

# Leep Networks Water Limited



## Annual Performance Review

July 2025



leep utilities™

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# Executive Summary

This Annual Performance Submission has been prepared by Leep Networks (Water) Limited (LNWL) in accordance with its obligations as a water and wastewater undertaker operating under the New Appointments and Variations (NAV) regime. It is submitted in line with the requirements of licence conditions P10 to P13, which require confirmation of the adequacy of resources to meet LNWL's duties under the Water Industry Act 1991.

The submission confirms that LNWL is appropriately resourced and has in place effective systems of governance, strategic planning, internal control, and risk management, enabling it to meet its statutory, regulatory, and customer obligations. The Board has reviewed and approved the supporting evidence to this effect, including:

- The Certificate of Adequacy, signed by the Chief Executive Officer, affirming that sufficient financial and managerial resources are available to support LNWL's regulated activities over the next 12 months;
- A robust governance and control framework underpinned by experienced personnel and fit for purpose operational systems;
- Risk management and compliance arrangements that support the company's sustainable growth and continued delivery of services in line with regulatory and customer expectations;
- Confirmation that all transactions with associated companies are conducted at arm's length and are fully compliant with relevant licence obligations.

The Board confirms that LNWL remains financially and operationally resilient, is meeting its regulatory commitments, and is well positioned to continue operating effectively as a NAV. The contents of this submission were formally approved by the Board on 14 July 2025.

# Certificate of Adequacy

## 1 Principal activities

The principal activity of Leep Networks (Water) Ltd (the 'Company') is the provision of water and sewerage services including the adoption and operation of water and waste network infrastructure within defined geographical areas.

## 2 Licence Requirement

This Certificate is issued pursuant to licence conditions P10 to P13, which require the Directors to ensure that, at all times, the Company maintains adequate financial and management resources and facilities to carry out its regulated activities. These conditions also require that the Board issues a formal Certificate of Adequacy confirming compliance with these duties.

## 3 Approval

At a Board meeting held on 14 July 2025, the Board of Directors approved the issuance of this Certificate.

## 4 Statement

The Directors confirm that in the opinion of the Board:

- The Company will, for at least the next 12 months, have access to sufficient financial resources and facilities to enable it to carry out its Regulated activities;
- The Company will, for at least the next 12 months, have access to management resources adequate to fulfill its functions effectively; and
- All contracts entered into with Associated Companies contain the necessary provisions to ensure the standard of service required by the Company as a water undertaker, thereby enabling it to meet all of its obligations.

Authorised and signed by



**Victoria Louise Manfredi**  
Chief Executive Officer  
Date: 14 July 2025

# Certificate of Adequacy Appendix

## Factors considered by the Board

In reaching its decision to approve the Certificate of Adequacy, the Board considered - either directly or via the Company's management – a range of operational, financial and governance factors relevant to the Company's ability to fulfill its obligations. The Following areas were specifically reviewed:

### Financial Resources

The Company has secured letters of credit sufficient to support its regulated activities for a minimum of 12 months following the date of this Certificate. The Board are satisfied that this financial support aligns with the wider capabilities and strategic objectives of the Ultimate Controller.

### Management Resources

The Company maintains a well-defined organisational structure encompassing financial, operational, regulatory, and customer service functions. The team comprises experienced professionals with extensive sector-specific expertise, particularly within the New Appointments and Variations (NAV) market.

Succession planning measures are in place, supporting continuity across all areas of operation. A clear reporting and governance framework enables the Board to remain fully informed and responsive to emerging issues, and to oversee the Company's ongoing ability to meet its licensed duties and serve its customers effectively

### Planning and Internal Control Systems

The Company operates within a defined governance framework as set out in its Articles of Association and Code of Conduct. These policies promote compliance with statutory obligations and reinforce expectations around diversity, whistleblowing, fraud prevention, and professional conduct.

Operational performance is monitored through established delivery processes, complemented by an internal audit programme to assess ongoing licence compliance. Business continuity plans are in place to address potential disruptions, including unavailability of personnel or facilities.

### Operational Rights and Resources

Services are delivered via a combination of in-house employees, trusted third-party service providers, and robust technology platforms. Contracts and service arrangements are regularly reviewed and updated to reflect changes in operational needs or market conditions. The Board is satisfied that these provisions provide a stable foundation for delivering regulated services and mitigating associated risks.

## Contracting & Dealings with Associated Companies

Licence Condition P requires that all dealings with Associated Companies are conducted on an arm's length basis and do not compromise the Company's regulatory obligations. The Board has reviewed current arrangements and notes the following:

1. The Company holds two appointments within the Portsmouth Water region, under bulk supply contracts originally established between Portsmouth Water and SSE Water Ltd—prior to SSE Water Ltd's acquisition by Leep Utilities. These contracts, which are not time-limited, remain in effect. Portsmouth Water is owned by Ancala, which is also the majority shareholder (90%) of Leep Utilities and is the Ultimate Controller of LNWL.
2. In instances where the Company pursues new appointments involving sites in which Peel Holdings (a non-controlling shareholder of Leep Utilities) has an interest, the Company continues to demonstrate, through documented assessments, that its approach is consistent with its established commercial and compliance principles.

The Board affirms that:

- The bulk supply contracts comply with the principles of Arm's Length Trading;
- No cross-subsidies or conflicting obligations arise; and
- Internal controls and governance processes governing associated company interactions are consistently applied.

The Company's Code of Conduct also includes provisions requiring employees to identify and report any potential conflicts of interest—particularly those related to associated company relationships.

## Risk Management

The Company operates in a regulated environment under the NAV regime. Prior to initiating new appointments, proposals undergo internal evaluation to ensure they meet financial, operational, and customer service viability thresholds.

A comprehensive risk management framework is in place, supported by a central risk register that captures identified risks and corresponding mitigation measures. This register is subject to ongoing review and oversight by the Board.

The Board is confident that the Company's risk exposure remains within predictable and manageable parameters.

# Risk & Compliance Statement

## 1. General

Leep Networks (Water) Ltd (LNWL) is a licensed water and wastewater undertaker operating under the New Appointments and Variations (NAV) regime, pursuant to Sections 6–8 of the Water Industry Act 1991 (as amended by the Water Act 2003). As of 31 March 2025, LNWL holds 140 inset appointments—an increase of 18 over the previous 12 months.

This statement forms part of LNWL’s Annual Performance Return and has been prepared in line with Ofwat’s risk-based approach to regulation. It will be subject to review at least annually.

Given LNWL’s business model—predicated on growth through new NAV appointments—the Company’s strategic planning processes forecast future expansion and associated expenditure to ensure sufficient resources are available to support both current operations and forecast growth

## 2. Principal Activities

LNWL’s primary function is the provision of water and sewerage services, including the design, installation, and operation of network infrastructure within defined geographical areas.

The Company has considerable experience in overseeing network delivery and infrastructure operation. LNWL works in partnership with Leep Utilities to offer an integrated multi-utility proposition for customers across the property development and housebuilding sectors.

## 3. Controls

LNWL maintains robust business systems, reporting frameworks, and a management team with the requisite expertise to mitigate operational risks and enhance overall business resilience. These controls are embedded within a forward-looking, customer-centric business plan that underpins future growth.

### Commercial Controls

- A dedicated, skilled sales and marketing function capable of delivering end-to-end multi-utility services.
- Active engagement with the Regulator and wider market participants to promote competition and efficiency.
- Internal and external resourcing focused on cost driver analysis and commercial performance evaluation.

### Operational Controls

- Networks are delivered to industry standards and overseen by experienced managers across water and wastewater.
- Customer consumption is closely monitored using meter data to proactively detect potential leaks.
- Long-term cost planning (e.g. meter replacement, network maintenance) is embedded within upfront site assessments.
- Drinking Water Safety Plans are developed for each appointment, in accordance with the Water Supply (Water Quality) Regulations 2016, and supported by UKAS-accredited monitoring.
- LNWL maintains incident notification protocols with its bulk suppliers and holds contingency arrangements with Water Direct, to ensure compliance with the Security and Emergency Measures Directive.

### General Governance and Assurance

- A risk management framework is in place, anchored by a central Risk Register and subject to continuous review.
- A Water Resources Management Plan—published every five years and reviewed annually—ensures long-term service sustainability across all appointments.
- A Drought Plan outlines staged interventions (from non-essential use restrictions to Drought Orders), including customer and supplier communications protocols; this too is reviewed annually.
- LNWL actively participates in regulatory consultations and sector initiatives, allowing it to anticipate and influence relevant changes.
- The Company complies with applicable data protection legislation, with restricted access to its dedicated billing system by authorised customer service personnel only.

## 4. Statement

The Directors confirm that:

- LNWL has a full understanding of its statutory, licence, and regulatory obligations, and has taken appropriate steps to meet customer expectations;
- It has in place sufficient internal systems and processes to ensure these obligations are met; and
- It has established and maintains effective systems to identify, manage, mitigate, and periodically review its business risks.

Authorised and signed by



**Victoria Louise Manfredi**  
**Chief Executive Officer**  
**Date: 14 July 2025**

# Annual Performance Return Supplementary

## Statement on Director's Pay

As at 31 March 2025, Leep Networks (Water) Ltd (LNWL) had no direct employees. The remuneration of LNWL Directors is borne by Leep Holdings (Utilities) Ltd. No dividends were declared or paid during the reporting period.

## Group Structure & Governance

LNWL is a wholly owned subsidiary of Leep Utilities Topco (Jersey), which is 90% owned by Ancala Leep Utilities HoldCo Ltd (Jersey) and 10% owned by Peel Holdings Leep Utilities (IOM) Ltd.

Strategic oversight of LNWL is provided by the Leep Utilities Board, with operational responsibilities delegated to the Chief Executive Officer. While day-to-day management is delegated, the Board retains full accountability for strategic direction and corporate governance.

## Statement of accuracy

The Board confirms that the data contained within this Annual Performance Return is, to the best of its knowledge, complete and accurate.  
No third-party assurance or external audit has been conducted on this submission.

Authorised and signed by



**Victoria Louise Manfredi**  
**Chief Executive Officer**  
**Date: 14 July 2025**

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