

Thames Water Investments Limited

Annual report and financial statements
For the year ended 31 March 2018



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Directors and advisors

Directors

D Hughes
T Lewis

Registered auditor

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

Company Secretary and registered office

D Hughes

Clearwater Court
Vastern Road
Reading
Berkshire
RG1 8DB

Strategic report

The Directors presents their strategic report for Thames Water Investments Limited ("the Company") for the year ended 31 March 2018.

Business review

The principal activity of the Company is to acquire non-specialised operational property from Thames Water Utilities Limited ("TWUL") to lease to third parties and other companies within the Kemble Water Holdings Limited group of companies ("the Group") and to hold for the generation of non-regulated rental income.

Results and performance

The Company made a profit before tax for the year of £220,622 (2017: £175,279). The increase in year on year profit before tax is in line with expectations as the Company completed several income right sales during the current year compared to none in the prior year. The Company is financed by cash generated mainly from rental income. The Directors have reviewed the recoverability of investments (equity and loan) and determined that no provisions (2017: £nil) are required to appropriately reflect the recoverable values.

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 balance. Credit control policies and procedures are in place to minimise the risk of bad debt arising from the intercompany receivable including, where appropriate, a review of the credit ratings of the counterparty intercompany entity and any letter of support they may receive from the Group.

(i) 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 from the Company's intercompany payable balance.

The Directors are satisfied to place reliance on the net asset position of the Company as an indication of the Company's ability to meet its financial obligations.

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 Company.

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

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 consolidated 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, 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 14 on page 20.

Strategic report (continued)

Future outlook

The Company continues to review and acquire further non-specialised operational property from TWUL to generate non-regulated rental income. The Company expects investment income to support the continuing business for the foreseeable future.

This strategic report was approved by the Board on 28 June 2018 and signed on its behalf by:



Tonia Lewis
Director
Clearwater Court
Vastern Road
Reading
Berkshire
RG1 8DB

Directors' report

The Directors presents their annual report and the audited financial statements of Thames Water Investments Limited for the year ended 31 March 2018. 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 02567126 (England and Wales).

Future outlook

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

Dividends

The Company has not paid a dividend during the financial year (2017: £nil) and the Directors do not recommend the payment of a final dividend (2017: £nil).

Financial risk management

The Company's operations expose it to a variety of financial risks which are described in the strategic report on page 3.

Directors

The Directors who held office during the year ended 31 March 2018 and to the date of this report were:

D J Hughes
T Lewis (appointed 1 April 2018)

During the year under review, the Directors did not have significant contracts with the Company or any other body corporate other than their contracts of service (2017: none).

Political and charitable donations

No political or charitable donations were made by the Company during the year (2017: £nil).

Disclosure of information to the auditor

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

Directors' indemnities

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

Going Concern

The Directors have considered the financial position of the Company and have concluded that it has sufficient resources for its present requirements and is able to meet its liabilities as they fall due for the foreseeable future. This is based upon a review of the Company's cash and committed borrowing facilities available. For these purposes the foreseeable future is taken to mean a period of at least twelve months from the date of approval of these financial statements. On this basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Directors' report (continued)

Auditor

KPMG LLP is the Company's auditor at the date of this report. PricewaterhouseCoopers LLP ("PwC") will replace KPMG LLP following the approval of these accounts at which time KPMG LLP will resign. PwC will be appointed by the Directors as auditors for the financial year ending 31 March 2019 onwards, and their appointment is subject to shareholder approval at the next Annual General Meeting.

Approved by the Board of Directors on 28 June 2018 and signed on its behalf by:



Tonia Lewis
Director
Clearwater Court
Vastern Road
Reading
Berkshire
RG1 8DB

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

The Directors are responsible for preparing the strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ("FRS 101").

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of the disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and 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 INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Thames Water Investments Limited ("the Company") for the year ended 31 March 2018 which comprise the income statement, the statement of financial position, the statement of changes in equity, the accounting policies and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The Directors are responsible for the strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THAMES WATER INVESTMENTS LIMITED (CONTINUED)

Directors' responsibilities

As explained more fully in their statement set out on page 7, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

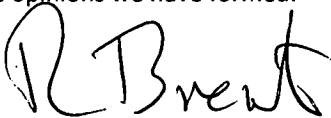
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



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

28 June 2018

Income statement

For the year ended 31 March

	Note	2018 £	2017 £
Revenue		188,017	42,788
Operating expenses	1	(116,191)	(42,788)
Operating profit		71,826	-
Finance income	3	148,796	170,517
Other income	4	-	4,762
Profit on ordinary activities before taxation		220,622	175,279
Taxation on profit on ordinary activities	5	(54,911)	(36,057)
Profit for the year		165,711	139,222

All amounts relate to continuing operations.

The accounting policies and notes on pages 13 to 20 are an integral part of these financial statements.

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

Statement of financial position

As at 31 March

	Note	2018 £	2017 £
Non-current assets			
Deferred tax	6	24,866	30,324
Intercompany loans receivable	7	18,584,617	18,435,821
		18,609,483	18,466,145
Current assets			
Trade and other receivables	8	-	781
Cash and cash equivalents		2,034,136	1,999,701
		2,034,136	2,000,482
Current liabilities			
Trade and other payables	9	(128,736)	(117,455)
Net current assets		1,905,400	1,883,027
Non-current liabilities			
Borrowings	10	(922,000)	(922,000)
Net assets		19,592,883	19,427,172
Equity			
Share capital	11	100	100
Retained earnings		19,592,783	19,427,072
Total equity		19,592,883	19,427,172

The accounting policies and notes on pages 13 to 20 are an integral part of these financial statements.

The financial statements were approved by the Board on 28 June 2018 and signed on its behalf by:



Tonia Lewis
Director

Registered number: 02567126 (England & Wales)

Statement of changes in equity

For the year ended 31 March 2018

	Share capital £	Retained earnings £	Total equity £
At 1 April 2016	100	19,287,850	19,287,950
Profit for the year	-	139,222	139,222
At 31 March 2017	100	19,427,072	19,427,172
Profit for the year	-	165,711	165,711
At 31 March 2018	100	19,592,783	19,592,883

The accounting policies and notes on pages 13 to 20 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

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

The principal activity of the Company, to acquire non-specialised operational property for use 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)
 - 10(d) (statement of cash flows),
- The following paragraphs of IAS 1 *Presentation of financial statements*:
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS)
 - 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 ultimate parent undertaking, Kemble Water Holdings Limited ("KWH") includes the Company in its consolidated financial statements. The consolidated financial statements of KWH are prepared in accordance with EU adopted IFRSs and are available to the public and may be obtained from the Company Secretarial Department, Clearwater Court, Vastern Road, Reading, Berkshire, RG1 8DB.

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

The Directors have considered the financial position of the Company and have concluded that it has sufficient resources for its present requirements and is able to meet its liabilities as they fall due for the foreseeable future. This is based upon a review of the Company's cash and committed borrowing facilities available. For these purposes the foreseeable future is taken to mean a period of at least twelve months from the date of approval of these financial statements. On this basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Revenue recognition

Revenue, which excludes valued added tax, represents rents receivable and is recognised as rent becomes due. Revenue consists mainly of recovery of maintenance charge for telecoms from property situated in the United Kingdom.

Provisions for liabilities and charges

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are discounted to present value using a pre-tax discount rate that reflects the risks specific to the liability, where the effect is material.

Non-derivative financial instruments

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

Interest bearing loans issued to other group companies

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 receivables

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

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.

De-recognition of financial instruments

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

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

Offsetting financial instruments

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

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.

Dividends receivable are recognised when the Company's right to receive payment is established.

Accounting policies (continued)

Impairment of financial assets (including receivables)

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment is reversed through the income statement. Trade receivables that are assessed not to be impaired individually are assessed collectively for impairment by reference to the Company's historical collection experience for receivables of a similar age.

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.

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.

Notes to the financial statements

1. Operating expenses

	2018 £	2017 £
Expenses in relation to property sales charged by Thames Water Utilities Limited	71,879	-
Agency costs	44,312	42,788
Total	116,191	42,788

The auditor's remuneration of £8,704 (2017: £8,475) was borne by Thames Water Limited in both the current and preceding financial year. No other fees were payable to KPMG LLP in respect of this Company during the year (2017: £nil).

2. Employees and Directors

Employees

The Company had no employees during the year (2017: none).

Directors

No emoluments were paid to the Directors of the Company (2017: £nil) and there are no retirement benefits accruing in either year.

3. Finance income

	2018 £	2017 £
Interest income on intercompany loans receivable	148,796	170,517
Total	148,796	170,517

Interest receivable relates to a loan to Kemble Water Finance Limited which has been charged at an average rate of six month LIBOR (sterling) plus 0.5% (2017: six month LIBOR (sterling) plus 0.5%).

4. Other income

	2018 £	2017 £
Dividend income	-	4,762
Total	-	4,762

A final dividend was received in the prior year from Trans4m Limited following the completion of the liquidation process.

Notes to the financial statements (continued)

5. Taxation

	2018 £	2017 £
<i>Current tax:</i>		
Amounts payable in respect of group relief	49,453	27,225
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	5,458	8,832
Tax on profit on ordinary activities	54,911	36,057

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

The deferred tax asset of £24,866 (£2017: £30,324) at 31 March 2018 has been calculated based on these rates.

The tax charge for the year ended 31 March 2018 is higher (2017: higher) than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before taxation	220,622	175,279
Current tax at 19% (2017: 20%)	41,918	35,056
<i>Effects of:</i>		
Expenses not deductible for tax purposes	13,657	-
Adjustment in respect of corporation tax rate changes	(642)	1,001
Adjustment in respect of prior period	(22)	-
Total tax charge	54,911	36,057

6. Deferred tax

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

	2018 £	2017 £
<i>Deferred tax:</i>		
Asset at 1 April	30,324	39,156
Movement in the year	(5,458)	(8,832)
Total	24,866	30,324

Notes to the financial statements (continued)

7. Intercompany loans receivable

	2018 £	2017 £
<i>Amounts owed by group undertakings:</i>		
Kemble Water Finance Limited	15,000,000	15,000,000
<i>Interest receivable on amounts owed by group undertakings:</i>		
Kemble Water Finance Limited	3,584,617	3,435,821
Total	18,584,617	18,435,821

The amounts owed by group undertakings is a loan to Kemble Water Finance Limited of £15,000,000 (2017: £15,000,000), which is unsecured, repayable on demand and bears interest at the Sterling 6 Monthly LIBOR rate plus 0.5% (2017: Sterling 6 Monthly LIBOR rate plus 0.5%).

8. Trade and other receivables

	2018 £	2017 £
Other receivables	-	781
Total	-	781

9. Trade and other payables

	2018 £	2017 £
Accruals and deferred income	-	38,884
Amounts owed to group undertakings	71,879	51,346
Other taxes and social security	7,404	-
Group relief payable	49,453	27,225
Total	128,736	117,455

Amounts owed to group undertakings are unsecured, interest free and have no fixed terms for repayment.

Notes to the financial statements (continued)

10. Borrowings

	2018 £	2017 £
<i>Amounts owed to group undertakings:</i>		
Thames Water Limited	922,000	922,000
Total	922,000	922,000

Amounts owed to group undertakings consist of loans which are all non-interest bearing and unsecured. While the amounts are repayable on demand the Directors do not consider that they will be repayable within one year.

11. Called up share capital

	2018 £	2017 £
<i>Allotted, called up and fully paid:</i>		
100 (2017: 100) ordinary shares of £1 each	100	100

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.

12. Related parties

As the Company is a wholly owned subsidiary of Kemble Water Holdings Limited, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with other wholly owned subsidiaries which form part of the group. The consolidated financial statements of Kemble Water Holdings Limited, within which this Company is included, can be obtained from the address in note 14.

13. Guarantees and capital commitments

At 31 March 2018, the Company had no guarantees or capital commitments (2017: none).

14. Ultimate parent company and parent company of larger group

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