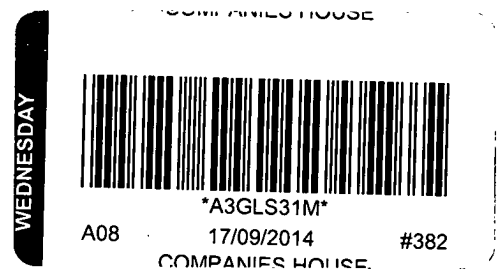


Company registered no: 2849743

Stena HSD Limited

Directors' report and financial statements  
for the year ended 31 December 2013



# **Stena HSD Limited**

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# **Stena HSD Limited**

## **Strategic report for the year ended 31 December 2013**

The directors present their strategic report on the Company for the year to 31 December 2013.

### **Principal activity**

The company did not trade during the year.

### **Business review and results**

During the current and prior year the company did not trade and received no income and incurred no expenditure. Consequently during the current and prior years the company made neither a profit nor a loss.

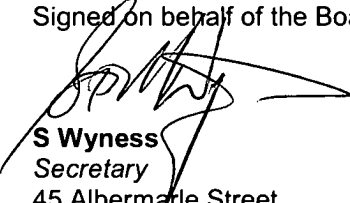
### **Principal risks and uncertainties**

The company does not trade and consequently there are no risks and uncertainties arising from trading activities.

### **Future developments**

The company expects to continue on a similar basis in the forthcoming year.

Signed on behalf of the Board



**S Wyness**  
Secretary  
45 Albermarle Street  
London  
W1S 4JL

28 August 2014

# Stena HSD Limited

## Directors' report for the year ended 31 December 2013

The directors present their report and the audited financial statements of the company for the year ended 31 December 2013.

### Future developments

The directors are not aware of any future developments that will have a significant impact on the company.

### Directors

The directors who held office during the year and up to the date of this report were as follows:

TW Welo  
SW Hultgren  
P Claesson  
JO Banks

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

### Statement of directors' responsibilities

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

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

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

The directors are responsible for keeping 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 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Dividends

No dividends were paid during the year (2012: \$nil).

The directors do not recommend the payment of a dividend (2012 : \$nil).

# Stena HSD Limited

## Directors' report for the year ended 31 December 2013 (continued)

### Auditors

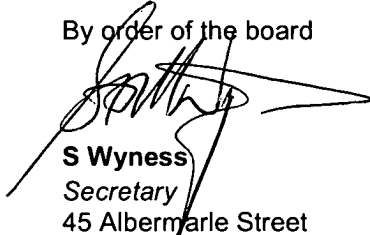
The directors who were members of the Board at the time of approving this report are listed above. Having made enquiries of fellow directors and of the Company's auditors' each of these directors confirms that:

- To the best of each directors' knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with conducting the audit) of which the Company's auditors are unaware, and

- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, were appointed on 14 January 2014. They have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed.

By order of the board



**S Wyness**  
Secretary  
45 Albermarle Street  
London  
W1S 4JL

28 August 2014

## Independent auditors' report to the members of Stena HSD Limited

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### Report on the financial statements

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#### Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

#### What we have audited

The financial statements, which are prepared by Stena HSD Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account and statement of total recognised gains and losses for the year then ended;
- the reconciliation of movements in shareholders' funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Stena HSD Limited**

### **Independent auditors' report to the members of Stena HSD Limited (continued)**

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#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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#### **Other matters on which we are required to report by exception**

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##### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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#### **Responsibilities for the financial statements and the audit**

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##### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.



Kevin Reynard (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen

28 August

2014

## **Stena HSD Limited**

### **Profit and loss account for the year ended 31 December 2013**

During the current and prior financial years the company did not trade and received no income and incurred no expenditure. Consequently during the current and prior years the company made neither a profit nor a loss.

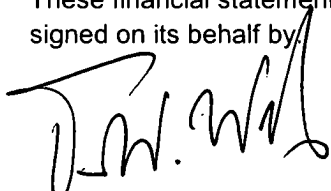


# Stena HSD Limited

## Balance Sheet as at 31 December 2013

	Note	2013 \$000	2013 \$000	2012 \$000	2012 \$000
<b>Current assets</b>					
Debtors	5	3,274		3,274	
<b>Creditors:</b> amounts falling due within one year	6	<u>(2,310)</u>		<u>(2,310)</u>	
<b>Net current assets</b>			<u>964</u>		<u>964</u>
<b>Total assets less current liabilities</b>			<u>964</u>		<u>964</u>
<b>Net assets</b>			<u>964</u>		<u>964</u>
<b>Capital and reserves</b>					
Called up share capital	7		-		-
Profit and loss account	8		<u>964</u>		<u>964</u>
<b>Shareholders' funds</b>	9		<u>964</u>		<u>964</u>

These financial statements were approved by the board of directors on 28 August 2014 and were signed on its behalf by:



**TW Welo**  
Director

Registered number: 2849743

## Notes to the financial statements for the year ended 31 December 2013

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. On 2 March 2007, the directors took the decision to cease trading following the transfer of the company's trade to a fellow group company. As they do not intend to acquire a replacement trade, the directors have not prepared these financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

The functional currency of the company (and the Stena Drilling (Holdings) Limited group) is United States Dollars. The dollar is the prevalent currency used within the oil industry and the Company has a significant level of dollar assets and financing. The financial statements are therefore presented in US dollars.

As the company is a wholly owned subsidiary of Stena AB, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). A copy of the consolidated financial statements of Stena AB, within which this company is included, can be obtained from the address given in note 10.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Classification of financial instruments issued by the company***

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (ie forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

# Stena HSD Limited

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 1. Accounting policies (continued)

#### *Classification of financial instruments issued by the company (continued)*

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

#### *Dividends on shares presented within shareholders' funds*

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

### 2. Auditor's remuneration

	2013 \$'000	2012 \$'000
Audit of these financial statements	<u>3</u>	<u>2</u>

The company's audit fees in the current and prior year were borne on its behalf by a fellow group undertaking.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent.

### 3. Remuneration of directors

None of the directors received any remuneration in respect of their services to the company during the current or prior year.

### 4. Staff numbers and costs

The company had no employees during the current or prior year.

### 5. Debtors

	2013 \$'000	2012 \$'000
Amounts owed by group undertakings	3,221	3,221
Group Relief receivable	<u>53</u>	<u>53</u>
	<u>3,274</u>	<u>3,274</u>

# Stena HSD Limited

## Notes to the financial statements for the year ended 31 December 2013 (continued)

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

	2013 \$'000	2012 \$'000
Amounts owed to group undertakings	<u>2,310</u>	<u>2,310</u>

### 7. Called up share capital

	2013 \$'000	2012 \$'000
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	<u>-</u>	<u>-</u>

### 8. Profit and loss account

	2013 \$'000	2012 \$'000
At beginning and end of year	<u>964</u>	<u>964</u>

### 9. Reconciliation of movements in shareholders' funds

	2013 \$'000	2012 \$'000
Result for the financial year being net movement in shareholders' funds	-	-
Opening shareholders' funds	<u>964</u>	<u>964</u>
Closing shareholders' funds	<u>964</u>	<u>964</u>

### 10. Ultimate holding company and parent undertaking of larger group of which the company is a member

The company is a wholly owned subsidiary of Stena Drilling Holdings Limited.

The directors regard Stena AB, a company incorporated in Sweden, as the ultimate parent undertaking and ultimate controlling party.

Stena AB, is the only undertaking for which consolidated financial statements, that include the financial statements of the company, are prepared. Copies of the consolidated financial statements of Stena AB can be obtained from Patent och Registreringsverket, Bolagsavdelningen, 851 81, Sunsvall, Sweden.