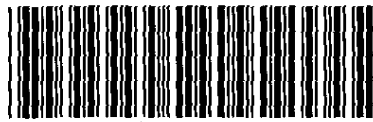


Registered no: 02249185 (England & Wales)

Thames Water Products Limited

Annual report and financial statements
For the year ended 31 March 2022

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Directors and advisors

Directors

I Dearnley

Company Secretary and registered office

B Swiergon
Clearwater Court
Vastern Road
Reading
Berkshire
RG1 8DB

Directors' Report

The Director presents their annual report and the unaudited financial statements of Thames Water Products Limited ("the Company") for the year ended 31 March 2022. The Director considers 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 Directors have exercised exemption from audit under section 479A-479C of the Companies Act 2006 from the requirements that the parent of the subsidiary Company includes the Company within the consolidated accounts for the year and provides a guarantee under section 479C in respect of the financial period.

The registered number of the Company is 02249185 (England & Wales).

Directors

The Directors who held office during the year ended 31 March 2022 and to the date of this report were:

D Hughes (resigned 28 May 2022)
I Dearnley (appointed 28 May 2022)

Review of business

The Company has not traded during the current or preceding financial year. During these years the Company has received no income and incurred no expenditure, and consequently has made neither profit nor loss in either year. Consequently, the Directors have determined that the net assets or liabilities are the most appropriate key performance indicator of an understanding of the development and position of the Company. As at 31 March 2022 the Company had net liabilities of £22.1 million (2021: £22.1 million) which is in line with expectations. On this basis, the Directors have no concerns regarding the performance or position of the Company.

Future outlook

The Company has had no trading activity in the current financial year and preceding financial year. It is not currently anticipated that the Company will trade in the future.

Dividends

The Company has paid no dividends during either the current or preceding financial year and the Directors do not recommend payment of a final dividend (2021: £nil).

Financial risk management

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.

Directors' Report (continued)

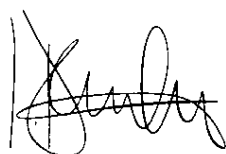
Political and charitable donations

No political or charitable donations were made by the Company during the year (2021: £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.

Approved by the Board of Directors on 5 July 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'I Dearnley', written over a horizontal line.

I Dearnley
Director
Clearwater Court
Vastern Road
Reading
Berkshire
RG1 8DB

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

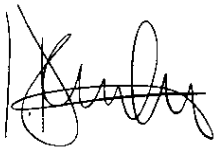
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.



I Dearnley
Director
Clearwater Court
Vastern Road
Reading
Berkshire
RG1 8DB

5 July 2022

Income statement

For the year ended 31 March

During the current and preceding financial year, the Company did not trade, received no income and incurred no expenditure. Consequently, during these years the Company made neither a profit nor a loss, therefore, no income statement has been presented.

The Company has no recognised gains or losses in either year, therefore no separate statement of comprehensive income has been presented.

Statement of financial position

As at 31 March

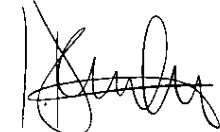
	Note	2022 £'000	2021 £'000
Non-current assets			
Trade and other receivables	2	-	159
		-	159
Current assets			
Cash and cash equivalents		662	503
		662	503
Current liabilities			
Trade and other payables - amounts due within one year	3	(1)	(1)
Net current assets		661	502
Total assets less current liabilities		661	661
Trade and other payables – amounts falling due after more than one year	3	(22,734)	(22,734)
Net liabilities		(22,073)	(22,073)
Equity			
Called up share capital	4	5,000	5,000
Accumulated losses		(27,073)	(27,073)
Total shareholders' funds		(22,073)	(22,073)

For the year ended 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors on 5 July 2022 and signed on its behalf by:



I Dearnley
Director

Registered number: 02249185 (England & Wales)

Statement of changes in equity

For the year ended 31 March

	Called up share capital £'000	Accumulated losses £'000	Total Shareholders' funds £'000
At 1 April 2020	5,000	(27,073)	(22,073)
Result for the financial year	-	-	-
At 31 March 2021	5,000	(27,073)	(22,073)
Result for the financial year	-	-	-
As at 31 March 2022	5,000	(27,073)	(22,073)

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, except as noted below:

General information

Thames Water Products Limited ("the Company") is a private limited company incorporated in England & Wales and domiciled in the United Kingdom under the Companies Act 2006. The trading address and address of the registered office is Clearwater Court, Vastern Road, Reading, RG1 8DB.

Basis of Preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted International Accounting Standards in its financial statements on 1 April 2021. This change does not constitute a change in accounting policy but rather a change in framework which is required to ground the use of IFRS in company law. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

These financial statements have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the UK Endorsement Board. This change in basis of preparation is required by UK company law for the purposes of financial reporting as a result of the UK's exit from the EU on 31 January 2020 and cessation of the transition period on 31 December 2020.

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 as modified by the revaluation of certain financial assets and liabilities at fair value, 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), and
- The following paragraphs of IAS 1 *Presentation of financial statements*:
 - 10(d) (statement of cash flows).
 - 16 (statement of compliance with all IFRS),
 - 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).

Accounting policies (continued)

Basis of preparation (continued)

- The requirements in IAS 24 *Related party disclosures* to disclose related party transactions entered into between two or more members of a 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 UK Endorsement Board and are available to the public and may be obtained The Company Secretary's Office at this address.

Going Concern

The Directors have adopted the going concern basis in preparing these financial statements 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 Group.

Management has assessed the impact of the ongoing Covid-19 pandemic and wider uncertain economic environment to the financial position of the Company and has concluded that at present it is not expected to affect the Company's ability to continue as a going concern for a period of at least 12 months from the signing of these financial statements.

New standards and amendments

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2022 that have had a material impact on the company's financial statements.

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, and trade and other payables.

Trade and other receivables

Trade and other receivables are comprised of amounts owed by group undertakings. Trade and other receivables are recognised initially at fair value and subsequently 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

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.

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.

Accounting policies (continued)

New standards and amendments

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2022 that have had a material impact on the company's financial statements.

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.

Impairment of financial assets (including receivables)

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. There is an annual impairment review for intercompany receivables which assesses the ability of the entity to pay them based on their net assets position.

Dividends

Dividends unpaid at the financial reporting date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. This occurs when the shareholders right to receive the payment has been established. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Dividend income is recognised when there is a legal right to receive payment.

Significant accounting judgements and key sources of estimation uncertainty

The Directors do not consider there to be any critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the current and future financial statements of the Company.

Notes to the financial statements

1. Employees and Directors

Employees

The Company had no employees during the year (2021: none).

Directors

No emoluments were paid in respect of their roles as Directors of the Company (2021: £nil) and there are no retirement benefits accruing in either year. Aggregate emoluments for the Group are disclosed in the financial statements of the ultimate parent company.

2. Trade and other receivables

	2022 £'000	2021 £'000
Amounts owed by group undertakings	-	159

Amounts in the prior year owed by group undertakings related to an intercompany debtor from Thames Water Limited.

3. Trade and other payables

	2022 £'000	2021 £'000
Amounts owed to group undertakings	22,734	22,734
Other payables	1	1
Total	22,735	22,735

Amounts falling due after more than one year	22,734	22,734
Amounts falling due within one year	1	1

Amounts owed to group undertakings

	2021 £m	2020 £m
Thames Water Limited	22,734	22,734
Total	22,734	22,734

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.

While the loans are repayable on demand, the Director does not anticipate any repayment of the principal within 12 months.

Notes to the financial statements (continued)

4. Called up share capital

	2022 £'000	2021 £'000
<i>Allotted, called up and fully paid:</i>		
5,000,000 (2021: 5,000,000) ordinary shares of £1 each	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.

5. Related parties

The related parties of the Company are the parent and other subsidiary entities forming part of the Kemble Water Holdings Limited group of companies. During both the current financial year the Company has not traded and has received no income and incurred no expenditure. Consequently, there has been no services provided to or by the Company during the year with entities that are related to it.

Amounts outstanding at the balance sheet date with entities that are related to the Company represent intercompany loan balances which have been disclosed separately in the notes to these financial statements. The amounts outstanding are unsecured and will be settled in a form other than cash. No guarantees have been given or received and no provisions have been made for doubtful debts in respect of amounts owed by related parties.

6. 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, which owns 100% of the issued share capital of the Company.

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

The Director considers 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 address of the registered office of both Kemble Water Finance Limited and Kemble Water Holdings Limited is Clearwater Court, Vastern Road, Reading, Berkshire, RG1 8DB. Copies of the financial statements of all of the above companies may be obtained from The Company Secretary's Office at this address.