

Anglian Water Services Limited
Licence to act as Water and sewerage undertaker
Condition I paragraph 17

**REPORT OF THE INDEPENDENT ACCOUNTANTS TO THE WATER SERVICES
REGULATION AUTHORITY (“THE REGULATOR”) AND ANGLIAN WATER SERVICES
LIMITED (“THE COMPANY”)**

We are reporting in connection with our engagement letter dated 07 July 2020, the Regulator’s Contract dated 07 July 2020 and with Condition I paragraph 17 of the Instrument of Appointment granted by the Secretary of State for the Environment of the Company as a water and sewerage undertaker under the Water Industry Act 1991 (“the Licence”), which requires the auditors of the Company to report to the Regulator. Our report is consequent upon the certificate to be given by the directors of the Company to the Regulator on the sufficiency of financial resources.

We have audited the Regulatory Accounting Statements of the Company for the year ended 31 March 2020 and have completed our report, which is dated 13 July 2020, without qualification on those accounts. The content of the Regulatory Accounting Statements is defined in that report. You should note that we have performed no audit work in respect of the Company subsequent to the date of our report. Except where so stated in our audit report, we conducted our audit in accordance with International Standards on Auditing (UK) issued by the Financial Reporting Council. These standards require, inter alia, our audit to comply with the International Standard of Auditing (UK) 570 “Going concern” (“ISA 570”). We confirm that, in accordance with ISA570, in forming our opinion as to whether the Company’s Regulatory Accounting Statements at 31 March 2020 are not misleading, we considered the Company’s ability to continue as a going concern and made the enquiries required by ISA 570 into assessing the adequacy of the means by which the directors of the Company had satisfied themselves that it was appropriate for them to adopt the going concern basis in preparing the Company’s Regulatory Accounting Statements.

We do not and will not, by virtue of this report or otherwise in connection with this engagement, assume any responsibility whether in contract, negligence or otherwise in relation to our audit of the Company’s Regulatory Accounting Statements.

Our opinion on the Regulatory Accounting Statements is separate from our opinion on the statutory accounts of the Company on which we reported on 15 June 2020, which are prepared for a different purpose. Our audit report in relation to the statutory accounts of the Company (our “Statutory Audit”) was made solely to the Company members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Statutory Audit was undertaken so that we might state to the Company’s members those matters we are required to state to them in a Statutory Auditor’s report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than Company and the Company’s members as a body, for our Statutory Audit work, for our Statutory Audit report, or for the opinions we have formed in respect of that Statutory Audit.

Respective responsibilities of the auditors and the Directors

The Directors of the Company are responsible for preparing the attached Certificate and statement (“the Statement”) of the main factors they have taken into account in giving this Certificate, dated 13 July 2020.

Our report is solely in relation to the sufficiency of financial resources and does not extend to the sufficiency of management or other resources.

For the avoidance of doubt, our audit of the statutory or Regulatory Accounting Statements is not directed towards meeting the requirements of the Company or the Regulator under the terms of Condition I paragraph 17. 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 review the Certificate for consistency with our knowledge of the Company's financial affairs gained in the course of our normal audit work. Accordingly, you should note that our review of the going concern assumption is limited to a period of one year from the date of the Regulatory Accounting Statements.

Opinion

Based solely on the above procedures, in our opinion, no matters have come to our attention during the course of our audit work that would indicate an inconsistency between the information contained in the Certificate and accompanying Statement dated 13 July 2020 (as attached) and any information which we obtained during the course of our audit work on the Regulatory Accounting Statements of the Company for the year ended 31 March 2020 in respect of financial resources.

Reporting and distribution of the report

This letter is provided to the Company and the Regulator solely for their private information under the terms of our engagement letter dated 07 July 2020. This Report is prepared solely for the confidential use of the Company and for the Regulator and solely for the purpose of compliance with Condition I paragraph 17 of the Licence. You should not without our prior written consent refer to or use our name or the report for any other purpose, refer to them in any document or make them available to any other party.

This Report may not be relied upon by any other party for any purpose whatsoever. Deloitte LLP, its partners and staff neither owe nor accept any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature, which is caused by their reliance on representations in our Report.

Deloitte LLP

Deloitte LLP

Statutory Auditors

London, United Kingdom

13 July 2020

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