

Independent Water Networks Limited (IWNL).
Statement of sufficient financial security

IWNL's Board confirms that IWNL continues to significantly exceed Ofwat's minimum requirements to maintain sufficient financial security through:

- a) Having direct access, through IWNL's equity and company guarantees, to finances equal to more than one year's annual operating costs required to supply the number of connections the business is projected to have in two years' time (at the time of the return) under all three forecast scenarios.
- b) IWNL has not required in the reported regulatory year (2020/21) to draw upon any security from its [ultimate] Parent company BUUK Infrastructure No 2 Limited (BUUK2) and BUUK2.
- c) the Appointee's [ultimate] Parent company BUUK Infrastructure No 2 Limited (BUUK2) and BUUK2 has:
 - i) the committed availability of funding to at least the level required by the Appointee.
 - ii) that such committed funding will be made available to the Appointee at market rates.
 - iii) The recruitment and retention of management resource to support the business plan.
 - iv) Adherence to licence obligations and service standards during the procurement of services.