

TGPP 1 Limited

Report and Financial Statements

31 December 2018

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COMPANIES HOUSE

Directors

A Heppel
G Williams
P Sochocki
S Sulaiman

Secretary

Vistra Trust Company Limited

Independent auditor

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

Bankers

Bank of Scotland
33 Old Broad Street
London
EC2N 1HZ

Solicitors

Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

Registered Office

Suite 1, 3rd Floor
11-12 St. James's Square
London
SW1Y 4LB

Strategic report

The Directors present their Strategic report for the year ended 31 December 2018.

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 £2.6 million (2017: £2.6 million), arising from interest receivable from group entities.

On the 24 September 2018 all of the share capital of North Sea Midstream Partners Limited and its subsidiaries (the "NSMP Group"), including the Company, was acquired by Selkie Investments Midstream Bidco Limited. Throughout the year and continuing post-acquisition the principal activities of the Group for the year under review continues to be that of owner and operator of midstream gas infrastructure.

Selkie Investments Midstream Bidco Limited is part of the Selkie Investments ("Selkie") Group that was formed in September 2018 for the purpose of owning and operating midstream gas infrastructure assets in the North Sea. Selkie Investments Midstream Topco Limited, a parent company Selkie Investments Midstream Bidco Limited, was a wholly-owned subsidiary of the Kuwait Investment Authority ("KIA"), whose investment is managed on their behalf by Wren House Infrastructure Management.

On the 18 February 2019 institutional infrastructure investors advised by J.P. Morgan Asset Management acquired a 43.1% interest in Selkie Investments Midstream Topco Limited. The KIA remained the Group and Company's ultimate controlling party.

Future developments

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

Key performance indicators

The Company's key performance indicator is to support the wider aims of the Selkie Investments Midstream Topco Limited Group.

Principal risks and uncertainties

Given its position within the Selkie Investments Midstream Topco 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.

The Directors has considered the potential impacts of Brexit scenarios on the Company and its activities. The Directors have concluded that there is no direct material risk to the business due to the UK focused operating environment and limited trade with the EU.

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



Andrew Heppel
Director
20 May 2019

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2018.

The company has chosen in accordance with Section 414(c)(ii) of the Companies Act 2006 to set out in the Strategic Report the following, which the directors believe to be of significant importance:

- Principal activity
- Review of the business
- Future developments
- Principal risks and uncertainties

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	
G Williams	(appointed 24 September 2018)
P Sochocki	(appointed 24 September 2018)
S Sulaiman	(appointed 19 February 2019)
D Revers	(resigned 24 September 2018)
A Kuhnley	(resigned 24 September 2018)

Dividends

No dividends have been paid by the Company during the current or previous year.

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 Selkie Investments Midstream Topco 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.

Re-appointment of auditor

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the Company.

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



Andrew Heppel
Director
20 May 2019

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

Opinion

We have audited the financial statements of TGPP 1 Limited for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report (continued)

to the members of TGPP 1 Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report (continued)

to the members of TGPP 1 Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Sandra Thompson (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Newcastle upon Tyne
12 June 2019

Income statement

for the year ended 31 December 2018

	<i>Notes</i>	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
Turnover	2	2,605	2,605
Profit before taxation	3	<u>2,605</u>	<u>2,605</u>
Tax credit on profit	4	7	–
Profit after taxation		<u>2,612</u>	<u>2,605</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, for the current and preceding financial years.

There is no other comprehensive income other than the profit for the current and preceding financial years. As such, no statement of comprehensive income has been presented.

Statement of changes in equity

for the year ended 31 December 2018

	<i>Called up share capital</i>	<i>Profit and loss reserve</i>	<i>Total equity shareholders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2017	–	(869)	(869)
Profit for the year	–	2,605	2,605
At 31 December 2017	–	1,736	1,736
Profit for the year	–	2,612	2,612
At 31 December 2018	–	4,348	4,348

Statement of financial position

at 31 December 2018

	Notes	2018 £000	2017 £000
Fixed assets			
Investments	5	24,623	24,623
Current assets			
Debtors	6	37,907	35,302
Creditors: amounts falling due within one year	7	(58,182)	(58,189)
Net current liabilities		(20,275)	(22,887)
Net assets		4,348	1,736
Capital and reserves			
Called up share capital	8	—	—
Profit and loss reserve	8	4,348	1,736
Equity Shareholders' funds		4,348	1,736

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



Andrew Heppel
Director
20 May 2019

Notes to the financial statements

for the year ended 31 December 2018

1. Accounting policies

General information

TGPP 1 Limited is a limited liability company incorporated in England. The Registered Office is:

Suite 1, 3rd Floor
11-12 St. James's Square
London
SW1Y 4LB

Statement of compliance

The financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland".

Basis of preparation

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.

Disclosure exemptions

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 Selkie Investments Midstream Topco Limited. Consolidated financial statements are available at 3rd Floor, 44 Esplanade, St Helier, JE4 9WG, Jersey.

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, Selkie Investments Midstream Topco 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 statement of financial position 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.

The Company has net current liabilities at 31 December 2018 of £20,275,000 (2017: £22,887,000). The Directors have received confirmation that Selkie Investments Midstream Topco Limited intends to support the Company for at least one year after these financial statements are signed.

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.

Notes to the financial statements

for the year ended 31 December 2018

1. Accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of consideration received, excluding discounts, rebates, VAT and other sales taxes and duty.

Finance income – revenue is recognised as interest accrues using the effective interest method.

Taxation

Current tax, including UK corporation tax and foreign tax, is recognised on taxable profits or losses for the current and past periods. Current tax is measured at the amounts of tax expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

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.

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.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All exchange differences are taken to the income statement.

2. Turnover

Turnover arises from:

	2018	2017
	£000	£000
Finance income	2,605	2,605

This relates to interest receivable from group undertakings.

3. Profit before taxation

Profit before taxation is stated after charging:

	2018	2017
	£000	£000
Auditor's remuneration	3	3

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 Selkie Investments Midstream Topco Limited.

The Company has no employees (2017: nil). No Director received any remuneration in their capacity as Director of this Company for the year ended 31 December 2018 (2017: £nil).

Notes to the financial statements

for the year ended 31 December 2018

4. Tax on profit

(a) Tax on profit

The tax credit is made up as follows:

	2018 £000	2017 £000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	(7)	–
Total current tax	(7)	–

(b) Factors affecting tax credit for the year

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit before tax	2,605	2,605
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	495	501
<i>Effects of:</i>		
Effects of group relief	(502)	(501)
Total tax for the year	(7)	–

(c) Factors affecting future tax charges

The standard rate of corporation tax in the United Kingdom for the year is 19% (2017: 19.25%). 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

for the year ended 31 December 2018

5. Investments

*Shares in group
undertakings
£000*

At 1 January 2018 and at 31 December 2018

24,623

The Company's investments at the statement of financial position date in the share capital of companies include the following (* denotes held indirectly):

Teesside Gas & Liquids Processing

Nature of business: (Unlimited company) Extraction, processing and sale of liquids from natural gas

%

Class of shares:

holding

Ordinary shares

99.00

Registered office: Suite 1, 3rd floor, 11-12 St James's Square, London, SW1Y 4LB

Northern Gas Processing Limited*

Nature of business: Fractionation of natural gas liquids

%

Class of shares:

holding

Ordinary shares

99.00

Registered office: Suite 1, 3rd floor, 11-12 St James's Square, London, SW1Y 4LB

6. Debtors

2018

2017

£000

£000

Amounts owed by subsidiary undertakings

37,907

35,302

7. Creditors: amounts falling due within one year

2018

2017

£000

£000

Amounts owed to parent undertaking

51,748

51,748

Amounts owed to group undertakings

323

323

Group relief payable

6,111

6,118

58,182

58,189

Notes to the financial statements

for the year ended 31 December 2018

8. Issued share capital and reserves

<i>Allotted, issued and fully paid</i>	<i>No.</i>	<i>2018</i>	<i>No.</i>	<i>2017</i>
		<i>£000</i>		<i>£000</i>
Ordinary shares of £1 each	100	–	100	–

Profit and loss account reserve

This reserve records the cumulative amount of realised profits and losses less any distributions of dividends.

9. 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 Selkie Investments Midstream Topco Limited group.

10. Information about parent undertaking and ultimate controlling party

On the 24 September 2018 all of the share capital of North Sea Midstream Partners Limited and its subsidiaries, including the Company, were acquired by Selkie Investments Midstream Bidco Limited. Selkie Investments Midstream Bidco Limited is a wholly owned subsidiary of Selkie Investments Midstream Topco Limited which became the parent undertaking for the NSMP Group of companies.

Selkie Investments Midstream Topco Limited is the parent undertaking for the largest and smallest group of undertakings for which group financial statements are drawn up. Copies of the group financial statements can be obtained from 3rd Floor, 44 Esplanade, St Helier, JE4 9WG, Jersey.

The Company's ultimate controlling party is the Kuwait Investment Authority ("KIA"), which is registered at Ministries Complex, Al Murqab, P.O. Box: 64, Safat, Zip Code: 13001, Kuwait City, Kuwait.

11. Events after the reporting period

On 18 February 2019 institutional infrastructure investors advised by J.P. Morgan Asset Management acquired a 43.1% interest in Selkie Investments Midstream Topco Limited. The KIA remained the Group and Company's ultimate controlling party.