

# **Stena Line Manning Services Limited**

**Directors' report and financial statements  
For the year ended 31 December 2011**

**Registration Number: 3242135**

FRIDAY



\*A1IF9IPK\*

A32

28/09/2012

#208

COMPANIES HOUSE

## Contents

	<b>Page</b>
Directors' report	2 - 3
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditor's report to the members of Stena Line Manning Services Limited	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 15

## **Directors' Report**

The directors present their directors' report and financial statements for the year ended 31 December 2011

### **Principal activity and business review**

The principal activity of the Company is the provision of personnel administration services

On 1 January 2011 various employees of Stena Line Limited transferred their employment to the Company. With effect from 1 January 2011 the Company provides personnel administration services for the shore based personnel employed by Stena Line Limited as well as marine personnel administration services for seafarers employed by Stena Line Pte Ltd. On 1 January 2011 the Company became a participating employer in the Stena Line (UK) Pension Scheme.

The turnover and the profit for the year are as stated in the profit and loss account which is presented on page 7.

The Company's turnover and operating profit is higher than the previous year as the company is providing personnel administration services to both Stena Line Limited and Stena Line Pte Ltd.

### **Future prospects**

The Company expects future profitability to be similar to the current year.

### **Directors**

The directors on the Board of Stena Line Manning Services Limited who held office during the year or subsequently were:

J A C Olsson (resigned on 1 June 2011)  
P G Blomdahl  
L D Stracey  
K MacLeod  
M A McGrath  
O Helgesson (appointed on 1 June 2011)

### **Dividend and transfers to reserves**

The directors do not recommend the payment of a dividend for the year ended 31 December 2011 (2010: £nil). An amount of £23,000 (2010: £2,000) representing the profit retained for the financial year has been transferred to reserves.

## **Directors' Report** *(continued)*

### **Employees**

It is the Company's policy to ensure that all sections of the community at large have equal opportunities in matters relating to employment. Furthermore, full and fair consideration is given to disabled applicants for employment, training and career development opportunities and to take action to facilitate the continuing employment of people who become disabled while on the Company's payroll. This policy is applied in a manner consistent with good business practice and the group's regard for the health and safety of all employees and the community at large.

No arrangements exist at present for employees to acquire shares in the business.

### **Political and charitable contributions**

The Company made no political or UK charitable contributions during the year (2010 £nil).

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor are unaware, and each director has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board,



L D Stracey  
Director  
1 Suffolk Way  
Sevenoaks  
Kent  
TN13 1YL

20 September 2012

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP

8 Princes Parade  
Liverpool  
L3 1QH

## **Independent auditor's report to the members of Stena Line Manning Services Limited**

We have audited the financial statements of Stena Line Manning Services Limited for the year ended 31 December 2011 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Independent auditor's report to the members of Stena Line Manning Services Limited (continued)**

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

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

**Matters on which we are required to report by exception**

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

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



**E W Baker (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
8 Princes Parade  
Liverpool  
L3 1QH

Date 25/9/2012

**Profit and Loss Account**  
*for the year ended 31 December 2011*

	Notes	2011 £000	2010 £000
<b>Turnover</b>		<b>675</b>	65
<b>Administration expenses</b>		<b>(643)</b>	(62)
<b>Operating profit and profit on ordinary activities before taxation</b>	2-3	<b>32</b>	3
<b>Taxation on profit on ordinary activities</b>	4	<b>(9)</b>	(1)
<b>Profit for the financial year</b>		<b>23</b>	2

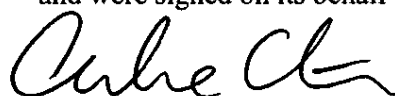
There are no recognised gains or losses for the current and prior year other than those presented in the profit and loss account. Accordingly no statement of total recognised gains and losses has been prepared. The results for the current and prior years are derived from continuing operations.



**Balance sheet**  
*at 31 December 2011*

	Notes	2011 £000	2010 £000
<b>Current assets</b>			
Debtors	5	428	65
<b>Creditors:</b>			
Amounts falling due within one year	6	(370)	(30)
<b>Net assets and total assets less current liabilities</b>		<b>58</b>	<b>35</b>
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account	7	58	35
<b>Shareholders' funds</b>		<b>58</b>	<b>35</b>

These financial statements were approved by the board of directors on 20 September 2012 and were signed on its behalf by



L D Stracey  
Director

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

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

#### **(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

#### **(b) Going concern**

The financial statements have been prepared on a going concern basis because, after making due enquiries, the directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future

#### **(c) Cash flow statement**

Under FRS 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

#### **(d) Related party transactions**

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). The consolidated financial statements of Stena AB, within which this Company is included, can be obtained from the address given in note 9

#### **(e) Turnover**

Revenue is included in a period where the service is performed and represents income arising from the provision of marine personnel administration services

**Notes (continued)**

**1 Accounting policies (continued)**

**(f) Post retirement benefits**

The Company has adopted FRS 17 Retirement Benefits ('FRS 17') in these financial statements, as set out in note 8

The Company participates in the Stena Line (UK) Pension Scheme, which has defined benefit and defined contribution sections

For the defined benefit sections, the Company is currently unable to identify its share of the underlying assets and liabilities on a consistent and reliable basis and therefore, in accordance with FRS 17, accounts for the scheme as if it were a defined contribution scheme. As a result, the charge to the profit and loss account reflects the contributions payable by the Company

For the defined contribution section the charge to the profit and loss account reflects the contributions payable by the Company

**(g) Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

**2 Profit on ordinary activities before taxation**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
<i>Auditor's remuneration</i>		
Audit of these financial statements	<b>2</b>	<b>2</b>
	<b>2</b>	<b>2</b>

Auditor's remuneration is borne by Stena Line Limited and hence no charge is included in these financial statements

**Notes (continued)**

**3 Directors and employees**

The directors received no emoluments for services provided to the company during the year (2010 £nil)

The average number of persons employed by the Company or by fellow subsidiary undertakings with the costs being recharged to the Company was

	2011 No.	2010 No
Shore based		
- employees of Company	16	-
- employees of fellow subsidiary undertakings	-	-
	<b>16</b>	<b>-</b>

The aggregate payroll costs (including costs of employees of fellow subsidiary undertakings) were

	2011 £000	2010 £000
Wages and salaries	458	-
Social security costs	41	-
Other pension costs (note 8)	46	-
	<b>545</b>	<b>-</b>

Administrative expenses include employee costs recharged by Stena Line Limited amounting to £56,000 (2010 £46,000)

**4 Taxation**

*Analysis of charge in period*

	2011 £000	2010 £000
UK corporation tax		
Group relief payable	9	1
Tax on profit on ordinary activities	9	1

## Notes (continued)

### 4 Taxation (continued)

#### *Factors affecting the tax charge for the current period*

The UK corporation tax rate was reduced from 28% to 26% with effect from 1 April 2011. The standard rate of tax applied to the profit/loss on ordinary activities before taxation is a hybrid rate of 26.5%. The current tax charge for the period is higher than (2010: same as) the standard rate of corporation tax in the UK during the year of 26.5% (2010: 28%). The differences are explained below.

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	32	3
Current tax at 26.5% (2010: 28%)	8	1
<i>Effects of</i>		
Expenses not deductible for tax purposes	1	-
Total current tax charge (see above)	9	1

The 2012 Budget on 23 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

### 5 Debtors

	2011 £000	2010 £000
Amount owed by other group undertakings	428	65
	428	65

### 6 Creditors: Amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to immediate parent undertaking	360	28
Amounts owed to other group undertakings	10	2
	370	30

**Notes (continued)**

**7 Capital and reserves**

**(a) Called up share capital**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and full paid:</b>		
1 ordinary share at £1 each	<b>1</b>	<b>1</b>

**(b) Movements on capital and reserves**

	<b>Called up share capital</b>	<b>Profit and loss account</b>
	<b>£000</b>	<b>£000</b>
At 1 January 2011	-	<b>35</b>
Retained profit for the financial year	-	<b>23</b>
At 31 December 2011	-	<b>58</b>

**(c) Reconciliation of movement in equity shareholders' funds**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Retained profit for the financial year	<b>23</b>	<b>2</b>
Opening shareholders' funds	<b>35</b>	<b>33</b>
Closing shareholders' funds	<b>58</b>	<b>35</b>

**8 Pension arrangements**

With effect from 1 January 2011 the Company participates in the Stena Line (UK) Pension Scheme (the "Scheme") The Scheme has defined benefit and defined contribution sections The assets of the Scheme are managed on behalf of the trustees by independent fund managers

The latest formal valuation of the Scheme was carried out at 31 March 2009 and has been updated to 31 December 2011 by a qualified independent actuary who was appointed by the Company

The pension charge for the Company during the year is £46,000 (2010 £nil)

## Notes (continued)

### 8 Pension arrangements (continued)

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice are set out below

	2011 %	2010 %	2009 %
Rate of increase in salaries	3.40	3.70	3.90
Pension increases - payment	2.00	3.20	3.40
Pension increases - deferment	2.00	3.20	3.40
Discount rate	4.90	5.50	5.75
Retail price inflation (RPI)	2.90	3.20	3.40
Consumer price inflation (CPI)	2.00	n/a	n/a
<i>Return on assets</i>			
Equities	7.50	7.50	7.50
Bonds	4.90	5.50	5.75
Gilts	2.50	4.00	4.50
Property	7.50	7.50	7.50
Cash/other	1.60	1.25	4.40

With effect from 2011, following the UK Government's adoption of CPI for public sector pensions, agreement was reached between the Company and the Trustees of the UK scheme, that CPI would apply to the revaluation of benefits for the majority of deferred members of the UK Scheme. Also the Pensions Act 2011, which received Royal Assent in November 2011, included a provision for future pension increases to increase in line with CPI rather than RPI. The Company and the Trustees reached agreement that with effect from 1 January 2012 the pensions in payment for the majority of pensioner members of the UK scheme would increase in line with CPI.

The fair value of the Scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, are set out below

	2011 £000	2010 £000	2009 £000
Equities	56,300	77,400	68,900
Bonds	44,700	27,400	68,000
Gilts	52,900	41,800	-
Property	8,300	5,700	5,200
Other	3,303	5,900	2,700
Total fair value of scheme assets	165,503	158,200	144,800
Present value of scheme liabilities	(211,131)	(218,900)	(211,500)
Net pension deficit	(45,628)	(60,700)	(66,700)

**Notes** *(continued)*

**8 Pension arrangements** *(continued)*

For the defined benefit section of the Scheme the contributions were determined following the last formal actuarial valuation. The valuation was carried out by independent qualified actuaries as at 31 March 2009 using the Attained Age Method. The value of assets was £121.3m, which was sufficient to cover 55% of the accrued benefits, after allowing for expected future increases in earnings.

On 8 September 2010 Stena Line Limited, on behalf of all participating employers (including the Company), agreed a new Recovery Plan with the Trustees of the UK Scheme in respect of the deficit disclosed by the 31 March 2009 valuation. This Recovery Plan required Stena Line Limited to pay a contribution of £9.4m on 30 June 2010, increasing by 3% per annum in each subsequent year with the final payment in 2021. On 8 September 2010 Stena Line Ports Limited agreed to guarantee the obligations of Stena Line Limited under the new Recovery Plan.

The Company has not recognised any liability within its balance sheet at 31 December 2011 for the pension deficits of the Scheme because an allocation of the deficit and the related assets or liabilities has not been made to the Company.

**9 Ultimate parent company and parent undertaking of larger group of which the Company is a member**

The Company's ultimate parent undertaking and controlling party is Stena AB, a company incorporated in Sweden. The Company's immediate parent undertaking is Stena Line Limited, incorporated in Great Britain and registered in England and Wales.

The only group in which the results of the Company are consolidated is that headed by Stena AB. The consolidated financial statements of this group are available from Stena AB, S-405 19 Gothenburg, Sweden.