

PR19 Reconciliation Assurance

Independent Assurance Report

Revision: 2.0
Anglian Water Services Ltd
PR19 Reconciliation Assurance

10 July 2025



PR19 Reconciliation Assurance

Client name: Anglian Water Services Ltd **Project no:** B2435400

Project name: PR19 Reconciliation Assurance **Project manager:** Trudy Maddock

Revision: 2.0

Date: 10 July 2025

Document history and status

Revision	Date	Description	Author	Checked	Reviewed	Approved
1.0	09/07/2025	Draft	TM	GDH	YZ	SH
2.0	10/07/2025	Final	LS	GDH	YZ	SH

Jacobs U.K. Limited

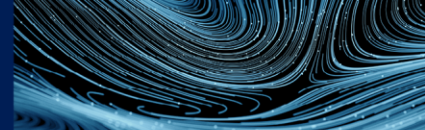
2nd Floor, Cottons Centre
Cottons Lane
London SE1 2QG
United Kingdom

www.jacobs.com

© Copyright 2025 Jacobs U.K. Limited. All rights reserved. The content and information contained in this document are the property of the Jacobs group of companies ("Jacobs Group"). Publication, distribution, or reproduction of this document in whole or in part without the written permission of Jacobs Group constitutes an infringement of copyright. Jacobs, the Jacobs logo, and all other Jacobs Group trademarks are the property of Jacobs Group.

NOTICE: This document has been prepared exclusively for the use and benefit of Jacobs Group client. Jacobs Group accepts no liability or responsibility for any use or reliance upon this document by any third party.

This assurance was completed in accordance with the ISAE 3000 (Revised) standard including following ethical and quality requirements.



Attention: Anglian Water Board

1. Introduction

This letter provides an overview of our assurance activity relating to your submission of updated PR19 blind year reconciliation information as specified in information notes IN 25/01 and IN 25/02.

2. Scope of Work and Approach

This assurance report provides the conclusions from the work specified in our Statement of Work, 'Statement of Work- Anglian PR19 Reconciliation v1' issued on 27 June 2025.

The assurance work was undertaken using a risk-based sampling approach through a series of audits conducted over Microsoft Teams.

We have completed assurance for the following reconciliation models and the Overall - Blind-Year-Adjustment (BYA) Submission:

- Totex (Cost Reconciliation-Cost Sharing) true up model
- Accelerated/Transition Programme true up model
- Land Sales true up model
- Developer services true up model
- Cost of New Debt true up model
- Strategic Regional Water Resources (SRO) true up model and the Strategic Regional Water Resources model data table template
- RPI-CPIH Wedge model
- Revenue Forecasting Incentive (RFI) model
- Retail model
- Bioresources model
- The Submission's populated data tables for these reconciliation models ie the Past delivery data table template
- RCV adjustments feeder model for BYA
- Populated revenue adjustments feeder model for BYA

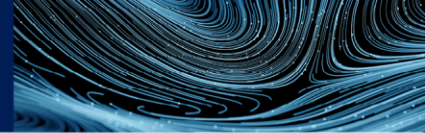
These models were also assured which were omitted from our statement of work:

- ODI performance model
- ODI Differences model
- In-period adjustment model
- C-Mex model
- D-Mex model

We traced the model and data table inputs back to their original sources: the Annual Performance Report 2025 (APR25) data tables and the Office for National Statistics (ONS) CPIH inflation figures. We also reviewed your commentary to ensure it aligned with the data presented in your reported tables and the model outputs.

We held 3 audit session via Microsoft Teams on 1st, 2nd and 3rd July. Following this, we conducted offline data checks on your tables and supporting documentation. In reviewing your figures, we examined all inputs you identified as updated from Ofwat's initial assumptions.

We provided your teams with detailed feedback that explained our assessment of the risk associated with the reported figures.



3. Assurance Standards Applied

We conducted our limited assurance in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE (UK) 3000 revised"). The Standard requires that we obtain sufficient, appropriate evidence on which to base our conclusion.

Our scope and approach are set out in Section 2. We have reviewed the methods adopted by Anglian Water to report the data in scope in accordance with the appropriate definitions, and checked that the source data supports the figures reported.

4. Summary of Key Findings

Anglian Water demonstrated a strong level of preparedness and cooperation throughout the assurance process. All requested data was provided promptly, and company representatives were able to clearly explain and validate changes to source tables, including the re-performance of key calculations such as inflation and deflation adjustments. The models reviewed were found to be completed in accordance with Ofwat's guidance with all changes appropriately highlighted to support transparency.

At the time of the audit fieldwork review, two outstanding queries remained under consideration by Ofwat relating to the Accelerated/Transition Expenditure True-Up Model and BYA data table CW12, CW17, CWW12 and CWW17. These had been raised by Anglian in a timely and structured manner. A response was received on 7 July 2025 from Ofwat on these issues (with follow-up email from Anglian to Ofwat on 8 July 2025) and the matters resolved. One error highlighted by the Anglian team in relation to the financing index assumption in the Ofwat Accelerated/Transition Expenditure True-Up model remains outstanding, however it is our expectation that this will be corrected by Ofwat, hence no further action is anticipated.

No material or non-material issues were identified during the audit process. We recommend that the company highlights the unresolved Ofwat query within its commentary at time of submission.

5. Conclusion

Based on our scope of work and the limited assurance (in accordance with ISAE3000) undertaken, we consider that:

- The reported data presented in the past performance tables is in line with Ofwat's guidance. *I.e. Ofwat's Information Notice 'IN 25/01 Expectations for the PR19 blind year reconciliation' ([Expectations-for-the-PR19-blind-year-reconciliation.pdf](#))*, Ofwat's Information Notice 'IN 25/02 Expectations for monopoly company annual performance reporting 2024-25' ([IN-25-02-Expectations-for-monopoly-company-annual-performance-reporting-2024-25.pdf](#)) and the Query process with Ofwat.
- The PR19 reconciliation models and data tables within scope have been populated correctly
- The data reported in the accompanying commentary is consistent with the outputs of the PR19 reconciliation models.

[Signature required]

Sajid Hussain

Head of Water Strategy and Regulation

Important note about your report

This document has been prepared by a division, subsidiary or affiliate of Jacobs U.K. Limited ("Jacobs") in its professional capacity as consultants in accordance with the terms and conditions of Jacobs' contract with the commissioning party (the "Client"). Regard should be had to those terms and conditions when considering and/or placing any reliance on this document. No part of this document may be copied or reproduced by any means without prior written permission from Jacobs. If you have received this document in error, please destroy all copies in your possession or control and notify Jacobs.

Any advice, opinions, or recommendations within this document (a) should be read and relied upon only in the context of the document as a whole; (b) do not, in any way, purport to include any manner of legal advice or opinion; (c) are based upon the information made available to Jacobs at the date of this document and using a sample of information since an audit is conducted during a finite period of time and with finite resources. No liability is accepted by Jacobs for any use of this document, other than for the purposes for which it was originally prepared and provided.

This document has been prepared for the exclusive use of the Client and unless otherwise agreed in writing by Jacobs, no other party may use, make use of or rely on the contents of this document. Should the Client wish to release this document to a third party, Jacobs may, at its discretion, agree to such release provided that (a) Jacobs' written agreement is obtained prior to such release; and (b) by release of the document to the third party, that third party does not acquire any rights, contractual or otherwise, whatsoever against Jacobs and Jacobs, accordingly, assume no duties, liabilities or obligations to that third party; and (c) Jacobs accepts no responsibility for any loss or damage incurred by the Client or for any conflict of Jacobs' interests arising out of the Client's release of this document to the third party.