

STENA (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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STENA (UK) LIMITED

COMPANY INFORMATION

Directors	Michael Hugh Percy Mikael Fredrik Stenvaller Mauro Mattiuzzo Ian Hampton Annika Hult Sindo Dominic Fernandez-Ares
Company secretary	Jenny Kate Carter
Registered number	02766012
Registered office	First Floor 6 Arlington Street London SW1A 1RE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Capitol 431 Union Street Aberdeen AB11 6DA

STENA (UK) LIMITED

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STENA (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Directors present the Strategic Report and audited financial statements of Stena (UK) Limited (the "Company") for the year ended 31 December 2022.

Principal activities

The Company is an investment holding and financing Company.

Strategy and Business review

The Company is an investment holding Company. Investments are principally held in respect of wholly-owned shipping and drilling operating companies in the UK and overseas. Details of investments held by the Company are set out in note 12 to the financial statements.

Business reviews in respect of the Company's principal UK investments for the year ended 31 December 2022 are included in the financial statements of the companies listed in note 12 to the financial statements.

Results and dividends

The Company made a profit for the financial year of \$170.9m (2021: loss of \$5.1m).

During the year, the Company received dividends of \$174.1m (2021: \$nil) from its subsidiaries.

No dividend was paid to the parent company, Stena International SA, during the year (2021: \$nil).

The financial position of the Company is shown on page 11.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company include the cyclical nature of the shipping and drilling industries in which its investments operate, in the UK and globally. The carrying values of the Company's investments are reviewed by the Directors annually against the investments' underlying business performance and net assets.

As the Company is a holding and financing company, key financial indicators are limited, but include exchange risk management and the cost of financing.

The Company's trading and financing transactions are principally US Dollar denominated. Consequently, the financial statements are presented in US Dollars.

The Company is affected by movements in foreign exchange rates in respect of loans and receivables which are not denominated in the functional currency of US Dollars (principally Sterling and Euro).

The Company is exposed to credit and cash flow risks in the normal course of business, which is managed through the credit control procedures in place.

The current conflict between Russia and Ukraine has had no major consequences on the operations to date. The long term effects will most likely be limited as long as the conflict is geographically contained. Should this change, the effect on the business of the company's subsidiaries could be extensive and hence impact the value of the investments. Management and the Directors are closely monitoring the situation in Ukraine and its potential effects on the Company's subsidiaries and the markets in which they operate.

STENA (UK) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial key performance indicators

The Directors review the value of investments in subsidiaries in combination with the actual and projected results provided by the respective management teams. The investment value as at 31 December 2022 is \$648.5m (2021: \$372.5m), having injected capital into two of the company's subsidiaries.

Liquidity is continuously monitored and the cash position as at 31 December 2022 is \$12.7m (2021: overdrawn by \$6.6m). Any surplus retained earnings in subsidiaries is to be distributed, in order to improve the liquidity of the company.

The Directors monitor the following metrics as indicators of the performance of the business:

	2022	2021
	\$000	\$000
Turnover	3,487	2,563
Income from shares in group undertakings	174,143	-
Profit/(loss) for the financial year	170,871	(5,117)
Total shareholders' funds	627,365	180,839
Total assets	661,984	375,264
Solvency %	95	48

Solvency % is total shareholders' funds/ total assets. Two of the Company's subsidiaries undertook a share capital reduction exercise and subsequently paid dividends to Stena (UK), allowing for repayment of the revolving credit facility. The Directors are satisfied with the positive impact on the solvency ratio.

STENA (UK) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' statement of compliance with duty to promote the success of the Company

The Directors must act in accordance with a set of general duties. These duties are detailed in section 172(1) of the Companies Act 2006 which is summarized as follows:

"A Director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the shareholders as a whole and in doing so have regard, among other matters to:

- the likely consequences of any decisions in the long-term
- the interest of the company's employees
- the need to foster the company's relationships with suppliers, customers and others
- the impact of the company's operations on the community and environment
- the desirability of the company to maintain a reputation for high standards of business conduct, and
- the need to act fairly as between shareholders of the company"

In carrying out their duties the Directors apply the principles and guidelines established and adopted by the Company or the ultimate parent company and which are described in the following documents:

- Principles, convictions and basic values for Stena AB (issued by the ultimate parent company)
- Code of Conduct (issued by the ultimate parent company)
- Slavery and Human Trafficking Statement (issued by the Company)
- Anti-Bribery and Corruption Policy (issued by the Company)

The documents can be found on the Company's webpage www.stena.co.uk.

Risk Management: The Company carefully considers the risks and uncertainties, described in the section "Principal risks and uncertainties" above, in any decisions.

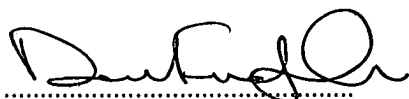
People/Employees: The Company and its subsidiaries are committed to being responsible employers and apply the principles and guidelines established by the Company and the ultimate parent company.

Business Relationships: The Company and its subsidiaries always strive to develop and maintain strong client relationships by delivering high quality and cost efficient services.

Community and Environment: The Company and its subsidiaries always strive to improve efficiency and performance to reduce the environmental impact of the businesses and to contribute to a sustainable development of the community.

For further information reference is made to the Sustainability Report incorporated in the Annual Report of the ultimate parent company which can be found on the Company's webpage www.stena.co.uk

This report was approved by the board on 16th May 2023 and signed on its behalf



Sindo Dominic Fernandez-Ares
Director

STENA (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Dividends and Financial Risk Management

Reference is made to the relevant sections in the Strategic Report.

Future developments

The markets in which the Company has invested are evaluated on an ongoing basis and management and the Directors have at this stage, no significant doubts about the continued operations of the Company's subsidiaries as the overall business is expected to positively develop in 2023.

Amendments to the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI entered into force on 1 November 2022. Developed under the framework of the Initial IMO Strategy on Reduction of GHG Emissions from Ships agreed in 2018, these technical and operational amendments require ships to improve their energy efficiency in the short term and thereby reduce their greenhouse gas emissions.

From 1 January 2023 it is mandatory for all ships to calculate their attained Energy Efficiency Existing Ship Index (EEXI) to measure their energy efficiency and to initiate the collection of data for the reporting of their annual operational carbon intensity indicator (CII) and CII rating.

These measurements have been implemented as a stimulus to reduce carbon intensity of all ships by 40% by 2030, compared to the 2008 baseline.

The Company and wider group are investing in research to ensure that all vessels held have reduced their carbon intensity, for both the short-term and long-term, in alignment with the IMO Strategy.

Environmental matters

Climate and energy issues are important to the Stena AB group business and plans. Areas of focus for Stena are energy efficiency improvement, the transition to renewable energy, and electrification. The group has a tradition of strong technical expertise, which enables innovation, development and implementation of future climate-smart technology and solutions. While many initiatives are in progress, Stena is well aware that the rate of transformation needs to increase sharply in the coming years in order to achieve society's climate goals.

Streamlined Energy & Carbon Reporting

The company consumed 40,000 kWh of energy or less in the United Kingdom during the period in respect of which the directors' report is prepared and the company is therefore exempt from the Department for Business, Energy and Industrial Strategy (BEIS)'s Streamlined Energy & Carbon reporting requirements.

Going concern

The Company (together with two other group companies) has a multicurrency revolving credit facility provided by a fellow group company, AB Stena Finans. As at 31 December 2022 the limit of the facility was \$200.0m (2021: \$230.0m), reducing by \$30.0m per annum.

At year-end, and as at the date of signing, \$0.0m (2021: \$153.0m) was drawn on the facility by the Company leaving a further \$200.0m (2021: \$77.0m) undrawn. The facility expires in December 2025.

Based upon the availability of its drawn and undrawn loan facilities and having reviewed the Company's future forecast cash flows, the Directors expect the Company to be a going concern for at least 12 months from the date of signing the financial statements and therefore prepared the financial statements on a going concern basis.

STENA (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Directors

The directors who served during the year and up to the date of this report were:

Michael Hugh Percy
Mikael Fredrik Stenvaller
Mauro Mattiuzzo
Ian Hampton
Annika Hult
Sindo Dominic Fernandez-Ares
Hans Erik Noren (resigned 27 May 2022)

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of the approval of the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited 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 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 to enable them to ensure that the audited 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

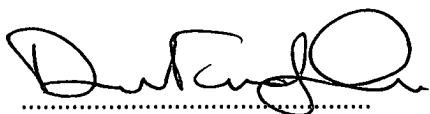
STENA (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16th May 2023 and signed on its behalf.



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Sindo Dominic Fernandez-Ares
Director

Independent auditors' report to the members of Stena (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Stena (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

STENA (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STENA (UK) LIMITED (CONTINUED)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

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 year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Corporation tax, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006.

STENA (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STENA (UK) LIMITED (CONTINUED)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to manipulation of the results of the company through inappropriate journal entries or bias in assumptions relating to accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance of laws and regulations and fraud;
- Reviewing legal and professional expenses and the minutes of meetings of those charged with governance for any indication of non-compliance with laws and regulations;
- Understanding and evaluating the design and implementation of management's controls designed to prevent and detect irregularities;
- Challenging the assumptions and judgments made by management in accounting estimates, in particular, in relation to the carrying value of investments; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations impacting the result for the year and journals posted by unusual staff members including Senior Management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Martin Cowie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
16 May 2023

STENA (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$000	2021 \$000
Turnover	4	3,487	2,563
Administrative expenses		(3,615)	(3,175)
Operating loss	5	(128)	(612)
Income from shares in group undertakings		174,143	-
Interest receivable and similar income	8	2,434	4
Interest payable and similar expenses	9	(5,361)	(5,540)
Profit/(loss) before tax		171,088	(6,148)
Tax on profit/(loss)	10	(217)	1,031
Profit/(loss) for the financial year		170,871	(5,117)
Other comprehensive expense for the year			
Remeasurement of net liabilities in pension plans		(345)	(427)
Other comprehensive expense for the year		(345)	(427)
Total comprehensive income/ (expense) for the year		170,526	(5,544)

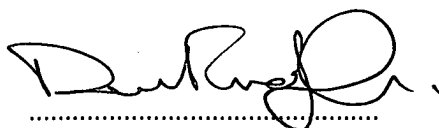
The notes on pages 13 to 32 form part of these financial statements.

STENA (UK) LIMITED
REGISTERED NUMBER: 02766012

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 \$000	2022 \$000	2021 \$000	2021 \$000
Fixed assets					
Tangible assets	11		516		488
Investments	12		648,491		372,491
			<u>649,007</u>		<u>372,979</u>
Current assets					
Debtors: amounts falling due within one year	13	306		2,285	
Cash at bank and in hand		12,671		-	
		<u>12,977</u>		<u>2,285</u>	
Creditors: amounts falling due within one year	14	(34,518)		(41,209)	
Net current liabilities			<u>(21,541)</u>		<u>(38,924)</u>
Total assets less current liabilities			<u>627,466</u>		<u>334,055</u>
Creditors: amounts falling due after more than one year	15		-		(153,000)
Provisions for liabilities					
Deferred tax	16		(101)		(216)
Net assets			<u><u>627,365</u></u>		<u><u>180,839</u></u>
Capital and reserves					
Called up share capital	17		731,298		455,298
Profit and loss account			(103,933)		(274,459)
Total equity			<u><u>627,365</u></u>		<u><u>180,839</u></u>

The financial statements on pages 10 to 32 were approved by the Board of Directors on 16th May 2023 and signed on its behalf by



Sindo Dominic Fernandez-Ares
Director

The notes on pages 13 to 32 form part of these financial statements.

STENA (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2021	455,298	(268,915)	186,383
Loss for the year	-	(5,117)	(5,117)
Other comprehensive expense	-	(427)	(427)
Total comprehensive expense for the year	-	(5,544)	(5,544)
At 1 January 2022	455,298	(274,459)	180,839
Comprehensive income for the year			
Profit for the year	-	170,871	170,871
Other comprehensive expense	-	(345)	(345)
Total comprehensive income for the year	-	170,526	170,526
Shares issued during the year	276,000	-	276,000
At 31 December 2022	731,298	(103,933)	627,365

The notes on pages 13 to 32 form part of these financial statements.

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Stena (UK) Limited (the "Company") is a private company limited by shares and is incorporated in England, United Kingdom. The address of its registered office is First Floor, 6 Arlington Street, London, England, SW1A 1RE.

The principal activities of the Company are to invest in shipping and drilling operating companies in the UK and overseas.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Stena AB (publ.) as at 31 December 2022 and these financial statements may be obtained from Masthuggskajen, 405 19, Gothenburg, Sweden.

2.3 Exemption from preparing consolidated financial statements

The Company is exempt by virtue of s401 of the Companies Act from the requirement to prepare group financial statements. The financial statements present information about the Company as an individual undertaking and not about its group.

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Going concern

The Company (together with two other group companies) has a multicurrency revolving credit facility provided by a fellow group company, AB Stena Finans. As at 31 December 2022 the limit of the facility was \$200.0m (2021: \$230.0m), reducing by \$30.0m per annum.

At year-end, and as at the date of signing, \$0.0m (2021: \$153.0m) was drawn on the facility by the Company leaving a further \$200.0m (2021: \$77.0m) undrawn. The facility expires in December 2025.

Based upon the availability of its drawn and undrawn loan facilities and having reviewed the Company's future forecast cash flows, the Directors expect the Company to be a going concern for at least 12 months from the date of signing the financial statements and therefore prepared the financial statements on a going concern basis.

2.5 Foreign currency translation

The Company's trading and financing transactions are principally US dollar denominated. Since this is the functional currency, the financial statements have been prepared in US Dollars.

Transactions in foreign currencies are recorded using the rate of exchange at the date of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income.

2.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company provides administrative services mainly to subsidiaries. Revenue is recognised in the accounting period in which the services are rendered.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Interest receivable and similar income

Interest income is recognised in profit or loss using the effective interest method.

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Interest payable and similar expenses

Interest payable is charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.10 Pensions

The Company participates in Defined Benefit pension schemes, providing benefits based on final pensionable pay.

The requirements of FRS 102 Section 28 are applied. Where the Company is unable to identify its share of its underlying assets and liabilities on a reasonable and consistent basis such scheme is accounted for as a Defined Contribution Plan. In the case where the plan is a multi-employer plan and the Company has entered into an agreement with the plan that determines how the Company will fund a deficit and where the Company's share of the plan's net asset/ liability can be determined the Company recognizes the net asset/ liability on the balance sheet and accounts for the profit and loss items as required. Changes in the actuarial valuation are recognized under Comprehensive Income.

2.11 Current and deferred taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns in respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date, except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property - over the length of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries, joint ventures, associates and trade investments are stated at cost less provision for impairment. Impairment reviews are carried out if there is an indication of a reduction in value and if the equity in the investments are lower than the cost. Dividends from investments are recognized when received or approved for payment by the investee.

2.14 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Profit and Loss Account, unless the asset has been revalued when the amount is recognised in the Profit and Loss Account to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Profit and Loss Account.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Profit and Loss Account.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.16 Financial instruments

The Company has chosen to adopt the Sections 11 and 12 exemption of FRS 102 in respect of financial instruments.

2.17 Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, 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 Profit and Loss Account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in Profit and Loss Account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

2.18 Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.19 Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.20 Derivatives

The Company does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies or for transactions entered into to manage the cash flow exposure of borrowings. Interest rate swaps are held to manage interest rate exposures and are designed as cash flow hedges of floating rate borrowings. Changes to the fair values of derivatives designed as cash flow hedges, and which are effective, are recognized directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the Profit and Loss Account. Where formal hedge documentation has not been put in place, the movement in the fair value is recognised in the Profit and Loss Account.

The gain or loss recognized in other comprehensive income is reclassified to the Profit and Loss Account when the hedging relationship ends. Hedge accounting is discontinued when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

2.21 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.

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Investments in subsidiaries and joint ventures are recognised at cost less any impairment losses. If a review indicates that the net carrying value exceeds the recoverable amount the investment is written down to the value indicated by the review.

Generally, provisions are recognised when there is an obligation as a result of a historical event, where it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are recognized at the amount that represent the best estimate of the amount required to settle the existing obligation on the balance sheet date. When there is doubt in the estimates referring to forthcoming events outside the Company's control, the actual outcome may differ significantly.

The Company participates in two industry wide defined benefit pension schemes. The costs of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management uses third party actuaries to assist in these estimates in determining the net pension obligation on the Balance Sheet. The assumptions reflect historical experience and current trends. In the judgement of the directors, the company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the scheme is accounted for as a defined contribution scheme.

When a commitment does not meet the criteria for reporting in the balance sheet, the amount can be considered a contingent liability and be disclosed. These commitments arise from events that have taken place and their existence will be confirmed only when one or several uncertain future events, which do not lie entirely within the Company's control, take place or fail to take place. Contingent liabilities also include present commitments where an outflow of resources is not likely or a sufficiently reliable estimate of the amount cannot be made.

4. Turnover

The whole of the turnover is attributable to administrative services.

	2022 \$000	2021 \$000
United Kingdom	2,961	2,563
Rest of Europe	526	-
	<u>3,487</u>	<u>2,563</u>

STENA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Operating loss

The operating loss is stated after (crediting)/ charging:

	2022	2021
	\$000	\$000
Exchange gain	(2,279)	1
Operating lease rentals	261	258
Depreciation - leasehold property	52	12
	<u>2022</u>	<u>2021</u>
	<u>\$000</u>	<u>\$000</u>
Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements	7	6
	<u>7</u>	<u>6</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	\$000	\$000
Wages and salaries	755	1,590
Social security costs	93	220
Other pension costs	50	37
	<u>755</u>	<u>1,590</u>
	<u>898</u>	<u>1,847</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Administration	7	7
	<u>7</u>	<u>7</u>

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Directors' remuneration

	2022 \$000	2021 \$000
Directors' emoluments	427	767
Company contributions to defined contribution pension schemes	31	22
	<u>458</u>	<u>789</u>

The highest paid director received remuneration of \$333 thousand (2021 - \$526 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$31 thousand (2021 - \$Nil).

8. Interest receivable and similar income

	2022 \$000	2021 \$000
Exchange gain	2,279	-
Bank deposit interest	155	4
	<u>2,434</u>	<u>4</u>

9. Interest payable and similar expenses

	2022 \$000	2021 \$000
Bank interest and other charges	182	83
Interest payable to group undertakings	5,179	5,457
	<u>5,361</u>	<u>5,540</u>

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Tax on profit/ loss

	2022 \$000	2021 \$000
Corporation tax		
Group relief payable/ (receivable) at 19.0% (2021: 19.0%)	280	(1,108)
Adjustments in respect of previous periods	52	30
Total current tax	332	(1,078)
Deferred tax		
Current year	(93)	47
Adjustments in respect of previous periods	(22)	-
Total deferred tax	(115)	47
Taxation on profit/(loss)	217	(1,031)

Factors affecting tax charge/ (credit) for the year

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

	2022 \$000	2021 \$000
Profit/(loss) before tax	171,088	(6,148)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	32,507	(1,168)
Effects of:		
Permanent differences	855	55
Adjustments to tax charge in respect of prior periods	30	30
Changes in provisions	(66)	-
Dividends from UK companies	(33,087)	-
Deferred tax rate changes	(22)	52
Total tax charge/ (credit) for the year	217	(1,031)

Factors that may affect future tax charges

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023.

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Tangible assets

	leasehold property \$000
Cost	
At 1 January 2022	500
Additions	80
	<hr/>
At 31 December 2022	580
	<hr/>
Accumulated depreciation	
At 1 January 2022	12
Charge for the year on owned assets	52
	<hr/>
At 31 December 2022	64
	<hr/>
Net book value	
At 31 December 2022	516
	<hr/> <hr/>
At 31 December 2021	488
	<hr/> <hr/>

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Investments

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 January 2022	372,491
Additions	276,000
At 31 December 2022	<u>648,491</u>
Net book value	
At 31 December 2022	<u><u>648,491</u></u>
At 31 December 2021	<u><u>372,491</u></u>

The addition of \$276m relates to shares of \$201m issued from Stena Icemax Limited and shares of \$75m issued from Stena Drilling (Holdings) Limited.

In the opinion of the Directors, the investments in, and amounts due from, the Company's subsidiary companies are worth at least the amounts at which they are stated in the balance sheet.

The Company received dividends of \$174m (2021: nil) from subsidiaries during the year.

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Holding
Stena North Sea Limited	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Ropax Limited	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Icemax Limited	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena LNG (UK) Limited	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Finance (U.K.) Limited	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Drilling (Holdings) Limited	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Drilling Australia Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Drilling HR Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Drilling Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Drilling (Money Purchase) Pension Trustee Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Drillmax Ice Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Forth Drilling Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena HSD Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Oilfield Services Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Spey Services Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Spey Chartering Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Carron Drilling Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Subsea Leasing Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Don Drilling Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Wells Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Evolve Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
NMG Ship Management Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Stena Evolution Drilling Limited*	First Floor, 6 Arlington Street, London, England, SW1A 1RE	100%
Northern Marine Group Limited	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Northern Marine Management Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Holding
Northern Marine Manning Services Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
NMG Marine Services Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Northern Marine Ship Management Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
NMG Corporate Services Ltd*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
NMG Business Services Ltd*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Alba Travel (Inverness) Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Clyde Travel Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Clyde Marine Training Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Clyde Training Solutions Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
The Clyde Group Ltd*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Clyde Uniforms Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Tritec Marine Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Aurora Digital Solutions Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Maritime Global Services Limited*	Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR	100%
Francois Offshore Catering Limited*	20 Abercrombie Court, Westhill, Scotland, AB32 6FE	100%
Stenloyal Limited*	Greenbank Crescent, East Tullos, Aberdeen, Scotland, AB12 3BG	100%
Clyde Travel AS*	Skur 44, Akershusstranda 53, Oslo, Norway, 0150	100%
Northern Marine Pte. Ltd*	30 Pandan Road, Singapore 609277	100%
Northern Marine Management Pte Ltd*	30 Pandan Road, Singapore 609277	100%
Northern Marine Manning Services Pte Limited	30 Pandan Road, Singapore 609277	100%
Austen Maritime Services Pte Ltd*	30 Pandan Road, Singapore 609277	100%
Francois Marine Services Pte Ltd*	30 Pandan Road, Singapore 609277	100%
Francois Offshore Catering Pte*	30 Pandan Road, Singapore 609277	100%
Meridian Shipping Services Pte Limited*	30 Pandan Road, Singapore 609277	100%
Stena Drilling Pte Limited*	30 Pandan Road, Singapore 609277	100%
Stena Marine Management Pte Limited*	30 Pandan Road, Singapore 609277	100%
Maritime Global Services Pte Limited*	30 Pandan Road, Singapore 609277	100%
Clyde Travel Pte Ltd*	30 Pandan Road, Singapore 609277	100%
Northern Marine Management (India) Private Limited*	Orchard Avenue, Powai, India, 400076	100%
Maritime Global Services LLP*	Orchard Avenue, Powai, India, 400076	100%
Francois Marine Services Korea Co. Ltd*	3rd Floor, 4539 Geoje-daaero, Gyeongnam, South Korea (53237)	100%
Austen Marine Korea Limited*	3rd Floor, 4539 Geoje-daaero, Gyeongnam, South Korea (53237)	100%

STENA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Holding
Northern Marine Management (Shanghai) Co Ltd*	Room 1606, United Plaza, Jingan District, Shanghai, 200040, P.R. China	100%
Northern Marine (Shanghai) Ltd*	Room 1606, United Plaza, Jingan District, Shanghai, 200040, P.R. China	100%
Stena Drilling (Australia) Pty Limited*	35 Hay Street, Subiaco, WA 6008, Australia	100%
Northern Marine Management (USA) LLC*	2727 Allen Parkway, Houston, TX 77019-2115, USA	100%
Clyde Travel USA LLC*	2727 Allen Parkway, Houston, TX 77019-2115, USA	100%
Clyde Travel AB*	Masthuggskajen, SE-405 19 Gothenburg, Sweden	100%
Stena Marine Management LLC*	Petrogradskaya emb, 36A, 7th Floor, St Petersburg, Russia	100%
Skye Management Holdings Co Limited*	Clarendon House, 2 Church Street, P O Box HM 1022, Hamilton, HM DX, Bermuda	100%
Stena Marine Services GmbH*	c/o Ahlers & Vogel, Schaarsteinwegsbrücke 2, 20459 Hamburg, Germany	100%
Stena Marine Management GmbH & Co KG*	c/o Ahlers & Vogel, Schaarsteinwegsbrücke 2, 20459 Hamburg, Germany	100%
Stena Power & LNG Solutions AS*	Smith Petersengate 6, 4876, Grimstad, Norway	75%
Stena Marine BV*	Curiewg 2, Spijkenisse, Netherlands, 3208KJ	100%
Northern Marine Management BV*	Curiewg 2, Spijkenisse, Netherlands, 3208KJ	100%
Clyde Travel BV*	Curiewg 2, Spijkenisse, Netherlands, 3208KJ	100%
Francois Marine BV*	Curiewg 2, Spijkenisse, Netherlands, 3208KJ	100%
Northern Marine Manning Services ApS	Tuborg Boulevard 12, 2nd Floor, 2900 Hellerup, Denmark	100%
Stena Unicon Offshore Services Ghana Limited*	No 4, Momotse Avenue, Adabraka, Accra, Ghana	90%
Stena Drilling US Inc*	12141 Wickchester Lane, Houston, TX 77079, USA	100%
Austen Maritime Services Consulting (Shanghai) Limited*	Room 305-3, Block 3, No. 3333, Shenjiang Road, Pudong District, 201206, P.R. China	100%
Austen Maritime Service Hong Kong Ltd*	Room 305-3, Block 3, No. 3333, Shenjiang Road, Pudong District, 201206, P.R. China	100%
Tang Li Marine & Offshore China Ltd*	Room 305-3, Block 3, No. 3333, Shenjiang Road, Pudong District, 201206, P.R. China	100%
Tang Liu Marine & Offshore Hong Kong*	Room 305-3, Block 3, No. 3333, Shenjiang Road, Pudong District, 201206, P.R. China	100%

STENA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Holding
Maritime Global Services LLC*	1999 Bryan Street, Suite 900, Dallas, TX75201, USA	100%
Clyde Travel ApS*	Tubord Boulevard 12, Hellerup, 2900, Denmark	100%
Clyde Travel Oy*	Äyritie 12B, 01510 Vantaa, Finland	100%

*Shares held by subsidiary companies.

13. Debtors

	2022	2021
	\$000	\$000
Amounts falling due within one year		
The Company's share of net assets in industry pension schemes (note 19)	144	489
Amounts owed by group undertakings	88	1,678
Other debtors	24	67
Prepayments and accrued income	50	51
	306	2,285

14. Creditors: Amounts falling due within one year

	2022	2021
	\$000	\$000
Bank overdrafts	-	6,596
Amounts owed to group undertakings	34,107	34,128
Accruals and deferred income	411	485
	34,518	41,209

Included within amounts owed to group undertakings is a loan of \$34.0m (2021: \$34.0m) from a subsidiary. The loan is repayable on demand and interest is charged on a variable rate basis of LIBOR plus 0.25% (2021: 0.25%).

All other amounts owed to group undertakings are repayable on demand and are non interest bearing.

STENA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Creditors: Amounts falling due after more than one year

	2022	2021
	\$000	\$000
Amounts owed to group undertakings	-	153,000
	<u>-</u>	<u>153,000</u>
	<u>-</u>	<u>153,000</u>

The Company (together with two other group companies) has a multicurrency revolving credit facility provided by a fellow group company, AB Stena Finans. As at 31 December 2022 the limit of the facility was \$200.0m (2021: \$230.0m), reducing by \$30.0m per annum.

At year-end, and as at the date of signing, \$0.0m (2021: \$153.0m) was drawn on the facility by the Company leaving a further \$200.0m (2021: \$77.0m) undrawn. The facility expires in December 2025.

The interest charged is on a variable rate basis, and interest is charged at LIBOR plus 3.25% (2021: 3.25%).

16. Deferred tax

	2022	2021
	\$000	\$000
At beginning of year	216	169
(Credited)/ charged to profit or loss	(115)	47
At end of year	<u>101</u>	<u>216</u>

The provision for deferred taxation is made up as follows:

	2022	2021
	\$000	\$000
Difference between accumulated depreciation and capital allowances	64	(13)
Short term timing differences on pension costs	37	229
	<u>101</u>	<u>216</u>

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Called up share capital

	2022 \$000	2021 \$000
Allotted, called up and fully paid		
512,006,575 (2021 - 285,300,175) Ordinary shares of £1.00 each	731,298	455,298

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends or the repayment of capital.

The Company issued 226,706,400 £1.00 Ordinary shares at par on 21 December 2022, equating to \$276,000,000 of further share capital.

18. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 \$000	2021 \$000
Not later than 1 year	166	135
Later than 1 year and not later than 5 years	655	680
	821	815

19. Pension scheme

Northern Marine Management Limited, a company owned by Northern Marine Group Limited, a subsidiary of Stena (UK) Limited, operates a defined benefit pension scheme providing benefits based on a final salary scheme. An employee of the Company who retired in June 2014 participated in the scheme. No other employees participate in the scheme (2021: none)

Under FRS 102 Section 28 the Company accounts for this defined benefit pension scheme as if it was a defined contribution scheme. This is because the Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. The expenditure charge for the Company therefore represents the contributions payable in the year. The total pension cost charged to the Profit and Loss Account in the year was \$50 (2021: 37).

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. Industry pension schemes

Merchant Navy Officers Pension Fund (MNOFF)

The Company is a participating employer in the Merchant Navy Officers Pension Fund (MNOFF) New Section, notwithstanding that the Company does not currently employ any members of the MNOFF. The MNOFF is a defined benefit pension scheme. The Company accounts for this scheme as required by FRS 102 Section 28.

MNOFF New Section

A court judgement in March 2005 established how the deficit in the MNOFF New Section will be allocated between the various employers. Following this judgement, the Company has been able to establish its current share of the net deficit in the New Section

The latest actuarial valuation was carried out at 31 March 2021 and updated to 31 December 2022 by a qualified independent actuary.

The Company's share of the net asset of the scheme is 0.21633%. Based on the unaudited asset values as at 30 September 2022 provided by the scheme, taking into account the actual returns on typical assets in each asset class and allowing for expected scheme cash flows over the period, the Company's share of net assets as of 31 December, 2022 was equal to \$198 000 (2021: \$132 000).

Merchant Navy Ratings Pension Fund (MNRPF)

The MNRPF is a closed industry-wide multi-employer defined benefit pension scheme.

Amendments have been made to the pension scheme rules. The amended rules were given final approval by a ruling in the High Court in March 2015. Whilst not a participating employer under the old rules, since the Company does not currently employ any members of the MNRPF, the new rules mean that the Company is liable on a proportional basis for previous employees that were members of the MNRPF.

The latest actuarial valuation was carried out at 31 March 2020 and updated to 31 December 2022 by a qualified independent actuary.

The Company's share of the net assets of the scheme is 0.21141%. Based on the unaudited asset values as at 30 September 2022 provided by the scheme, taking into account the actual returns on typical assets in each asset class and allowing for expected scheme cash flows over the period, the Company's share of net liabilities as of 31 December 2022 was \$54 000 (2021: \$357 000, net assets).

Recognised through the Profit and Loss Account

No costs were recognised through the Profit and Loss Account for the two schemes.

Movements in the net assets/ liabilities as a result of revaluations of assets and liabilities in the two schemes are recognised through Comprehensive Income.

21. Related party transactions

Under paragraph 33.1A of FRS 102, the Company is exempt from the requirement to disclose related party transactions with other group companies as it is wholly owned subsidiary of a parent company which prepares and publishes consolidated financial statements. There are no further related party transactions, which, in the opinion of the Directors, require disclosure in these financial statements.

STENA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Parent Company and Ultimate Parent Company

The Company is incorporated in Great Britain and registered in England and Wales. The ultimate parent and controlling company is Stena AB (publ.), a company incorporated in Sweden.

The smallest and largest group in which the results of the Company are consolidated is that headed by Stena AB (publ.). The consolidated financial statements of Stena AB (publ.) are available at Masthuggskajen, 405 19 Gothenburg, Sweden.

The immediate parent company is Stena International SA.