

# **TGPP 1 Limited**

## **Report and Financial Statements**

31 December 2016

WEDNESDAY



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COMPANIES HOUSE

**Directors**

A Heppel  
D Revers  
A Kuhnley

**Secretary**

Jordan Company Secretaries Limited

**Auditor**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JD

**Registered Office**

20-22 Bedford Row  
London  
WC1R 4JS

## Strategic report

The Directors present their Strategic report, Directors' report and financial statements for the year ended 31 December 2016.

### Principal activity and review of the business

The principal activity of the Company during the year was that of an investment company.

The result for the year was a profit before taxation of £24.6m (2015: £2.6m), arising from interest receivable from group entities and dividends receivable.

The Directors envisage that the nature and scale of the Company's activities will continue unchanged in the coming year.

### Principal risks and uncertainties

Given its position within the NSMP Holdings Limited group of companies and as the Company is purely an intermediary holding company within the Group, it is not considered to face any singular risks or uncertainties beyond those of being a member of the aforesaid group.

Approved by the Board of Directors and signed on its behalf by



Andrew Heppel

Director

26 May 2017

## Directors' report

### Results and dividends

The profit for the year after taxation amounted to £22.0m (2015 – £2.1m). During the year a dividend of £54.0m was declared (2015 - £11.0m).

### Directors

The Directors who served the Company during the year and to the date of approval of the financial statements were as follows:

A Heppel  
D Revers  
A Kuhnley

### Going concern

The Directors have considered the Company's current and future prospects and its availability of financing, and are satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the Directors continue to adopt the going concern basis for preparation of these financial statements. The Directors have received confirmation that NSMP Holdings Limited intends to support the Company for at least one year after these financial statements are signed.

### Disclosure of information to the auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Directors and signed on its behalf by



Andrew Heppel  
Director  
26 May 2017

## Statement of Directors' responsibilities

The Directors are responsible for preparing the strategic report, 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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 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 Teesside Gas Processing Plant Limited**

We have audited the financial statements of TGPP 1 Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position, and the related notes 1 to 9. 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), including FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' responsibilities set out on page 4, 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 Report and Financial Statements 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

## **Independent auditor's report**

**to the members of TGPP 1 Limited (continued)**

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.



Mark Hatton (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
Newcastle upon Tyne  
1 June 2017

## Income statement

for the year ended 31 December 2016

	<i>Notes</i>	<i>2016</i> <i>£000</i>	<i>2015</i> <i>£000</i>
Interest receivable and similar income		2,612	2,605
Income from fixed asset investments		22,000	–
<b><i>Profit before taxation</i></b>		<u>24,612</u>	<u>2,605</u>
Tax on profit	3	(2,612)	(527)
<b><i>Profit for the financial year</i></b>		<u><u>22,000</u></u>	<u><u>2,078</u></u>

All amounts relate to continuing activities.

There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents.

There is no other comprehensive income other than the profit for the financial year.



## Statement of changes in equity

for the year ended 31 December 2016

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2015	–	40,053	40,053
Profit for the year	–	2,078	2,078
Dividends paid	–	(11,000)	(11,000)
At 31 December 2015	–	31,131	31,131
Profit for the year	–	22,000	22,000
Dividends paid	–	(54,000)	(54,000)
At 31 December 2016	–	(869)	(869)

## Statement of financial position

at 31 December 2016

	Notes	2016 £000	2015 £000
<b>Fixed assets</b>			
Investments	4	24,623	24,623
<b>Current assets</b>			
Debtors	5	61,934	37,322
<b>Creditors: amounts falling due within one year</b>	6	(87,426)	(30,814)
<b>Net current (liabilities)/assets</b>		(25,492)	6,508
<b>Net (liabilities)/assets</b>		(869)	31,131
<b>Capital and reserves</b>			
Called up share capital	7	—	—
Profit and loss account		(869)	31,131
<b>Shareholders' (deficit)/funds</b>		(869)	31,131

The financial statements of TGPP 1 Limited were approved by the Board of Directors, authorised for issue and signed on its behalf by



Andrew Heppel  
Director

26 May 2017

# Notes to the financial statements

at 31 December 2016

## 1. Accounting policies

### *Statement of compliance*

TGPP 1 Limited is a limited liability company incorporated in England.

The Registered Office is:

20-22 Bedford Row

London

WC1R 4JS

The financial statements have been prepared in accordance with FRS102.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Sections 33.1A and 33.7 Related Party Disclosures

The group in which the results of the Company are consolidated is NSMP Holdings Limited. Consolidated financial statements are available at 20-22 Bedford Row, London, WC1R 4JS.

### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared using accounting principles based on historical cost, unless stated otherwise.

The financial statements are prepared in GBP sterling which is the functional currency of the Company and rounded to the nearest £000.

### *Group financial statements*

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements as the Company's financial results and position are included in the consolidated financial statements of its parent company, NSMP Holdings Limited, which prepares group financial statements which are publicly available. Accordingly, these financial statements represent the activities of the Company only.

### *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements has not required management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

### *Going concern*

The financial statements are prepared utilising the presumption of going concern which is assessed by the Directors for a period of at least 12 months from the date of approval of the financial statements. The documented assessment process is proportionate in depth and nature to the size, level of risk and complexity of the Company and its operations. The conclusion of the assessment can be found in the Directors' report.

### *Short-term debtors and creditors*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

### *Related party transactions*

The Company has taken advantage of the exemptions given in FRS 102.33.1A and FRS102.33.7, not to disclose transactions with wholly owned related parties and key management personnel.

## Notes to the financial statements

at 31 December 2016

### 1. Accounting policies (continued)

#### *Investments*

Investments in subsidiaries are stated at cost less any provision for impairment.

#### *Dividends*

Revenue is recognised when the Company's right to receive payment is established.

### 2. Audit fee, staff costs and Directors' remuneration

The audit fee will be paid by the Company's parent on behalf of all group companies. Disclosure of the fees paid to the auditor is included in the financial statements of NSMP Holdings Limited.

The Company has no employees. No Director received any remuneration in their capacity as Director of this Company for the year ended 31 December 2016 (2015: £nil).

### 3. Tax on profit

#### (a) Tax on profit

The tax charge is made up as follows:

	2016 £000	2015 £000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	2,612	527
Total current tax	2,612	527
Tax charge on profit on ordinary activities	2,612	527

#### (b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 – same as) the standard rate of corporation tax in the UK of 20% (2015 – 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit before tax	24,612	2,605
Profit multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	4,922	527
<i>Effects of:</i>		
Income not taxable	(4,400)	–
Adjustments in respect of prior periods	2,090	–
Total tax for the year	2,612	527

#### (c) Factors affecting future tax charges

The standard rate of corporation tax in the United Kingdom for the year is 20% (2015: 20.25%). The Finance Act 2015 enacted a reduction in the main rate of corporation tax to 19% with effect from 1 April 2017, and the Finance Act 2016 enacted a further reduction to 17% with effect from 1 April 2020. Deferred tax has therefore been provided at a rate of 17%.

## Notes to the financial statements

at 31 December 2016

### 4. Investments

*Shares in group  
undertakings  
£000*

At 1 January 2016 and at 31 December 2016 24,623

The Company's investments at the balance sheet date in the share capital of companies include the following (\* denotes held indirectly):

#### **Teesside Gas & Liquids Processing**

Nature of business: Extraction, processing and sale of liquids from natural gas

Class of shares:	%
Ordinary shares	holding
Liability status: Unlimited	99.00

#### **Northern Gas Processing Limited\***

Nature of business: Fractionation of natural gas liquids

Class of shares:	%
Ordinary shares	holding
Liability status: Limited	99.00

### 5. Debtors

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Amounts owed by subsidiary undertakings	61,934	37,322

### 6. Creditors: amounts falling due within one year

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Amounts owed to parent undertaking	80,985	26,985
Amounts owed to group undertakings	323	323
Group relief payable	6,118	3,506
	87,426	30,814

### 7. Issued share capital

		<i>2016</i>		<i>2015</i>
<i>Allotted, issued and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	100	100	100	100

## Notes to the financial statements

for the year ended 31 December 2016

### 8. Related party transactions

The Company has taken advantage of the exemption available under FRS 102.33.1A and FRS102.33.7 not to disclose transactions with other members of the NSMP Holdings Limited group.

### 9. Information about parent undertaking and ultimate controlling party

TGPP 1 Limited is a wholly owned subsidiary of Teesside Gas Processing Plant Limited, which in turn is a wholly owned subsidiary of NSMP (TGPP) Limited, a wholly owned subsidiary of NSMP Holdings Limited. NSMP (TGPP) Limited and NSMP Holdings Limited are companies incorporated in Jersey.

NSMP Holdings Limited is the parent undertaking for the largest group of undertakings for which group financial statements are drawn up. NSMP (TGPP) Limited is the parent of the smallest group of undertakings for which group financial statements are drawn up.

Copies of the group financial statements can be obtained from 13 Castle Street, St. Helier, JE4 5UT, Jersey.

The Company's ultimate controlling party is ArcLight Energy Partners Fund V, registered in the state of Delaware USA, which is a fund managed by ArcLight Capital Partners LLC headquartered in Boston, Massachusetts.