

TGPP 1 Limited

Report and Financial Statements

31 December 2017



Directors

A Heppel
D Revers
A Kuhnley

Secretary

Jordan Company Secretaries Limited

Independent auditor

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

Bankers

Bank of Scotland
33 Old Broad Street
London
EC2N 1HZ

Solicitors

Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

Registered Office

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

Strategic report

The Directors present their Strategic report for the year ended 31 December 2017.

Principal activity and review of the business

The principal activity of the Company during the year was that of an investment company.

The result for the year was a profit before taxation of £2.6 million (2016: £24.6 million), arising from interest receivable from group entities.

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

The Company's key performance indicator is to support the wider aims of the NSMP Holdings Limited Group.

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.

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



Andrew Heppel
Director
14 May 2018

Directors' report

Results and dividends

The profit for the year after taxation amounted to £2.6 million (2016: £22.0 million). During the year no dividends were declared or paid (2016: £54.0 million).

Directors

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

A Heppel
D Revers
A Kuhnley

Going concern

The Directors have considered the Company's current and future prospects and its availability of financing, and are satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the Directors continue to adopt the going concern basis for preparation of these financial statements. The Directors have received confirmation that NSMP Holdings Limited intends to support the Company for at least one year after these financial statements are signed.

Disclosure of information to the auditor

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

Re-appointment of auditor

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

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



Andrew Heppel
Director
14 May 2018

Statement of Directors' responsibilities

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

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

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

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

Independent auditor's report

to the members of TGPP 1 Limited

Opinion

We have audited the financial statements of TGPP 1 Limited for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 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 (ISA's (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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.

Conclusions relating to going concern

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

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

Independent auditors' report

to the members of TGPP 1 Limited

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

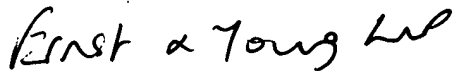
Independent auditor's report

to the members of TGPP 1 Limited

Auditor's responsibilities for the audit of the financial statements

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

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



Sandra Thompson (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Newcastle upon Tyne
16 May 2018

Income statement

for the year ended 31 December 2017

	<i>Notes</i>	<i>2017</i> <i>£000</i>	<i>2016</i> <i>£000</i>
Finance income	2	2,605	2,612
Income from fixed asset investments	2	–	22,000
<i>Profit before taxation</i>	2	2,605	24,612
Tax on profit	3	–	(2,612)
<i>Profit after taxation</i>		2,605	22,000

All amounts relate to continuing activities.

There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents, for the current and preceding financial years.

There is no other comprehensive income other than the profit for the current and preceding financial years.

Statement of changes in equity

for the year ended 31 December 2017

	<i>Called up share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total equity shareholders' funds £000</i>
At 1 January 2016	–	31,131	31,131
Profit for the year	–	22,000	22,000
Dividends paid	–	(54,000)	(54,000)
At 31 December 2016	–	(869)	(869)
Profit for the year	–	2,605	2,605
At 31 December 2017	–	1,736	1,736

Statement of financial position

at 31 December 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Investments	4	24,623	24,623
Current assets			
Debtors	5	35,302	61,934
Creditors: amounts falling due within one year	6	(58,189)	(87,426)
Net current liabilities		(22,887)	(25,492)
Net assets/(liabilities)		1,736	(869)
Capital and reserves			
Called up share capital	7	–	–
Profit and loss account	7	1,736	(869)
Equity Shareholders' funds/(deficit)		1,736	(869)

The financial statements were approved by the Board of Directors on 14 May 2018 and signed on their behalf by:



Andrew Heppel
Director

Notes to the financial statements

for the year ended 31 December 2017

1. Accounting policies

Statement of compliance

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

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

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards.

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 requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Sections 33.1A and 33.7 Related Party Disclosures

The group in which the results of the Company are consolidated is NSMP Holdings Limited. Consolidated financial statements are available at 13 Castle Street, St. Helier, JE4 5UT, Jersey.

Group financial statements

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

Judgements and key sources of estimation uncertainty

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

Going concern

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

The Company has net current liabilities at 31 December 2017 of £22,887,000 (2016: £25,492,000). The Directors have received confirmation that NSMP Holdings Limited intends to support the Company for at least one year after these financial statements are signed.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Notes to the financial statements

for the year ended 31 December 2017

1. Accounting policies (continued)

Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Related party transactions

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

Investments

Investments in subsidiaries are stated at cost less any provision for impairment.

Dividends

Revenue is recognised when the Company's right to receive payment is established.

2. Profit before taxation

Finance income

	2017	2016
	£000	£000
Finance income	2,605	2,612

This relates to interest receivable from group undertakings.

Income from fixed asset investments

	2017	2016
	£000	£000
Income from fixed asset investments	–	22,000

This relates to dividends receivable from subsidiary undertakings.

Audit fee, staff costs and Directors' remuneration

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

The Company has no employees (2016: nil). No Director received any remuneration in their capacity as Director of this Company for the year ended 31 December 2017 (2016: £nil).

Notes to the financial statements

for the year ended 31 December 2017

3. Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

	2017 £000	2016 £000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	–	2,612
Total current tax	–	2,612

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit before tax	2,605	24,612
Profit multiplied by standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	501	4,922
<i>Effects of:</i>		
Income not taxable	–	(4,400)
Effects of group relief	(501)	2,090
Total tax for the year	–	2,612

(c) Factors affecting future tax charges

The standard rate of corporation tax in the United Kingdom for the year is 19.25% (2016: 20%). The Finance Act 2015 enacted a reduction in the main rate of corporation tax to 19% with effect from 1 April 2017, and the Finance Act 2016 enacted a further reduction to 17% with effect from 1 April 2020.

Notes to the financial statements

for the year ended 31 December 2017

4. Investments

*Shares in group
undertakings
£000*

At 1 January 2017 and at 31 December 2017

24,623

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

Teesside Gas & Liquids Processing

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

Class of shares:

Ordinary shares

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

%
holding
99.00

Northern Gas Processing Limited*

Nature of business: Fractionation of natural gas liquids

Class of shares:

Ordinary shares

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

%
holding
99.00

5. Debtors

	2017 £000	2016 £000
Amounts owed by subsidiary undertakings	35,302	61,934

6. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to parent undertaking	51,748	80,985
Amounts owed to group undertakings	323	323
Group relief payable	6,118	6,118
	58,189	87,426

Notes to the financial statements

for the year ended 31 December 2017

7. Issued share capital and reserves

<i>Allotted, issued and fully paid</i>	<i>No.</i>	<i>2017</i>	<i>No.</i>	<i>2016</i>
		<i>£000</i>		<i>£000</i>
Ordinary shares of £1 each	100	-	100	-

Profit and loss account reserve

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

8. Related party transactions

The Company has taken advantage of the exemption available under FRS 102.33.1A and FRS102.33.7 not to disclose transactions with other members of the NSMP Holdings Limited group.

9. Information about parent undertaking and ultimate controlling party

TGPP 1 Limited is a wholly owned subsidiary of Teesside Gas Processing Plant Limited, which in turn is a wholly owned subsidiary of NSMP (TGPP) Limited, a wholly owned subsidiary of NSMP Holdings Limited. NSMP (TGPP) Limited and NSMP Holdings Limited are companies incorporated in Jersey.

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

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

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