

Summary of data assurance for year-ended 31 March 2020

Summary

As noted in Ofwat's IN 20/03, companies are required to provide a summary of data assurance processes and results in line with the publication of their Annual Performance Report (APR). This document provides a summary, with appropriate cross-references to other material separately published on our website in relation to our 2019-20 year-end assurance work.

1. Company Monitoring Framework (CMF) - final assurance plan

In line with Ofwat's current guidance on their CMF, we published our final 2019-20 assurance plan (Final Assurance Plan) earlier in the year on our website <https://seswater.co.uk/about-us/publications/company-monitoring-framework>. This plan was developed after internal review and external consultation based on an initial plan, and we adhered to this final assurance plan as we completed our year-end work, utilising external review to ensure quality of our plan.

2. Results of assurance work performed on non-financial data

As detailed in our Final Assurance Plan, we engaged Mott MacDonald to provide assurance over our key non-financial metrics, primarily the 2019-20 performance commitment outcomes.

The year-end assurance letter from Mott MacDonald is attached on our website <https://seswater.co.uk/about-us/publications/our-annual-performance-report> and provides a clean opinion on our reported results of our performance commitments for 2019-20. A summary of Mott MacDonald's conclusion is attached as follows:

- Tables 3A and 3S performance commitment data have been compiled appropriately.
- Any errors or omissions noted by Mott MacDonald as result of their audit were corrected.
- Recommendations were made for the performance commitments that continue into 2025 for documenting methodology further and best practise record keeping.

3. Results of assurance work performed on financial and regulatory data

In line with our Final Assurance Plan, PwC were engaged to provide assurance over the 2019-20 financial statements, and required elements of the regulatory accounts. PwC's financial and regulatory audit opinions are contained on pages 88 to 93 and 127 to 129 of the APR as published on our website. Both of these opinions were clean opinions on our reported results, with the financial opinion giving specific details of area of focus for the audit during the year.

4. Assurance on the Company's certificate of adequacy

In line with Ofwat's requirements with respect to the Company's Certificate of Adequacy (or Ring Fencing certificate), PwC performed requisite assurance work as detailed in their opinion as attached on our website <https://seswater.co.uk/about-us/publications/our-annual-performance-report>. This confirmed that the certificate was consistent with the information obtained during the course of their audit work of the statutory financial statements.

All required certificates - including the above Certificate of Adequacy and Risk and Compliance certificate - are contained in our APR and have been separately issued to Ofwat.

Throughout our year-end work, we have also utilised external experts where required to ensure the appropriate data has been included in the year-end financial and regulatory reporting, including LCP for actuarial data, EY for bad debt provision work and CEPA for regulatory PR14 reconciliation support.