

FINANCIAL

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Films make Fast buck with £161m tax aid

ENTERTAINMENT giant Universal received a total of £161.8million from taxpayers in return for making four of its Fast And Furious movies in the UK, write *Caroline Reid* and *Christian Sylt*.

Accounts filed at Companies House show that Universal spent £1billion in Britain making the action movies Fast & Furious 6, F9: The Fast Saga, spin-off Hobbs And Shaw, and last year's Fast X, the first in a two-part finale to the series. As

a result, Universal benefited from a government tax break which reimburses studios up to 25.5 per cent of what they spend in the UK on making a film, providing that represents at least 10 per cent of the total costs.

F9 received the biggest handout, with a £46.1million tax credit. Part of the car chase in that film was shot in Edinburgh, which entitled it to an additional £400,000 grant from the Scottish government.

According to industry analyst Box Office Mojo, the four Fast movies grossed £2.4billion. As Universal's share of those box office takings is estimated to be £1.2billion, and with the tax credits reducing their total costs to £840million, the films are estimated to have made a total profit of £360million.

Since debuting in 2001, the Fast films have grossed £5.8billion. Their cast list includes Dame Helen Mirren, Vin Diesel and The Rock.

X FACTOR: Jason Momoa stars as villain Dante in high-octane thrill ride Fast X

Mounting debt places Kemble in deep water

By **Geoff Ho**

THAMES Water's parent company looks increasingly likely to fail, with debt markets now valuing the bonds or IOUs of Kemble Water at just 14.5p in the pound.

Kemble is racing against the clock to secure either new investment or get its lenders to agree to an extension, after admitting on Thursday that it cannot repay a £190million bank loan before April 30.

The value of Kemble's bonds has more than halved following the admission. One expert said the market now thinks "there are serious doubts about its ability to meet its liabilities".

A year ago, debt market investors were willing to pay 88.1p in the pound for Kemble's bonds.

Kemble owes £18.3billion to its banks, bondholders and other lenders, of which £14.7billion is held by Thames Water Utilities Limited (TWUL), a ring-fenced

operating company. It needs to find billions to upgrade Thames Water's crumbling infrastructure and improve its poor leaks and sewage record, while at the same time, meet its debt repayments.

Its ability to survive was in doubt last week following a row between Kemble's shareholders and water regulator Ofwat.

Its shareholders withdrew £750million in promised new funding for Thames Water after Ofwat vetoed plans to hike consumer bills 40 per cent, and to allow it to pay dividends and smaller fines for sewage leaks.

In response to Ofwat, the shareholder group, including Canada's Ontario Municipal Employees Retirement System, the Universities Superannuation Scheme, and China and Abu Dhabi's sovereign wealth funds, said Thames Water was no longer an "investable proposition".

Ofwat said that regardless of whatever happens to Kemble and the value of its shareholders' investment, safeguards are in place to ensure TWUL can continue to operate and supply its 16 million customers uninterrupted.

Chris Weston, Thames Water chief executive, said that despite Kemble's debt crisis, it was "business as usual" for the utility. "Our 8,000 staff remain committed to working with our partners in the supply chain to provide services for the benefit of our customers, communities and the environment."

If Kemble fails, a Government contingency plan would effectively see Thames Water nationalised. It would be placed in a "special administration" regime similar to Bulb Energy in 2021 and be the biggest nationalisation of a company in the UK since the banking crisis of the late 2000s.

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