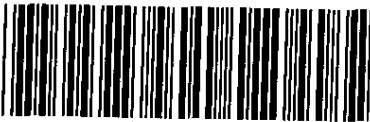


Teesside Gas Processing Plant Limited

Report and Unaudited Financial Statements

31 December 2021

| THURSDAY |  |      |
|----------|--|------|
|          | *ABCL6435*   |      |
| A08      | 15/09/2022   | #23  |
|          | COMPANIES HOUSE  |      |
| WEC      |  |      |
|          | *ABBJ1NQQ*   |      |
| A05      | 31/08/2022   | #15  |
|          | COMPANIES HOUSE  |      |
| THU      |  |      |
|          | *AB9P47Y0*   |      |
| A13      | 04/08/2022   | #355 |
|          | COMPANIES HOUSE  |      |
| F        |  |      |
|          | *AB6DON00*   |      |
| A04      | 17/06/2022   | #74  |
|          | COMPANIES HOUSE  |      |

## **Strategic report**

### **Directors**

G Barbaro

J Barry

A Heppel

### **Secretary**

Vistra Company Secretaries Limited

### **Independent auditor**

Ernst & Young LLP

1 Bridgewater Place

Water Lane

Leeds

LS11 5QR

### **Bankers**

Bank of Scotland

33 Old Broad Street

London

EC2N 1HZ

### **Solicitors**

Brodies LLP

15 Atholl Crescent

Edinburgh

EH3 8HA

### **Registered Office**

Suite 1, 3<sup>rd</sup> Floor

11-12 St. James's Square

London

SW1Y 4LB

## Strategic report

The Directors present their Strategic report for the year ended 31 December 2021.

### Principal activity, review of the business and future developments

Teesside Gas Processing Plant Limited is part of the Selkie Investments Group ("the Group") that was formed in September 2018 for the purpose of owning and operating midstream gas infrastructure assets in the North Sea. The Group comprises one parent company, Selkie Investments Midstream Topco Limited, and 15 subsidiaries.

The Company's principal activity is the holding of investments.

The result for the year after taxation was £nil (2020: £nil).

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

### Principal risks and uncertainties

*Given its position within the Selkie Investments Midstream Topco Limited group and as the Company is purely an intermediary holding company, the only risk faced beyond those of the aforesaid group, is the recoverability of intercompany debt. In the event that results in an impairment of the intercompany balances, the Company is reliant on cash funds being available to support the group.*

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



Andrew Heppel  
Director  
1 June 2022

## Directors' report

The Directors present their Directors' report for the year ended 31 December 2021.

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

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

### Results and dividends

The profit for the year after taxation amounted to £nil (2020: £nil). No dividends have been paid by the Company during the current or previous year.

### Directors

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

G Barbaro  
J Barry  
A Heppel

### Going concern

The financial statements are prepared utilising the presumption of going concern which is assessed by the Directors for the period to the end of December 2023. 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 Company is a holding company within the Selkie Investments Group, headed by Selkie Investments Midstream Topco Limited. It has net current assets of £23.3 million and net assets of £23.3 million. To meet its financial obligations, the Company is dependent on receiving interest payments from its subsidiary. The Company is dependent on the two trading entities within the Group to generate sufficient cash to fund the obligations of the rest of the Group, including the Company, via interest payments and being able to pay this to their respective parent companies.

The Directors have received confirmation from Selkie Investments Midstream Topco Limited, the Company's parent undertaking, that it intends to support the Company for the period to 31 December 2023, by directing cash flows to ensure the Company has sufficient funds available.

The Directors, in conjunction with the Directors of Selkie Investments Midstream Topco Limited, have considered the Group's business plans which provide financial projections through to 31 December 2023. The Group's principal debt facilities comprise of a £616.0 million and €88.0 million term loans repayable in November 2027 and November 2028 respectively, as well as Shareholder loan notes of £514.8 million. In addition, the Group has access to a £30.0 million and €5.0 million Revolving Credit Facilities. At the year end, the Group had sufficient liquidity (£49.8million) and was compliant with its financial covenants.

The Group's current suite of contracts are of a long-term nature with reputable, creditworthy counterparties who are deemed to pose limited credit risk. This provides a stable income stream that is forecast to comfortably cover the Group's operational cost base and allow it to meet its trading and other obligations for the foreseeable future. Finally, the assets of the trading entities within the Group are critical to the UK and Norway natural gas resources and essential to the security of energy supply. Since the onset of the COVID-19 pandemic, there has been no disruption of supply or diminution in volumes, other than usual seasonal variations delivered by these assets.

Despite the challenges of the COVID-19 pandemic and a low commodity price environment, the business has delivered a resilient financial performance in 2021. We expect that near-term, a degree of uncertainty will continue into 2022 and, whilst forecasting activity levels in an uncertain economic environment remains challenging, we expect that the Group's resilience will continue.

## Directors' report

### Going concern (continued)

Consequently, the Directors are satisfied that the Company and the Group have adequate resources to continue to operate and meet their liabilities as they fall due for the period to the end of December 2023. For this reason, they continue to adopt the Going Concern Basis in the preparation of the financial statements.

### Disclosure of information to the auditor

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

### Re-appointment of auditor

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

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



Andrew Heppel  
Director  
1 June 2022

## Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

## Income statement

For the year ended 31 December 2021

|                              |       | 2021 | 2020 |
|------------------------------|-------|------|------|
|                              | Notes | £000 | £000 |
| Administrative expenses      |       | (30) | (31) |
| <b>Loss before taxation</b>  | 2     | (30) | (31) |
| Tax credit on loss           | 3     |      | 31   |
| <b>Result after taxation</b> |       | —    | —    |

All amounts relate to continuing activities.

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

## Statement of financial position

At 31 December 2021

|   | Notes | 2021<br>£000 | 2020<br>£000 |
|---|-------|--------------|--------------|
| <b>Fixed assets</b>                                   |       |              |              |
| Investments   | 4     | —            | —            |
| <b>Current assets</b>                                 |       |              |              |
| Debtors   | 5     | 75,270       | 75,240       |
| Cash at bank and in hand                              |       | —            | 1            |
| <b>Creditors: amounts falling due within one year</b> | 6     | (51,993)     | (51,964)     |
| <b>Net current assets</b>                             |       | 23,277       | 23,277       |
| <b>Net assets</b>                                     |       | 23,277       | 23,277       |
| <b>Capital and reserves</b>                           |       |              |              |
| Called up share capital                               | 7     | 22           | 22           |
| Share premium   | 7     | 302          | 302          |
| Capital redemption reserve                            | 7     | 21,077       | 21,077       |
| Profit and loss reserve                               | 7     | 1,876        | 1,876        |
| <b>Total shareholders' equity</b>                     |       | 23,277       | 23,277       |

For the Financial year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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



Andrew Heppel  
Director  
1 June 2022



## Statement of changes in equity

For the year ended 31 December 2021

|                            | <i>Called up<br/>share capital</i> | <i>Share<br/>premium</i> | <i>Profit and<br/>loss reserve</i> | <i>Capital<br/>redemption<br/>reserve</i> | <i>Total<br/>shareholders'<br/>equity</i> |
|----------------------------|------------------------------------|--------------------------|------------------------------------|---|---|
|                            | <i>£000</i>                        | <i>£000</i>              | <i>£000</i>                        | <i>£'000</i>                              | <i>£000</i>                               |
| <b>At 1 January 2020</b>   | 22                                 | 302                      | 1,876                              | 21,077                                    | 23,277                                    |
| Result for the year        | —                                  | —                        | —                                  | —   | —   |
| <b>At 31 December 2020</b> | 22                                 | 302                      | 1,876                              | 21,077                                    | 23,277                                    |
| Result for the year        | —                                  | —                        | —                                  | —   | —   |
| <b>At 31 December 2021</b> | 22                                 | 302                      | 1,876                              | 21,077                                    | 23,277                                    |

## Notes to the financial statements

for the year ended 31 December 2021

### 1. Accounting policies

#### *General information*

Teesside Gas Processing Plant Limited is a private limited liability company, limited by shares and incorporated in England. The Registered Office is Suite 1, 3rd Floor, 11-12 St. James's Square, London. The Company's principal activity is the holding of investments.

#### *Statement of compliance*

The Company's financial statements have been prepared in accordance with United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland" and the Companies Act 2006.

#### *Basis of preparation*

The financial statements have been prepared using accounting principles based on historical cost, unless stated otherwise. The financial statements are prepared in GBP sterling which is the functional currency of the Company and rounded to the nearest £000.

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

- the requirement to prepare a Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c)
- the requirements of Section 33.7 Related Party Disclosures. The entity has taken advantage of the exemption in paragraph 33.1A not to disclose transactions entered into with other entities that are wholly owned within the group.

The equivalent disclosures and results of the Company are included in the consolidated parent company accounts and for that basis these financial statements are not consolidated. Note 9 gives details of the Company's ultimate parent and where the consolidated financial statements prepared may be obtained.

#### *Group financial statements*

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

#### *Going concern*

The financial statements are prepared utilising the presumption of going concern which is assessed by the Directors for the period to the end of December 2023. 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 Company is a holding company within the Selkie Investments Group, headed by Selkie Investments Midstream Topco Limited. It has net current assets of £23.3 million and net assets of £23.3 million. To meet its financial obligations, the Company is dependent on receiving interest payments and dividends from its subsidiary. The Company is dependent on the two trading entities within the Group to generate sufficient cash to fund the obligations of the rest of the Group, including the Company, via dividends and interest payments and being able to pay this to their respective parent companies.

The Directors have received confirmation from Selkie Investments Midstream Topco Limited, the Company's parent undertaking, that it intends to support the Company for at least 12 months after these financial statements are signed, by directing cash flows to ensure the Company has sufficient funds available.

The Directors, in conjunction with the directors of Selkie Investments Midstream Topco Limited, have considered the Group's business plans which provide financial projections through to the end of December 2023.

## Notes to the financial statements

for the year ended 31 December 2021

### 1. Accounting policies (continued)

#### *Going concern (continued)*

The Directors, in conjunction with the Directors of Selkie Investments Midstream Topco Limited, have considered the Group's business plans which provide financial projections through to 31 December 2023. The Group's principal debt facilities comprise of a £616.0 million and €88.0 million term loans repayable in November 2027 and November 2028 respectively, as well as Shareholder loan notes of £514.8 million. In addition, the Group has access to a £30.0 million and €5.0 million Revolving Credit Facilities. At the year end, the Group had sufficient liquidity (£49.8million) and was compliant with its financial covenants.

The Group's current suite of contracts are of a long-term nature with reputable, creditworthy counterparties who are deemed to pose limited credit risk. This provides a stable income stream that is forecast to comfortably cover the Group's operational cost base and allow it to meet its trading and other obligations for the foreseeable future. Finally, the assets of the trading entities within the Group are critical to the UK and Norway natural gas resources and essential to the security of energy supply. Since the onset of the COVID-19 pandemic, there has been no disruption of supply or diminution in volumes, other than usual seasonal variations delivered by these assets.

Despite the challenges of the COVID-19 pandemic and a low commodity price environment, the business has delivered a resilient financial performance in 2021. We expect that near-term, a degree of uncertainty will continue into 2022 and, whilst forecasting activity levels in an uncertain economic environment remains challenging, we expect that the Group's resilience will continue.

Consequently, the Directors are satisfied that the Company and the Group have adequate resources to continue to operate and meet their liabilities as they fall due for the period to the end of December 2023. For this reason, they continue to adopt the Going Concern Basis in the preparation of the financial statements.

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

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

#### *Investments in subsidiaries*

Investment in subsidiary companies are included in the financial statements at historical cost less accumulated impairment losses.

#### *Impairment of assets*

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

#### *Financial instruments*

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets, including intercompany receivables, and investments, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

## Notes to the financial statements

for the year ended 31 December 2021

### 1. Accounting policies (continued)

#### *Financial instruments (continued)*

Basic financial liabilities, intercompany payables and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

#### *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### *Dividends*

Dividends to the parent company are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Directors of the Company. These amounts are recognised in the statement of changes in equity.

#### *Income from fixed asset investments*

Income from fixed asset investments is recognised when the Company's right to receive payment is established.

#### *Taxation*

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

#### *Related party transactions*

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

#### *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

### 2. Loss before taxation

The Company has no employees. No Director received any remuneration in their capacity as Director of this Company for either period presented.

## Notes to the financial statements

for the year ended 31 December 2021

### 3. Taxation

#### (a) Tax on loss

The tax credit is made up as follows:

|   | 2021 | 2020 |
|---|------|------|
|   | £000 | £000 |
| <i>Current tax:</i>                         |      |      |
| UK corporation tax on the loss for the year | (30) | (31) |
| Total current tax                           | (30) | (31) |

#### (b) Factors affecting current tax credit for the year:

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

|  | 2021 | 2020 |
|--|------|------|
|  | £000 | £000 |
| Loss before tax  | (30) | (31) |
| Loss multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%) | (6)  | (6)  |
| <i>Effects of:</i>   |      |      |
| Group relief   | (24) | (25) |
| Total tax credit for the year  | (30) | (31) |

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

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017.

Finance Act 2021 included an increase in the UK's main corporation tax rate to 25%, effective from 1 April 2023. This rate change was enacted on 24 May 2021.

## Notes to the financial statements

for the year ended 31 December 2021

### 4. Investments

*Shares in subsidiary  
undertakings  
£000*

At 1 January 2021 and at 31 December 2021

—

#### **Subsidiary undertakings**

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

##### **TGPP 1 Limited**

Nature of business: Investment holding company  
Class of shares: Ordinary  
% Holding: 100%  
Registered address: Suite 1, 3rd Floor, 11-12 St James's Square, London, SW1Y 4LB

##### **TGPP 2 Limited**

Nature of business: Investment holding company (unaudited dormant Company)  
Class of shares: Ordinary  
% Holding: 100%  
Registered address: Suite 1, 3rd Floor, 11-12 St James's Square, London, SW1Y 4LB

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

Nature of business: Processing and extraction of liquids from natural gas (Unlimited Company)  
Class of shares: Ordinary  
% Holding: 100%  
Registered address: Suite 1, 3rd Floor, 11-12 St James's Square, London, SW1Y 4LB

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

Nature of business: Fractionation of natural gas liquids  
Class of shares: Ordinary and Preference  
% Holding: 100%  
Registered address: Suite 1, 3rd Floor, 11-12 St James's Square, London, SW1Y 4LB

### 5. Debtors

|   | 2021<br>£000  | 2020<br>£000  |
|---|---------------|---------------|
| Amounts owed by subsidiary undertakings | 75,099        | 75,099        |
| Group relief                            | 171           | 141           |
|   | <u>75,270</u> | <u>75,240</u> |

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

|   | 2021<br>£000  | 2020<br>£000  |
|---|---------------|---------------|
| Amounts owed to subsidiary undertakings | 15,959        | 15,960        |
| Amounts owed to parent undertaking      | 36,034        | 36,004        |
|   | <u>51,993</u> | <u>51,964</u> |

## Notes to the financial statements

for the year ended 31 December 2021

### 7. Share capital and reserves

|   |              | 2021        |             | 2020        |             |
|---|--------------|-------------|-------------|-------------|-------------|
| <i>Allotted, called up and fully paid</i> |              | <i>No.</i>  | <i>£000</i> | <i>No.</i>  | <i>£000</i> |
| 'A' ordinary shares of                    | £0.0002 each | 10,758,577  | 2           | 10,758,577  | 2           |
| 'B' ordinary shares of                    | £0.0002 each | 100,561,798 | 20          | 100,561,798 | 20          |
|   |              |             | 22          |             | 22          |

The shares have equal voting rights.

#### *Share premium*

The share premium account relates to the amount above nominal value received for shares issued.

#### *Capital redemption reserve*

This represents the nominal value of shares repurchased.

#### *Profit and loss reserve*

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

### 8. Related party transactions

The Company has taken advantage of the exemption available under FRS102.33.1A and FRS102.33.7A not to disclose transactions with other members of the Selkie Investments Midstream Topco Limited group.

### 9. Parent undertaking and ultimate controlling party

The Company is a wholly owned subsidiary of NSMP (TGPP) Limited.

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

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