

Total Midstream Holdings UK Limited

Annual report and financial statements

For the year ended 31 December 2012



Registered No 02600099

Total Midstream Holdings UK Limited

Directors and advisors

Directors

P Sauquet
R Festor
B Baudier

Secretary

D Faragher

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC Bank plc
133 Regent Street
London
WC2R 2PS

Registered Office

10 Upper Bank Street
London
E14 5BF

Directors' report

Registered No 02600099

The directors present their annual report on the affairs of the company, together with the financial statements, for the year ended 31 December 2012

Review of the business and future developments

Total Midstream Holdings UK Limited is the parent and holding company to the UK downstream gas and power activities of the Total Group

It is the intention of the directors that the above business of the company will continue for the foreseeable future

The principle risks and uncertainties of the company relate to the ongoing activities of the companies in which it holds investments. The carrying values of investments are reviewed annually and provisions made where appropriate

Key performance indicators

The Companies Act 2006 requires directors to disclose the company's Key Performance Indicators (KPIs). Total manages its KPIs at a segment and geographical level. As a result the directors have taken the decision not to disclose KPIs in individual subsidiary accounts. The Total Group KPIs are included within the accounts of the ultimate parent undertaking Total SA.

Results and dividends

The profit after taxation amounted to £65,016,000 for the year ended 31 December 2012 (2011 - £84,251,000)

During the year a dividend of £65,000,000 was paid in respect of the current year (2011 - £86,000,000)

Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Events since the balance sheet date

In January 2013 an additional loan of £1,089,970 was granted to a subsidiary undertaking (Chanter Petroleum Limited) to further finance its investments.

Directors

The directors who served during the year and subsequently were

P. Sauquet

R. Festor

B. Baudier

Disclosure of information to the auditors

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors' report (continued)

Re-appointment of auditors

Ernst & Young LLP have indicated their willingness to continue in office. A resolution for their reappointment will be proposed at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

By order of the board,



D Faragher
Secretary

03 April 2013

Directors' Responsibilities Statement

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the 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 and loss of the company for that period. In preparing those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Independent auditor's report

To the members of Total Midstream Holdings UK Limited

We have audited the financial statements of Total Midstream Holdings UK Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement as set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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

Ernst & Young LLP

David Coulon (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date *8 April 2013*

Total Midstream Holdings UK Limited

Profit and loss account

For the year ended 31 December 2012

	Notes	2012	2011
		£'000	£'000
Interest income	5	21	26
Dividend income	6	65,000	86,000
Impairment of loan to subsidiary		-	(1,769)
Profit on ordinary activities before taxation		<u>65,021</u>	<u>84,257</u>
Tax on profit on ordinary activities	7	(5)	(6)
Profit for the financial year	13	<u>65,016</u>	<u>84,251</u>

The profit of the current and previous year was derived in its entirety from continuing operations

Statement of total recognised gains & losses

For the year ended 31 December 2012

The company had no other recognised gains or losses during either year

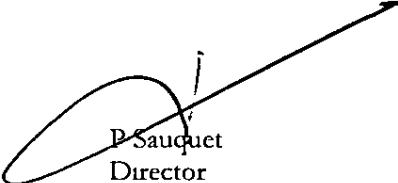
Total Midstream Holdings UK Limited

Balance sheet

at 31 December 2012

	Notes	2012	2011
		£'000	£'000
Fixed Assets			
Investments	8	145,801	145,801
		<u>145,801</u>	<u>145,801</u>
Current Assets	9	5,399	5,378
Debtors			
Creditors : amounts falling due within one year	10	(12)	(7)
Net current assets		<u>5,387</u>	<u>5,371</u>
Total assets less current liabilities		151,188	151,172
Capital and reserves			
Called-up equity share capital	11	146,500	146,500
Profit and loss account	13	4,688	4,672
Equity shareholder's funds	12	<u>151,188</u>	<u>151,172</u>

The financial statements were approved and authorised for issue by the board on 03 April 2013


P. Sauquet
Director

Notes to the financial statements

at 31 December 2012

1. Accounting policies

The principal accounting policies are summarised below, all of which have been applied consistently throughout the year and the preceding year

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Group financial statements

The company is exempt from preparing group financial statements in accordance with S400 of the Companies Act 2006. These financial statements present information about the company as an individual entity and not about its group.

Cash flow statement

In accordance with paragraph 5 (a) of FRS1 (Revised) the company has not prepared a cash flow statement because it is a wholly owned subsidiary of a company whose consolidated financial statements include the company and are publicly available (see note 15)

Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investment income is recognised when receivable.

Dividends

Dividends are recognised in the year in which they are approved by the company's shareholders.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to receive more, tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

2 Auditors remuneration

Audit fees of £5,000 (2011 - £5,000) are borne by another group company, Total Gas & Power Ltd and disclosed in that company's financial statements.

Total Midstream Holdings UK Limited

Notes to the financial statements (continued)

at 31 December 2012

3. Employee costs

The company has no employees (2011 – nil)

4. Directors emoluments

None of the directors received or was due remuneration for services performed for the company in either 2012 or 2011

5. Interest income

	2012 £'000	2011 £'000
Interest received from group company	<u>21</u>	<u>26</u>

6. Dividend income

	2012 £'000	2011 £'000
Dividend income from investment	<u>65,000</u>	<u>86,000</u>

7. Taxation

a) Tax on profit on ordinary activities	2012 £'000	2011 £'000
UK Corporation Tax		
Current tax charge on profit on ordinary activities	5	7
Current tax adjustments in respect of prior periods	-	(1)
Total current tax charge	<u>5</u>	<u>6</u>

b) Factors affecting the tax charge for the current period

The tax assessed on the profit on ordinary activities for the year is lower than (2011 – lower than) the average standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%). The differences are reconciled below

	2012 £'000	2011 £'000
Current tax		
Profit on ordinary activities before tax	<u>65,021</u>	<u>84,257</u>
Current tax charge at 24.5% (2011 – 26.5%)	<u>15,930</u>	<u>22,328</u>
Effects of		
Non taxable transactions	(15,925)	(22,790)
Non deductible transactions	-	469
Adjustments to tax charge in respect of previous periods	-	(1)
Total current tax charge	<u>5</u>	<u>6</u>

Total Midstream Holdings UK Limited

Notes to the financial statements (continued)

at 31 December 2012

7. Taxation continued

c) Factors that may affect future tax charges

The Finance Act 2012 reduced the UK corporation tax rate from 26% to 24% with effect from 1 April 2012 and from 24% to 23% from 1 April 2013. The Chancellor of the Exchequer has since proposed further changes to reduce the rate to 21% by 1 April 2014 and 20% from 2015, however this legislation has not yet been enacted.

These rate changes affect the amount of future cash corporation tax payments to be made by the company.

d) Deferred tax

There were no amounts of provided or unprovided deferred tax at either year end.

8. Fixed asset investments

	Subsidiary Undertakings £'000	Total £'000
At 01 January 2012	145,801	145,801
At 31 December 2012	145,801	145,801

The company's subsidiary undertakings, all of which are registered in Great Britain, are as follows:

Name of company	Holding	Ownership	Nature of business
Total Gas Contracts Limited	100 £1 ordinary shares	100%	Energy Services
Total Gas & Power Limited	145,799,999 £1 ordinary shares 1 £1 preference share	100%	Supply and trading of gas and electricity
Chanter Petroleum Limited	1,000 £1 ordinary shares	100%	Holding company
Total Gas & Power Chartering Ltd	100 £1 ordinary shares	100%	Vessel chartering

9. Debtors

	2012 £'000	2011 £'000
Amounts due from subsidiary undertakings	104	104
Amount due from group companies	5,295	5,274
	5,399	5,378

Total Midstream Holdings UK Limited

Notes to the financial statements (continued)

at 31 December 2012

10. Creditors, amounts falling due within one year

	2012 £'000	2011 £'000
Amounts due to group undertakings	7	-
Accrual – Corporation Tax	5	7
	<u>12</u>	<u>7</u>

11. Equity share capital

	2012 £'000	2011 £'000
Authorised 146,500,002 ordinary shares of £1 each	<u>146,500</u>	<u>146,500</u>
Allotted, called up and fully paid 146,500,002 ordinary shares of £1 each	<u>146,500</u>	<u>146,500</u>

12. Reconciliation of movements in equity shareholder's funds

	2012 £'000	2011 £'000
Profit for the year	65,016	84,251
Dividend paid during the year	(65,000)	(86,000)
Opening shareholder's funds	<u>151,172</u>	<u>152,921</u>
Closing shareholder's funds	<u>151,188</u>	<u>151,172</u>

13 Reserves

	<i>Profit and loss account £'000</i>
At 1 January 2011	6,421
Profit for the year ended 31 December 2011	84,251
Dividend paid during the year	(86,000)
At 31 December 2011	<u>4,672</u>
Profit for the year ended 31 December 2012	65,016
Dividend paid during the year	(65,000)
At 31 December 2012	<u>4,688</u>

Notes to the financial statements (continued)

at 31 December 2012

14. Related parties

The company has taken advantage of the exemption in paragraph 3(c) of FRS8 'Related Party Transactions' from disclosing transactions with other members of the group headed by Total SA

15. Ultimate holding company

The company's ultimate parent undertaking is Total SA, a company registered in France. This is the largest and smallest group for which group financial statements are prepared. Copies of the financial statements of Total SA, can be obtained from 2, Place Jean Millier, La Defense 6, 92400 Courbevoie, France