

# TotalEnergies Gas & Power Limited

Annual report and financial statements

For the year ended 31 December 2021

Registered No. 02172239



## **TotalEnergies Gas & Power Limited**

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### **Directors and advisors**

#### **Directors**

S. Binet  
D. Cranfield  
J-M. Simandoux  
S. Roberts  
T. Maurisse  
M. Doucy  
E. Dusausoy  
A-C. Roccon

#### **Auditors**

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

#### **Bankers**

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

#### **Registered Office**

Bridge Gate 55 - 57 High Street  
Redhill  
Surrey  
RH1 1RX

## TotalEnergies Gas & Power Limited

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### Strategic report

Registered No. 02172239

#### Review of the business

The activities of the company are to trade energy commodities (natural gas, electricity, LNG, biomass, sulphur, petcoke and emissions) and to sell gas and electricity supplies to industrial, commercial and public sector customers. Since 1 September 2019, the company extended its activities to the transportation by ship of sulphur, petcoke and LNG; the company arranges the carriage of such products by contracting with ship owners or disponent owners.

The selling of gas and electricity supplies remains primarily in the United Kingdom.

#### Key Performance Indicators

The Companies Act 2006 requires directors to disclose the company's Key Performance Indicators (KPIs). TotalEnergies 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 TotalEnergies Group KPIs are included within the accounts of the ultimate parent undertaking TotalEnergies SE.

#### Principal risks and uncertainties

##### *Trading and marketing activities*

In connection with its trading and marketing activities, the company is exposed to risks including commodity price risk, credit risk and currency risk. The company has implemented strict policies and procedures to manage and monitor these risks.

To mitigate the corresponding exposures, the company uses various instruments on organised or over-the-counter markets. In general, the transactions are settled at maturity date through physical delivery. Limits on trading positions are approved by TotalEnergies Group's Executive Committee and are monitored daily.

Trading and financial controls are carried out separately and an integrated information system enables real-time monitoring of trading activities. The company uses a "value at risk" method to measure market risks related to the prices of commodities.

To increase flexibility and encourage liquidity, trading operations are performed with numerous independent operators, including other oil and gas companies, major energy producers and marketers and financial institutions. Credit limits are established for each counterparty, and are monitored on a regular basis.

In the uncertain general economic conditions in the UK and globally the company monitors closely its principal risks, particularly credit risk, and continually reviews its policies and procedures to mitigate these risks accordingly.

##### *Transportation activities*

The principal risks and uncertainties relate to the quality of the vessels that it contracts to use and the ongoing performance of its counterparties.

The charter agreements entered into by the company subject it to counterparty risks. The ability of our counterparties to perform their obligations under each contract will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions and charter rates. Should a counterparty fail to honour its obligations the company could sustain significant losses, which could have a material adverse effect on the performance of the business.

## TotalEnergies Gas & Power Limited

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### Strategic report (continued)

The chartering of an ocean-going vessel carries inherent risks. These risks include the possibility of marine accident, piracy, environmental accidents and business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, labour strikes, or adverse weather conditions. Any of these circumstances or events could impact the finances of the company. The involvement of a vessel chartered by the company in an incident may result in the company facing claims under applicable international environmental conventions, laws and regulations, notwithstanding that the ship owner and or vessel operator would in principle primarily be liable. The company seeks to conduct its activities in such a manner so that there is little or minimal risks.

#### *Global health crisis*

The coronavirus pandemic has developed rapidly since the beginning of the first quarter 2020 and has caused the oil price to fall significantly.

In response to the crisis, the company implemented measures to prevent transmissions of the virus in operating an effective remote working strategy and ensuring safety of physical operations.

The company operates in a complex and volatile environment and is exposed to risks including commodity price risk, credit risk and currency risk. The company trades on liquid exchanges and trades OTC with reputable counterparties and has implemented strict policies and procedures to manage and monitor these risks.

### Future developments

The directors aim to maintain the management policies that have resulted in the company's substantial growth in recent years and foresee significant further developments in the coming years.

### Section 172(1) Statement

In governing the company on behalf of its shareholders and discharging their duties under section 172, the directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so had regard, amongst other matters, to:

- *the need to act fairly as between members of the company*

The company is ultimately wholly owned by TotalEnergies SE (including its subsidiaries "TotalEnergies"), a top tier international energy company which follows a highly developed and formalised governance and oversight framework, forming a solid foundation of procedures, management and reporting tools. The main sources of guidance include but are not limited to group policies such as:

- *The Code of Conduct*, which spells out TotalEnergies' values and commitments to internal and external stakeholders (host countries, local communities, customers, suppliers, industrial and commercial partners and shareholders);
- *Vigilance plan*, which is aiming to set out the reasonable measures of vigilance to identify risks of and prevent severe impacts on human rights, fundamental freedoms, human health and safety and the environment resulting from the activities of the group;
- *The Fundamental principles of Purchasing*, which lay out the commitments expected from the suppliers in the areas of: respect of human rights at work, protection of health, safety and security, preservation of environment, prevention of corruption, conflicts of interest and fraud, respect for competition law, as well as promotion of economic and social development.

Further information on these group-wide policies can be found in the annual report and financial statements of the company's ultimate holding company, TotalEnergies SE.

## TotalEnergies Gas & Power Limited

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### Strategic report (continued)

- the likely consequences of any decision in the long term

During the year directors continued to regularly review health, safety and environmental matters, financial and operational performance as well as other areas over the course of the financial year including the company's business strategy, key risks, employee-related matters, equality, diversity and inclusion, social responsibility, governance, compliance and legal matters. This information is provided to the directors through reports sent in advance of each meeting and through in-person presentations to ensure collaborative and well-informed decisions. The directors engage regularly with the company's ultimate holding company, which is heavily involved in driving the performance, guiding the strategy and developing the culture of the company as part of the wider TotalEnergies group. Ahead of matters being put to the company's directors for consideration, significant levels of engagement are often undertaken on the business segment level ahead of many company projects and activities.

The directors recognise that not every decision it makes will necessarily align with all stakeholders' interests. Given the complexity of the ambition targeted by TotalEnergies, the directors have taken decisions they believe best support company's and the group's values, business objectives and strategic orientation.

- the interests of the company's employees

The employees of TotalEnergies are central to the company's business. The company is committed to involving its workforce in matters affecting the business and this is demonstrated through a variety of channels:

- Quarterly town hall meetings organised on a divisional level within TotalEnergies to keep its workforce informed of the performance and strategy of the company. Additional town hall meetings are held when appropriate to share news and developments relating to the company's strategy;
- Safety is a core value of TotalEnergies and the company is committed to "Safety for me, Safety for you, and Safety for All". The commitment of its workforce is key to achieving this. The company encourages its workforce to systematically report any incidents or anomalies that they may witness. To symbolise this principle and make it easier to implement, a "Stop Card" was created to empower every member of the company's workforce to step in to prevent safety hazards;
- Employee shareholding is extended via three mechanisms: the grant of performance shares, share capital increases reserved for employees and employee savings. In this way, TotalEnergies wishes to encourage employee shareholding, strengthen their sense of belonging to the group and give them a stake in company's performance by allowing to benefit from their involvement;
- The professional development of employees stands at the heart of company's performance. Talent developers are working on assisting each employee with his or her professional development while providing customized support. It requires the drafting of an individual career and training plan.

- the impact of the company's operations on the community and the environment

It is the ambition of TotalEnergies to become a company of responsible energies, committed to supply a better energy that is more affordable, more reliable, cleaner and accessible to as many people as possible. Energy markets are changing, driven by climate change, technology and societal expectations. TotalEnergies is working on helping to solve the dual challenge of providing more energy with fewer emissions thus implementing group Climate Ambition to get to Net Zero by 2050.

## TotalEnergies Gas & Power Limited

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### Strategic report (continued)

Delivering on this goal requires also recognising that the company needs to do more to help the communities it works in and the environment. In this regards, the TotalEnergies group has launched the Action! Portal in the UK/Switzerland promoting volunteering amongst the company's workforce; through this programme employees are offered up to three working days to volunteer within their communities, for projects that align to the TotalEnergies Foundation pillars: Road Safety, Climate Change and Forests, Youth Inclusion and Education, Cultural Dialogue and Heritage.

- the need to foster the company's business relationships with suppliers, customers and others

The relationship between the company and its suppliers is based on adhesion to the Fundamental Principles of Purchasing that are consistent with the principles laid down in the Code of Conduct. A supplier assessment procedure is put in place with a view to identifying and preventing risks of severe impacts on human rights and fundamental freedoms, health and safety. Periodical audits are carried out to assess working conditions during the life of the contract. The company will only contract with suppliers who comply with all applicable legal requirements and act in a manner, which is ethical and consistent with its own high professional standards of behaviour. All trades carried out externally by the company are subject to Know Your Customer ("KYC") and Anti-Money Laundering ("AML") checks with all counterparties to those trades. The independent Compliance Function carries out a documented procedure prior to any trade and records the relevant information regarding the counterparties.

TotalEnergies is committed to respecting internationally recognised human rights wherever the group operates, in particular the Universal Declaration of Human Rights, the Fundamental Conventions of the International Labour Organisation (ILO), the UK Guiding Principles on Business and Human Rights, the OECD guidelines for multinational enterprises and the Voluntary Principles on Security and Human Rights (VPSHR). The human rights approach is based on these written commitments and is supported by a dedicated organisation and is embedded through an awareness-raising and training program, as well as evaluation and follow-up mechanisms aiming at measuring the effectiveness of the group's actions.

The company publishes, through TotalEnergies Holdings UK Limited, an annual Modern Slavery Act Statement, which covers the company's activities and details policies, processes, and actions the company has taken to ensure that slavery and human trafficking are not taking place in its supply chain or any part of its business.

- the desirability of the company maintaining a reputation for high standards of business conduct

The adherence to TotalEnergies' continuously reviewed oversight framework and governance complemented by the ways the directors are informed and monitoring compliance with relevant governance standards help ensure the decisions are taken and the company acts in ways that promote high standards of business conduct.

## TotalEnergies Gas & Power Limited

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### Strategic report (continued)

#### Principal decisions


Principal decisions are such decisions that are of strategic importance and that are significant to any of the key stakeholders, as defined in the Code of Conduct. The principal decisions taken by the directors during the year include:

- change of company name and branch name;
- approval of several LNG SPA;
- approval of several new time charter agreements of vessels adding into company's fleet;
- approval of biomethane contract;
- entered into the Guarantees of Origin Sales agreement with TotalEnergies affiliates;

The relevant factors taken into account during the decision making process were maintaining financial resilience and the ability to scale and optimise operations. The decisions to implement Integrity Committee and to enhance the corporate governance policy demonstrate the directors' commitments to promoting high standards of business conduct.

When making decisions and overseeing their implementation the interests of employees, suppliers, shareholders and regulators have been duly considered, same as reputation of the company and the long-term consequences of the decisions. The level of information disclosed on the principal decisions is considered consistent with the size and complexity of the business.

By order of the board,



S. Binet  
Director

12 August 2022

## TotalEnergies Gas & Power Limited

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### Directors' report

Registered No. 02172239

The directors present their annual report on the affairs of the company, together with the financial statements, for the year ended 31 December 2021.

### Results and dividends

The profit after taxation amounted to £942,977,000 for the year ended 31 December 2021 (2020: loss after taxation of £352,321,000). During the year, no dividend was paid in respect of financial year 2020.

The company's key financial and other indicators during the year were as follows:

	2021 £'000	2020 £'000	Change %
Net trading gain	3,750,989	1,997,517	+88%
(Loss)/Profit on ordinary activities before taxation	1,091,210	(429,322)	354%
(Loss)/Profit for the year	942,977	(352,321)	368%
Average number of employees	723	744	(3%)

### Going Concern

The directors of the company are required to consider the application of the going concern assumption and whether material uncertainties exist when approving the financial statements. The primary consideration is whether the directors believe the company will have sufficient liquidity for the period up to 13 August 2023 ("the review period"). In performing their going concern assessment, the directors have reviewed primary cash flow requirements for the review period under a base case and performed a severe stress test, both of which indicated that the company would have sufficient financial resources for the review period. The stress test considered a scenario of a decline in trading performance and working capital difficulties. The directors also considered the reliability of the company's financing arrangements from the TotalEnergies group and the solvency of the group's Treasury functions.

The directors are therefore satisfied that there is a reasonable prospect that the company will have sufficient cash resources to meet its current obligations, and furthermore, that adequate resources are available for the company to continue in operational existence for the review period. Thus, the directors have concluded that the going concern basis is appropriate for the company's financial statements.



## TotalEnergies Gas & Power Limited

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### Directors' report (continued)

#### Directors

The directors who served during the year and subsequently are listed on page 2:

S. Binet	
D. Cranfield	
M. Doucy	
J. Hardy	(resigned 26 July 2021)
T. Maurisse	
J-M. Simandoux	
S. Roberts	
L. Vivier	(resigned 21 January 2021)
E. Dusausoy	
A-C. Roccon	(appointed 26 July 2021)

#### Events since the balance sheet date

Since the month of February 2022, Russia's invasion of Ukraine led European and American authorities to adopt several sets of sanctions measures targeting Russian and Belarusian persons and entities, as well as the financial sector.

The company's ultimate parent company, TotalEnergies SE (TotalEnergies) announced, on March 1, 2022, that it condemns Russia's military aggression against Ukraine, supports the scope and strength of the sanctions put in place by Europe that will be implemented by the Company regardless of the consequences on its asset management, and that it will no longer provide capital for new projects in Russia.

In 2022, TotalEnergies is in the process of novating some contracts from the company to a French affiliate (Global LNG SAS). No material loss is expected to occur for these transactions.

#### 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.

#### Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

#### Employee and stakeholder engagement

See the Section 172(1) Statement in the Strategic Report for details on how the directors have engaged with the company's workforce and had regard to the need to foster the company's business relationships with suppliers, customers and others and the effect of such engagements.

## TotalEnergies Gas & Power Limited

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### Directors' report (continued)

#### Statement of Corporate Governance arrangements

The company is an affiliate of TotalEnergies and therefore applies the group's governance standards. At TotalEnergies, corporate governance is primarily the responsibility of the Board of Directors and General Management. The Board of Directors, composed of members with a wide variety of backgrounds, ensures that the highest standards of corporate governance are enforced, and uses the criteria set out in the AFEP-MEDEF Corporate Governance Code of Listed Corporations as its guideline. The Board defines the company's strategic vision, ensures that internal control functions are operating effectively and oversees the quality of the information provided to its stakeholders.

The corporate governance arrangements in place for the company are described below.

#### *Principle 1 – Purpose and Leadership*

TotalEnergies' ambition is to become the responsible energy major. Its strategy takes into account the evolution of energy markets and aims to supply energy to an ever-growing population, responding to challenges of climate change, new energy production and consumption patterns.

This ambition is embodied by the One TotalEnergies Company project, which unites various activities of the group, its entities and employees and is based on the following values: Safety, Respect for Each Other, Pioneer Spirit, Stand Together and Performance-Minded. These values represent the part of TotalEnergies' identity shared by all employees, and guide daily actions and relations with stakeholders. It is through strict adherence to these values and to this course of action that TotalEnergies intends to build strong and sustainable growth for itself and for its stakeholders, and thereby deliver its commitment to better energy.

#### *Principle 2 – Board Composition*

The Senior Vice President Trading Gas & Power is appointed Chairperson of the board, who determines the composition of the board, which currently is comprised of 8 directors. The geographical separation of the business between Geneva and Redhill increases the need for heightened corporate governance to ensure the board can properly oversee the management of the company from the UK. The board addressed this need by establishing two management committees, which report to the board: one Management Committee for UK Marketing (in Redhill) and one Management Committee for Trading (in Geneva).

The size, structure and composition of the board is in line with group governance standards and ensures the board has sufficient balance of skills, backgrounds and experience to promote effective decision making and oversee the business of the company.

#### *Principle 3 – Director Responsibilities*

Each board member has a clear understanding of his or her responsibility and accountability. In reaching their decisions, the directors have regard to their responsibilities under section 172 of the Companies Act 2006 as mentioned in Strategic Report.

Board meetings are held in the UK on at least quarterly basis. Day to day management and control of each business is performed by each Management Committee and their direct reports. A Delegation of Authority procedure is approved by the board, which delegates authority to the Management Committees and to senior management in each business to manage their businesses in accordance with good governance practices and the policies of the TotalEnergies group.

Each Management Committee reports to the board on a quarterly basis covering any significant events over the previous period and the coming period; the financial reports (long term plan and budget); any stakeholder engagement matters; HR (employee engagement), Engagement with Customers and Suppliers; HSE; Compliance; Legal; Internal Control and Risk and any other matters relating to the governance of the businesses.

## TotalEnergies Gas & Power Limited

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### Directors' report (continued)

#### Principle 4 – Opportunity and Risk

The evolution of energy markets brings significant opportunities and is a source of progress not only for the group in achieving its strategy, but is also a condition for economic and social development. Alongside new business opportunities, an ongoing risk analysis and identification process is an essential factor in the deployment of business strategy.

The Group Risk Management Committee ensures that TotalEnergies and its operational entities have an up-to-date mapping of its risk exposure and that its risk management processes, procedures and systems are efficient. The Committee relies on the work of the business segments to which the operational entities report, where the work is organised by Audit & Internal Control, which leads and coordinates the implementation of an effective control system, based on international framework of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The company has implemented the provisions of Sarbanes-Oxley 404 and is regularly monitoring the adherence of the internal controls.

TotalEnergies' global risk management system is embedded in the operational processes – each individual, whatever their level in the organisation, identifies, assesses and addresses the risks arising in their area of responsibility. The company also has an Ethical Committee set-up at the Group level, which can be contacted by anyone within the Group in confidence and serves as a fraud hotline thus enabling 'whistle blowing'.

Trading limits are granted through the Delegation of Authority procedure to specific trading personnel and are annually reviewed and approved by the Group Executive Committee or by the CEO of TotalEnergies SE. Budgets and long term plans account for market/price risks, supply and outlet risks as well as environment, tax and legal risks.

#### Principle 5 – Remuneration

TotalEnergies group's compensation policy applies to the company. The aim of this policy is to ensure external competitiveness and internal fairness, reinforce the link to individual performance, increase employee share ownership and implement the group's corporate social responsibility commitments. Compensation as well as benefits for the directors are set by the board of directors on the proposal of the Group Compensation Committee. Such compensation must be reasonable and fair, and is based on the market, the work performed, the results obtained and the responsibilities assumed.

#### Principle 6 – Stakeholder relationships and Engagement

Details of engagement activities undertaken by the directors in 2021 with employees, suppliers, clients and other stakeholders and how they inform decision making are provided in Section 172 (1) Statement in the Strategic Report.

# TotalEnergies Gas & Power Limited

## Directors' report (continued)

### Streamlined Energy and Carbon Reporting (SECR) disclosure:

#### Environmental performance and greenhouse gas (GHG) emissions

##### 1. Scope

The scope of this disclosure covers the environmental performance and GHG emissions of TotalEnergies Gas & Power Limited, a UK subsidiary of TotalEnergies Group. It does not cover the emissions of the activities and geographical locations of the wider TotalEnergies Group, which are not subject to SECR regulation. The emissions reported within this disclosure are also recorded within TotalEnergies Group's emissions reporting.

##### 2. Our ambition and targets

TotalEnergies has committed to becoming a Net Zero emissions company for all its European business by 2050. The company will take three major steps towards achieving this ambition:

- (i) Net zero across TotalEnergies' worldwide operation by 2050 or sooner (scope 1 and 2 emissions);
- (ii) Net zero across all its production and energy products used by its customers in Europe by 2050 or sooner (scope 1, 2 and 3 emissions);
- (iii) 60% or more reduction in the average carbon intensity of energy products used worldwide by TotalEnergies customers by 2050.

As part of the TotalEnergies Group, we share this ambition but have also set specific objectives to drive emissions reductions within our business and our value chain. These are described in Section 4 'Emissions Reduction Objectives and Actions'.

##### 3. 2021 GHG Emissions Performance

GHG Emissions Category	Absolute Performance - Current Reporting Year		Absolute Performance - Previous Reporting Year		Variance			Intensity Ratio Analysis		
	2021 Energy (MWh)	2021 Emissions (tCO <sub>2</sub> e)	2020 Energy (MWh)	2020 Emissions (tCO <sub>2</sub> e)	Energy Variance (MWh)	Emissions Variance (tCO <sub>2</sub> e)	Emissions Variance (%)	2021 Intensity Ratio <sup>a</sup>	2020 Intensity Ratio <sup>a</sup>	Variance
Scope 1 <sup>a</sup> Emissions related to boiler plant supplying owned or controlled facilities	41	7	88	16	-47	-9	-54%	94.808	0.023	94.785
Scope 1 <sup>a</sup> Emissions related to transport	54,564	9,387	16,755	2,807	37,809	6,580	234%			
Scope 2 Location-Based Approach <sup>b</sup> Emissions from the generation of purchased electricity consumed in owned or controlled equipment or operations	1,440	306	1,299	300	142	6	2%	14.154	0.069	14.085
Total Scope 1 and 2 Location-Based Approach <sup>b</sup>	56,045	9,700	18,142	3,123	37,904	6,577	231%	2.106	0.304	1.802
Scope 3 Market-Based Approach <sup>c</sup> Remaining emissions from the generation of purchased electricity consumed in owned or controlled equipment or operations not covered by contractual arrangements for the purchase of renewable generation	1,440	0	1,299	6	142	-6	-100%		0.001	-0.001
Total Scope 1 and Scope 3 Market-Based Approach <sup>c</sup>	56,045	9,394	19,142	2,829	37,904	6,565	232%	2.175	0.275	1.900

##### Reporting Methodology Notes:

- A. Scope 1 & 2 emissions categories cover:
- (i) 100% of the energy used in our UK operated facilities between 01 January and 31 December each year. Our Scope 1 and 2 'Location-based' emissions were calculated in accordance with GHG Protocol reporting guidelines. UK Government emissions factors were used to convert energy usage (MWh) into GHG emissions (tCO<sub>2</sub>e).
  - (ii) Emissions arising on transportation where we were responsible for purchasing the fuel for voyages that had part of their journey within the UK in accordance with SECR regulations for an unquoted company. Emissions related activities or facilities outside of the UK of this entity are not within the reporting boundary. Emissions arising on international transportation are also out of scope and are included within the TotalEnergies Group consolidated emissions.

## TotalEnergies Gas & Power Limited

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### Directors' report (continued)

- B. Scope 2 market-based emissions were calculated based on the proportion of the energy consumed at our UK facilities between 01 January and 31 December each year under contractual arrangements for renewable electricity supply backed by Renewable Energy Guarantees of Origin certificates (REGOs) from solar and wind generation sources. These contractual arrangements commenced on 01 April 2020. At the time of reporting, REGO certificates from solar and wind generation sources had been allocated for the period April 2020 to Aug 2021. The remainder of our 2021 electricity usage is assumed to have been sourced from similar generation technologies. REGO certificates for this usage period will be allocated during Q2/3 2022.
- C. At the time of writing, we were in the process of procuring carbon offsets to cover our 2021 Scope 1 and 2 emissions related to energy used in our owned or controlled facilities that were not covered by contractual arrangements for the purchase of renewable generation. These offsets will be sourced from high quality certified projects.
- D. The intensity ratio is based on TCO<sub>2</sub>e per m<sup>2</sup> of floor area in operated facilities.

### Explanatory Notes:

- Scope 1 transport related emissions increased in 2021 due to higher number of LNG cargoes delivered into the UK compared to 2020.

### 4. Emissions Reduction Actions

During 2021, we undertook the following activities in support of our emissions reduction strategy:

- Measured our GHG emissions (Scope 1, 2 and 3 (business travel)). We agreed that our future performance would be measured against a 2019 baseline.
- Established a working group, with senior leadership team representation, to agree our emissions reduction targets, define our strategy, and own and progress specific emissions reduction actions.
- We took steps to ensure that our offices in Redhill, Leeds and Newcastle were supplied under contractual arrangements for the purchase of certified renewable electricity.
- We launched our carbon neutral electricity supply product, which is now available to all our customers.
- We launched a new carbon offset product for our gas supply customers.

For 2022, our focus will shift onto achieving a 10% reduction in our scope 3 emissions related to business travel by the end of 2025 against a 2019 baseline. Our main actions are:

- Begin transitioning our company car arrangements to ensure that electric vehicles will be the only option from 2025;
- Ensure that at least 10% of the staff and visitor parking spaces at our Redhill office have an EV charging option;
- Awareness campaigns to reduce business travel.

## **TotalEnergies Gas & Power Limited**

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### **Directors' report (continued)**

By order of the board,

A handwritten signature in black ink, appearing to be 'S. Biner', is written over a horizontal line.

S. Biner  
Director

12 August 2022

## **TotalEnergies Gas & Power Limited**

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### **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 TotalEnergies Gas & Power Limited**

#### **Opinion**

We have audited the financial statements of TotalEnergies Gas & Power Limited for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 32, 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 101 "Reduced Disclosure Framework (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 2021 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 (UK) (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. 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of management's Going Concern assessment process. We also engaged with management early to ensure all key risks and factors were considered in their assessment.
- We obtained management's going concern assessment which covers the period to 13 August 2023. The Company has modelled an adverse scenario in their cash forecasts in order to incorporate unexpected changes to the forecasted liquidity of the Company.
- We considered the appropriateness of the methods used to calculate the cash forecast and determined through inspection and testing of the methodology and calculations that the methods utilised were appropriately sophisticated to be able to make an assessment for the entity.
- We considered the mitigating factors included in the cash forecasts that are within control of the Company. This includes review of the Company's non-operating cash outflows and evaluating the Company's ability to control these outflows as mitigating actions if required. We also verified the credit facilities from other group companies available to the Company and the ability of those companies to provide such financing.
- We tested management's reverse stress test which adjusted operating cash flows until the headroom was removed entirely and identified and evaluated corroborative and contrary evidence to assess whether these adjustments to the assumptions were within a range of possible outcomes.
- We read the Company's going concern disclosures included in the financial statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.



## **Independent auditor's report (continued)**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 13 August 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **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 contained within the annual report.

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.

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 course of 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 themselves. 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 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 directors' report have 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 or 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 directors' responsibilities statement set out on page 15, 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.

## **Independent auditor's report (continued)**

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.

### **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.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 "Reduced Disclosure Framework"), Companies Act 2006, Bribery Act 2010, Companies (Miscellaneous Reporting) Regulation 2018, those laws and regulations relating to health and safety and employee matters, and relevant tax compliance regulations in the jurisdictions in which the Company operates, including the United Kingdom.
- We understood how TotalEnergies Gas & Power Limited is complying with those frameworks by making enquiries of management and those charged with governance. We corroborated our enquiries through obtaining and agreeing the following documentation:
  - all minutes of board meetings held during the year, up to the auditor's report date;
  - Total SE group's code of conduct setting out the key principles and requirements for all staff in relation to compliance with laws and regulations;
  - correspondence with local tax authorities;
  - correspondence received from regulatory bodies.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering the nature of the business activity together with the company's objectives and underlying control environment. We concluded that unauthorised trading and management override through manual non-standard journals were relevant risks.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved:
  - obtaining independent third-party confirmations for a sample of financial instrument contracts reported by the company to support their existence;
  - involving valuation specialists in our audit of the company's financial instrument valuation judgements;
  - performing journal entry testing, with a focus on journals meeting our defined risk criteria including manual non-standard journals;
  - making enquiries of management and those charged with governance;

### **Independent auditor's report (continued)**

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.

*Ernst & Young LLP*

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

Date: *12 August 2022*

## TotalEnergies Gas & Power Limited

### Profit and Loss Account

for the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i> £'000	<i>2020</i> £'000
<b>Net trading gain</b>	4	3,750,989	1,997,517
Distribution costs		(2,155,383)	(1,950,929)
Administrative expenses		(432,510)	(422,876)
<b>Operating profit/(loss)</b>	5	<u>1,163,096</u>	<u>(376,288)</u>
Interest receivable	8	11,432	10,297
Interest payable	9	(83,684)	(89,305)
Profit on leases and subleases early terminations	24	-	26,795
Other finance income		4,571	-
Other finance expense		(4,205)	(821)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>1,091,210</u>	<u>(429,322)</u>
Tax on (profit)/loss on ordinary activities	10	(148,233)	77,001
<b>Profit/(loss) for the year</b>	23	<u>942,977</u>	<u>(352,321)</u>

The losses and profits of the current and previous year relate entirely to continuing operations.

### Statement of comprehensive income

for the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i> £'000	<i>2020</i> £'000
Profit/(loss) for the year		942,977	(352,321)
<b>Items that cannot be reclassified to profit and loss</b>			
Actuarial gain/(loss)	28	28,598	(18,343)
Movement in deferred tax relating to pension scheme	10	(7,327)	3,493
Currency translation adjustments		17,033	23,746
<b>Total other comprehensive income</b>		<u>38,304</u>	<u>8,896</u>
<b>Total comprehensive income/(loss)</b>		<u>981,281</u>	<u>(343,425)</u>

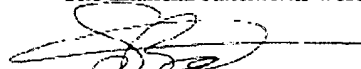
## TotalEnergies Gas & Power Limited

### Balance sheet

as 31 December 2021

	Notes	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Intangible assets	11	9,845	11,781
Tangible Assets	12	1,398,194	1,267,191
Capital work in progress	13	1,793	-
Lease and sublease receivables	24	-	7,968
Loan to Group company	17	500,000	500,000
Pension assets	28	3,354	-
<b>Non-current assets</b>		<b>1,913,186</b>	<b>1,786,940</b>
<b>Current assets</b>			
Stock	14	1,542,588	659,590
Lease and sublease receivables	24	8,068	6,930
Debtors	17	5,901,140	1,606,984
Derivative financial instruments	26	17,208,925	1,520,011
Current deposit	15	2,854,184	-
Cash and cash equivalents	16	1,115,129	989,641
<b>Total current assets</b>		<b>28,630,034</b>	<b>4,783,156</b>
<b>Total assets</b>		<b>30,543,220</b>	<b>6,570,096</b>
<b>Shareholders' equity</b>			
Called up equity share capital	21	158,187	158,187
Share premium		143,409	143,409
Share-based payment reserve	29	15,593	14,515
Other reserves	3	(592,847)	(592,847)
Retained earnings	23	2,398,019	1,433,771
Currency translation adjustments		42,365	25,332
<b>Total Shareholders' equity</b>		<b>2,164,726</b>	<b>1,182,367</b>
<b>Non-current liabilities</b>			
Employee benefits	28	-	27,536
Lease liability	24	1,306,223	1,200,572
Other provisions	20	12,402	23,003
Deferred tax liability	10	63,628	13,575
<b>Total non-current liabilities</b>		<b>1,382,253</b>	<b>1,264,686</b>
<b>Current liabilities</b>			
Creditors	18	8,236,193	1,775,162
Derivative financial instruments	26	11,657,191	2,034,479
Lease liability – current portion	24	200,713	159,986
Other current liabilities	19	6,902,144	153,416
<b>Total current liabilities</b>		<b>26,996,241</b>	<b>4,123,043</b>
<b>Total liabilities and shareholders' equity</b>		<b>30,543,220</b>	<b>6,570,096</b>

The financial statements were approved and authorised for issue by the board on 12 August 2022.

  
S. Binet  
Director

## TotalEnergies Gas & Power Limited

### Statement of changes in shareholders' equity for the year ended 31 December 2021

	Called up equity share capital (note 21) £'000	Share- premium £'000	Share- based payment reserve (note 29) £'000	Other reserves £'000	Retained earnings (note 23) £'000	Currency translation adjustment £'000	Total £'000
At 1 January 2020	156,774	127,054	13,006	(588,821)	1,800,942	1,586	1,510,541
Loss for the financial year	-	-	-	-	(352,321)	-	(352,321)
Other comprehensive (loss)/income	-	-	-	-	(14,850)	23,746	8,896
Total comprehensive loss for the year	-	-	-	-	(367,171)	23,746	(343,425)
Share based payments (note 29)	-	-	1,509	-	-	-	1,509
Equity dividends paid (note 23)	-	-	-	-	-	-	-
Business combination (note 3)	1,413	16,355	-	(4,026)	-	-	13,742
At 31 December 2020	<u>158,187</u>	<u>143,409</u>	<u>14,515</u>	<u>(592,847)</u>	<u>1,433,771</u>	<u>25,332</u>	<u>1,182,367</u>
At 1 January 2021	158,187	143,409	14,515	(592,847)	1,433,771	25,332	1,182,367
Profit for the financial year	-	-	-	-	942,977	-	942,977
Other comprehensive income	-	-	-	-	21,271	17,033	38,304
Total comprehensive income for the year	-	-	-	-	964,248	17,033	981,281
Share based payments (note 29)	-	-	1,078	-	-	-	1,078
Equity dividends paid (note 23)	-	-	-	-	-	-	-
Business combination (note 3)	-	-	-	-	-	-	-
At 31 December 2021	<u>158,187</u>	<u>143,409</u>	<u>15,593</u>	<u>(592,847)</u>	<u>2,398,019</u>	<u>42,365</u>	<u>2,164,726</u>

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements at 31 December 2021

#### 1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of TotalEnergies Gas & Power Limited (the “company”) for the year ended 31 December 2021 were authorised for issue by the board of the directors on 12 August 2022 and the balance sheet was signed on the board’s behalf by S. Binet. TotalEnergies Gas & Power Limited is incorporated and domiciled in England and has a branch registered in Geneva, Switzerland.

These financial statements were prepared in accordance with Financial Reporting Standards 101 Reduced Disclosure Framework (FRS 101) including the July 2015 amendments and in accordance with applicable accounting standards.

The company’s financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£’000) except when otherwise indicated.

The results of TotalEnergies Gas & Power Limited are included in the consolidated financial statements of TotalEnergies SE (note 32).

The company’s place of business is TotalEnergies Gas & Power Limited, Bridge Gate 55 High Street, Redhill, Surrey, RH1 1RX. The branch’s place of business is TotalEnergies Gas & Power Limited, London, Meyrin-Geneva Branch, Route de l’Aéroport 10, 1215 Geneva, Switzerland.

#### 2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year with the exception of the following pronouncements that have been issued by the International Accounting Standard Board (“IASB”).

##### *Effective for annual periods beginning on or after 1 January 2021*

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS4 and IFRS16 - Interest Rate Benchmark Reform – Phase 2  
Amendment to IFRS16 – Related Rent Concessions beyond 30 June 2021

The initial application of the abovementioned pronouncements did not have any material impact to the financial statements of the Company.

##### *Basis of preparation*

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain financial instruments and in accordance with applicable accounting standards.

Where relevant equivalent disclosures have been made in the consolidated accounts of TotalEnergies SE, the company has taken advantage of the following disclosures exemptions under FRS 101:

- (i) The requirements of paragraphs 45 (b) and 46-52 of IFRS 2 *Share-Based Payment*, because the share based payment arrangement concerns the instruments of another group entity
- (ii) The requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
- (iii) The requirements of paragraph 10(d), 10(f), 16, 38(a), 38(b), 38(c), 38(d), 40(a), 79(a)(iv), 111 and 134 – 136 of IAS 1 *Presentation of Financial Statements*
- (iv) *The requirements of paragraph 73(e) of IAS 16 Property, Plant and Equipment*
- (v) *The requirements of paragraph 118(e) of IAS 38 Intangible Assets*
- (vi) The requirements of IAS 7 *Statement of Cash Flows*
- (vii) The requirements of paragraphs 30 and 31 of IAS 8 *Accountings Policies, Changes in Accounting Estimates and Errors*

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued)

at 31 December 2021

#### 2. Accounting policies (continued)

- (viii) The requirements of paragraph 17 and 18 (a) of IAS 24 *Related Party Disclosures*
- (ix) The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- (x) The requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*
- (xi) *The requirements of IFRS 7 Financial Instruments: Disclosures*

All equivalent disclosures regarding the above exemptions are included in the consolidated financial statements of TotalEnergies SE.

In 2018, the company early adopted the triennial amendments to FRS 101 published by the Financial Reporting Council in March 2018.

#### ***Going concern***

The directors of the company are required to consider the application of the going concern assumption and whether material uncertainties exist when approving the financial statements. The primary consideration is whether the directors believe the company will have sufficient liquidity for the period up to 13 August 2023 ("the review period"). In performing their going concern assessment, the directors have reviewed primary cash flow requirements for the review period under a base case and performed a severe stress test, both of which indicated that the company would have sufficient financial resources for the review period. The stress test considered a scenario of a decline in trading performance and working capital difficulties. The directors also considered the reliability of the company's financing arrangements from the TotalEnergies group and the solvency of the group's Treasury functions.

The directors are therefore satisfied that there is a reasonable prospect that the company will have sufficient cash resources to meet its current obligations, and furthermore, that adequate resources are available for the company to continue in operational existence for the review period. Thus, the directors have concluded that the going concern basis is appropriate for the company's financial statements.



## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued) at 31 December 2021

#### 2. Accounting policies (continued)

##### *Net Trading Gain*

Net trading gain arises from realised and unrealised sales and purchases of commodity contracts that have been determined to be for trading purposes and other financial instruments held for trading. It also includes realised and unrealised gains on UK marketing operations. They are shown at their net value to reflect the substance of the transactions.

##### *Tangible fixed assets*

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Such costs include costs directly attributable to making the asset capable of operating as intended and, for assets that necessarily take a substantial period of time to get ready for their intended use, borrowing costs. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Lease premium on short leasehold property	-	Up to the next rent review
Lease	-	Lease contract duration
Office equipment	-	4 years
Computer equipment	-	Up to 4 years

An assessment to whether impairment indicators exist is performed at each reporting date. If impairment indicators exist, an estimate of the asset's recoverable amount is made in order to determine the extent of the impairment loss.

The expected useful lives of tangible fixed assets are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

##### *Leases*

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets are) not explicitly specified in an arrangement.

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued)

at 31 December 2021

#### 2. Accounting policies (continued)

Leases are capitalised at the commencement of the lease at the inception date of fair value of the leases property, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

#### *The Company as a Lessor (subleases)*

The Company enters into lease agreements as a lessor to other companies with respect to certain vessels (sublease). Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

As an intermediate lessor, the company accounts for the head lease and the sub-lease as two separate contracts. For a finance lease, the lessor recognises a receivable at an amount equal to the net investment in the lease, which is the present value of the aggregate of lease payments receivable by the lessor and any unguaranteed residual value.

#### *Intangible assets*

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives of up to 5 years. An assessment to whether impairment indicators exist is performed at each reporting date. If impairment indicators exist, or when annual impairment testing for an asset is required, an estimate of the asset's recoverable amount is made in order to determine the extent of the impairment loss.

#### *Employee Benefits*

Wages, salaries, bonuses and social security contributions are accrued in the period in which the associated services are rendered by the employees of the company. The accounting policies for pensions, share-based payments and other post-retirement benefits are described below.

In 2020, the company has set up a foundation and issued preference shares to the foundation. This intermediate payment arrangement is accounted for by the company (the sponsoring entity), as an extension of its own business and recognised in its own individual financial statements.

The preference shares are non-voting, are in substance a mechanism to make remuneration payments, and therefore are a liability under IAS 32. The preference shares are redeemable after a fixed period though the company has a call option to repurchase the share earlier in the event an employee leaves the company. On the basis of the company's call option, the preference share liability is considered a current liability, included in other current liabilities in the Balance Sheet.

Assets and liabilities of the foundation are restricted in accordance to the foundation rules. The remuneration plan is not material to the financial statements of the company.

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued)

at 31 December 2021

#### 2. Accounting policies (continued)

##### *Pension costs*

For the defined benefit scheme, operating costs of providing pensions together with any related finance costs are recognised in the Profit and Loss account in the period in which they are earned. Actuarial gains and losses are recognised in the Statement of Comprehensive Income.

For defined contribution plans, expenses correspond to the contributions paid.

Defined benefit obligations are determined according to the Projected Unit Method. Actuarial gains and losses may arise from differences between actuarial valuation and projected commitments (depending on new calculations or assumptions) and between projected and actual return of plan assets. Such gain and losses are recognized in the statement of comprehensive income, with no possibility to subsequently recycle them to the income statement.

The past service cost is recorded immediately in the statement of income, whether vested or unvested.

The net periodic pension cost is recognized under "Administrative expenses".

##### *Share-based payment*

The company may grant employees stock options, create employee share purchase plans and offer its employees the opportunity to subscribe to reserved capital increase. These employee benefits are recognized as expenses with a corresponding credit to shareholders' equity.

The expense is equal to the fair value of the instruments granted. The expense is recognized on a straight-line basis between the grant date and vesting date.

The fair value of the options is calculated using the Black-Scholes model at the grant date.

For restricted share plans, the fair value is calculated using the market price at the grant date after deducting the expected distribution rate during the vesting period.

The number of allocated equity instruments can be revised during the vesting period in cases of non-compliance with performance conditions, with the exception of those related to the market, or according to the rate of turnover of the beneficiaries.

The cost of employee-reserved capital increase is immediately expensed. A discount reduces the expense in order to account for the non-transferability of the shares awarded to the employees over a period of five years.

##### *Taxation*

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

Deferred tax is recognised in respect of all temporary 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 probable that taxable profit will be available against which the temporary differences, carried forward tax credits or tax losses can be utilised.

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 or substantially enacted at the balance sheet date.

The directors have recorded deferred tax assets on the basis of budgeted performance projections.

##### *Stock*

Stock is held for trading and consists of gas, petcoke and emissions held in storage and in transit, and is stated at fair value less costs of sale. Any changes in fair value are recognised in the profit and loss account.

Renewable obligation certificates are within stock and are recorded at lower of cost and net realisable value.

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued) at 31 December 2021

#### 2. Accounting policies (continued)

##### *Foreign currency*

The company's financial statements are presented in Sterling, which is also TotalEnergies Gas & Power Ltd.'s functional currency. However, the functional currency of TotalEnergies Gas & Power Limited, London, Meyrin-Geneva Branch is the US dollar. The resulting currency translation adjustments generated by the branch are presented on the line "currency translation adjustment" in the statement of comprehensive income and in the balance sheet.

##### *Monetary transactions*

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

##### *Translation of financial statements*

Assets and liabilities denominated in foreign currencies other than Sterling are translated into Sterling based on the exchange rates at the end of the period. The income statements are translated using the average exchange rates for the period. Foreign exchange differences resulting from such translations are recorded in shareholder's equity under "Currency translation adjustments".

##### *Financial assets and liabilities*

Financial assets and liabilities are trade and other receivables and payables, physical and financial derivatives, cash, short-term deposits and loans.

The accounting treatment of these financial assets and liabilities is as follows:

##### *i. Loans and receivables*

Loans and receivables are recognized at amortized cost. They mainly include commercial receivables and payables as well as cash and cash equivalent.

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Loss allowances for trade receivables are measured at an amount equal to the 12-month expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is past due.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument, while 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

##### *Measurement of expected credit losses*

Expected credit losses are measured as a function of probability of default and loss given default. Probability of default is the likelihood of default over a particular time horizon and is derived using external credit ratings, if they are available, or internal credit ratings based on quantitative or qualitative information for the counterparty.

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued) at 31 December 2021

#### 2. Accounting policies (continued)

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Company's historical experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced with an allowance account.

##### ii. Derivative instruments

As part of its trading activities, the company enters into physical commodities contracts, including gas, power and coal contracts together with related paper financial instruments. These instruments are considered as held for trading and carried in the balance sheet at fair value. Changes in fair value are recorded in the income statement under net trading gain. The fair value of these instruments is recorded in "Derivative financial instruments".

##### iii. Offsetting

Financial assets and liabilities are presented gross in the balance sheet unless both of the following criteria are met:

- The company currently has a legally enforceable right to set off the recognised amounts and,
- The company intends to either settle on a net basis or realise the asset and settle the liability simultaneously.

If both of the criteria are met, the amounts are set off and presented net.

#### ***Interest receivable and payable***

Interest income and expense is recognised as the interest accrues (using the effective interest rate).

#### ***Factoring***

A factoring program is in place that transfers part of the receivables of the company to a third party. The receivables are transferred at the end of every month and are determined based on sales to customers for the past month. All the transferred receivables are either insured through a dedicated credit insurance contract or relating to sales to public sector customers, bearing no credit risk.

#### ***Key judgments and estimates***

Fair values of the company's financial instruments are established by reference to market prices of the relevant commodities.

Estimations of fair value must be weighted by the fact that the value of a financial instrument at a given time may be influenced by the market environment (liquidity especially), and also the fact that subsequent changes in interest rates and exchange rates are not taken into account.

Consequently, the use of different estimates, methodologies and assumptions could have a material effect on the estimated fair value amounts.

The valuation methodology is to mark to market all open positions of both physical and paper transactions. The valuations are determined on a daily basis using observable market data based on organized and over the counter (OTC) markets. In particular cases when market data are not directly available, the valuations are derived from observable data such as arbitrages, freight or spreads and market corroboration. For valuation of risks that are the result of a calculation, such as options for example, commonly known models are used to compute the fair value.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued)

at 31 December 2021

#### 3. Business combination

On 1 September 2019, TotalEnergies Gas & Power Chartering Limited, a sister affiliate, completed the transfer of its assets and liabilities related to the transportation by ship of sulphur, petcoke and LNG to the company acting through TotalEnergies Gas & Power Limited, London, Meyrin-Geneva Branch. The business was transferred under common control, and therefore is outside the scope of IFRS 3 "Business Combinations". The business was transferred for a cash consideration of US\$ 16,950,000 (£13,910,000).

On 1 September 2019, Global LNG, S.A.S, a sister affiliate, completed a transfer of business of its LNG and shipping activities being all of its assets including all contracts and related liabilities to the company acting through TotalEnergies Gas & Power Limited, London, Meyrin-Geneva Branch. This transfer excluded small-scale LNG business and shipping ownership. The business was transferred under common control, and therefore is outside the scope of IFRS 3 "Business Combinations". In consideration of the transfer, the company issued a consideration share at its nominal value plus a share premium, being equal to the market value of the assets. Following the contribution, Global LNG, S.A.S acquired to 7% of the company's ordinary shares.

On 20 March 2020, Global LNG S.A.S. contributed its small-scale LNG business. As consideration for the transfer, the company issued ordinary shares at their nominal value plus a share premium, being equal to the market value of the assets. This resulted in, Global LNG, S.A.S acquiring 0.89% of the company's ordinary shares.

In 2021, no significant business combination was recorded in the company's financial statements.

The impact of these transfers on the company is:

	2021	2020	2019
	£'000	£'000	£'000
Share capital	-	1,413	10,974
Share premium	-	16,355	127,054
Other reserves	-	(4,026)	(588,821)
<b>Total</b>	<b>-</b>	<b>13,742</b>	<b>(450,793)</b>

#### 4. Net trading gain

Net trading gain arises from realised and unrealised sales and purchases of commodity contracts that have been determined to be for trading purposes and other financial instruments held for trading. It also includes realised and unrealised gains on UK marketing operations. They are shown at their net value to reflect the substance of the transactions.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued)

at 31 December 2021

#### 5. Operating profit

Operating profit is stated after charging:	2021	2020
	£'000	£'000
Depreciation of owned assets including amortisation of intangible assets (notes 11 and 12)	192,300	203,111
Auditors' remuneration – audit of the financial statements	1,325	1,161
– other fees to Auditors	10	10
Loss / (Profit) on foreign currency transactions	(3,104)	5,838

The auditors' remuneration of £1,325,000 (2020 - £1,160,682) includes amounts pertaining to other group companies, being TotalEnergies Gas & Power Holdings UK Limited (formerly known as Total Midstream Holdings UK Limited) £5,000 (2020 - £5,000), TotalEnergies Offshore Wind Holdings UK Limited £0 (2020 - £15,000), TotalEnergies Gas & Power Chartering UK Ltd (formerly known as Total Gas & Power Chartering Limited) £10,000 (2020 - £10,000), TotalEnergies Gas & Power Services UK Ltd (formerly known as Total Gas & Power Services Limited) £10,000 (2020 - £10,000) and TotalEnergies Renewables Seagreen Holdco Limited £0 (2020 - £15,000).

#### 6. Directors' remuneration

	2021	2020
	£'000	£'000
Remuneration costs	6,937	8,438
Amounts paid to pension scheme	361	266
	2021	2020
	No.	No.
Members of UK defined benefit pension schemes	1	2
Members of UK defined contribution pension schemes	0	0
Members of Swiss defined benefit pension schemes	4	5
Members of French defined contribution pension schemes	0	0

Of the remuneration costs £456,309 (2020 - £535,441) pertains to consideration paid to group companies for making available the services of directors.

The aggregate remuneration pertaining to the highest paid director was £1,888,138 (2020 - £2,861,644). This director was a member of the Swiss pension scheme.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 7. Employee costs

	2021	2020
	£'000	£'000
Wages and salaries	122,482	80,956
Social security costs	9,989	12,545
Share-based payments (note 29)	1,078	1,509
Contributions Share Incentive Plan	884	1,198
Other pension costs	6,198	8,634
<b>Total employee costs</b>	<b>140,631</b>	<b>104,842</b>

Other pension costs includes £2,263,000 (2020 - £3,596,000) of contribution by the company to the defined contribution section of the pension plan.

The average number of employees during the year was 723 (2020 – 744).

#### 8. Interest receivable

	2021	2020
	£'000	£'000
Bank interest received	618	179
Interest received from group companies	10,109	9,134
Interest received from third parties	260	929
Interest received on sublease	445	55
<b>Total interest receivable</b>	<b>11,432</b>	<b>10,297</b>

#### 9. Interest payable

	2021	2020
	£'000	£'000
Bank loans and overdrafts	2,067	1,156
Interest paid to group companies	3,766	2,601
Interest paid to third parties	325	788
Financial interests on lease	77,526	84,760
<b>Total interest payable</b>	<b>83,684</b>	<b>89,305</b>



## TotalEnergies Gas & Power Limited

Notes to the financial statements (continued)  
at 31 December 2021

### 10. Taxation

	2021 £'000	2020 £'000
<b>a) Tax charged in the income statement</b>		
<i>Current tax</i>		
UK Corporation tax (Current tax) for the year	77,002	(64,531)
Adjustments to current tax in respect of prior years	(791)	(886)
Equity tax paid in Switzerland	2,340	777
Foreign tax credit	(8,984)	-
Foreign tax paid in Switzerland	35,951	-
Total current tax charge/(income)	105,518	(64,640)
<i>Deferred Tax</i>		
Origination and reversal of timing differences – current year	1,010	(15,756)
Origination and reversal of timing differences – prior year	(9)	10
Swiss fiscal reserves	39,126	
Impact of change in tax laws and rates	2,588	3,385
Total deferred tax	42,715	(12,361)
<b>Tax charge/(credit) on profit/(loss) on ordinary activities</b>	<b>148,233</b>	<b>(77,001)</b>
	2021 £'000	2020 £'000
<b>b) Tax relating to items charged to Other Comprehensive Income</b>		
<i>Deferred Tax</i>		
Actuarial gains/(losses) in pension scheme	7,327	(3,493)
<b>Tax charge/(credit) on profit/(loss) on ordinary activities</b>	<b>7,327</b>	<b>(3,493)</b>

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued)

at 31 December 2021

#### 10. Taxation (continued)

##### c) Factors affecting the tax charge

The corporation tax charge is lower (2020: higher) than the average standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below.

	2021 £'000	2020 £'000
Profit/(loss) on ordinary activities before tax	1,091,210	(429,322)
Corporation tax at 19% (2020: 19%)	207,330	(81,571)
Effects of:		
Expenses not deductible for tax purposes	4,438	1,671
Swiss equity tax (net of UK tax deduction)	1,896	630
Impact of change in tax laws and rates	2,588	3,385
Accelerated capital allowances transferred to exempt branch	-	(240)
Adjustments to tax charge in respect of previous periods	(799)	(876)
Exempt profits not taxable in the UK	(133,312)	-
Swiss tax on branch profits	35,950	-
Swiss fiscal reserves	39,126	-
Foreign tax credit	(8,984)	-
<b>Total corporation tax (credit)/charge</b>	<b>148,233</b>	<b>(77,001)</b>

In the budget on 3 March 2021, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2023 will increase to 25%. This change was substantively enacted in May 2021.

In 2020, the Company made an election to exempt all branch profits (or losses) from UK tax to apply from 1 January 2021. These are subject to Swiss tax.

##### d) Deferred tax

i) The components of the deferred tax balances are as follows:

	2021 £'000	2020 £'000
<i>Deferred Tax Asset</i>		
Pension	(839)	5,161
Excess depreciation over capital allowances	1,410	1,036
Tax losses carried forward	-	8,178
	571	14,375
<i>Deferred Tax Liability</i>		
Temporary tax deductions	(64,199)	(27,950)
	(64,199)	(27,950)
<b>Net deferred tax liability</b>	<b>(63,628)</b>	<b>(13,575)</b>

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 10. Taxation (continued)

ii) Deferred taxes are presented on the balance sheet as follows:

	2021 £'000	2020 £'000
Deferred tax assets	-	-
Deferred tax liabilities	(63,628)	(13,575)
<b>Net amount</b>	<b>(63,628)</b>	<b>(13,575)</b>

iii) The net deferred tax variation in the balance sheet is analysed as follows:

	2021 £'000	2020 £'000
Opening balance	(13,576)	(29,430)
Impact of transitional adjustment on adoption of FRS101	3,632	4,059
Deferred tax on pension	(6,000)	3,786
Movement in accelerated capital allowances	374	209
Movement in other timing differences	(754)	(377)
Impact of loss carried forward	(8,178)	8,178
Swiss fiscal reserves	(39,126)	-
<b>Closing balance</b>	<b>(63,628)</b>	<b>(13,575)</b>

#### 11. Intangible fixed assets

		2021 <i>Software</i> £'000	2021 <i>Business Goodwill</i> £'000	2021 <i>Total</i> £'000
Cost	At 01 January	6,097	11,254	17,351
	Additions	-	-	-
	Reclassification	-	-	-
	Write off	(126)	(4,381)	(4,507)
	Currency translation adjustment	1	88	89
	<b>At 31 December</b>	<b>5,972</b>	<b>6,961</b>	<b>12,933</b>
Amortisation	At 01 January	(1,189)	(4,381)	(5,570)
	Charge for the year	(2,023)	-	(2,023)
	Write off	126	4,381	4,507
	Currency translation adjustment	(2)	-	(2)
	<b>At 31 December</b>	<b>(3,088)</b>	<b>-</b>	<b>(3,088)</b>
Net book value	<b>At 31 December</b>	<b>2,884</b>	<b>6,961</b>	<b>9,845</b>
	At 01 January	4,908	6,873	11,781

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 12. Tangible fixed assets

	<i>Short leasehold property £'000</i>	<i>Office equipment £'000</i>	<i>Computer equipment £'000</i>	<i>Merchant ship £'000</i>	<i>Total £'000</i>
<b>Cost</b>					
As at 1 January 2020	24,776	2,657	19,985	1,224,711	1,272,129
Additions and (Disposals)	129	(544)	121	240,608	240,314
<b>As at 31 December 2020 and 1 January 2021</b>	<b>24,905</b>	<b>2,113</b>	<b>20,106</b>	<b>1,465,319</b>	<b>1,512,443</b>
Additions	171	27	1,510	304,006	305,714
Reclassifications	-	-	-	-	-
Disposals and write off	(6,141)	(1,466)	(17,158)	(4,533)	(29,298)
Adjustments	-	-	-	-	-
Currency translation adjustment	-	-	27	24,740	24,767
<b>As at 31 December 2021</b>	<b>18,935</b>	<b>674</b>	<b>4,485</b>	<b>1,789,532</b>	<b>1,813,626</b>
<b>Depreciation</b>					
As at 1 January 2020	(9,464)	(1,790)	(16,321)	(56,114)	(83,689)
Charge for the year	(2,159)	95	(1,696)	(157,803)	(161,563)
<b>As at 31 December 2020 and 1 January 2021</b>	<b>(11,623)</b>	<b>(1,695)</b>	<b>(18,017)</b>	<b>(213,917)</b>	<b>(245,252)</b>
Charge for the year	(2,209)	(140)	(1,110)	(186,818)	(190,277)
Disposals and write off	6,141	1,402	16,663	4,252	28,458
Adjustments	2	-	-	(1,826)	(1,824)
Exchange Impact	-	-	-	(6,537)	(6,537)
<b>As at 31 December 2021</b>	<b>(7,689)</b>	<b>(433)</b>	<b>(2,464)</b>	<b>(404,846)</b>	<b>(415,432)</b>
<b>Net book value</b>					
<b>At 31 December 2021</b>	<b>11,246</b>	<b>241</b>	<b>2,021</b>	<b>1,384,686</b>	<b>1,398,194</b>
As at 31 December 2020 and 1 January 2021	13,282	418	2,089	1,251,402	1,267,191
As at 1 January 2020	15,312	867	3,664	1,168,597	1,188,440

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 13. Capital work in progress

	2021	2020
	£'000	£'000
As at 1 January	-	6,785
Additions	1,793	2,276
Reclassification	-	(8,902)
Write off	-	(29)
Currency translation adjustment	-	(130)
<b>As at 31 December</b>	<b>1,793</b>	<b>-</b>

This note shows the accumulated cost at the balance sheet date for IT projects relating to the implementation of new systems which have not started as at 31 December 2021.

#### 14. Stock

	2021	2020
	£'000	£'000
Product (Gas, Coal and Petcoke) held in storage and in transit	1,068,039	404,354
Other stocks (Emission and renewable obligation certificates)	474,549	255,236
<b>Total stock</b>	<b>1,542,588</b>	<b>659,590</b>

The opening balance of inventory as at 1 January 2021 has been sold in the year.

#### 15. Current deposit

Current deposits beyond three months include initial margins held as part of the Company's activities on organized markets.

#### 16. Cash and cash equivalents

	2021	2020
	£'000	£'000
Cash at bank	15,101	18,778
Cash owed by group companies	1,100,028	970,863
<b>Total cash and cash equivalents</b>	<b>1,115,129</b>	<b>989,641</b>

The company has an unfettered right of access to the cash deposited within a UK group cash pooling facility.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 17. Debtors

	2021 £'000	2020 £'000
Trade debtors	2,543,748	409,064
Owed by group companies – Trade	1,971,832	651,597
Other taxation	7,448	5,204
Corporation tax	-	45,945
Prepayments and accrued income	1,378,112	495,174
<b>Total debtors, current</b>	<b>5,901,140</b>	<b>1,606,984</b>

Prepayments and accrued income primarily represents current month sales that are invoiced in the month following delivery.

In 2019, the company issued a non-current loan to a group company for an amount of £500,000,000.

#### 18. Creditors

	2021 £'000	2020 £'000
Trade creditors	3,551,660	366,443
Owed to parent company	-	104
Owed to group companies – Trade	2,892,039	515,664
Corporation tax	79,068	778
Other taxation and social security	134,604	72,649
Accruals and deferred income	1,578,822	819,524
<b>Total creditors</b>	<b>8,236,193</b>	<b>1,775,162</b>

Accruals and deferred income represents primarily the value of current month purchases that are invoiced in the month following delivery.

#### 19. Other current liabilities

	2021 £'000	2020 £'000
Amounts due to group companies	6,882,700	153,416
Other current liabilities	19,444	-
<b>Total other current liabilities</b>	<b>6,902,144</b>	<b>153,416</b>

The company has an overdraft facility with another group subsidiary that is used to finance its current activities.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 20. Other provisions

	2021 £'000	2020 £'000
As at 1 January	23,003	18,485
Charged to profit and loss account	3,097	5,121
Reclassification to short term	(14,054)	(967)
Currency translation adjustment	356	364
<b>As at 31 December</b>	<b>12,402</b>	<b>23,003</b>

These provisions are related to the company's shipping activity and are made when a dry dock is probable and the amount reasonably determinable.

#### 21. Equity share capital

	2021 £'000	2020 £'000
<i>Authorised:</i>		
Ordinary shares of £1 each	158,187	158,187
<b>Total authorised</b>	<b>158,187</b>	<b>158,187</b>
<i>Issued, called up and fully paid:</i>		
Ordinary shares of £1 each	158,187	158,187
<b>Total issued</b>	<b>158,187</b>	<b>158,187</b>

During the year, the company issued 1,170,000 preference shares of £1 each to an intermediate payment vehicle (2020: 1,560,000 preference shares). Additionally, the company bought back 120,000 preference shares related to fiscal year 2020. The preference shares are in substance a liability, therefore accounted as such in the financial statements.

#### 22. Capital management

The company defines capital as TotalEnergies equity (which is the company's net asset value). The company operates extensively on physical and derivative markets, both organized and over the counter. It uses derivative instruments (futures, forwards, swaps and options) with the aim of adjusting its exposure to fluctuations in the price of relevant commodities. These transactions are entered into with various counterparties.

As such, the net asset value is monitored by management.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 23. Retained earnings

	2021 £'000	2020 £'000
As at 1 January	1,433,771	1,800,942
Actuarial gain / (loss) for the year (note 28)	28,598	(18,343)
Tax effect on pension scheme (note 10)	(7,327)	3,493
Profit/(loss) for the year	942,977	(352,321)
Dividends paid in the year	-	-
<b>As at 31 December</b>	<b>2,398,019</b>	<b>1,433,771</b>

#### 24. Lease contracts

The company has real estate, other equipment and merchant ships under leases.

##### *Merchant ships*

The company leases merchant ships for transportation activity. The leases of vessels typically run for a period from less than 1 year to 20 years. Some leases can include a purchase option, an extension option for an additional period and an early termination option for a fee.

##### *Real estate leases*

The company leases buildings for its office space. The leases of office space typically run for a period between 10 and 20 years.

Some rental fees are subject to periodic review.

##### *Equipment leases*

The company leases equipment. The leases of equipment typically run for a period between 3 to 5 years. Some leases include an option to renew the lease for an additional period of 1 year and an early termination option for a fee.

##### *Other leases*

The company leases cars with contract terms of 3 years. These leases are short-term and/or low-value items. The company has elected not to recognise right-of-use assets and lease liabilities for these leases.



## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 24. Lease contracts (continued)

##### *Right-of-use assets*

Following the application of IFRS 16 "Leases", tangible fixed assets as at 31 December 2021 presented in note 12 includes the following amount of right-of-use assets:

2021	<i>Short leasehold property £'000</i>	<i>Office equipment £'000</i>	<i>Computer equipment £'000</i>	<i>Merchant ship £'000</i>	<i>Total £'000</i>
Cost	15,843	-	-	1,785,669	1,801,512
Depreciation	(5,754)	-	-	(403,655)	(409,409)
<b>Net book value</b>	<b>10,089</b>	<b>-</b>	<b>-</b>	<b>1,382,014</b>	<b>1,392,103</b>

2020	<i>Short leasehold property £'000</i>	<i>Office equipment £'000</i>	<i>Computer equipment £'000</i>	<i>Merchant ship £'000</i>	<i>Total £'000</i>
Cost	15,680	-	-	1,461,501	1,477,181
Depreciation	(3,794)	-	-	(213,409)	(217,203)
<b>Net book value</b>	<b>11,886</b>	<b>-</b>	<b>-</b>	<b>1,248,092</b>	<b>1,259,978</b>

##### *Lease liabilities*

The future minimum lease payments on leases to which the company is committed are shown as follows:

For the year ended 31 December 2021 Maturity analysis – contractual undiscounted cash flow	Leases not recorded in balance sheet £'000	Leases recorded in balance sheet £'000	Committed leases not commenced at 31 December £'000
Less than one year	95,475	283,599	53,388
More than one but less than five years	288,456	934,301	385,089
More than five years	215,258	768,254	237,459
<b>Total minimum payments</b>	<b>599,189</b>	<b>1,986,154</b>	<b>675,936</b>
Less financial expenses		(471,955)	
<b>Lease liabilities included in the balance sheet</b>		<b>1,514,199</b>	
Of which current portion of lease contracts		200,713	
Of which non-current lease liabilities		1,306,223	
Of which accrued interest		7,263	

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 24. Lease contracts (continued)

For the year ended 31 December 2020 Maturity analysis – contractual undiscounted cash flow	Leases not recorded in balance sheet £'000	Leases recorded in balance sheet £'000	Committed leases not commenced at 31 December £'000
Less than one year	95,738	238,666	22,653
More than one but less than five years	226,524	802,858	403,443
More than five years	205,553	818,580	288,080
<b>Total minimum payments</b>	<b>527,815</b>	<b>1,860,104</b>	<b>714,176</b>
Less financial expenses		(492,634)	
<b>Lease liabilities included in the balance sheet</b>		<b>1,367,470</b>	
Of which current portion of lease contracts		159,986	
Of which non-current lease liabilities		1,200,572	
Of which accrued interest		6,912	

#### Sublease Receivables

2021	Leases not recorded in balance sheet £'000	Leases recorded in balance sheet £'000	Committed leases not commenced at 31 December £'000
Less than one year	39,173	8,068	-
More than one but less than five years	-	-	-
More than five years	-	-	-
<b>Total minimum payments</b>	<b>39,173</b>	<b>8,068</b>	<b>-</b>

2020	Leases not recorded in balance sheet £'000	Leases recorded in balance sheet £'000	Committed leases not commenced at 31 December £'000
Less than one year	6,215	6,930	-
More than one but less than five years	6,198	7,968	-
More than five years	-	-	-
<b>Total minimum payments</b>	<b>12,413</b>	<b>14,898</b>	<b>-</b>

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued) at 31 December 2021

#### 24. Lease contracts (continued)

*Amounts recognised in profit or loss*

	2021 £'000	2020 £'000
Interest on lease liabilities	(77,526)	(84,212)
Expenses relating to short-term leases	(152,414)	(68,804)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(23)	(67)
Sublease income	19,283	44,351
<b>Total</b>	<b>(210,680)</b>	<b>(108,732)</b>

During 2020, the company made a profit of £26,795,000 on early terminations of lease and sub-lease contracts. No such event occurred in 2021.

#### *Cash outflow for leases*

The total cash outflow for leases in 2021 is £457,815,053.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 25. Off-balance sheet commitments and contractual obligations

2021	Total	Less than 1 year	Maturity and instalments	
	£'000	£'000	Between 1 and 5 years £'000	More than 5 years £'000
Off balance sheet lease obligation (Note 24)	1,275,125	148,863	673,545	452,717
Purchase obligations	4,782,292	471,964	1,552,641	2,757,687
<b>Total contractual obligations not recorded in the balance sheet</b>	<b>6,057,417</b>	<b>620,827</b>	<b>2,226,186</b>	<b>3,210,404</b>
Sales obligations	2,062,251	42,770	952,250	1,067,231
Vessels' sublease income (Note 24)	39,173	39,173	-	-
Other commitments received	2,081,408	1,235,328	72,485	773,595
<b>Total of commitments received</b>	<b>4,182,832</b>	<b>1,317,271</b>	<b>1,024,735</b>	<b>1,840,826</b>

2020	Total	Less than 1 year	Maturity and instalments	
	£'000	£'000	Between 1 and 5 years £'000	More than 5 years £'000
Off balance sheet lease obligation (Note 24)	1,241,991	118,391	629,967	493,633
Purchase obligations	5,073,176	432,469	1,515,361	3,125,346
<b>Total contractual obligations not recorded in the balance sheet</b>	<b>6,315,167</b>	<b>550,860</b>	<b>2,145,328</b>	<b>3,618,979</b>
Sales obligations	2,951,439	30,481	1,355,995	1,564,963
Vessels' sublease income (Note 24)	12,413	6,215	6,198	-
Other commitments received	1,062,903	270,288	67,477	725,138
<b>Total of commitments received</b>	<b>4,026,755</b>	<b>306,984</b>	<b>1,429,670</b>	<b>2,290,101</b>

These off-balance sheet commitments and contractual obligations relate to long term regasification and commodity contracts and lease agreements which are not on the balance sheet.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued)

at 31 December 2021

#### 26. Financial instruments related to commodity contracts

Financial instruments related to gas and power activities as well as related currency derivatives are recorded at fair value under "Current asset" or "Current liabilities" depending on whether they are assets or liabilities.

	2021		2020	
	Net balance sheet value presented - assets	Net balance sheet value presented - liabilities	Net balance sheet value presented - assets	Net balance sheet value presented - liabilities
	£'000	£'000	£'000	£'000
Assets/ (Liabilities)				
Swaps and forward (a)	15,172,718	(11,613,145)	1,390,416	(2,046,596)
Options	2,034,196	(44,046)	125,715	12,117
Futures	2,011	-	3,880	-
Total	17,208,925	(11,657,191)	1,520,011	(2,034,479)

The maturity of most derivatives is less than three years forward.

- (a) The Company holds a number of long-term agreements for the sale and purchase of certain commodity contracts. These agreements are measured at fair value and at the reporting date were valued as an asset of £7,480m (2020: £894m) and a liability of £5,018m (2020: £1,373m). Due to the significance of unobservable inputs, the agreements are classified within level 3 of the fair value hierarchy. Such unobservable inputs include estimates made regarding the long-term commodity prices as well as shipping costs, discount rates and exchange rates. Assumptions made are informed by available market data and trends, as well as management insight into the relevant markets and economies. Given the degree of uncertainty in the estimates made, it is possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of the asset or liability affected.

The carrying amount of financial assets pledged as collateral for liabilities or contingent liabilities at December 31, 2021, presented within debtors, was £1,458m (2020: £163m). The carrying amount of collateral held at December 31, 2021, presented within creditors, was £2,645m (2020: £48m). Collateral mainly relates to over-the-counter counterparty collateral transactions.

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued)

at 31 December 2021

#### 27. Financial risks management

The company has implemented strict policies and procedures to manage and monitor market risks. These are based on the separation of control and front office functions and on an integrated information system that enables real-time monitoring of trading activities.

Limits on trading positions (including value-at-risk) are approved by the Group's Executive Committee and are monitored daily. To increase flexibility and encourage liquidity, hedging operations are performed with numerous independent operators, including other oil companies, major energy producers or consumers and financial institutions. The company has established counterparty limits and monitors outstanding amounts with each counterparty on an ongoing basis.

#### Credit risk

Credit risk is defined as the risk of the counterparty to a contract failing to perform or pay the amounts due.

There are no significant concentrations of credit risk within the company unless otherwise disclosed. The maximum credit risk exposure relating to financial assets is represented by carrying value as at the balance sheet date.

The company has established procedures to minimise the risk of default by trade debtors including detailed credit checks undertaken before a customer is accepted. Historically, these procedures have proved effective in minimising the level of impaired and past due debtors.

The amounts presented in note 16 best represent the company's exposure to credit risk before the effects of collateral. These amounts are net of the provision for 12-month expected credit losses which at 31 December 2021 was £654,947 (31 December 2020: £2,705,308). Collateral and other credit enhancements are in place to mitigate the credit risk of the company; these include letters of credit and parent company guarantees.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 27. Financial risks management (continued)

##### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Management is continually monitoring cash requirements for the company and evaluating potential sources to fund its business activities. The company does not have any external borrowings. The following are the contractual maturities of financial liabilities:

31 December 2021	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
	£'000	£'000	£'000	£'000
Creditors	8,236,193	-	-	8,236,193

31 December 2020	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
	£'000	£'000	£'000	£'000
Creditors	1,775,162	-	-	1,775,162

#### 28. Pension commitments

The TotalEnergies Gas & Power Ltd section of the TotalEnergies UK Pension Plan is a defined benefit plan, which requires contributions to be made to a separately administered fund. The TotalEnergies UK Pension Plan is not a sectionalised scheme for the purposes of the Pensions Act 1995 and Pensions Act 2004.

As at 01 September 2019, TotalEnergies Gas & Power Limited, London, Meyrin-Geneva Branch entered into a new pension plan for employees based in Switzerland that is a defined benefit pension plan. It requires contributions to be made to a separately administered fund.

No deficit payment was made during the year. Regular employer contributions to the Plan in 2021 are expected to be £5,246,000.

The pension cost relating to the Plan is assessed in accordance with the advice of independent qualified actuaries using, in general, the projected unit credit method. The assets were taken at their market value and liabilities were valued by reference to market yields at the respective balance sheet dates.

The pension scheme assets are held in a separate Trustee administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interest of the fund's beneficiaries. The appointment of the trustees to the fund is determined by the scheme's trust documentation.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 28. Pension commitments (continued)

The principle assumptions used by the independent qualified actuaries in updating the latest valuations were:

##### a) Main Financial Assumptions

UK pension scheme	31 December 2021 (% p.a.)	31 December 2020 (% p.a.)
RPI Inflation	3.25	3.00
CPI Inflation	2.50	2.25
Rate of general long-term increases in salaries	3.35	3.35
Rate of increase to pensions in payment	3.15/2.95	2.95/3.50
Discount rate for scheme liabilities	2.00	1.50

Mortality assumptions are based on standard mortality tables, which allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 23.9 years if they are male and for a further 25.1 years if they are female.

For a member currently aged 45 who retires in 20 years at age 65 the assumptions are that they will live on average for a further 25.6 years after retirement if they are male and for a further 26.8 years after retirement if they are female.

The investments in scheme assets, as listed below, expose the company to stock market, property risk and interest rates.

The company employs a building block approach in determining the long-term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is derived by aggregating the assumed long-term rate of return on each asset class over the actual asset allocation for the Plan at 31 December 2021.

##### Swiss pension scheme

	31 December 2021 (% p.a.)	31 December 2020 (% p.a.)
RPI Inflation	0.75	0.5
Rate of general long-term increases in salaries	1.5	1.5
Discount rate for scheme liabilities	0.3	0.15

Mortality assumptions are based on standard mortality tables, which allow for future mortality improvements. The assumptions are that a member currently aged 65 for male and 64 for female will live on average for a further 21.69 years if they are male and for a further 24.35 years if they are female.

For a member currently aged 45 for male and 44 for female who retires in 20 years at age 65 for male and 64 for female, the assumptions are that they will live on average for a further 23.24 years after retirement if they are male and for a further 25.91 years after retirement if they are female.

The investments in scheme assets, as listed below, expose the company to stock market, property risk and interest rates.



## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 28. Pension commitments (continued)

<b>b) Reconciliation to Balance Sheet</b>	<i>Value at 31 December 2021 £'000</i>	<i>Value at 31 December 2020 £'000</i>	<i>Value at 31 December 2019 £'000</i>	<i>Value at 31 December 2018 £'000</i>	<i>Value at 31 December 2017 £'000</i>
Fair value of assets	169,580	138,250	121,388	99,848	100,433
Present value of funded defined benefit obligations	(166,226)	(165,786)	(130,446)	(115,878)	(124,882)
<b>Return / (deficit)</b>	<b>3,354</b>	<b>(27,536)</b>	<b>(9,058)</b>	<b>(16,030)</b>	<b>(24,449)</b>
Related deferred tax liability	(838)	5,170	1,375	2,725	4,156
<b>Net pension Asset / (liability)</b>	<b>2,516</b>	<b>(22,366)</b>	<b>(7,683)</b>	<b>(13,305)</b>	<b>(20,293)</b>

#### c) Analysis of profit & loss account charge

	<i>31 December 2021 £'000</i>	<i>31 December 2020 £'000</i>
Operating cost	4,214	5,038
Financing cost	389	143
<b>Expense recognised in Profit &amp; Loss</b>	<b>4,603</b>	<b>5,181</b>

#### d) Change in defined benefit obligation

	<i>31 December 2021 £'000</i>	<i>31 December 2020 £'000</i>
Defined benefit obligation at end of prior year	165,786	130,446
Opening balance adjustment	1,334	-
Current service cost	6,645	4,999
Past service cost / curtailment	(2,414)	-
Past service cost / Plan Amendments	-	7
Interest expense	2,249	2,786
Benefit payments from plan asset	369	1,516
Participant contributions	2,588	925
Effect of changes in demographic assumptions	(4,675)	171
Effect of changes in financial assumptions	(11,260)	22,181
Effect of experience adjustments	5,694	3,262
Other	(295)	-
Corporate currency adjustment	205	(507)
<b>Defined obligation at end of year</b>	<b>166,226</b>	<b>165,786</b>

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 28. Pension commitments (continued)

e) Change in fair value of plan assets	31 December 2021	31 December 2020
	£'000	£'000
Fair value of plan assets at end of prior year	138,250	121,388
Opening balance adjustment	1,613	-
Interest income	1,860	2,643
Actuarial gains/(losses)	14,302	664
Employer contributions	6,555	5,089
Participant contributions	2,588	925
Benefit payments from plan assets	369	1,516
Return on plan assets (excluding interest income)	6,495	6,607
Administration expense	(33)	(32)
Other	(190)	-
Corporate currency variation	210	(550)
Assets not available to Company	(2,439)	-
<b>Fair value of plan asset at end of year</b>	<b>169,580</b>	<b>138,250</b>
f) Component of defined benefit cost	31 December 2021	31 December 2020
	£'000	£'000
Current service cost	6,645	4,999
Past service cost / curtailment	(2,414)	-
Past service cost / plan amendments	0	7
Interest expense on DBO	2,249	2,786
Interest (income) on plan assets	(1,860)	(2,643)
Administration expense	33	32
Corporate currency variation	(50)	-
<b>Defined benefit cost included in P&amp;L</b>	<b>4,603</b>	<b>5,181</b>
Effect of changes in demographic assumptions	(4,675)	171
Effect of changes in financial assumptions	(11,260)	22,181
Effect of experience adjustments	5,694	3,262
Return on plan assets (excluding interest income)	(6,495)	(6,607)
Actuarial gains / losses	(14,302)	-
Assets not available to Company	2,439	-
Corporate currency variation	1	(664)
<b>Defined benefit (credit) / cost included in OCI</b>	<b>(28,598)</b>	<b>18,343</b>
<b>Total defined benefit (credit) / cost recognized in P&amp;L and OCI</b>	<b>(23,995)</b>	<b>23,524</b>

## TotalEnergies Gas & Power Limited

Notes to the financial statements (continued)  
at 31 December 2021

### 28. Pension commitments (continued)

g) Plan assets	31 December 2021 £'000	31 December 2020 £'000
<b><u>Fair value of plan assets:</u></b>		
Cash and Cash equivalents	2,031	1,987
Equity instruments	56,461	57,016
Debt instruments	68,842	34,215
Real estate	15,292	9,405
Derivatives / investment funds	2,785	533
Assets held by insurance company	14,192	16,692
Others quoted securities	12,471	18,402
Assets not available to Company	(2,439)	-
Corporate currency variation	(55)	-
<b>Total</b>	<b>169,580</b>	<b>138,250</b>
<b>Actual (deficit) / return on plan assets</b>	<b>8,355</b>	<b>9,250</b>
h) Expected cash flow for following years	31 December 2021 £'000	
Expected employer contribution	5,246	
<b><u>Expected total benefit payments:</u></b>		
Year 1	4,355	
Year 2	4,123	
Year 3	4,477	
Year 4	3,825	
Year 5	3,747	
Next 5 years	20,561	

## TotalEnergies Gas & Power Limited

Notes to the financial statements (continued)  
at 31 December 2021

### 28. Pension commitments (continued)

#### i) Significant actuarial assumptions

UK pension scheme	31 December 2021	31 December 2020
	£'000	£'000
<b><u>Weighted-average assumptions to determine defined benefit obligation</u></b>		
Discount rate	2.00%	1.50%
Price inflation rate	3.25%	3.00%
<b><u>Weighted-average assumptions to determine defined benefit cost</u></b>		
Discount rate	1.50%	2.25%
Price inflation rate	3.00%	3.25%
 Swiss pension scheme	 31 December 2021	 31 December 2020
	£'000	£'000
<b><u>Weighted-average assumptions to determine defined benefit obligation</u></b>		
Discount rate	0.30%	0.15%
Price inflation rate	0.75%	0.50%
<b><u>Weighted-average assumptions to determine defined benefit cost</u></b>		
Discount rate	0.30%	0.25%
Price inflation rate	0.75%	0.50%

j) Sensitivity analysis	31 December 2021	31 December 2020
	£'000	£'000
<b><u>Present value of defined benefit obligations</u></b>		
Discount rate – 50 basis point	19,962	21,614
Discount rate + 50 basis point	(17,247)	(18,651)
Price inflation rate – 50 basis point	(11,989)	(13,040)
Price inflation rate + 50 basis point	12,714	13,390

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued)

at 31 December 2021

#### 29. Share-based Payment reserve

Stock options, restricted share grants and the cash settled share plan concern only shares of TotalEnergies SE. All plans are approved by the Board of Directors of TotalEnergies SE, based upon recommendations by the Compensation Committee. For each stock options and restricted share grants plan, the committee establishes a list of beneficiaries from the company and the number of options or restricted shares granted to each beneficiary. The board of directors of TotalEnergies SE then gives final approval for this list.

Stock options have a term of eight years, with an exercise price set at the average of the opening share prices during the last 20 trading days prior to the grant date, without any discount being applied. Options may only be exercised after an initial two-year period and the shares issued upon exercise may not be transferred prior to the termination of an additional two-year holding period.

Performance share grants become final after a three-year vesting period, subject to certain pre-defined conditions, set by the TotalEnergies SE board acting upon recommendations from the Compensation Committee, relating to the return on equity of the Group in the fiscal year preceding the year of final attribution. At the end of this vesting period, and subject to these performance conditions, the performance share grants become final. However, these shares may not be transferred prior to the end of an additional two-year holding period.

The options granted are equity settled transactions, the fair value of which is determined at the date of grant using the Black Scholes method. The expense is allocated on a 24-month straight-line basis between grant date and vesting date.

The grant of these options or restricted shares is used to complement, based upon individual performance assessments at the time of each plan, the Group-wide policy of developing employee shareholding and allows employees to be more closely associated with the financial and share price performance of TotalEnergies.

No new stock options plan was granted in 2021.

The expected volatility is based on the implied volatility of TotalEnergies share options and of share indices options traded on the markets.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued) at 31 December 2021

#### 29. Share-based Payment reserve (continued)

The following table gives a breakdown of stock options and restricted shares awarded for the plans in effect during 2021:

	<i>Number of units</i>	<i>Value per unit £</i>	<i>Value of plan £'000</i>	<i>Cost of plans in each year:</i>		
				<i>2021 £'000</i>	<i>2020 £'000</i>	<i>2019 £'000</i>
Restricted shares 2021	47,392	23.55	1,116	221	-	-
Restricted shares 2020	62,978	11.03	695	224	183	-
Restricted shares 2019	46,345	35.21	1,632	532	552	436
Restricted shares 2018	48,530	32.04	1,555	101	522	514
Restricted shares 2017	41,770	31.18	1,302	-	252	434
Restricted shares 2016	37,210	28.99	1,079	-	-	220
<b>Total cost of plans</b>				<u>1,078</u>	<u>1,509</u>	<u>1,604</u>

All UK employees of the company are invited to join the Share Incentive Plan. Under the plan employees contribute monthly to purchase shares in TotalEnergies SE, with the company contributing two matching shares for each share the employee buys. Company contributed shares have a vesting period of 3 years while the employee remains employed by the group. No liability under this plan exists at the balance sheet date (2020 - £nil).

Full disclosure in respect of employees' stock options and restricted share grants are disclosed in the consolidated financial statements of TotalEnergies SE.

## TotalEnergies Gas & Power Limited

### Notes to the financial statements (continued)

at 31 December 2021

#### 30. Related parties

During the year, the company paid and received in the ordinary course of its business, amounts to/from the following related parties who are associated undertakings of fellow subsidiaries of TotalEnergies SE.

		<i>Profit and Loss account</i>		<i>Debtor/ (Creditor) at end of year</i>	
		<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Abu Dhabi Gas Liquefaction Co Ltd	- Purchases	320,772	51,671	(25,093)	-
Adani Total Private Limited	- Sales	64,697	-	26	-
Angola LNG Ltd	- Purchases	194,172	84,617	-	(13,270)
Colon LNG MARKETING SDRL	- Sales	783	-	(258)	-
	- Purchases	26	-		
Gas del Litoral	- Purchases	9,906	11,246	2,852	(6,314)
	- Sales	-	2,561		
Ichthys LNG PTY LTD	- Purchases	270,792	252,717	-	(34,495)
Naphtachimie	- Sales	6,818	6,756	6,360	6,268
Nigeria LNG Limited	- Purchases	334,860	166,997	(52,803)	(7,634)
Novatek Gas & Power GmbH	- Sales	18,878	5,729	2,976	77
	- Purchases	10,930	9,600		
Novatek Gas & Power Asia Pte Ltd	- Sales	121,397	30,862	(1,088)	(26,328)
	- Purchases	411,166	208,307		
NYK Armateur SAS	- Purchases	17,441	15,817	3,265	(292)
Oman LNG	- Purchases	-	12,747	-	-
Qatar Liquefied Gas Company Ltd II	- Purchases	877,005	141,816	(111,087)	(98)
Saudi Aramco TotalEnergies Refining & Petrochemical Company	- Purchases	73,738	30,162	(6,228)	(3,224)
South Hook LNG Terminal Company Ltd	- Purchases	5,070	-	148	1
	- Sales	8,361	780		
Transugil Ethylene	- Sales	-	-	-	41
	- Purchases	-	45		
Yamal LNG	- Purchases	1,752,766	936,352	(202,906)	(49,855)
	- Purchases	-	-	-	6
Yemen LNG					
Zeeland Refinery N.V.	- Sales	52,266	41,508	38,112	19,307
	- Purchases	1,591	-		
Mark to Market asset				1,304	-
Mark to Market liability				(12,282)	(2,226)

The company has taken advantage of the exemption in paragraph 8(k) of FRS 101 from disclosing transactions with wholly owned subsidiaries of the TotalEnergies SE group.

## TotalEnergies Gas & Power Limited

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### Notes to the financial statements (continued)

at 31 December 2021

#### 31. Events since the balance sheet date

Since the month of February 2022, Russia's invasion of Ukraine led European and American authorities to adopt several sets of sanctions measures targeting Russian and Belarusian persons and entities, as well as the financial sector.

The company's ultimate parent company, TotalEnergies SE (TotalEnergies) announced, on March 1, 2022, that it condemns Russia's military aggression against Ukraine, supports the scope and strength of the sanctions put in place by Europe that will be implemented by the Company regardless of the consequences on its asset management, and that it will no longer provide capital for new projects in Russia.

In 2022, TotalEnergies is in the process of novating some contracts from the company to a French affiliate (Global LNG SAS). No material loss is expected to occur for these transactions.

#### 32. Parent undertaking and controlling party

The immediate parent undertaking of this company is TotalEnergies Gas & Power Holdings UK Limited (formerly known as Total Midstream Holdings UK Limited), which is registered in England.

The company's ultimate parent undertaking is TotalEnergies SE, 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 TotalEnergies SE can be obtained from 2, Place Jean Millier, La Defense 6, 92400 Courbevoie, France.