

## **Kemble Water Eurobond Plc**

Annual report and financial statements  
For the year ended 31 March 2020

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## **Directors and advisors**

### **Directors**

M McNicholas  
S Deeley  
J Divoky  
G Lambert  
A Hall  
P Noble  
G Pestrak  
F Sheng  
M Bloch-Hansen  
C Pham  
I Grund  
P McCosker  
H De Run  
M Wang  
G Tucker  
Y Deng

### **Independent auditors**

PricewaterhouseCoopers LLP  
3 Forbury Place  
23 Forbury Road  
Reading  
RG1 3JH

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

D Hughes  
S Billett  
Clearwater Court  
Vastern Road  
Reading  
Berkshire  
RG1 8DB

## Strategic Report

The Directors present their Strategic Report for Kemble Water Eurobond Plc ("the Company") for the year ended 31 March 2020.

### Business review

The principal activity of the Company, to make certain financing arrangements on behalf of, and to act as an intermediate holding company within the Kemble Water Holdings Limited group of companies ("the Group"), remains unchanged from the previous year. The Group's principal activity is the appointed supply of water and wastewater services to customers in the London, Thames Valley and surrounding area, delivered through its wholly owned subsidiary Thames Water Utilities Limited ("TWUL") in accordance with TWUL's licence of appointment.

The Directors have reviewed the expected recoverable value of the Company's non-current asset investments and intercompany loan receivables owed by its subsidiary entities. Management have assessed the impairment of these assets and have concluded that no impairment is required (2019: £1,753.0 million). In addition to this in the current year, an impairment with respect to amounts receivable from Thames Water Commercial Ventures Holdings Limited of £0.4 million (2019: £0.4 million) was recognised. No other loan receivable or investment balances are considered by the Directors to be impaired below their carrying value.

In addition to its role as an intermediate holding company, the Company has loans both with other companies within the Group as well as externally with the shareholders of its parent company, Kemble Water Holdings Limited, on which interest has been charged at pre-agreed rates. With the agreement of the immediate parent's shareholders, the Directors have elected to defer some interest payments charged on the 2021 £310.4 million loan notes to a future period. The interest payable on the loan notes has increased to £141.1 million (2019: £95.2 million) at 31 March 2020 as the Company made no interest payment during the year (2019: £nil).

### Key performance indicators

The Directors have determined that the profit or loss 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 2020 the Company made a profit before tax of £193.8 million (2019: loss before tax of £237.2million). The variance has been primarily driven by the reversal of the impairment losses recognised in the prior year on the Company's intercompany interest receivable balance with Kemble Water Finance Limited due to the settling of historic intercompany balances.

As at 31 March 2020, the Company had net liabilities of £2,465.7 million (2019: £2,631.8 million). This is in line with expectations, and the Directors have no concerns regarding the performance or position of the Company.

### Principal risks and uncertainties

The Company's operations specifically expose it to a variety of financial risks that include credit and liquidity risk as follows:

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's intercompany receivable balances. Credit control policies and procedures are in place to minimise the risk of bad debt arising from trade receivables including, where appropriate, a review of the credit ratings of counterparty intercompany entities and any letters of support they may receive from the Group.

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

#### (ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due and arises principally on interest repayments on the Company's external borrowing arrangements. The Company has an agreement with the counterparties, whereby the interest on the £310.4 million loan can be deferred if the Directors consider that there are insufficient available cash flows. All other loan agreements are with other companies within the Group. The Company has received a letter of support from its immediate, and ultimate, parent company, Kemble Water Holdings Limited, confirming that it will provide support as necessary to enable it to meet its liabilities as they fall due for at least a period of twelve months from the signing of these financial statements. The Directors are satisfied to place reliance on this support based on a review of the Group's budget and business plan, as well as consideration given that all borrowings are to other intercompany entities.

An assessment has been made regarding the loan notes issued by the Company to the shareholders of KWH. Whilst the loan notes matures on 31 March 2021, the Directors of the Company have obtained confirmation that the holders of the loan notes, who are also the shareholders of KWH, will not seek enforcement of their claim which would result in winding up of the Company if the loan note is not repaid.

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 specific 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. The treasury policies and procedures are incorporated within the financial control procedures of the Group.

From the perspective of the Company all other risks and uncertainties not disclosed above, including those pertaining to its indirect investment in TWUL, 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. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company not disclosed above, 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 note 12.

### Future outlook

The Company is expected to continue to act as an intermediate holding company within the Group and make certain financing arrangements on behalf of the Group for the foreseeable future. Management has assessed the likely impact of COVID-19 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. However, in light of the current situation, the Directors have sought a letter of support from the ultimate parent company, Kemble Water Holdings Limited to support the going concern basis. The developing and uncertain situation in respect of the COVID-19 pandemic continues to be closely monitored.

The United Kingdom (UK) has left the European Union (EU) on 31 January 2020 with the intent of completing a new trade agreement by the end of 2020 and it is not yet clear whether a new trade agreement will be in place between the UK and the EU by then. The company expects that leaving the EU (and the customs union) will not have a significant impact on the Company.

### s172 reporting

The Directors of the Company must act in accordance with the duties contained in s172(1) of the Companies Act 2006 as follows:

"A Director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;

## Strategic Report (continued)

### s172 reporting (continued)

- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the company."

On appointment, as part of their induction of becoming a Director, each Director is briefed on their duties and the availability of professional advice from either the Company Secretary or, if they consider it necessary, from an independent adviser. The Directors of the Company have access to the resources provided to the Directors of the Group's main trading company, Thames Water Utilities Limited.

During the year, the Company has continued to act as an intermediate holding company within the Kemble Water Holdings Limited group. Day-to-day running of the Company is managed by the Company's management team, consisting of employees from the Group's main trading company, Thames Water Utilities Limited. With the exception of the approval of the Company's annual report and financial statements, no significant decisions requiring the approval of The Board of Directors have been made during the year. The Company had no employees during the year, or as at the date of this report, nor did it have any external customers or trading arrangements with suppliers. The Company's stakeholders are considered to be other companies within the Kemble Water Holdings group with whom intercompany loan relationships exists and the loan note holders, who are also shareholders of the Group. Stakeholder engagement occurs periodically throughout the year, both formally and informally.

The Board of Directors of the Company consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006. The Board of Directors of Kemble Water Holdings manage the Group and further details of how they have carried out their duties is disclosed in the financial statements of the ultimate controlling party Kemble Water Holdings Limited. The Group's annual report is available from the address shown in note 12 on page 26.

This Strategic Report was approved by the Board of Directors on 29 June 2020 and signed on its behalf by:



**P Noble**  
Director

Clearwater Court  
Vastern Road  
Reading  
Berkshire  
RG1 8DB

## Directors' Report

The Directors present their annual report and the audited financial statements of Kemble Water Eurobond Plc for the year ended 31 March 2020. 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 05957999 (United Kingdom).

### Directors

The Directors who held office during the year ended 31 March 2020 and to the date of this report were:

M McNicholas	(appointed 4 April 2019)
K Bradbury	(resigned 1 July 2019)
S Deeley	
J Divoky	
A Hall	
G Lambert	
P Noble	
G Pestrak	
G Tucker	(resigned 20 May 2019) (re-appointed 21 May 2020)
M Bloch-Hansen	
E Howell	(resigned 8 April 2020)
P Mulholland	(resigned 20 May 2019)
C Pham	
F Sheng	
T Song	(resigned 5 March 2020)
J Cogley	(appointed 20 May 2019) (resigned 21 May 2020)
B Moncik	(appointed 20 May 2019) (resigned 21 May 2020)
I Grund	(appointed 1 July 2019)
P McCosker	(appointed 14 July 2019)
M Wang	(appointed 5 March 2020)
H De Run	(appointed 8 April 2020)
Y Deng	(appointed 21 May 2020)

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 (2019: none).

Directors are allowed to appoint an alternative Director to represent them if they are unable to attend a meeting. The following Directors have formally appointed alternate Directors to represent them when they are unavailable:

Director	Alternate Director
J Divoky	C Pham
P Noble	H De Run
F Sheng	M Wang
J Cogley	B Moncik
A Hall	I Grund
M Bloch-Hansen	I Grund
G Lambert	P McCosker
M McNicholas	I Grund
G Tucker	Y Deng

### Future outlook

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

## **Directors' Report (continued)**

### **Dividends**

The Company has paid no dividends during wither the current or preceding financial year and the Directors do not recommend the payment of a final dividend (2019: £nil).

### **Financial risk management**

During the period, the Company has had access to the Interim Executive Chairman 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. 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 operations expose it to a variety of financial risks which are described in the Strategic Report on pages 4 and 5.

### **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.

As the Company is an intermediate holding company within the Kemble Water Holdings Limited group of companies, it is reliant on its wholly owned operating subsidiary, the Thames Water Utilities Limited Group ("TWUL Group") as a source of income. Given this dependency, the Directors have considered the going concern assessment made by the TWUL Group directors as well as the actions taken by the TWUL Group post the balance sheet date of 31 March 2020. The section on page 18, "Summary of TWUL Group going concern assessment" outlines this assessment where the TWUL Group Board has concluded it appropriate to prepare the financial statements for the TWUL Group on a going concern basis.

An assessment has been made regarding the loan notes issued by the Company to the shareholders of KWH. Whilst the loan notes matures on 31 March 2021, within the going concern assessment period, the Directors of the Company have obtained confirmation that the holders of the loan notes, who are also the shareholders of KWH, will not seek enforcement of their claim which would result in winding up of the Company if the loan note is not repaid.

Taking into consideration the above factors, the Board is satisfied that the Company has adequate resources for a period of at least 12 months from the date of approval of the financial statements to continue operations and discharge the Company's obligations as they fall due. For this reason, the Board considers it is appropriate to adopt the going concern basis in preparing the financial statements.

### **Research and development**

The Company undertakes no research and development activity, this remains unchanged from the prior year.

### **Political and charitable donations**

No political or charitable donations were made by the Company during the year (2019: £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' report (continued)**

### **Disclosure of information to the auditors**

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors on 29 June 2020 and signed on its behalf by:



**P Noble**  
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 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 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;
- 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 also 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 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.



**P Noble**  
Director  
Clearwater Court  
Vastern Road  
Reading  
Berkshire  
RG1 8DB

29 June 2020

# **Independent auditors' report to the members of Kemble Water Eurobond plc Report on the audit of the financial statements**

## **Opinion**

In our opinion, Kemble Water Eurobond Plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2020; the income statement and the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

# **Independent auditor's report to the members of Kemble Water Eurobond Plc (continued)**

## **Reporting on other information (continued)**

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Strategic Report and Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the Directors for the financial statements*

As explained more fully in the Statement of Directors' responsibilities in respect of the annual report and financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Independent auditor's report to the members of Kemble Water Eurobond Plc (continued)**

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Katharine Finn (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
Reading

29 June 2020

## Income statement

For the year ended 31 March

	Note	2020 £m	2019 £m
Finance income	3	<b>613.3</b>	246.6
Finance expense	3	<b>(529.6)</b>	(483.8)
Net gain on reversal of impairment losses on receivables	4	<b>110.1</b>	-
<b>Profit/(loss) before taxation</b>		<b>193.8</b>	(237.2)
Tax charge on profit/(loss) on ordinary activities	5	<b>(27.7)</b>	(27.0)
<b>Profit/(loss) for the year</b>		<b>166.1</b>	(264.2)

All amounts relate to continuing operations.

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.

The accounting policies and notes on pages 17 to 28 are an integral part of these financial statements.

## Statement of financial position

As at 31 March

	Note	2020 £m	2019 £m
<b>Non-current assets</b>			
Investment in subsidiaries	6	1.0	1.0
Deferred tax asset	9	0.8	-
Trade and other receivables	7	2,992.3	2,720.4
		<b>2,994.1</b>	<b>2,721.4</b>
<b>Current assets</b>			
Cash and cash equivalents		5.6	5.6
		<b>5.6</b>	<b>5.6</b>
Trade and other payables due within one year	8	(480.0)	(179.9)
		<b>(480.0)</b>	<b>(179.9)</b>
<b>Net current liabilities</b>		<b>(474.4)</b>	<b>(174.3)</b>
<b>Total assets less current liabilities</b>		<b>2,519.7</b>	<b>2,547.1</b>
Trade and other payables - amounts falling due after more than one year	8	(4,985.4)	(5,178.9)
<b>Net liabilities</b>		<b>(2,465.7)</b>	<b>(2,631.8)</b>
<b>Equity</b>			
Called up share capital	10	1.0	1.0
Accumulated losses		(2,466.7)	(2,632.8)
<b>Total shareholder's deficit</b>		<b>(2,465.7)</b>	<b>(2,631.8)</b>

The accounting policies and notes on pages 17 to 28 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 29 June 2020 and signed on its behalf by:



P Noble  
Director

Registered number: 05957999 (United Kingdom)

## Statement of changes in equity

For the year ended 31 March

	Called up share capital £m	Accumulated losses £m	Total shareholder's funds £m
<b>At 31 March 2018</b>	1.0	(615.6)	<b>(614.6)</b>
Adjustment on transition to IFRS 9	-	(1,753.0)	<b>(1,753.0)</b>
<b>At 1 April 2018</b>	1.0	(2,368.6)	<b>(2,367.6)</b>
Loss for the year	-	(264.2)	<b>(264.2)</b>
<b>As at 31 March 2019</b>	1.0	(2,632.8)	<b>(2,631.8)</b>
Profit for the year	-	166.1	<b>166.1</b>
<b>As at 31 March 2020</b>	1.0	(2,466.7)	<b>(2,465.7)</b>

The accounting policies and notes on pages 17 to 28 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, except as noted below:

### General information

Kemble Water Eurobond Plc (the “Company”) is a company incorporated in the United Kingdom and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is Clearwater Court, Vastern Road, Reading, Berkshire, RG1 8DB.

The principal activity of the Company, to make certain financing arrangements on behalf of and to act as an intermediate holding company within the Kemble Water Holdings Limited group of companies (“the Group”), 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), 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).
- 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)

### Basis of preparation (continued)

The Company's immediate, and 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.

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.

### Going concern

#### *Company*

The Directors have considered the nature of the business and don't expect this to significantly change over the next 12 month period. In light of COVID-19 risk on the Group, the Directors have obtained a letter of support from the Company's ultimate parent company, Kemble Water Holdings Limited (KWH), to support the going concern basis.

As the Company is an intermediate holding company within the Kemble Water Holdings Limited group of companies, it is reliant on its wholly owned operating subsidiary, the Thames Water Utilities Limited Group ("TWUL Group") as a source of income. Given this dependency, the Directors have considered the going concern assessment made by the TWUL Group directors as well as the actions taken by the TWUL Group post the balance sheet date of 31 March 2020. The section below, "Summary of TWUL Group going concern assessment" outlines this assessment where the TWUL Group Board has concluded it appropriate to prepare the financial statements for the TWUL Group on a going concern basis. Further details of this assessment and the post balance sheet events are contained within the TWUL annual report for 2019/20, copies of which may be obtained from the Company Secretary's Office at the address included in note 12.

An assessment has been made regarding the loan notes issued by the Company to the shareholders of KWH. Whilst the loan notes matures on 31 March 2021, within the going concern assessment period, the Directors of the Company have obtained confirmation that the holders of the loan notes, who are also the shareholders of KWH, will not seek enforcement of their claim which would result in winding up of the Company if the loan note is not repaid.

Taking into consideration the above factors, the Board is satisfied that the Company has adequate resources for a period of at least 12 months from the date of approval of the financial statements to continue operations and discharge the Company's obligations as they fall due. For this reason, the Board considers it is appropriate to adopt the going concern basis in preparing the financial statements.

#### *Summary of TWUL Group going concern assessment*

The TWUL Group has considerable financial resources, a strong liquidity position, ongoing revenue streams and a great diversification of customer types. Revenue includes the set amounts which can be expected to be collected from customers and the rewards/penalties associated with operational out/under performance compared against certain targets set by the regulator.

The water sector in England and Wales has been much less affected to date than many other sectors by the COVID-19 pandemic. The existing regulatory framework provides protection against reduced revenues arising from lower consumption and the regulatory recovery mechanisms ensure that the economic value impact is generally immaterial. In addition, the impact of COVID-19 on the TWUL Group's ability to provide essential water and wastewater services has been mitigated through Government's recognition that these services are essential and the TWUL Group's quick response to enable effective working practices in the challenging

### New standards and amendments

IFRS 16: Leases is a new accounting standard which is effective for the year ended 31 March 2020. The Company does not have any leases and does not intend to enter into any contracts for leases in the future. Management has concluded that the adoption of IFRS 16 has had no impact on the Company as of the date transition of during the year ended 31 March 2020 as there are no leases held by the Company that fall within the scope of IFRS 16.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2020 that have had a material impact on the company's financial statements.

## Accounting policies (continued)

### New standards and amendments (continued)

#### IBOR reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as the London Interbank Offer Rate ("LIBOR") and other interbank offered rates ("IBOR") has become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes in the various jurisdictions affected.

We cannot rely on LIBOR being published after the end of 2021. It is currently expected that SONIA (Sterling Overnight Index Average) will replace GBP LIBOR as a reference rate. There are key differences between GBP LIBOR and SONIA. GBP LIBOR is a 'term rate', which means that it is published for a borrowing period (such as 3 months), and it is 'forward-looking', because it is published at the beginning of the borrowing period. SONIA is currently a 'backward-looking' rate; it is based on overnight rates from actual transactions, and it is published at the end of the overnight borrowing period. Furthermore, GBP LIBOR includes a credit spread over the risk-free rate, which SONIA does not explicitly incorporate. To transition existing contracts and agreements that reference GBP LIBOR to SONIA, adjustments for term differences and credit differences might need to be applied to SONIA, to enable the two benchmark rates to be economically equivalent on transition.

At the time of reporting, industry working groups are reviewing methodologies for calculating adjustments between GBP LIBOR and SONIA.

The Group is establishing a project to oversee the GBP LIBOR transition plan. This transition project will include changes to systems, processes, risk and valuation models, as well as managing related tax and accounting implications. The Group currently anticipates that the areas of greatest change will be amendments to the contractual terms of GBP LIBOR-referenced floating-rate debt and swaps.

The International Accounting Standards Board ("IASB") has issued amendments to IFRS 9, IAS 39 and IFRS 7 in September 2019 that provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform. As at 31 March 2020, the Company had no designated hedge relationship and hedge accounting was not applied.

In addition to the IBOR reform, there are a number of other amendments and annual improvement project recommendations that are not yet effective but which have been endorsed by the EU. These are not anticipated to have a material impact on the financial statements of the Company.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2020 that have had a material impact on the company's financial statements.

#### Interest income

Interest income is recognised using the effective interest method.

#### Non-current asset investment in subsidiaries

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, and trade and other payables.

#### Trade and other receivables

Trade and other receivables are largely comprised of amounts owed by group undertakings and interest on amounts owed by group undertakings. Interest bearing loans issued to other group companies are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. They are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. The amortisation is included within finance income in the income statement and is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

## 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. The amortisation is included within finance costs in the income statement and is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

### 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.

### 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 a range of factors including, their net assets position and risk affected forecasts of future cash flows of the underlying investment.

### 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.

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.

## Accounting policies (continued)

### Deferred tax (continued)

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 Group intends to settle its current tax assets and liabilities on a net basis.

### Critical accounting estimates and judgements

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.

### Critical accounting estimates and assumptions

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 trade and other receivables*

The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors such as credit rating of the receivable, the ageing profile of receivables and historical experience. Regarding amounts owed by group undertakings the key estimates include future Regulatory Capital Value ("RCV"), RCV premium, future gearing and expected interest settlements. See note 7 for the net carrying value of the receivables and, where applicable, any associated impairment provision.

#### *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. See note 6 for the net carrying value of the investments and associated impairment provision.

### Critical judgements in applying the entity's accounting policies

Management have not made any critical judgements in applying the entity's accounting policies.

## Notes to the financial statements

### 1. Auditors' remuneration

The auditors', PricewaterhouseCoopers LLP, remuneration was borne by Thames Water Limited in both the current and preceding financial year. The total amount payable relating to the Company was £4,500 (2019: £3,500). No other fees were payable to PricewaterhouseCoopers LLP in respect of this Company during the year (2019: £nil).

### 2. Employees and Directors

#### Employees

The Company had no employees during the year (2019: none).

#### Directors

The current 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. Directors remuneration costs are borne by other members of the Kemble Water Group of Companies and no recharge is made to Kemble Water Eurobond plc for their services.

### 3. Finance income and expense

#### Finance income

	2020 £m	2019 £m
Interest income on intercompany loans receivable	613.7	247.0
Impairment of receivables and investment in subsidiary	(0.4)	(0.4)
<b>Total</b>	<b>613.3</b>	<b>246.6</b>

#### Finance expense

	2020 £m	2019 £m
Interest expense on bank and other loans	45.8	41.2
Interest expense on intercompany loans payable	483.8	442.6
<b>Total</b>	<b>529.6</b>	<b>483.8</b>

#### Net finance income/(expense)

	2020 £m	2019 £m
Interest income	613.3	246.6
Interest expense	(529.6)	(483.8)
<b>Net finance income/(expense)</b>	<b>83.7</b>	<b>(237.2)</b>

## Notes to the financial statements (continued)

### 4. Net gain on reversal of impairment losses on receivables

	2020 £m	2019 £m
Net gain on reversal of impairment losses receivable in Kemble Water Finance Limited	110.1	-
Total	110.1	-

The net gain on reversal of impairment losses receivable relates to the reversal of amounts recognised in the prior year on the Company's intercompany interest receivable balance with Kemble Water Finance Limited, due to the settling of historic intercompany balances.

### 5. Taxation

	2020 £m	2019 £m
<b>Current tax</b>		
Amounts payable in respect of group relief – current year	27.9	24.8
Adjustments in respect of previous periods – group relief	0.6	2.2
	28.5	27.0
<b>Deferred tax</b>		
Adjustments in respect of prior years	(0.7)	-
Adjustments in respect of corporation tax rate changes	(0.1)	-
	(0.8)	-
Tax charge on profit/(loss)	27.7	27.0

The current tax charge for the year ended 31 March 2020 is lower than (2019: higher than) the standard rate of corporation tax of 19% (2019: 19%) in the UK. The differences are explained below:

	2020 £m	2019 £m
Profit/(loss) before taxation	193.8	(237.2)
Current tax at 19% (2019: 19%)	36.8	(45.1)
<i>Effects of:</i>		
(Non-taxable)/disallowable (release)/impairment of receivables and investment in subsidiaries	(20.8)	59.8
Interest payable not eligible for tax relief	11.9	10.1
Tax rate changes on temporary timing differences	(0.1)	-
Adjustments to tax charge in respect of prior periods – current tax	0.6	2.2
Adjustments to tax charge in respect of prior periods – deferred tax	(0.7)	-
Total tax charge	27.7	27.0

The planned reduction of the UK corporation tax rate from 19% to 17% (to be effective from 1 April 2020) has been cancelled by Finance Bill 2020 which was substantively enacted on 17 March 2020. The rate at which deferred tax is calculated is therefore 19% (2019: 17%).

## Notes to the financial statements (continued)

### 6. Investments

	2020 £m	2019 £m
<b>Cost</b>		
At 1 April and 31 March	4.2	4.2
<b>Impairment</b>		
At 1 April and 31 March	(3.2)	(3.2)
Net book value	1.0	1.0

See note 13 for the principal interests held by Kemble Water Eurobond Plc at 31 March 2020.

The Directors have determined that the investment in Thames Water Commercial Ventures Holdings Limited is to be fully impaired to reflect estimated recoverable value. Following this, and in the opinion of the Directors, the recoverable value of the investments is not less than the amount included in the balance sheet.

### 7. Trade and other receivables

	2020 £m	2019 £m
<b>Amounts owed by group undertakings:</b>		
Kemble Water Finance Limited	3,100.6	3,100.9
Thames Water Commercial Ventures Holdings Limited	4.5	4.5
Provision for bad and doubtful debt	(274.8)	(384.0)
	2,830.3	2,721.4
<b>Interest receivable on amounts owed by group undertakings</b>		
Kemble Water Finance Limited	3,231.9	3,069.9
Thames Water Commercial Ventures Holdings Limited	1.1	0.7
Provision for bad and doubtful debt	(3,071.0)	(3,070.6)
	162.0	-
<b>Total</b>	<b>2,992.3</b>	<b>2,721.4</b>

The above intercompany loans are unsecured and include the following agreements:

- £3,100.6 million (2019: £3,100.9 million) owed by Kemble Water Finance Limited, a subsidiary undertaking. The loan is unsecured, incurs interest at 10% (2019: 10%) and is repayable on demand.
- £4.5 million (2019: £4.5 million) owed by Thames Water Commercial Ventures Holdings Limited, a subsidiary undertaking, under a facility loan agreement. The facility is unsecured, incurs interest at LIBOR + 7% (2019: LIBOR + 7%) and is repayable on demand.

While the loans are repayable on demand, the Directors do not expect to seek any repayment within 12 months and letters of comfort have been issued from the Company to the counterparty to confirm that no repayment will be sought for at least 12 months from the date of signing of the financial statements.

On transition to IFRS 9 a lifetime expected credit loss was recognised. The Company determined the expected credit loss of the loan by estimating the expected recoverability based on different scenarios under which the Company expect repayment will or could be made. As a result of this assessment the loans are considered to be in 'stage 3' of the IFRS 9 impairment assessment. The company accrues interest on the loan on the principal and accrued interest due from the counterparties however an impairment is recognised on this such that a net amount, that is deemed recoverable based on the forecasting performed on transition, is recognised in the statement of comprehensive income each year.



## Notes to the financial statements (continued)

### 7. Trade and other receivables (continued)

A similar exercise has been carried out for the year ended 31 March 2020. For the base case scenario, the Company has made this assessment by estimating the future expected enterprise valuation of the creditor derived through the application of an observable market multiplier uplift to Regulatory Capital Value (RCV) of the underlying regulatory business (Thames Water Utilities Limited) which is a subsidiary of the counterparty. This provides the best estimate of the cashflows that will be available in the future to repay the principal and interest. As the Company has forecast recoverability in the future this has required estimates to be made on this multiplier into the future including; expected future interest settlements over the assessment period, expected changes to the gearing level of the creditor and RCV. Changes in these estimates could result in a variation to the recoverable amount. Alternative scenarios with lower probabilities of occurring include an early sale of the underlying regulatory business which would accelerate cash receipts into the group and enable an early pay off of more of the loan and accrued interest by the borrowing company and the risk of several significant events occurring (as detailed more fully in Thames Water Utilities Limited's viability statement) which would increase the impairment required.

We note that as a result of interest received in the year from the settlement of historic intercompany balances, a net gain on reversal of impairment losses receivable was recorded however we do not consider there has been a fundamental change in the future cash flows available from the counterparties and therefore the closing balance of the receivable represents our best estimate of the future recoverable value.

### 8. Trade and other payables

	2020 £m	2019 £m
Group relief payable	28.5	84.7
Amounts owed to group undertakings	5,436.9	5,274.1
<b>Total</b>	<b>5,465.4</b>	<b>5,358.8</b>
Amounts falling due after more than one year	4,985.4	5,178.9
Amounts falling due within one year	480.0	179.9

#### Amounts owed to group undertakings:

	2020 £m	2019 £m
<i>Non-current:</i>		
Amounts owed to immediate parent undertaking	1,990.6	1,990.6
Interest payable on amounts owed to immediate parent undertaking	2,994.8	2,877.9
Loan notes	-	310.4
	4,985.4	5,178.9
<i>Current:</i>		
Interest payable on loan notes	141.1	95.2
Loan notes	310.4	-
	451.5	95.2
<b>Total</b>	<b>5,436.9</b>	<b>5,274.1</b>

Amounts owed to the immediate parent undertaking, Kemble Water Holdings Limited, comprise an intercompany loan of £1,990.6 million (2019: £1,990.6 million). The loan is unsecured and repayable on demand and incurs interest at 10% (2019: 10%). While the loans are repayable on demand, the Directors do not anticipate any repayment within 12 months and letters of comfort have been obtained from the counterparty to confirm that no repayment will be sought for at least 12 months from the date of signing of the financial statements.

## Notes to the financial statements (continued)

### 8. Trade and other payables (continued)

The loan notes are owed to the shareholders of the Company's immediate parent company, Kemble Water Holdings Limited, and are unsecured, wholly repayable in 2021 and incur interest at 11% (2019: 11%). Interest payable on the loan notes is unsecured and can be deferred if the Directors consider there are insufficient cash flows. If deferred, interest is charged at 11% on the outstanding interest payable balance.

### 9. Deferred tax asset

An analysis of movements in the deferred tax asset recognised by the Company is set out below. The deferred tax asset arises in respect of interest payable which has not yet received tax relief.

	2020 £m	2019 £m
At the beginning of the year	-	-
Adjustments to tax charge in respect of prior periods	0.7	-
Impact on deferred tax asset of tax rate change	0.1	-
At the end of the year	0.8	-

In addition, there is an unrecognised deferred tax asset in respect of interest payable on which no tax relief has been claimed to date and for which the Company does not anticipate tax relief in the future. The amount of deferred tax asset unrecognised at 31 March 2020 was £33.1 million (2019: £2.8 million) which has been calculated at 19% (2019: 17%).

### 10. Called up share capital

	2020 £m	2019 £m
<i>Allotted, called up and fully paid:</i>		
1,000,000 (2019: 1,000,000) ordinary shares of £1 each (2019: £1)	1.0	1.0

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 Kemble Water Holdings Limited, the Company has taken advantage of an 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.

#### Outstanding balances external to the Kemble Water Holdings Group

As at 31 March 2020, Farmoor Holdings B.V., an entity registered in the Netherlands and managed by Borealis Infrastructure Management Inc., a Canadian investment manager of the Ontario Municipal Employees Retirement System, held a 31.777% shareholding in the KWH Group and qualified as an entity related to the KWH Group. The Company incurred interest of £45.8 million in the year (2019: £41.2m), and had an outstanding payable balance in relation to loan principal and interest of £143.5 million as at 31 March 2020 (2019: £128.9m) with Farmoor Holdings B.V.

## Notes to the financial statements (continued)

### 12. Ultimate parent company and parent company of larger group

The Directors consider the immediate and ultimate parent company and controlling party to be Kemble Water Holdings Limited, a company incorporated in the United Kingdom, which owns 100% of the issued share capital of the Company. The parent company represents both the smallest and largest group to consolidate these financial statements. The address of the registered office of Kemble Water Holdings Limited is Clearwater Court, Vastern Road, Reading, Berkshire, RG1 8DB. Copies of the accounts of the parent company may be obtained from The Company Secretary's Office at this address.

### 13. Subsidiaries, associated undertakings, and significant holdings other than subsidiary undertakings

At 31 March 2020 the Company held the following principal interests, all of which are either wholly or jointly owned either directly or indirectly through its subsidiary investments.

	Principal undertaking	Country of incorporation	Tax resident	Class of shares held	Proportion of voting rights and shares held
<b>Direct</b>					
Kemble Water Finance Limited	Holding company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Commercial Ventures Holdings Limited	Holding company	United Kingdom	United Kingdom	Ordinary	100%
<b>Indirect</b>					
Thames Water Utilities Limited	Water & wastewater	United Kingdom	United Kingdom	Ordinary	100%
Kennet Properties Limited	Property company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Utilities Finance Plc	Finance company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Limited	Holding company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water (Kemble) Finance Plc	Finance company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Commercial Ventures Finance Limited	Holding company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Commercial Services Limited	Trading Company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Utilities Holdings Limited	Holding Company	United Kingdom	United Kingdom	Ordinary	100%
Foudry Properties Limited	Property Company	United Kingdom	United Kingdom	Ordinary	50%
Shapeshare Limited	Property Company	United Kingdom	United Kingdom	Ordinary	100%
Innova Park Management Limited	Property Company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water International Service Holdings Limited	Holding Company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Overseas Limited	Holding Company	United Kingdom	United Kingdom	Ordinary	100%
PWT Projects Limited	Dormant Company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Products Limited	Non Trading Company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Asia Pte Limited	Legacy Investment	Singapore	Singapore	Ordinary	100%
Thames Water International (Thailand) Limited	Legacy Investment	Thailand	Thailand	Ordinary/ Preference	100%
Thames Water International Services Limited	Dormant Company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Investments Limited	Property Company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Pension Trustees (MIS) Limited	Pension Trustees	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Pension Trustees Limited	Pension Trustees	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Property Services Limited	Dormant Company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Senior Executive Pension Trustees Limited	Pension Trustees	United Kingdom	United Kingdom	Ordinary	100%
<b>Indirect Subsidiaries in liquidation process</b>					
Thames Water Nominees Limited	Dormant Company	United Kingdom	United Kingdom	Ordinary	100%
Thames Water Developments Limited	Dormant Company	United Kingdom	United Kingdom	Ordinary	100%
<b>Liquidations completed during the year ended 31 March 2020</b>					
Thames Water Puerto Rico Inc	Legacy Investment	Puerto Rico	Puerto Rico	Ordinary	100%
Thames-Dick Superaqueduct Partners Inc	Joint Venture	Puerto Rico	Puerto Rico	Ordinary	50%
Stella Meta-Filters Limited	Dormant Company	United Kingdom	United Kingdom	Ordinary	100%
Portacel Limited	Dormant Company	United Kingdom	United Kingdom	Ordinary	100%

## Notes to the financial statements (continued)

### 13. Subsidiaries, associated undertakings, and significant holdings other than subsidiary undertakings (continued)

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

- Thames Water Asia Pte Limited (80 Robinson Road #02-00, Singapore, 68898);
- Thames Water International (Thailand) Limited (999/9 The offices at Central World, 29th Floor, Unit 2973K, Rama I Road, Kwaeng Pathumwan, Khet Pathumwan, Bangkok).