

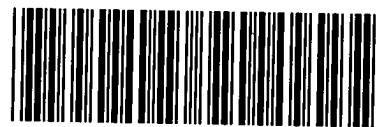
Registered No. 5799781

# **TGPP 1 Limited**

## **Report and Financial Statements**

31 December 2014

WEDNESDAY



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29/04/2015

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COMPANIES HOUSE

**Directors**

A Heppel  
D Revers  
A Kuhnley

**Secretary**

Jordan Company Secretaries Limited

**Auditors**

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 2014.

### Principal activity and review of the business

### 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.

On behalf of the Board



**Andy Heppel**  
**Director**

**April 24<sup>th</sup> 2015**

## Strategic report

### Results and dividends

The profit for the year after taxation amounted to £1.4 million (2013 – £2.6 million). The directors do not recommend the payment of a dividend (2013 - £nil). Subsequent to the year end the Company declared an interim dividend of £11.0 million.

### Directors

The directors who served the company during the year and subsequently were as follows:

A Heppel

D Revers

M Bisso (resigned 17 March 2015)

A Kuhnley (appointed 17 March 2015)

### Going Concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the Directors.

### 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.

On behalf of the Board



**Andy Heppel**  
**Director**

**April 24<sup>th</sup> 2015**

## 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 TGPP 1 Limited**

We have audited the financial statements of TGPP 1 Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 11. 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 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 Directors' Responsibilities Statement 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 2014 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 the 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.

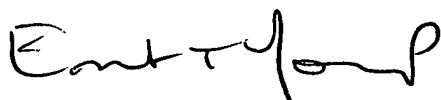
## Independent auditor's report

to the members of TGPP 1 Limited (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.



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

23 April 2015

## Profit and loss account

for the year ended 31 December 2014

	<i>Notes</i>	<i>2014</i> <i>£000</i>	<i>2013</i> <i>£000</i>
<b>Turnover</b>		–	–
Cost of sales		–	–
		<hr/>	<hr/>
<b>Operating Profit</b>		–	–
Interest receivable and similar income		2,605	2,605
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		2,605	2,605
Tax	3	(1,166)	–
		<hr/>	<hr/>
<b>Profit for the financial year</b>	8	1,439	2,605
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing activities.

## Statement of total recognised gains and losses

for the year ended 31 December 2014

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £1,439,000 in the year ended 31 December 2014 (2013 – £2,605,000).



**Balance sheet**

at 31 December 2014

	<i>Notes</i>	<i>2014</i> <i>£000</i>	<i>2013</i> <i>£000</i>
<b>Fixed assets</b>			
Investments	4	24,623	24,623
		<u>24,623</u>	<u>24,623</u>
<b>Current assets</b>			
Debtors	5	34,717	32,112
<b>Creditors:</b> amounts falling due within one year	6	(19,287)	(18,121)
<b>Net current assets</b>		<u>15,430</u>	<u>13,991</u>
<b>Net assets</b>		<u>40,053</u>	<u>38,614</u>
<b>Capital and reserves</b>			
Called up share capital	7	–	–
Profit and loss account	8	40,053	38,614
<b>Shareholders' funds</b>	8	<u>40,053</u>	<u>38,614</u>

The financial statements were approved and authorised for issue by the Board on **April 24<sup>th</sup> 2015** and were signed on its behalf by:



**Andy Heppel**  
Director

## Notes to the financial statements

at 31 December 2014

### 1. Accounting policies

#### ***Basis of preparation***

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

#### ***Group financial statements***

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

#### ***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.

#### ***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.

#### ***Deferred taxation***

Deferred taxation 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 right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- 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 timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 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 2014 (2013: £nil).

## Notes to the financial statements

at 31 December 2014

### 3. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014 £000	2013 £000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	560	–
Adjustment in respect of prior periods	606	–
Total current tax (note 3(b))	1,166	–
<i>Deferred tax:</i>		
Origination and reversal of timing differences	–	–
Changes in tax rate of opening liability	–	–
Total deferred tax	–	–
Tax charge on profit on ordinary activities	–	–

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

The tax assessed for the year is higher than (2013 – lower than) the standard rate of corporation tax in the UK of 21.5% (2013 – 23.25 %). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	2,605	2,605
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	560	606
<i>Effects of:</i>		
Adjustments in respect of prior periods	606	–
Group relief received for nil payment	–	(606)
Current tax for the period (note 3(a))	1,166	–

## Notes to the financial statements

at 31 December 2014

### 3. Tax (continued)

(c) Factors affecting future tax charges

The standard rate of corporation tax in the United Kingdom for the year is 21.5% (2013: 23.25%).

The Finance Act 2013 received Royal Assent on 17 July 2013 and will be applied to bring the main rate of corporation tax to 20% from 1 April 2015.

### 4. Investments

*Shares in group  
undertakings  
£000*

At 1 January 2014 and at 31 December 2014

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 99.00

Liability status: Unlimited

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

Nature of business: fractionation of natural gas liquids

Class of shares:	%
Ordinary shares	holding 99.00

Liability status: Limited

## Notes to the financial statements

at 31 December 2014

### 5. Debtors

	2014 £000	2013 £000
Amounts owed by subsidiary undertaking	34,717	32,112
	<u>34,717</u>	<u>32,112</u>

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

	2014 £000	2013 £000
Amounts owed to parent undertaking	15,985	15,985
Amounts owed to group undertaking	323	323
Group relief payable	2,979	1,813
	<u>19,287</u>	<u>18,121</u>

### 7. Issued share capital

	2014		2013	
<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
		<u>100</u>		<u>100</u>

### 8. Reconciliation of shareholders' funds and movements in reserves

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 1 January 2013	–	36,009	36,009
Profit for the year	–	2,605	2,605
At 1 January 2014	–	38,614	38,614
Profit for the year	–	1,439	1,439
At 31 December 2014	–	40,053	40,053

## **Notes to the financial statements**

**at 31 December 2014**

### **9. Events after the Balance Sheet date**

Subsequent to the year end the Company declared an interim dividend of £11.0 million.

### **10. Related party transactions**

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the NSMP Holdings Limited group.

### **11. 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.