

Registered No. 5799781

## **TGPP 1 Limited**

### **Report and Unaudited Financial Statements**

31 December 2022

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COMPANIES HOUSE

TGPP 1 Limited

Registered No. 5799781

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**Directors**

G Barbaro

J Barry

S Cox

**Secretary**

Vistra Company Secretaries Limited

**Bankers**

Bank of Scotland

33 Old Broad Street

London

EC2N 1HZ

**Solicitors**

Brodies LLP

15 Atholl Crescent

Edinburgh

EH3 8HA

**Registered Office**

Suite 1

7th Floor

50 Broadway

London

United Kingdom

SW1H 0BL

## Strategic report

The Directors present their Strategic report for the year ended 31 December 2022.

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

TGPP 1 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 profit for the year after taxation was £2.1 million (2021: £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 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:

DocuSigned by:  
  
85AF54C78C10475...  
Sayma Cox  
Director  
9 June 2023

## Directors' report

The Directors present their Directors' report for the year ended 31 December 2022.

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 £2.1 million (2021: £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

S Cox

resigned 21 September 2022

appointed 21 September 2022

### Going concern

The Directors have undertaken a rigorous assessment of going concern and liquidity over a period to 30 June 2024 ('the going concern period'). This includes review of financial forecasts through to the end of June 2024 which reflect severe, but plausible downside scenarios. The directors have also considered as part of this assessment the impact of events which have arisen following the balance sheet date and up to the date of issue of these financial statements.

The Company is a holding company within the Selkie Investments Group, headed by Selkie Investments Midstream Topco Limited (the 'Group'). The Company has an investment in its subsidiary of £24.6 million, net current liabilities of £18.2 million and net assets of £6.5 million. To meet its financial obligations, the Company is dependent on receiving interest payments from its subsidiary. The Company is dependent on three trading entities within the Group to generate sufficient cash to fund the obligations of the rest of the Group, including the Company 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 the end of June 2024, by directing cash flows to ensure the Company has sufficient funds available.

The Group regularly monitors its funding position throughout the year to ensure that it has access to sufficient funds to meet its forecast cash requirements. Forecasts are regularly produced to give Management's best estimates of forward liquidity and forecast covenant compliance as defined in the Group's facilities agreements.

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 June 2024. As at 31 December 2022, the Group's principal term debt facilities comprised of a £616.0 million and €88.0 million term loan repayable in November 2027 and 2028 respectively as well as access to a £30.0m and €5.0 million Revolving Credit Facilities. At the year end, the outstanding balances on the term debt facilities were £486.2m and €78.1m, and the Group had sufficient liquidity (£43.0 million) and was in compliance with its financial covenants with regards to the above GBP loan. However, as a consequence of the recent and continuing high power price environment in Norway, the Debt Service Cover Ratio on the EUR loan was below the level required by the financial covenant as at 31 December 2022. In response, the Group implemented several mitigating actions and subsequently secured a waiver from the EUR loan bank group, thereby avoiding being in default on the EUR loan.

## Directors' report (continued)


### Going concern (continued)

The Group's base case going concern assessment is based on the Board approved budget and business plan which provide financial projections through to the end of June 2024. 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. In addition, 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.

The Directors have also considered severe, but plausible, downside scenarios to reflect the potential impacts of further declines in volumes and/or delays to key infill well drilling which could result from a worsening economic climate or reduced commodity prices. In each of the scenarios modelled, the Group will have sufficient funds, through internally generated resources to meet its liabilities as they fall due and ensure compliance with its financial covenants.

Consequently, the directors have concluded that the Company will have sufficient funds to continue to meet their liabilities as they fall due to 30 June 2024 and therefore have prepared the financial statements on a going concern basis.

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

DocuSigned by:  
  
85AF54C78C10475...

Sayma Cox  
Director  
9 June 2023

## Statement of Directors' responsibilities

The directors are responsible for preparing the strategic report, Directors' report and the financial statements in accordance with applicable United Kingdom 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), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the financial statements, state whether applicable UK Accounting Standards, including FRS 102, 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 appropriate to presume that the company will not continue in business.

The directors are responsible for keeping adequate 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

## Income statement

For the year ended 31 December 2022

	<i>Notes</i>	<i>2022</i> <i>£000</i>	<i>2021</i> <i>£000</i>
Administrative expenses		–	(1)
<b><i>Operating profit</i></b>		<b>–</b>	<b>(1)</b>
Finance income	2	2,605	2,605
<b><i>Profit before taxation</i></b>	3	<b>2,605</b>	<b>2,604</b>
Tax charge on profit	4	(495)	(2,604)
<b><i>Profit/result after taxation</i></b>		<b>2,110</b>	<b>–</b>

All amounts relate to continuing activities.

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

## Statement of financial position

At 31 December 2022


	Notes	2022 £000	2021 £000
<b>Fixed assets</b>			
Investments	5	24,623	24,623
<b>Current assets</b>			
Debtors	6	55,570	52,966
<b>Creditors:</b> amounts falling due within one year	7	(73,735)	(73,241)
<b>Net current liabilities</b>		(18,165)	(20,275)
<b>Net assets</b>		6,458	4,348
<b>Capital and reserves</b>			
Called up share capital	8	—	—
Profit and loss reserve	8	6,458	4,348
<b>Total shareholders' equity</b>		6,458	4,348

For the Financial year ending 31 December 2022 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:

DocuSigned by:  
  
 85AF54C78C10475 ...  
 Sayma Cox  
 Director  
 9 June 2023



TGPP 1 Limited

Registered No. 5799781

## Statement of changes in equity

For the year ended 31 December 2022

	<i>Called up share capital</i>	<i>Profit and loss reserve</i>	<i>Total shareholders' equity</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>At 1 January 2021</b>	–	4,348	4,348
Result for the year	–	–	–
<b>At 31 December 2021</b>	–	4,348	4,348
Profit for the year	–	2,110	2,110
<b>At 31 December 2022</b>	–	6,458	6,458

## Notes to the financial statements

For the year ended 31 December 2022

### 1. Accounting policies

#### *General information*

TGPP 1 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 10 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 Directors have undertaken a rigorous assessment of going concern and liquidity over a period to 30 June 2024 ('the going concern period'). This includes review of financial forecasts through to the end of June 2024 which reflect severe, but plausible downside scenarios. The directors have also considered as part of this assessment the impact of events which have arisen following the balance sheet date and up to the date of issue of these financial statements.

The Company is a holding company within the Selkie Investments Group, headed by Selkie Investments Midstream Topco Limited (the 'Group'). The Company has an investment in its subsidiary of £24.6 million, net current liabilities of £18.2 million and net assets of £6.5 million. To meet its financial obligations, the Company is dependent on receiving interest payments from its subsidiary. The Company is dependent on three trading entities within the Group to generate sufficient cash to fund the obligations of the rest of the Group, including the Company 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 the end of June 2024, by directing cash flows to ensure the Company has sufficient funds available.

The Group regularly monitors its funding position throughout the year to ensure that it has access to sufficient funds to meet its forecast cash requirements. Forecasts are regularly produced to give Management's best

## Notes to the financial statements

For the year ended 31 December 2022

### 1. Accounting policies (continued)

#### **Going concern (continued)**

estimates of forward liquidity and forecast covenant compliance as defined in the Group's facilities agreements.

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 June 2024. As at 31 December 2022, the Group's principal term debt facilities comprised of a £616.0 million and €88.0 million term loan repayable in November 2027 and 2028 respectively as well as access to a £30.0m and €5.0 million Revolving Credit Facilities. At the year end, the outstanding balances on the term debt facilities were £486.2m and €78.1m, and the Group had sufficient liquidity (£43.0 million) and was in compliance with its financial covenants with regards to the above GBP loan. However, as a consequence of the recent and continuing high power price environment in Norway, the Debt Service Cover Ratio on the EUR loan was below the level required by the financial covenant as at 31 December 2022. In response, the Group implemented several mitigating actions and subsequently secured a waiver from the EUR loan bank group, thereby avoiding being in default on the EUR loan.

The Group's base case going concern assessment is based on the Board approved budget and business plan which provide financial projections through to the end of June 2024. 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. In addition, 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.

The Directors have also considered severe, but plausible, downside scenarios to reflect the potential impacts of further declines in volumes and/or delays to key infill well drilling which could result from a worsening economic climate or reduced commodity prices. In each of the scenarios modelled, the Group will have sufficient funds, through internally generated resources to meet its liabilities as they fall due and ensure compliance with its financial covenants.

Consequently, the directors have concluded that the Company will have sufficient funds to continue to meet their liabilities as they fall due to 30 June 2024 and therefore have prepared the financial statements on a going concern basis.

#### **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.

## Notes to the financial statements

For the year ended 31 December 2022

### 1. Accounting policies (continued)

#### *Impairment of assets (continued)*

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.

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.

### 2. Interest receivable and similar income

	2022	2021
	£000	£000
Intercompany loan interest receivable	2,605	2,605

## Notes to the financial statements

For the year ended 31 December 2022

### 3. Profit before taxation

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

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

### 4. Taxation

#### (a) Tax on profit

The tax charge is made up as follows:

	2022 £000	2021 £000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	495	2,604
Total current tax	495	2,604

#### (b) Factors affecting tax (credit)/charge for the year

The tax assessed for the year is the standard rate of corporation tax (2021: higher than) in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
Profit before tax	2,605	2,604
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	495	495
<i>Effects of:</i>		
Effects of group relief	—	2,109
Total tax (credit)/charge for the year	495	2,604

#### (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 2022

### 5. Investments

*Shares in subsidiary  
undertakings  
£000*

At 1 January 2022 and at 31 December 2022

24,623

#### **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):

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

Nature of business: Processing and extraction of liquids from natural gas (Unlimited Company)

Class of shares: Ordinary

% Holding: 99%

Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

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

Nature of business: Fractionation of natural gas liquids

Class of shares: Ordinary and Preference

% Holding: 99%

Registered address: Suite 1, 7th Floor, 50 Broadway, London, SW1H 0BL

### 6. Debtors

	2022	2021
	£000	£000
Amounts owed by subsidiary undertakings	55,570	52,966

Included within amounts owed by subsidiary undertakings is an intercompany loan of £21.7 million (2021: £21.7 million) to Teesside Gas & Liquids Processing and accrued interest at a rate of 12%. The loan is repayable on demand.

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

	2022	2021
	£000	£000
Amounts owed to parent undertaking	51,749	51,749
Amounts owed to group undertakings	7,559	7,560
Group relief payable	14,427	13,932
	73,735	73,241

## Notes to the financial statements

For the year ended 31 December 2022

### 8. Issued share capital and reserves

<i>Allotted, issued, and fully paid</i>	<i>No.</i>	<i>2022</i>	<i>No.</i>	<i>2021</i>
		<i>£</i>		<i>£</i>
Ordinary shares of £1 each	100	100	100	100

#### *Profit and loss reserve*

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

### 9. Related party transactions

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

### 10. Parent undertaking and ultimate controlling party

The Company is a wholly owned subsidiary of Teesside Gas Processing Plant 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 parties to be Wren House Infrastructure Gp LLP, which is registered at 55-58, Pall Mall, London, England, SW1Y 5JH and Iif Int'L Neon Investment Sarl, which is registered at 11-13, Boulevard De La Foire, Luxembourg.