



## **Limited assurance report on sufficiency of financial resources and facilities**

### **Private and Confidential**

Water Services Regulation Authority  
Office of Water Services  
Centre City Tower  
7 Hill Street  
Birmingham  
B5 4UA

cc. The Directors to Sutton and East Surrey Water plc

**14 July 2020**

### **Sutton and East Surrey Water plc (the “Company”)**

### **Sufficiency of financial resources - in accordance with Condition I of the Instrument of Appointment granted by the Secretary of State for the Environment to the Company as a water undertaker under the Water Industry Act 1991 (“Condition I”)**

#### **Introduction**

This report is produced in accordance with the terms of our agreement with the Company dated 5 May 2020.

We are reporting in connection with Condition I, which requires the auditors of the Company to report to the Water Services Regulation Authority (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 management resources, methods of planning and internal control, controls over contracts with associated companies and sufficiency of financial resources and facilities, as required by Condition I (the “Certificate”).

#### **Responsibilities of the directors**

The directors of the Company are responsible for preparing the Certificate and the accompanying statement dated 14 July 2020 of the main factors which they have taken into account in giving this Certificate (the “Statement”).

As specified in Condition I, our report is solely in relation to the Director’s consideration of the sufficiency of financial resources and facilities and does not relate to any consideration of the sufficiency of management resources, sufficiency of methods of planning and internal control or whether contracts entered into with any associated company include all necessary provisions and requirements concerning the standard of service to be supplied to the Company.

---

*PricewaterhouseCoopers LLP, The Portland Building, 25 High Street, Crawley, West Sussex, RH10 1BG  
T: +44 (0) 1293 594 500, F: +44 (0) 1293 594 501, [www.pwc.co.uk](http://www.pwc.co.uk)*

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.



## **Our responsibilities**

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the Services, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.

For the avoidance of doubt, our audit of the statutory financial statements was not directed towards meeting the requirements of the Company or yourself under the terms of Condition I. 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 was to consider whether we are aware of any inconsistencies between the Certificate and accompanying Statement, and our knowledge of the Company's financial affairs gained in the course of our normal statutory audit work.

Furthermore, we have not carried out any audit procedures on the Company since 14 July 2020, the date of our audit opinion on the statutory financial statements.

## **Conclusion**

Having read the attached Certificate and accompanying Statement dated 14 July 2020, nothing has come to our attention that would indicate an inconsistency between the information contained in the Certificate and accompanying Statement and any information which we obtained during the course of our audit work on the statutory financial statements of the Company for the year ended 31 March 2020.

## **Reporting and distribution of report**

Our report is addressed to you and copied to the directors of the Company. Its contents are solely for the use of the Company and the Regulator for the purpose of meeting the regulatory requirement for a report under Condition I, and should not be relied upon for any other purpose or disclosed to any other parties. We will not accept any liability or responsibility to any third party.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers LLP'.

PricewaterhouseCoopers LLP  
Chartered Accountants  
Gatwick  
14 July

cc. The directors, Sutton and East Surrey Water plc