

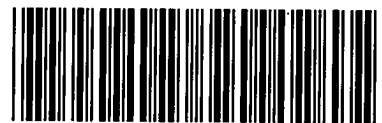
Registered No. 5740797

Teesside Gas Processing Plant Limited

Report and Financial Statements

31 December 2014

WEDNESDAY



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COMPANIES HOUSE

Directors

A Heppel
D Revers
A Kuhnley

Secretary

Jordan Company Secretaries Limited

Auditors

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

Registered Office

20/22 Bedford Row
London
WC1R 4JS

Strategic report

The Directors present their strategic report, directors' report and financial statements for the year ended 31 December 2014.

Principal activity and review of the business

The principal activities of the Company during the year continued to be that of a holding company of a gas processing business.

The results of the year and financial position of the Company are shown in the annexed financial statements and the directors are satisfied with the result, viewing 2014 as a year of continuing delivery of the long term business plan.

Future developments

The Group continues to target a number of future processing opportunities to enhance the future utilisation of its assets in the medium to longer term.

Principal risks and uncertainties

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

On behalf of the Board



Andy Heppel
Director

April 24th 2015

Strategic report

Results and dividends

The loss for the year after taxation amounted to £17,000 (2013 – loss of £27,000). During the year no dividend was declared (2013 - £nil). Subsequent to the year end the Company declared an interim dividend of £11.0 million.

Directors

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

A Heppel

D Revers

M Bisso (resigned 17 March 2015)

A Kuhnley (appointed 17 March 2015)

Going concern

The going concern presumption has been assessed by the directors and it is concluded that the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

Disclosure of information to the auditor

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

Re-appointment of auditors

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

On behalf of the Board



Andy Heppel
Director

April 24th 2015

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of Teesside Gas Processing Plant Limited

We have audited the financial statements of Teesside Gas Processing Plant Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

to the members of Teesside Gas Processing Plant Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

28 Apr 2015

Profit and loss account

at 31 December 2014

	Notes	2014 £000	2013 £000
Turnover		–	–
Cost of sales		–	–
		<hr/>	<hr/>
Gross profit		–	–
Administrative expenses		(30)	(31)
Other operating income		–	–
		<hr/>	<hr/>
Operating loss		(30)	(31)
Interest receivable and similar income	3	–	4
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(30)	(27)
Tax charge	4	13	–
		<hr/>	<hr/>
Loss for the financial year		(17)	(27)
		<hr/> <hr/>	<hr/> <hr/>

Statement of total recognised gains and losses

for the year ended 31 December 2014

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £17,000 in the year ended 31 December 2014 (2013 – loss of £27,000).

Reconciliation of movement in shareholders' funds

for the year ended 31 December 2014

	2014 £000	2013 £000
Loss for the financial year	(17)	(27)
Shareholders' funds at 1 January	23,349	23,376
	<hr/>	<hr/>
Shareholders' funds at 31 December	23,332	23,349
	<hr/> <hr/>	<hr/> <hr/>

Balance sheet

at 31 December 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Investments	5	–	–
Current assets			
Debtors	6	39,349	39,336
Cash at bank and in hand		–	–
		<u>39,349</u>	<u>39,336</u>
Creditors: amounts falling due within one year	7	(16,017)	(15,987)
Net current assets		<u>23,332</u>	<u>23,349</u>
Total assets less current liabilities		<u>23,332</u>	<u>23,349</u>
Capital and reserves			
Called up share capital	8	22	22
Share premium account	9	302	302
Capital reserve	9	21,077	21,077
Profit and loss account	9	1,931	1,948
Shareholders' funds		<u>23,332</u>	<u>23,349</u>

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



Andy Heppel
Director

Notes to the financial statements

at 31 December 2014

1. Accounting policies

Basis of preparation

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

Group financial statements

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

Statement of cash flows

The Company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows.

Going concern

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

Turnover

Turnover arises from the sale of natural gas liquids and from income derived from the processing fees of natural gas within the United Kingdom and other sundry related income net of value added tax.

Revenue is recognised for the processed gas on an accruals basis as the processing service is provided to the gas shippers.

Revenue for the natural gas liquids is recognised at point of delivery when the significant risk and rewards of ownership are transferred to the buyer.

Interest income is recognised as interest accrues using the effective interest method.

Amounts received and receivable from customers in respect of services not yet delivered or obligations not fulfilled at the year-end are classified as deferred income until the service is delivered or obligations fulfilled.

Fixed asset investments

Fixed asset investments are included in the financial statements at historical cost. Current asset investments are included at market value.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. Audit fees, staff costs and directors' remuneration

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

The Company has no employees. No director received any remuneration in their capacity as director of this Company for the year ended 31 December 2014 (2013: £nil).

Notes to the financial statements

at 31 December 2014

3. Interest receivable and similar income

	2014 £000	2013 £000
Corporation tax interest	–	4
	<u>–</u>	<u>4</u>
	<u>–</u>	<u>4</u>

4. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows:

	2014 £000	2013 £000
<i>Current tax:</i>		
UK corporation tax on the loss for the year	(7)	–
Adjustment in respect of prior periods	(6)	–
Total current tax (note 4(b))	<u>(13)</u>	<u>–</u>

(b) Factors affecting current tax charge for the year:

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

	2014 £000	2013 £000
Loss on ordinary activities before tax	(30)	(27)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	<u>(7)</u>	<u>(6)</u>
<i>Effects of:</i>		
Adjustments in respect of prior periods	(6)	–
Group Relief surrendered for nil payment	–	6
Current tax charge for the year (note 4(a))	<u>(13)</u>	<u>–</u>

Notes to the financial statements

at 31 December 2014

4. Tax (continued)

(c) Factors affecting future tax charges

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

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

5. Investments

*Shares in group
undertakings
£000*

At 1 January 2014 and at 31 December 2014

—

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

TGPP1 Limited

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

Class of shares:

Ordinary shares

%
holding
100.00

Liability status: Limited

TGPP2 Limited

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

Class of shares:

Ordinary shares

%
holding
100.00

Liability status: Limited

Teesside Gas & Liquids Processing*

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

Class of shares:

Ordinary shares

%
holding
100.00

Liability status: Unlimited

Northern Gas Processing Limited*

Nature of business: fractionation of natural gas liquids

Class of shares:

Ordinary shares

%
holding
100.00

Liability status: Limited

Notes to the financial statements

at 31 December 2014

6. Debtors

	2014 £000	2013 £000
Amounts owed by subsidiary undertakings	39,349	39,336
	<u>39,349</u>	<u>39,336</u>

7. Creditors: amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to subsidiary undertakings	15,956	15,956
Amounts owed to parent undertaking	61	31
	<u>16,017</u>	<u>15,987</u>

8. Issued share capital

		2014		2013	
<i>Allotted, called up and fully paid</i>		No.	£000	No.	£000
'A' ordinary shares of	£0.0002 each	10,758,577	2	10,353,477	2
'B' ordinary shares of	£0.0002 each	100,561,798	20	100,561,798	20
Preference shares of	£0.0001 each	—	—	100,000	—
			<u>22</u>		<u>22</u>

9. Movements in reserves

	Share premium account £000	Capital reserve £000	Profit and loss account £000
At 1 January 2014	302	21,077	1,948
Retained loss for the year	—	—	(17)
At 31 December 2014	<u>302</u>	<u>21,077</u>	<u>1,931</u>

Notes to the financial statements

at 31 December 2014

10. Events after the Balance Sheet date

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

11. Related party transactions

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

12. Information about parent undertaking and ultimate controlling party

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

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

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

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