	Learning and development GL accounts are directly mapped to the training cost line and allocated based on an appropriate driver (e.g. FTE)
CEO, Corporate affairs and Governance	Cost centres are directly mapped to this cost line. Costs are directly attributed to price controls where possible, with the remainder allocated using FTE or a management estimate of time spent.
IT&T (business support)	Technology services GL accounts are directly mapped to the IT&T cost line. Software costs are allocated directly where possible; where systems span multiple areas, costs are allocated using the most appropriate driver for each system.
Property management (business support)	Cost centres are directly mapped to the property management cost line. Facilities management and accommodation costs are allocated based on occupied floor space. Power and rates for support buildings is apportioned based on floor space.

Expenditure line item	Allocation basis to price control and upstream service
Other operating costs	Although this line is titled “Other support function and overheads opex” in table 4J and 4K, it also includes operational costs (such as employment and hired & contracted costs) not captured within other reporting lines. Direct costs (e.g. employment and hired & contracted) are charged directly to the individual sites and recorded against process level costs centres which map to the relevant upstream service. Where costs cannot be directly allocated to process level (e.g. senior leaders and production managers), they are apportioned pro-rate to the level of directly allocated costs. For sewage collection, direct costs are allocated based on number of incidents in the Wastewater Incident Recording System database which identifies if they relate to Foul, Surface Water Highway Drainage (SWHD) or combined. SWHD is split between SW and HD based on the split of the total UU area which drains to UU sewers between SW and HD, based on information from UU Geographical Information Systems (GIS) for land use / type and hydrology models for the area drained. Indirect costs allocated to upstream service using a specific cost driver or in proportion to the level of direct costs, in line with the analysis presented in section 3.8.
– Principal use recharges	Based on the allocation of Management and General assets using the most appropriate driver as described in Section 3.4.
Developer Services and diversions	Water-related developer services are directly allocated to treated water distribution. Wastewater site-specific developer services opex is directly allocated to foul. Wastewater diversions are allocated to sewage collection and then apportioned to upstream activities using the appropriate driver.
Third party services	Costs are directly allocated to upstream service based upon the nature of expenditure.
Base operating expenditure	Sum of above.

Base capital expenditure for water (APR table 4J) and wastewater (APR table 4K)

Expenditure line item	Allocation basis to price control and upstream service
Maintaining long-term capability of the assets – infrastructure and non infrastructure	Direct attribution to price control based on the Capital Project Management System (CPMS). Price control of principal use is used where assets cannot be directly attributed with recharges made to other price control services as appropriate to reflect the proportion of the asset used.
Developer Services & diversions capex	Direct attribution to upstream service based on the Capital Project Management System (CPMS).
Third party capex	Direct attribution to upstream service based on the Capital Project Management System (CPMS).
Base capital expenditure	Sum of above

Totex analysis – APR Tables 4D and 4E

Table 4D is derived from the total base expenditure reported in Table 4J. Enhancement expenditure (both opex and capex) is allocated to upstream services on the same basis as base expenditure and reconciles to the total enhancement expenditure reported in Table 4L, to derive total gross totex for water.

Table 4E is derived from the total base expenditure reported in Table 4K. Enhancement expenditure (both opex and capex) is allocated to upstream services on the same basis as base expenditure and reconciles to the total enhancement expenditure reported in Table 4M, to derive total gross totex for wastewater.

Additional Disclosures Required Under RAG 3.16, Section 5.29

Power costs are split between 64% directly coded to a price control and 36% involving some allocation between price controls. This is broadly consistent with the equivalent split in 2024/25. The split is derived from a complete mapping of all cost lines extracted from the SAP system that feed into the power cost reporting line.

Other operating costs are split between 53% directly coded to a price control and 47% requiring allocation. The change from the equivalent split in 2024/25 is primarily driven by the majority of IRE costs being capitalised in 2025/26; these were previously classified as direct costs within operating expenditure. This split is also based on a complete mapping of all cost lines from the SAP system that comprise other operating costs.

3.10 Residential Retail

Operating expenditure (Table 2C)

The below table shows how costs are attributed to Residential Retail operating cost lines which form the basis for APR table 2C. As the below table shows, the majority of costs are directly mapped from specific cost centres within the retail cost centre hierarchy to a specific cost line in accordance with line definitions specified in RAG 4.14.

Certain costs, such as investigatory visits, are mapped from wholesale cost centres, where the costs are initially recorded. Other centrally recorded costs, such as general and support expenditure, have an apportionment to Residential Retail. These mappings and apportionments are completed in accordance with cost categorisation per price control, as specified in RAG 2.10.

Expenditure line item	Allocation basis
Customer services:	
• Billing	Largely directly attributed within the Retail cost centre hierarchy. In addition, allocations of: - Internally generated correspondence based on FTE - Local authority commission based on associated direct costs - Postage, printing and cash management costs based on cost type and volumes of bill types/letters to correct activity line - Senior leadership team costs per individual based on associated direct costs of activities they are involved in
• Payment handling, remittance and cash handling	Largely directly attributed within the Retail cost centre hierarchy plus an allocation of local authority commission; postage, printing and cash management costs; and senior leadership team costs (allocation basis for all these as described above).
• Vulnerable customer schemes	Vast majority directly attributed within the Retail cost centre hierarchy plus an allocation of senior leadership team costs based on associated direct costs of activities they are involved in.
• Non-network customer enquiries and complaints	Vast majority directly attributed within the Retail cost centre hierarchy plus an allocation of senior leadership team costs based on associated direct costs of activities they are involved in less internal generated correspondence allocation moved to Billing.
• Network customer enquiries and complaints	Vast majority directly attributed within the Retail cost centre hierarchy plus an allocation of senior leadership team costs based on associated direct costs of activities they are involved in.
• Investigatory visits	Direct cost transfer of activity related costs from wholesale water and wastewater to residential retail.
Debt management	Largely directly attributed within the Retail cost centre hierarchy plus an allocation of local authority commission; postage, printing and cash management costs; and senior leadership team costs (allocation basis for all these as described above).
Doubtful debts	Directly attributed within the Retail cost centre hierarchy plus an IFRS to regulatory accounts adjustment for bad debt associated with revenue recognition.
Meter reading	Directly attributed within the Retail cost centre hierarchy, plus an allocation of senior leadership team costs.
Other operating expenditure	
• General and support expenditure	Indirect general and support costs are allocated across the relevant price controls as shown in section 3.11.
• Other business activities	Where not directly attributable, 7/8ths of the regulatory costs (including Ofwat licence fees) are allocated to wholesale, 1/8th to residential retail, in line with Ofwat guidance. Regulation team time is split based on management's estimate of time spent on particular areas.
• Exceptional items	Price control exceptional items are attributed to water, sewerage or retail. If the exceptional item relates to functional support, the cost is apportioned across water, wastewater and retail using an appropriate driver.
• Other direct costs	Direct mapping from the retail cost centres less specific management employment costs which are allocated to other lines.
Local authority and Cumulo rates	Rates for sites specifically used by residential retail are directly attributed. Shared central office rates allocated based on floor space occupied.
Depreciation and amortisation	100% attributable to residential retail where price control of principal use, as per service area field in the SAP fixed asset register.
Recharges and income from wholesale assets	100% attributable to residential retail where price control of principal use, as per service area field in the SAP fixed asset register.
Third party services operating expenditure	Nil costs.
Pension deficit repair costs	Nil pension deficit repair contributions.
Debt written off	Derived from bad debt control account.
Capital expenditure	100% attributable to residential retail as per business unit asset commissioned to within SAP fixed asset register.

Billing and collection

The company outsources a small amount of debt collection, however the risk is retained by the company. In 2025/26 the outsourced cost equated to 0.2% of the total residential revenue.

The company does not issue bills addressed to “the occupier”.

Where a customer has vacated a property, leaving amounts unpaid, the U UW policy is that the customer will be charged up to the date of the change of tenancy. This debt is then placed with debt collection agencies for trace and collection. If new information is obtained by the agencies, advising us of a more accurate date of vacation, the account will be amended accordingly. If debt collection is ultimately unsuccessful, the debt will subsequently be written off. Bad debt is written off when all economically viable efforts to recover outstanding amounts have been fully exhausted or, alternatively, when the write-off of such amounts forms part of customer rehabilitation processes (subject to acceptance criteria and customer “matching” payments). Please refer to page 123 for details of the bad debt policy.

3.11 General and Support expenditure

General & Support (G&S) costs are all recorded within U UW's functional support cost centres, split by 'Functions & Corporate' and 'Other wholesale'. CostPerform apportions these G&S costs across the five relevant price controls; water resources, water network+, wastewater resources, bioresources and residential retail price controls, in accordance with RAG 2.10 cost classification guidelines, and subsequently to upstream service within the wholesale price controls.

The tables below show the basis of allocation per cost type along with the resulting %'s by price control. Full-Time Equivalents (FTEs), including all full-time staff and contractors/temporary staff directly employed, is the most commonly used cost driver.

Functions and corporate profit centres

Expenditure line item	Allocation to price control and subsequent upstream service (where wholesale)	Water Resources	Water Network+	WW Network+	Bioresources	Retail	Non-app
Finance	Costs in relation to treasury and tax are allocated based on the regulatory capital spend profile for water, wastewater and residential retail. Remaining costs split by team allocated by management assessment of most appropriate split/driver (predominantly FTE). Upstream service allocation pro-rate to the level of direct employment costs with the exception of tax and treasury which are split pro-rate to total direct costs.	3.4%	35.0%	40.0%	7.9%	12.7%	1.0%
HR	Costs allocated to price control using default FTE driver. Upstream service allocation pro-rate to direct employment costs.	5.2%	33.4%	40.0%	7.9%	12.7%	1.0%
Learning & Development	Allocation to price control based on a management assessment of time spent. Upstream service allocation pro-rate to direct employment costs.	2.6%	31.1%	35.7%	11.1%	13.9%	0.7%
General Counsel	Directly attributable to price control where possible. Remaining costs allocated to price control by FTE. Upstream service allocation pro-rate to direct employment costs.	3.0%	36.4%	40.2%	9.2%	10.5%	0.7%
Corporate Affairs	Costs allocated to price control using default FTE driver. Upstream service allocation pro-rate to direct employment costs.	2.9%	34.0%	37.5%	8.6%	15.9%	1.1%
Commercial	Costs allocated to price control primarily using default FTE driver. Upstream service allocation pro-rate to direct employment costs.	2.6%	34.1%	37.9%	8.3%	16.0%	1.1%
CEO	Allocated to price control based on a management estimate of time spent. Upstream service allocation pro-rate to total direct costs.	4.2%	31.6%	47.6%	5.6%	10.0%	1.0%
Non-executive directors remuneration	Allocated to price control based on a management estimate of time spent. Upstream service allocation pro-rate to direct employment costs.	4.2%	31.6%	47.6%	5.6%	10.0%	1.0%
Pensions	Allocated to price control based on a ongoing number of pensions members by price control. Upstream service allocation pro-rate to direct employment costs.	2.9%	34.5%	38.5%	8.3%	14.4%	1.4%
Other central costs	Allocated direct to price control where possible. All remaining costs are allocated based on the proportion of FTEs. Upstream service allocation pro-rate to total direct costs or to the level of direct employment costs, depending on cost type.	3.1%	36.4%	39.2%	9.0%	11.2%	1.1%

Other wholesale profit centres

Expenditure line item	Allocation to price control and subsequent upstream service (where wholesale)	Water Resources	Water Network+	WW Network+	Bioresources	HH Retail	Non-app
Fleet management costs	Allocated to price control and upstream service based on fleet servicing cost breakdown.	3.5%	28.5%	23.8%	40.1%	3.8%	0.3%
Facilities management and Accom.	Allocated to business area based on floor space occupied. Other wholesale business area subsequent price control and upstream service allocations follow cost allocations each sub-area.	5.5%	38.7%	34.1%	8.4%	12.6%	0.7%
Grounds maintenance	Vast majority of costs are directly attributed to specific water/wastewater sites. Where not directly attributable, allocated pro-rate to the level of employment costs for each upstream service.	0.1%	41.3%	48.1%	5.4%	0.0%	5.1%
Insurance	Claim costs directly attributed where possible. Insurance premium costs allocated using cost drivers reflective of the basis of the insurance charge per area e.g.: - Asset values used for property insurance - Turnover used for Public Liability and Professional Indemnity insurance Costs not directly attributable to an upstream service are subsequently allocated by total direct costs.	4.7%	68.4%	22.8%	1.4%	0.5%	2.2%
Innovation	Existing innovation costs within U UW, and not those incurred under the PR24 Ofwat Innovation Competition. Allocated to price control based on an assessment of the portfolio of projects in the year. Upstream service allocation pro-rate to total direct costs.	5.9%	8.3%	62.2%	23.6%	0.0%	0.0%
Technology services including IT software costs	IT software costs are directly allocated where possible. Where span more than one area allocated based on the most appropriate driver for each system e.g. FTE, capital spend. Employment costs and other IT costs are most commonly allocated by FTE. Subsequent upstream service allocations pro-rate to direct employment costs.	2.8%	34.0%	37.4%	7.8%	16.7%	1.3%
Asset Management	Directly attributed where possible. Otherwise allocated based on management assessment using the most appropriate driver. General costs most commonly split by reference to FTEs or capital expenditure. Where not directly attributed, allocated to upstream service pro-rate to employment costs or total direct costs depending on the nature of the costs.	18.1%	23.4%	49.5%	9.0%	0.0%	0.0%
Remaining indirect other wholesale costs		16.5%	30.0%	37.1%	7.1%	2.7%	6.6%

3.12 Fixed assets

Allocation of tangible and intangible fixed assets between price controls (Table 2D and Table 2O)

All fixed assets recorded in U UW’s SAP register are allocated to price control, as defined in RAG 4.14. All mappings are direct to price control, with the exception of Management & General (M&G) assets, for which the mapping is described below.

Management and General assets

In accordance with RAG 2.10, where an asset is utilised in more than one price control, the asset and its associated depreciation is recorded in the price control of principal use.

As at 31 March 2026, there are approximately 33 live M&G allocations which require an assessment, based on the most appropriate driver, to identify percentage allocations which determine the price control of principal use. Examples of these allocations are as follows:

Service area	Key assets	Drivers
Head office allocation	Head office buildings	Floor space occupation
Corporate systems	SAP system/Workforce Management systems	Number and type of licence/users
Billing systems	Alto billing system	System utilisation
Capital/Project related assets	Project/Investment/Treasury/Tax systems	Total AMP capex
IT assets used by all employees	Microsoft, printer, internet, video conferencing	FTE allocation
IT assets supporting all systems	Infrastructure, servers, data centre, IT networks	Weighted average based on the specifically allocated MG codes

Where the principal use changes during the year, to ensure consistency of reporting, we will continue to record the shared asset as being ‘owned’ by the original ‘principal use’ price control unit for the AMP period rather than transferring these assets across price controls.

Overall c.7.2% of depreciation and amortisation relates to assets used by more than one price control. This depreciation is charged on a principal use basis to the following price controls:

Price Control	Water Resources	Water Network+	Wastewater Network+	Bioresources	Residential Retail	Total
Depreciation (%)	-	18.0%	74.8%	2.9%	4.4%	100.0%
Depreciation (£m)	-	6.2	25.8	1.0	1.5	34.5

Principal use recharge impact to price control for use of fixed assets (Table 2A)

As noted above, the depreciation charge for each asset is recorded in the price control of principal use. Separately, APR table 2A (Segmental income statement) also shows principal use recharges impact to each price control for the shared use of that asset. In accordance with RAG 4.14, the principal use recharges are also included in base operating expenditure within the detailed cost tables (4D, 4E, 4J and 4K), and disclosed on line 4 ‘PU opex recharge’ of table 2A. The recharge amount per asset is equal to the amount of depreciation which would have been recorded by that price control on a proportional allocation basis. These are the same allocation percentages used to determine the price control of principal use as detailed above.

Regulatory accounts for the 12 months ended 31 March 2026

Appendix 3 Accounting methodology statement



3.13 Commentary on cost variances

Water (Tables 4J/4D)

Operating expenditure

Wholesale Water year on year movements in operating expenditure (£m)	Water Network+				Water Services Total
	Water Resources	Raw water distribution and transport	Water treatment	Treated water distribution	
2024/25 total operating expenditure	80.3	22.3	123.7	251.5	477.9
Power price increases	1.9	1.6	4.1	2.5	10.0
Power volume primarily due to dry weather	2.0	0.9	2.3	0.7	5.8
Lower infrastructure renewal expenditure (IRE) primarily due to an accounting change. IRE capitalised at the individual component level, rather than all IRE being expensed in the income statement	-16.2	0.0	0.0	-76.8	-93.0
Higher business rates following an increase in the standard business rates multiplier	0.2	0.0	0.0	0.4	0.6
Changes to the Environment Agency (EA) charges scheme	2.2	0.0	0.1	0.0	2.3
Decrease in unit cost of chemicals	0.0	0.0	-1.4	0.1	-1.3
Insurance costs driven by the volume and nature of claims	-0.3	0.5	3.0	1.1	4.3
Higher IT costs reflecting increased SaaS activity and key programmes such as SuccessFactors	0.1	0.1	0.3	0.9	1.5
Higher costs were incurred due to dry weather, to ensure the network remained resilient and supply safeguarded (excluding power)	8.8	1.7	2.9	4.9	18.3
Increased direct employment costs, largely driven by inflation and the expansionary impact of delivering UUW's AMP8 business plan.	1.3	0.3	1.1	3.1	5.9
Movement in principal use recharges	0.7	-0.8	-1.6	2.1	0.4
Reduction in diversions opex due to the IRE accounting change.	0.0	0.0	0.0	-4.5	-4.5
Higher enhancement opex predominately relating to demand-side improvements	-1.2	0.0	-0.2	6.8	5.4
Other year on year movements	-0.2	0.3	0.2	1.9	2.2
2025/26 total operating expenditure	79.8	27.0	134.4	194.8	436.0

Capital expenditure

Line description	Water Network+				Total
	Water resources	Raw water distribution and storage	Water treatment	Treated water distribution	
2024/25					
Base expenditure	7.9	1.0	146.9	54.1	209.9
Enhancement expenditure	12.0	0.5	3.2	155.4	171.2
2024/25 total capital expenditure	19.9	1.5	150.2	209.5	381.1
2025/26					
Base expenditure	18.8	0.5	128.3	221.3	368.9
Enhancement expenditure	39.0	0.2	15.6	126.0	180.8
2025/26 total capital expenditure	57.8	0.8	143.9	347.3	549.7
Variance					
Base expenditure variance	10.9	-0.5	-18.6	167.2	159.0
Enhancement expenditure variance	27.0	-0.3	12.4	-29.4	9.7
Total capital expenditure variance	37.9	-0.8	-6.2	137.8	168.7
Movement %	190%	-53%	-4%	66%	44%

In general, capital expenditure varies from year to year due to the different mix and levels of maturity of projects being delivered. As such there are multiple movements increasing and decreasing expenditure each year. The below explanations detail the significant reasons for growth or reductions in expenditure, however there are multiple other movements that offset each other.

Water Resources expenditure has increased due to growth in the Impounding Reservoirs programme, across base and enhancement expenditure, consistent with the Price Control Deliverable (PCD) categorisation of Matters in the Interest of Safety” (MITIOS) and Preliminary Risk Assessment (PRA) programmes.

The increase in Water Treatment enhancement expenditure is driven by the mobilisation of the AMP8 programme, particularly the Security and Emergency Measures Direction (SEMD) programme, which has progressed significantly in the first year of the AMP. Water Treatment base expenditure shows a slight reduction compared to the prior year. This is largely due to lower expenditure on the Oswestry project, partially offset by increased activity to mitigate operational risks arising from the dry weather experienced at the beginning of the financial year.

Treated Water Distribution enhancement expenditure has decreased year-on-year. This reflects the completion of Phase 1 of the multi-AMP Vyrnwy project in the prior year, which required higher investment, followed by the mobilisation of Phase 2 in the current year at a lower level of spend. Treated Water Distribution base expenditure has increased due to the change in accounting treatment and overall rise in Infrastructure Renewals Expenditure (IRE), and higher levels of leakage reduction and mains renewal activity.

Wastewater (Tables 4K/4E)

Operating expenditure

Wholesale Wastewater year on year movements in operating expenditure (£m)	Sewage collection			Sewage and sludge liquor - treatment and disposal	Bioresources			Wastewater Services Total
	Foul	Surface water drainage	Highway drainage		Sludge transport	Sludge treatment	Sludge disposal	
2024/25 total operating expenditure	95.6	44.7	17.4	227.8	17.0	43.9	13.1	459.6
Increased power price	1.0	0.4	0.2	6.5	0.0	2.1	0.0	10.2
Power volume movements	-1.1	-0.5	-0.2	4.3	0.0	-0.1	0.0	2.4
Sludge liquor recharge (power element) - shadow reported in AMP7	0.0	0.0	0.0	-11.2	0	11.2	0.0	0.0
Lower infrastructure renewal expenditure (IRE) primarily due to an accounting change. IRE capitalised at the individual component level, rather than all IRE being expensed in the income statement	-21.7	-20.4	-8.0	0.0	-0.5	-1.8	0.0	-52.4
Higher business rates (primarily due to lower levels of transitional relief and an increase in business rates multiplier)	-0.1	0.0	0.0	1.9	0.0	0.4	0.1	2.2
Increased Environment Agency (EA) fees for charges for discharge	-0.4	-0.9	-0.3	3.7	0.0	0.1	0.0	2.1
IED spend is lower year on year due to a different activity mix, with prior year including more cleaning and decommissioning, and scope of some activities for AMP8 still in definition	0.0	0.0	0.0	0.0	0.0	-1.3	0.0	-1.3
Chemicals variance primarily due to higher chemical volumes driven by the AMP7 capital programme.	0.2	0.1	0.0	11.5	0.0	0.2	0.0	12.1
Higher IT costs reflecting increased SaaS activity and key programmes such as SuccessFactors.	-0.1	0.0	0.0	0.8	0.2	0.2	0.0	1.1
Dynamic Network Management (previously reported in enhancement in AMP7)	8.7	2.3	0.8	0.0	0.0	0.0	0.0	11.9
Increased direct employment costs, largely driven by inflation and the expansionary impact of delivering UUW's AMP8 business plan	2.8	0.8	0.3	8.6	1.5	2.2	-0.6	15.5
Increased sludge costs, predominately due to rationalisation of AD sites, requiring temporary dewatering and liming	0.0	0.0	0.0	0.0	2.9	2.5	0.8	6.2
Sludge liquors recharge (other operating expenditure) - shadow reported in AMP7	0.0	0.0	0.0	-5.1	0.0	5.1	0.0	0.0
Movement in principal use recharges	1.3	1.1	0.4	-3.7	0.1	0.1	0.0	-0.7
Reduction in developer services and diversions opex activity	-0.7	-0.2	-0.1	0.0	0.0	0.0	0.0	-1.0
Lower enhancement opex (as consequential costs arise only once the capital programme is delivered)	-6.4	-1.7	-0.6	-14.6	-0.7	0.6	-0.1	-23.5
Other year on year movements	1.4	0.6	0.2	-0.9	0.4	-1.7	-0.2	-0.4
2025/26 total operating expenditure	80.5	26.2	10.1	229.6	20.8	63.8	13.0	444.0

Income of £13.1 million received by Bioresources from the sale of energy to Wastewater network plus has been reclassified from power to income treated as negative expenditure (previously shadow reported in AMP7).

Regulatory accounts for the 12 months ended 31 March 2026

Appendix 3 Accounting methodology statement

Capital expenditure

Line description	Network+ Sewage collection		Highway drainage	Sewage and sludge liquor - treatment and disposal	Bioresources			Total
	Foul	Surface water drainage			Sludge transport	Sludge treatment	Sludge disposal	
2024/25								
Base expenditure	23.7	20.4	8.1	175.9	-	39.7	-	267.8
Enhancement expenditure	66.1	56.9	22.2	283.6	-	7.7	-	436.5
2024/25 total capital expenditure	89.8	77.3	30.3	459.4	-	47.4	-	704.3
2025/26								
Base expenditure	68.4	56.8	22.2	230.1	0.0	76.1	0.1	453.7
Enhancement expenditure	106.6	91.1	35.6	293.0	-	25.6	-	551.9
2025/26 total captial expenditure	175.0	147.9	57.8	523.1	0.0	101.7	0.1	1,005.6
Variance								
Base expenditure variance	44.7	36.4	14.1	54.2	0.0	36.4	0.1	185.9
Enhancement expenditure variance	40.5	34.2	13.4	9.4	-	17.9	-	115.4
2025/26 total capital expenditure variance	85.2	70.6	27.5	63.6	0.0	54.3	0.1	301.3
Movement %	95%	91%	91%	14%	0%	115%	0%	43%

In general, capital expenditure varies from year to year due to the different mix and levels of maturity of projects being delivered. As such there are multiple movements increasing and decreasing expenditure each year. The below explanations detail the significant reasons for growth or reductions in expenditure, however there are multiple other movements that offset each other.

Sewage Collection base expenditure has increased, primarily due to higher sewer maintenance activity, partly to support delivery of the rising mains PCD and manage Glass Reinforced Plastic (GRP) incidents. This is alongside the impact of accounting treatment changes and an overall increase in IRE. Sewage Collection enhancement expenditure has risen due to mobilisation of the expanded AMP8 Water Industry National Environment Programme (WINEP) overflows programme.

Sewage Treatment base expenditure has increased driven by expenditure on the Environmental Improvement Programme (EIP), alongside additional maintenance activity to maintain compliance. Sewage Treatment enhancement expenditure has increased as a result of mobilisation of the expanded AMP8 WINEP programmes focused on phosphorus removal and sanitary improvements.

Sludge Treatment (both base and enhancement) expenditure has increased in line with delivery of the site rationalisation programme, with a proportion of costs allocated to Industrial Emissions Directive (IED) enhancement requirements.

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