

Thames Water Products Limited

Annual report and financial statements
For the year ended 31 March 2017

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Directors and advisors

Directors

D Hughes
P Kerr
Thames Water Nominees Limited

Registered auditor

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

Company Secretary and registered office

Thames Water Nominees Limited
Clearwater Court
Vastern Road
Reading
Berkshire
RG1 8DB

Strategic report

The Directors present their Strategic Report for Thames Water Products Limited ("the Company") for the year ended 31 March 2017.

Business review

The Company's principal activity is that of an intermediate holding company in the Kemble Water Holdings Limited group of companies ("the Group"), and remains unchanged from the previous year. The Group's annual report is available from the address shown in the notes to the financial statements.

The Company continues to hold investments in some of the Group's legacy companies. The investments that impact the financial position of the Company are shown in the notes to the financial statements. During the current and the preceding year, all of the immediate subsidiaries of the Company were legally dormant. The Directors have reviewed the recoverability of investments and determined that no provisions (2016: £nil) are required to appropriately reflect the recoverable values.

Following a strategic review by the Group in a previous period it was determined to focus primarily on the Group's operations within the United Kingdom. A programme to divest those investments which were considered to be inconsistent with this strategy commenced in a previous financial year and will continue into the following financial year. The Company is part of this divestment programme and as a consequence of pursuing this strategy the Company has not traded in either the current or preceding financial year. It is also not currently anticipated that the Company will either commence trading or acquire any new investments for the foreseeable future.

In the previous year, the Company received £17,000 which relates to amounts recovered from trade receivables that had been previously written off. In the current year, no such amounts were received. The Directors consider that the winding up of the Company cannot commence until all subsidiary entities have been divested and the final outcome all outstanding amounts arising from historic trading has been determined, which is not anticipated to be in the next financial year. Consequently, despite the Company being part of the Group's divestment programme, the Directors have considered it appropriate to prepare these financial statements on a going concern basis.

Results and performance

The Directors have determined that the result before tax and the net assets or liabilities are the most appropriate key performance indicators for an understanding of the development, performance and position of the Company. For the year ended 31 March 2017, the Company has not traded and subsequently has made neither a profit nor loss in the year (2016: profit of £12,000). At 31 March 2017, the Company had net liabilities of £22.0 million (2016: £22.0 million). Notwithstanding the net liabilities position of the Company this performance is in line with expectations. The Company's ultimate parent company, Kemble Water Holdings Limited, has confirmed that it will continue to provide support to the Company to enable it to meet its liabilities as they fall due and consequently the Directors have no concerns regarding the performance or position of the Company.

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. The principal risks of the Group are disclosed in the financial statements of the ultimate controlling parent Kemble Water Holdings Limited ("KWH") Group. 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 shown in the notes to the financial statements.

Based on the nature of the Company and its lack of any trading or financing operations, the Company is not deemed to be exposed to any significant risks or uncertainties.

Strategic report (continued)

Future outlook

The Company is expected to continue to act as an intermediate holding company within the Group. In line with the Kemble Water Holdings Limited Group strategy, it is not anticipated that the Company will trade in the future.

This Strategic Report was approved by the Board of Directors on 13 June 2017 and signed on its behalf by:



Paul Kerr
Director

Clearwater Court
Vastern Road
Reading
Berkshire
RG1 8DB

Directors' report

The Directors present their annual report and the audited financial statements of Thames Water Products Limited for the year ended 31 March 2017. The Directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's performance and strategy.

The registered number of the Company is 2249185 (England & Wales).

Future outlook

The future outlook of the Company is discussed in the Strategic Report.

Dividends

The Company has paid no dividends during both the current and preceding financial year and the Directors do not recommend the payment of a final dividend (2016: £nil).

Financial risk management

The Company has access to the Chief Executive and the Executive Team of Thames Water Utilities Limited, who also manage the wider Kemble Water Holdings Group on a day-to-day basis on behalf of the Directors of individual group companies.

The Group's treasury operations are managed centrally by a 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.

Directors

The Directors who held office during the year ended 31 March 2017 and to the date of this report were:

D Hughes	(appointed 6 April 2016)
P Kerr	
Thames Water Nominees Limited	
W Blackburn	(resigned 6 April 2016)

During the year under review, none of the Directors had any contracts with the Company or any other body corporate other than their contracts of service (2016: none).

Political and charitable donations

No political or charitable donations were made by the Company during the year (2016: £nil).

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 they ought to have taken as Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors (which extend to the performance of any duties as Director of any associated company) and these remain in force at the date of this report.

Directors' report (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Company is in a net liabilities position at the year end and consequently the Company's ultimate parent, Kemble Water Holdings Limited, has agreed to support the Company for a period of at least 12 months from the date of these financial statements.

The Directors have reviewed the Group's financial forecasts for the forthcoming financial year, considered the Group's compliance with its covenants and the cash, current asset investments and available borrowing facilities available at 31 March 2017 in making their assessment of the Group's going concern.

The Directors believe, after due and careful enquiry, and taking into account the support of the ultimate parent company, that the Company has sufficient resources for its present requirements and is able to meet its liabilities as they fall due for the foreseeable future. For these purposes the foreseeable future is taken to mean a period of at least 12 months from the date of approval of these financial statements. On this basis the Directors consider it appropriate to prepare the financial statements on a going concern basis.

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 13 June 2017 and signed on its behalf by:



Paul Kerr
Director

Clearwater Court
Vastern Road
Reading
Berkshire
RG1 8DB

Statement of Directors' responsibilities in respect of the annual report and financial statements

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

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 judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, 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 Thames Water Products Limited

We have audited the financial statements of Thames Water Products Limited for the year ended 31 March 2017 set out on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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 7, 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 Ethical Standards for Auditors.

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.

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 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.



Robert Brent (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
13 June 2017

Income Statement

For the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Other operating income	1	-	17
Operating profit		-	17
Taxation on profit on ordinary activities	4	(1)	(5)
(Loss)/profit for the year		(1)	12

The accounting policies and notes on pages 12 to 19 are an integral part of these financial statements.

The Company has no recognised gains or losses other than the items set out above and therefore no separate statement of comprehensive income has been presented.

Statement of financial position

As at 31 March 2017

	Note	2017 £'000	2016 £'000
Non-current assets			
Investment in subsidiaries	5	21,477	21,477
Trade and other receivables	6	159	159
Deferred tax assets	9	15	15
		21,651	21,651
Current assets			
Cash and cash equivalents		502	506
Current liabilities			
Trade and other payables	7	(1)	(4)
Net current assets		501	502
Non-current liabilities			
Borrowings	8	(44,177)	(44,177)
Net liabilities		(22,025)	(22,024)
Equity			
Share capital	10	5,000	5,000
Retained losses		(27,025)	(27,024)
Total deficit		(22,025)	(22,024)

The accounting policies and notes on pages 12 to 19 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on ¹³ June 2017 and signed on its behalf by:



Paul Kerr
Director

Registered number: 2249185 (England & Wales)

Statement of changes in equity

For the year ended 31 March 2017

	Share Capital £'000	Retained losses £'000	Total Equity £'000
At 1 April 2015	5,000	(27,036)	(22,036)
Profit for the year	-	12	12
At 31 March 2016	5,000	(27,024)	(22,024)
Loss for the year	-	(1)	(1)
As at 31 March 2017	5,000	(27,025)	(22,025)

The accounting policies and notes on pages 12 to 19 are an integral part of these financial statements.

Accounting policies

The following accounting policies have been adopted in the preparation of these financial statements. They have been applied consistently in dealing with items which are considered material.

General information

Thames Water Products Limited ("the Company") is a company incorporated in England & Wales and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is Clearwater Court, Vastern Road, Reading, RG1 8DB. The Company's principal activity is that of an intermediate holding company holding investments in some of the Group's legacy companies, and remains unchanged from the previous year.

Basis of Preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 and on a going concern basis

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the European Union ("EU adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by FRS 101, the Company has taken advantage of the following exemptions:

- IFRS 7 *Financial instruments: Disclosures*
- Paragraphs 91 to 99 of IFRS 13 *Fair value measurement* (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1 *Presentation of financial statements* comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1 (reconciliations between the carrying amount at the beginning and end of the period)
 - 10(d) (statement of cash flows)
- The following paragraphs of IAS 1 *Presentation of financial statements*:
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7 *Statement of cash flows*
- Paragraph 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24 *Related party disclosures* (key management compensation)
- The requirements in IAS 24 *Related party disclosures* to disclose related party transactions entered into between two or more members of a group.

Accounting policies (continued)

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.

The Company's ultimate parent undertaking, Kemble Water Holdings Limited ("KWH") includes the Company in its consolidated financial statements. The address of the registered office of KWH is Clearwater Court, Vastern Road, Reading, Berkshire, RG1 8DB. The consolidated financial statements of KWH are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU adopted IFRSs") and are available to the public and may be obtained from The Company Secretary's Office at this address.

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").

KWH has confirmed that it will provide support to Thames Water Products Limited to enable it to meet its liabilities as they fall due for a period of at least twelve months from the date of signing of these financial statements. The Directors of the Company have considered it appropriate to place reliance on this support, 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 in making their assessment.

The Directors believe, after due and careful enquiry, and taking into account the support of the ultimate parent company, that the Company has sufficient financial resources for its present requirements and is able to meet its liabilities as they fall due for the foreseeable future. For these purposes the foreseeable future is taken to mean a period of at least twelve months from the date of approval of these financial statements. On this basis the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Non-current asset investment in subsidiary entities

Investments in subsidiary undertakings are stated at cost, less any provision for impairment. Reviews for impairment are performed annually.

Non-derivative financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits and other short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Such investments are normally those with less than three months maturity from the date of acquisition and include cash and bank balances and investments in liquid funds.

Trade and other receivables

Trade and other receivables are measured at fair value on initial recognition. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If there is objective evidence that the asset is impaired it is written down to its recoverable amount and the irrecoverable amount is recognised as an expense within operating costs. Debt is only written off after all available economic options for collecting the debt have been exhausted and the debt has been deemed to be uncollectable. This may be because the debt is considered to be impossible, impractical, inefficient or uneconomic to collect, and is assessed by management on a case-by-case basis.

Accounting policies (continued)

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment of financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each financial reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset and can be measured reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment is reversed through the income statement.

Trade receivables that are assessed not to be impaired individually are assessed collectively for impairment by reference to the Company's historical collection experience for receivables of a similar age.

De-recognition of financial instruments

A financial asset is de-recognised when the rights to receive cash flows from the asset have expired.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the statement of comprehensive income.

Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous periods.

Taxable profit differs from the profit on ordinary activities before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods. This includes the effect of tax allowances and further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax is measured on a non-discounted basis using tax rates enacted or substantively enacted at the balance sheet date and that are expected to apply in the period when the deferred tax asset is realised or the deferred tax liability is settled.

Accounting policies (continued)

Deferred tax liabilities are generally recognised for all taxable temporary difference and deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Significant accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, the Company is required to make certain judgements, estimates and assumptions that it believes are reasonable based on available information. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date used in preparing these financial statements are as follows:

Impairment of investments in subsidiaries

Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value-in-use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Notes to the financial statements

1. Other operating income

	2017 £'000	2016 £'000
Total	-	17

Other operating income consists of trade receivable amounts recovered in respect of prior periods, which were previously written off.

2. Auditor's remuneration

The auditor's remuneration of £3,500 (2016: £1,820) was borne by Thames Water Limited in both the current and preceding financial year. No other fees were payable to KPMG LLP in respect of this Company during the year (2016: £nil).

3. Employees and Directors

The Company had no employees during the year (2016: none).

The Directors received no remuneration in respect of their services to the Company, as none were qualifying services, in both the current and preceding financial year. There were no retirement benefits accruing in either the current or preceding financial year.

4. Taxation

	2017 £'000	2016 £'000
Current tax		
Amounts payable in respect of group relief	-	3
Deferred tax:		
Effects of: Change in tax rate on deferred tax balances	1	2
Tax on profit on ordinary activities	1	5

The tax charge for the year ended 31 March 2017 is higher (2016: higher) than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	-	17
Current tax at 20% (2016: 20%)	-	3
Effects of:		
Change in tax rate on deferred tax balances	1	2
Total tax charge	1	5

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

Notes to the financial statements (continued)

4. Taxation (continued)

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 March 2017 has been calculated based on these rates.

5. Investment in subsidiaries

	2017 £'000	2016 £'000
At 1 April and 31 March	21,477	21,477

At 31 March 2017 the Company held the following principle interests, all of which are either wholly or jointly owned either directly or indirectly through its subsidiary investments.

	Principal undertaking	Country of incorporation	Proportion of voting rights and shares held	Class of shares held
Direct				
Memtech (UK) Limited	Dormant	England & Wales	100%	Ordinary
T M Products Limited	Dormant	England & Wales	100%	Ordinary
Thames Water Products SH Limited	Dormant	England & Wales	100%	Ordinary
Thames Water Products UPE Limited	Dormant	England & Wales	100%	Ordinary
Indirect				
Coplastix Limited	Dormant	England & Wales	100%	Ordinary
Stockdale Filtration Systems Limited	Dormant	England & Wales	100%	Ordinary
Haymills Engineering Limited	Dormant	England & Wales	100%	Ordinary/ Pref
Thames Water Products Castings Limited	Dormant	England & Wales	100%	Ordinary
Thames Water Products Coatings Limited	Dormant	England & Wales	100%	Ordinary
Thames Water Products SGE Limited	Dormant	England & Wales	100%	Ordinary
Thames Water Products UPEI Limited	Dormant	England & Wales	100%	Ordinary

The address of the registered office of all the above companies is Clearwater Court, Vastern Road, Reading, Berkshire, RG1 8DB.

6. Trade and other receivables

	2017 £'000	2016 £'000
Amounts owed by group undertakings	159	159

Amounts owed by group undertakings relate to an intercompany debtor from PCI Membrane Systems Limited (2016: £159,000). The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Notes to the financial statements (continued)

7. Trade and other payables

	2017 £'000	2016 £'000
Group relief payable	-	3
Other creditors	1	1
Total	1	4

8. Borrowings

	2017 £'000	2016 £'000
Amounts owed to group undertakings	44,177	44,177
Total	44,177	44,177

Amounts owed to group undertakings relate to an unsecured, interest free loan from other Group companies, which are repayable on demand but by no later than 30 August 2037 (2016: £44,177,000).

9. Deferred tax

An analysis of movements in deferred tax recognised by the Company is set out below:

	2017 £'000	2016 £'000
At 1 April	15	17
Movement in the year	-	(2)
At 31 March	15	15

10. Called up share capital

	2017 £'000	2016 £'000
<i>Allotted, called up and fully paid:</i>		
5,000,000 ordinary shares of £1 each (2015: £1)	5,000	5,000

The Company has one class of ordinary share which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

11. Related parties

As the Company is a wholly owned subsidiary of Thames Water Limited, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with other wholly owned subsidiaries which form part of the group. The consolidated financial statements of Kemble Water Holdings Limited, within which this Company is included, can be obtained from the address in note 12.

Notes to the financial statements (continued)

12. Ultimate parent company and parent company of larger group

The immediate parent company of Thames Water Products Limited is Thames Water Limited, a company incorporated in the United Kingdom and holds 4,999,999 ordinary shares. The remaining one share is held by Thames Water Overseas Limited.

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

The Directors consider the ultimate parent company and controlling party to be Kemble Water Holdings ("KWH") Limited, a company incorporated in the United Kingdom and largest group to consolidate these financial statements. The address of the registered office of KWH is Clearwater Court, Vastern Road, Reading, Berkshire, RG1 8DB. Copies of the accounts of all of the above companies may be obtained from The Company Secretary's Office at this address.