

Registered no: 2249185 (England & Wales)

**Thames Water Products Limited**  
Annual report and financial statements  
For the year ended 31 March 2015

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# **Thames Water Products Limited**

## **Annual report and financial statements for the year ended 31 March 2015**

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# **Thames Water Products Limited**

## **Directors and advisors**

### **Directors**

W N Blackburn  
Thames Water Nominees Limited  
P Kerr

### **Registered auditor**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

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

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

# Thames Water Products Limited

## Strategic report

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

### Review of business

The Company's principal activity is that of an intermediate holding company in the Kemble Water Holdings Limited group of companies ("the Group").

During the year the Company continued to hold investments in some of the Group's legacy companies. The investments that impact the financial position of the Company are shown in note 5 on page 12.

*During the year and the previous year, all of the immediate subsidiaries of the Company were dormant.*

### Results and performance

The profit and loss account for the year is set out on page 8. The Company has not traded during the current financial year or the previous financial year.

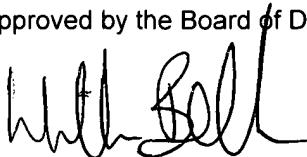
### Principal risks and uncertainties

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 12 to these financial statements on page 14.

### Future outlook

In line with the current Kemble Water Holdings Limited Group strategy, it is not anticipated that the Company will recommence trading in the foreseeable future.

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



**W N Blackburn**

Director

Clearwater Court  
Vastern Road  
Reading  
Berkshire RG1 8DB

# **Thames Water Products Limited**

## **Directors' report**

The directors present their report and the audited financial statements of Thames Water Products Limited for the year ended 31 March 2015.

The registered number of the Company is 2249185.

### **Future outlook**

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

### **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 (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**

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

W N Blackburn  
Thames Water Nominees Limited  
P Kerr

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.

### **Political donations**

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

### **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 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.

# Thames Water Products Limited

## Directors' report (continued)

### Disclosure of information to auditor

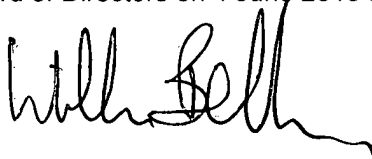
The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and they have taken all the steps that they ought to have taken as directors to make themselves aware 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:

**W N Blackburn**  
Director



Clearwater Court  
Vastern Road  
Reading  
Berkshire  
RG1 8DB

## **Thames Water Products 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 the 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 its 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 2015 set out on pages 8 to 14. 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 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](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 Thames Water Products 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 by the Company, 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 or 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

# Thames Water Products Limited

## Profit and loss account

		<b>Year ended 31 March 2015 £'000</b>	<b>Year ended 31 March 2014 £'000</b>
	<b>Note</b>		
<b>Operating profit</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>Tax on profit on ordinary activities</b>	<b>4</b>	<b>-</b>	<b>(2)</b>
<b>Loss for the year</b>	<b>10</b>	<b>-</b>	<b>(2)</b>

All amounts relate to discontinued activities.

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

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

The notes on pages 10 to 14 are an integral part of the financial statements.

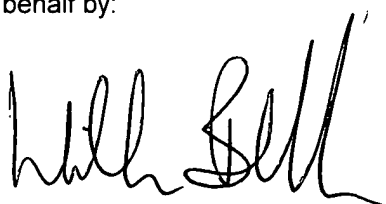
# Thames Water Products Limited

## Balance sheet

	Note	As at 31 March 2015 £'000	As at 31 March 2014 £'000
<b>Fixed assets</b>			
Investments	5	21,477	21,477
<b>Current assets</b>			
Debtors	6	176	176
Cash at bank and in hand		489	489
		665	665
<b>Creditors: amounts falling due within one year</b>	7	(44,178)	(44,178)
<b>Net current liabilities</b>		(43,513)	(43,513)
<b>Net liabilities</b>		(22,036)	(22,036)
<b>Capital and reserves</b>			
Called up share capital	9	5,000	5,000
Profit and loss account	10	(27,036)	(27,036)
<b>Shareholder's deficit</b>	11	(22,036)	(22,036)

The notes on pages 10 to 14 are an integral part of these financial statements.

The financial statements on pages 8 to 14 were approved by the directors on 4 June 2015 and signed on its behalf by:



**W N Blackburn**  
Director

Company registration number 2249185

# Thames Water Products Limited

## Notes to the financial statements

### 1 Principal 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. There have been no changes to the accounting policies from those used in the prior period financial statements.

#### **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 has not prepared consolidated Group financial statements, as permitted under section 400 of the Companies Act 2006. The Company and its subsidiaries are included in the consolidated accounts of its ultimate parent company Kemble Water Holdings Limited ("KWH"), a company registered in the United Kingdom.

#### **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, KWH. This is based upon a review of the Company's budget, the Group's budget and strategic plan, together with the cash and committed borrowing facilities available to both the Company and the Group. The Board also took into account potential contingent liabilities and other risk factors. KWH has confirmed that it will continue to provide support to the Company 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**

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

Current tax is based on the taxable profit for the period 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 differs from the profit/loss before tax as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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.

##### *Deferred taxation*

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

Deferred taxation is measured on a non-discounted basis.

# Thames Water Products Limited

## Notes to the financial statements (continued)

### 1 Principal accounting policies (continued)

#### (b) Investments

Investments held as fixed assets are stated at cost less provisions for impairment in value.

#### (c) Cash flow

The Company has exercised exemption contained within 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.

#### (d) Cash

Cash includes cash at bank and in hand, deposits, and other short-term highly liquid investments which are readily convertible on initial investment into known amounts of cash at any time without penalty or if a maturity or period of notice of not more than 24 hours or one working day has been agreed.

#### (e) 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 12.

#### (f) Financial risk management

The policy relating to financial risk management is referred to in the directors' report on page 3.

### 2 Operating profit

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 during the year of the Company (2014: £nil). There are no retirement benefits accruing (2014: £nil).

### 4 Taxation on profit on ordinary activities

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Deferred tax: Timing differences	-	(2)
Tax on profit on ordinary activities	-	(2)

# Thames Water Products Limited

## Notes to the financial statements (continued)

### 4 Taxation on profit on ordinary activities (continued)

#### Factors affecting the future tax charge

A reduction in the UK corporation tax rate from 21% to 20%, effective from 1 April 2015, was substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

### 5 Fixed asset investments

	Investments in group undertakings £'000
Cost at the beginning and end of the year	21,477

#### Interests in group undertakings

	Year end	% owner- ship	Country of incorporation	Description of shares held	Nature of business
Thames Water Products SH Limited	31 March	100	England & Wales	Ordinary £1	Dormant
TM Products Limited	31 March	100	England & Wales	Ordinary £1	Dormant
Thames Water Products UPE Limited	31 March	100	England & Wales	Ordinary £1	Dormant
Memtech (UK) Limited	31 March	100	England & Wales	Ordinary £1	Dormant

In accordance with section 410 of the Companies Act 2006, information is given only with respect to such undertakings whose financial position principally affect the figures of the Company. A full list of subsidiary undertakings will be filed at Companies House with the Company's annual return.

### 6 Debtors: Amounts falling due within one year

	As at 31 March 2015 £'000	As at 31 March 2014 £'000
Amounts receivable from group undertakings	159	159
Deferred tax (note 8)	17	17
	176	176

Amounts receivable from group undertakings are unsecured, interest free and repayable on demand.

# Thames Water Products Limited

## Notes to the financial statements (continued)

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

	As at 31 March 2015 £'000	As at 31 March 2014 £'000
Accruals and deferred income	1	1
Amounts owed to group undertakings	44,177	44,177
	<b>44,178</b>	<b>44,178</b>

Amounts owed to group undertakings relate to an unsecured, interest free loan from T M Products Limited, which is repayable on demand.

### 8 Deferred taxation

#### Deferred tax movement

	£'000
Asset brought forward at the start of the year	17
Movement in year	-
<b>Asset carried forward at the end of the year</b>	<b>17</b>

The deferred tax asset is included in debtors (note 6). The elements of deferred tax recognised were as follows:

	As at 31 March 2015 £'000	As at 31 March 2014 £'000
Other timing differences	17	17

### 9 Share capital

	As at 31 March 2015 £'000	As at 31 March 2014 £'000
<b>Allotted, called up and fully paid</b>		
5,000,000 ordinary shares of £1 each	5,000	5,000

### 10 Reserves

	As at 31 March 2015 £'000	As at 31 March 2014 £'000
<b>Profit and loss account</b>		
At beginning of year	(27,036)	(27,034)
Loss for the year	-	(2)
<b>At the end of the year</b>	<b>(27,036)</b>	<b>(27,036)</b>

# Thames Water Products Limited

## Notes to the financial statements (continued)

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

	As at 31 March 2015 £'000	As at 31 March 2014 £'000
Opening shareholder's deficit	(22,036)	(22,034)
Loss for the year	-	(2)
<b>Closing shareholder's deficit</b>	<b>(22,036)</b>	<b>(22,036)</b>

### 12 Immediate and ultimate parent company and controlling party

The immediate parent company is Thames Water Limited, a company incorporated in the United Kingdom.

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

The intermediate parent company is Kemble Water Finance Limited, a company incorporated in the United Kingdom, and the smallest 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.