

Total Midstream Holdings UK Limited

Annual report and financial statements

For the year ended 31 December 2013

Registered No. 02600099



Directors and advisors

Directors

P. Sauquet
F. Agnes
P. Guys

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

Strategic report

Registered No. 02600099

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.

Principal risks and uncertainties

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.

By order of the board,



D Faragher
Secretary

3 April 2014

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 2013.

Results and dividends

The profit after taxation amounted to £78,831,000 for the year ended 31 December 2013 (2012 - £65,016,000).

During the year a dividend of £81,000,000 was paid in respect of the current year. (2012-£65,000,000).

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.

Directors

The directors who served during the year and subsequently were:

P. Sauquet
R. Festor (Resigned 15 July 2013)
B. Baudier (Resigned 3 April 2013)
F. Agnes (Appointed 3 April 2013)
P. Guys (Appointed 3 April 2013)

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.

Re-appointment of auditors

The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Ernst & Young LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of S485 of the Companies Act 2006.

By order of the board,



D Faragher
Secretary

3 April 2014

Directors' Responsibilities Statement

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 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 2013 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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 Strategic Report and 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

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

Date: *4 April 2014*

Total Midstream Holdings UK Limited

Profit and loss account

For the year ended 31 December 2013

	Notes	2013	2012
		£'000	£'000
Interest income	5	14	21
Dividend income	6	81,000	65,000
Impairment of loan to subsidiary	9	(2,180)	-
Profit on ordinary activities before taxation		<u>78,834</u>	<u>65,021</u>
Tax on profit on ordinary activities	7	(3)	(5)
Profit for the financial year	13	<u><u>78,831</u></u>	<u><u>65,016</u></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 2013

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

Total Midstream Holdings UK Limited

Balance sheet

at 31 December 2013

	Notes	2013	2012
		£'000	£'000
Fixed Assets			
Investments	8	<u>145,801</u>	<u>145,801</u>
		<u>145,801</u>	<u>145,801</u>
Current Assets			
Debtors	9	3,221	5,399
Creditors : amounts falling due within one year	10	(3)	(12)
Net current assets		<u>3,218</u>	<u>5,387</u>
Total assets less current liabilities		<u>149,019</u>	<u>151,188</u>
Capital and reserves			
Called-up equity share capital	11	146,500	146,500
Profit and loss account	13	2,519	4,688
Equity shareholder's funds	12	<u>149,019</u>	<u>151,188</u>

The financial statements were approved and authorised for issue by the board on 3 April 2014.


P. Sauquet
Director

Notes to the financial statements

at 31 December 2013

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 (2012 - £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 2013

3. Employee costs

The company has no employees (2012 – nil).

4. Directors emoluments

None of the directors received or was due remuneration for services performed for the company in either 2013 or 2012.

5. Interest income

	2013 £'000	2012 £'000
Interest received from group company	<u>14</u>	<u>21</u>

6. Dividend income

	2013 £'000	2012 £'000
Dividend income from investment	<u>81,000</u>	<u>65,000</u>

7. Taxation

a) Tax on profit on ordinary activities:

	2013 £'000	2012 £'000
UK Corporation Tax		
Current tax charge on profit on ordinary activities	<u>3</u>	<u>5</u>
Total current tax charge	<u>3</u>	<u>5</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 (2012 – lower than) the average standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%). The differences are reconciled below:

	2013 £'000	2012 £'000
Current tax:		
Profit on ordinary activities before tax	<u>78,834</u>	<u>65,021</u>
Current tax charge at 23.25% (2012: 24.5%)	<u>18,329</u>	<u>15,930</u>
Effects of:		
Non taxable transactions	(18,833)	(15,925)
Non deductible transactions	<u>507</u>	<u>-</u>
Total current tax charge	<u>3</u>	<u>5</u>

Total Midstream Holdings UK Limited

Notes to the financial statements (continued)

at 31 December 2013

7. Taxation (continued)

c) Factors that may affect future tax charges

The Finance Act 2013 reduced the UK corporation tax rate from 23% to 21% with effect from 1 April 2014 and from 21% to 20% from 1 April 2015.

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 2013	145,801	145,801
At 31 December 2013	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
Total New Energies Limited	1,000 £1 ordinary shares	100%	Holding company
Total Gas & Power Chartering Ltd	100 £1 ordinary shares	100%	Vessel chartering

The company has an indirect investment in the following company:

Name of company	Holding	Ownership	Nature of business
Scotrenewables Tidal Power Limited	104,869 £0.01 shares	26.75%	Renewable energy

Total Midstream Holdings UK Limited

Notes to the financial statements (continued) at 31 December 2013

9. Debtors

	2013 £'000	2012 £'000
Amounts due from subsidiary undertakings	104	104
Amount due from group companies	3,117	5,295
	<u>3,221</u>	<u>5,399</u>

During the year an amount due from a subsidiary undertaking of £2,180m was impaired to zero due to uncertainty of future cash flows arising from investments held by that subsidiary.

10. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts due to group undertakings	-	7
Accrual – Corporation Tax	3	5
	<u>3</u>	<u>12</u>

11. Equity share capital

	2013 £'000	2012 £'000
Authorised 146,500,002 ordinary shares of £1 each	146,500	146,500
Allotted, called up and fully paid 146,500,002 ordinary shares of £1 each	146,500	146,500

12. Reconciliation of movements in equity shareholder's funds

	2013 £'000	2012 £'000
Profit for the year	78,831	65,016
Dividend paid during the year	(81,000)	(65,000)
Opening shareholder's funds	151,188	151,172
Closing shareholder's funds	<u>149,019</u>	<u>151,188</u>

Notes to the financial statements (continued)
at 31 December 2013

13. Reserves

	<i>Profit and loss account £'000</i>
At 1 January 2012	4,672
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>
Profit for the year ended 31 December 2013	78,831
Dividend paid during the year	(81,000)
At 31 December 2013	<u><u>2,519</u></u>

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.