

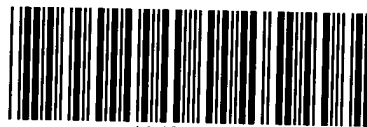
Registered no: 0258985 (England and Wales)

# **Water Projects International Limited**

Annual report and financial statements

For the year ended 31 March 2015

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# **Water Projects International Limited**

## **Director's report and financial statements for the year ended 31 March 2015**

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# **Water Projects International Limited**

## **Directors and advisors**

### **Directors**

A T Beaumont  
S N Ledger  
P Kerr

### **Registered auditor**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

### **Company Secretary and registered office**

D Hughes  
Clearwater Court  
Vastern Road  
Reading  
Berkshire  
RG1 8DB

# **Water Projects International Limited**

## **Strategic report**

The directors present their strategic report for Water Projects International Limited ("the Company") for the year ended 31 March 2015.

### **Review of business and future outlook**

The principal activity of the Company was that of contractors in the design, manufacture and installation of water and effluent treatment plants. The Company is a subsidiary company of Thames Water Limited. Following the acquisition of the Thames Water Group by Kemble Water Holdings Limited Group ("Group") in 2006, a strategic review decided to focus on the Group's operations within the United Kingdom. A programme to divest investments which are inconsistent with this Group strategy commenced in prior periods and will continue until it has been completed. As such the Company has not entered into any new international long-term contracts, therefore the Company did not trade in the year ended 31 March 2015.

### **Results and performance**

During the financial year and the prior financial year the Company did not trade, received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit and nor a loss.

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's annual report which does not form part of this report. The Group's annual report is available from the address in note 8 to the financial statements on page 13.

Approved by the Board of Directors on 4 June 2015 and signed on its behalf by:



**Stuart Ledger**  
Director

Clearwater Court  
Vastern Road  
Reading  
Berkshire RG1 8DB

4 June 2015

# **Water Projects International Limited**

## **Directors' report**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015.

### **Future outlook**

The future outlook of the Company is discussed in the strategic report.

### **Going concern**

The directors have adopted the going concern basis in preparing these financial statements having given due consideration to the net liabilities of the Company and the requirement for ongoing support from the ultimate parent company, Kemble Water Holdings Limited ("KWH"). This is based upon a review of the Group's budget, business plan and investment programme, together with the cash and committed borrowing facilities available. The Board also took into account potential contingent liabilities and other risk factors.

KWH has confirmed that it will continue to provide support to Water Projects International Limited to enable it to meet its liabilities for a period of at least twelve months from the date of signing these financial statements.

### **Dividends**

The Company has paid no dividends during the financial year (2014: £nil) and the directors do not recommend the payment of a final dividend (2014: £nil).

### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors and for the benefit of other persons who are directors of associated companies these remain in force at the date of this report.

### **Directors**

The directors who held office during the year ended 31 March 2015 and to the date of signing were:

A T Beaumont  
S N Ledger  
P Kerr

During the year under review, none of the directors had significant contracts with the Company or any other body corporate other than their contracts of service.

### **Political donations**

No political donations were made by the Company during the year (2014: £nil).

### **Adoption of future accounting standards**

FRS 100, 101 and 102 form the new framework for UK GAAP. FRS 100 sets out the application of financial reporting requirements in the UK and Republic of Ireland and FRS 101 'IFRS with reduced disclosures' outlines the reduced disclosure framework available for use by qualifying entities choosing to report under IFRS. FRS 102 is applicable in the UK and Republic of Ireland and is known as 'new UK GAAP'. The mandatory effective date for the new framework of reporting is for accounting periods beginning on or after 1 January 2015. The Company will apply FRS 101.

# **Water Projects International Limited**

## **Directors' report (continued)**

### **Financial risk management**

The Company has access to the Chief Executive and his executive team (of Thames Water Utilities Limited), who also manage the wider Kemble Water Holdings Limited Group on a day to day basis on behalf of the Directors of the individual group companies. They receive regular reports from all areas of the business. This enables prompt identification of financial and other risks so that appropriate actions can be taken in the relevant group companies.

The Company's treasury operations are managed centrally by a small specialist team, which operates with the delegated authority of, and under policies approved by, the Board of Directors of the Company's ultimate parent company, Kemble Water Holdings Limited.

The operation of the treasury function is governed by policies and procedures that set out specific guidelines for the management of interest rate risk and foreign exchange risk and the use of financial instruments. Treasury policy and procedures are incorporated within the financial control procedures of the Company.

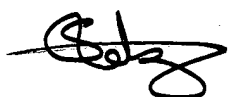
### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors on 4 June 2015 and signed on its behalf by:



**Stuart Ledger**  
Director

Clearwater Court  
Vastern Road  
Reading  
Berkshire  
RG1 8DB

# **Water Projects International Limited**

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# **Independent Auditor's Report to the Members of Water Projects International Limited**

We have audited the financial statements of Water Projects International Limited for the year ended 31 March 2015 set out on pages 8 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditor's.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **Independent Auditor's Report to the Members of Water Projects International Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



**William Meredith (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

4 June 2015

# **Water Projects International Limited**

## **Profit and loss account for the year ended 31 March 2015**

During the financial year and the prior financial year the Company did not trade, received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit and nor a loss. Therefore no Profit and loss account has been presented.

The Company has no recognised gains and losses and therefore no separate Statement of total recognised gains and losses has been presented.

The notes on pages 10 to 13 form part of these financial statements.

# Water Projects International Limited

## Balance sheet

	Note	As at 31 March 2015 £	As at 31 March 2014 £
<b>Creditors: amounts falling due within one year</b>	4	<b>(2,194,933)</b>	(2,194,933)
<b>Net liabilities</b>		<b>(2,194,933)</b>	(2,194,933)
<b>Capital and reserves</b>			
Called up share capital	5	1,000	1,000
Profit and loss account	6	(2,195,933)	(2,195,933)
<b>Total shareholder's deficit</b>	7	<b>(2,194,933)</b>	(2,194,933)

The notes on pages 10 to 13 form part of the financial statements.

The financial statements on pages 8 to 13 were approved by the board of directors on 4 June 2015 and were signed on its behalf by:



**Stuart Ledger**  
Director

Company registration number: 0258985

# Water Projects International Limited

## Notes to the financial statements

### 1 Principal accounting policies

#### Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with applicable accounting standards, and under the historical cost accounting rules.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

There have been no changes to the accounting policies from those used in the preparation of the prior period financial statements.

#### Going concern

The directors have adopted the going concern basis in preparing these financial statements having given due consideration to the net liabilities of the Company and the requirement for ongoing support from the ultimate parent company, Kemble Water Holdings Limited ("KWH"). This is based upon a review of the Group's budget, business plan and investment programme, together with the cash and committed borrowing facilities available. The Board also took into account potential contingent liabilities and other risk factors.

KWH has confirmed that it will continue to provide support to Water Projects International Limited to enable it to meet its liabilities for a period of at least twelve months from the date of signing these financial statements.

#### Summary of significant accounting policies

The following accounting policies have been applied consistently in dealing with items which the Company considered material in relation to the financial statements.

#### (a) Taxation

##### *Current taxation*

Current taxation, including UK corporation tax, is based on the taxable loss for the year and is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Taxable profit can differ from the profit on ordinary activities before tax as reported in the profit and loss account because it may exclude items of income or expense that are taxable or deductible in other years and it may further exclude items that are never taxable or deductible.

Consideration receivable or payable in respect of losses surrendered or claimed by way of Group Relief is dealt with in the profit and loss account.

# **Water Projects International Limited**

## **Notes to the financial statements (continued)**

### **1 Principal accounting policies (continued)**

#### **(a) Taxation (continued)**

##### *Deferred taxation*

Deferred taxation is recognised, without discounting, in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred taxation is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date.

#### **(b) Cash flows**

The Company has exercised exemption under FRS1 from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

#### **(c) Related party disclosures**

As the Company is a wholly owned subsidiary of Kemble Water Holdings Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with other wholly owned subsidiaries which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Kemble Water Holdings Limited, within which this Company is included, can be obtained from the address given in note 8.

#### **(d) Financial risk management**

The financial risk management of the Company is discussed in the Directors' Report on page 3.

### **2 Auditor's remuneration**

The auditor's remuneration for the year is £1,804 (borne by Thames Water Limited) (2014: £1,760 borne by Thames Water Limited). No other fees were payable to KPMG LLP in respect of the Company in this year (2014: £nil).

### **3 Staff numbers and costs**

The Company has no employees (2014: none).

The directors received no emoluments for their services as directors of the Company during the year (2014: £nil). There are no retirement benefits accruing (2014: £nil).

# Water Projects International Limited

## Notes to the financial statements (continued)

### 4 Creditors: amounts falling due within one year

	<b>As at 31 March 2015 £</b>	<b>As at 31 March 2014 £</b>
Amounts owed to group undertakings	<b>2,194,933</b>	2,194,933

Amounts owed to group undertakings include an unsecured interest free loan of £2,192,583 (2014: £2,192,583) owed to Thames Water Limited, the immediate parent company. The loan is repayable on demand, however the directors do not consider that this will be repaid within one year.

### 5 Called up share capital

	<b>As at 31 March 2015 £</b>	<b>As at 31 March 2014 £</b>
<b>Allotted, called up and fully paid</b>		
1,000 ordinary shares of £1 each	<b>1,000</b>	1,000

# Water Projects International Limited

## Notes to the financial statements (continued)

### 6 Reserves

	Profit and loss account £
Deficit at beginning and end of the year	(2,195,933)

### 7 Reconciliation of movements in shareholder's deficit

	As at 31 March 2015 £	As at 31 March 2014 £
Deficit at beginning and end of the year	(2,194,933)	(2,194,933)

### 8 Immediate and ultimate parent companies and controlling party

The immediate parent company is Thames Water Limited. Thames Water Limited owns 100% of the share capital and is a company incorporated in the United Kingdom.

The intermediate parent company is Kemble Water Finance Limited, a company incorporated in the United Kingdom, and smallest group to consolidate these financial statements.

The ultimate parent company and controlling party is Kemble Water Holdings Limited, a company incorporated in the United Kingdom and largest group to consolidate these financial statements.

Copies of the accounts of all of the above companies may be obtained from The Company Secretary's Office, Thames Water, Clearwater Court, Vastern Road, Reading, Berkshire, RG1 8DB.