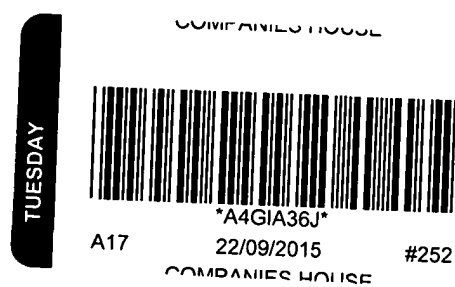


# **Stena Line Manning Services Limited**

**Annual Report  
For the year ended 31 December 2014**

**Registration Number: 3242135**



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## **Directors' Report**

The directors present their annual report and audited financial statements for the year ended 31 December 2014 for Stena Line Manning Services Limited (the "Company").

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

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

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 for the year is the same as the previous year and operating profit is higher due to lower administration costs.

The operational and financial risks and uncertainties related to the business are regularly reviewed. The key operational risks for the Company is the continuation of its contracts with other group undertakings for the provision of personnel administration services and the key financial risk is the liquidity risk as the Company manages its finances through a combination of retained earnings and inter-company balances.

The Company's directors are of the opinion that there are no meaningful financial or other key performance indicators that would be necessary or appropriate for an understanding of the development, performance or position of the Company's activities.

### **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 and up to the date of signing the financial statements were:

L D Stracey  
K MacLeod OBE  
M A McGrath (resigned on 3 March 2014)  
O Helgesson (resigned on 15 October 2014)  
A M Derenstrand (appointed on 15 October 2014)

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

The directors do not recommend the payment of a dividend for the year ended 31 December 2014 (2013: £nil). An amount of £52,000 (2013: £43,000) 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 (2013: £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 auditors are unaware; and each director has taken all the steps he/she ought to have taken as a director to make himself /herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

### **Auditor**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office for another term and arrangements have been put in place for them to be reappointed as auditors in the absence of an Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board,



L D Stracey  
Director  
Suite 4, First Floor  
Pluto House  
Station Road  
Ashford  
Kent TN23 1PP

7 August 2015

## **Statement of directors' responsibilities**

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 the directors have prepared the financial statements in accordance with UK United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard 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; 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## **Report on the financial statements**

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### **Our opinion**

In our opinion, Stena Line Manning Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **What we have audited**

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The financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and Loss Account 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 the preparation of the financial statements 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.

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

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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.

## **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**

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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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## Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. 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 Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) ("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.

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### What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report and financial statements 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.



Nicholas Smith (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

7 August 2015

**Profit and Loss Account**  
*for the year ended 31 December 2014*

	Notes	2014 £000	2013 £000
<b>Turnover</b>	2	<b>675</b>	675
Administration expenses		(609)	(618)
<b>Operating profit and profit on ordinary activities before taxation</b>	3-4	<b>66</b>	57
Taxation on profit on ordinary activities	5	(14)	(14)
<b>Profit for the financial year</b>		<b>52</b>	43

The notes on pages 9 to 16 form an integral part of the financial statements.

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 2014*

	Notes	2014 £000	2013 £000
<b>Current assets</b>			
Debtors	6	425	425
<b>Creditors:</b>			
Amounts falling due within one year	7	(226)	(278)
<b>Net assets and total assets less current liabilities</b>		<b>199</b>	<b>147</b>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	8	199	147
<b>Shareholders' funds</b>		<b>199</b>	<b>147</b>

The notes on pages 9 to 16 form an integral part of the financial statements.

These financial statements on pages 7 to 16 were approved by the board of directors on 7 August 2015 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 the Companies Act 2006 and applicable accounting standards in the United Kingdom 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 10.

#### **(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 9.

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 Turnover

Turnover for the year relates to income arising from the provision of marine personnel administration services to related group companies. All turnover is generated within the United Kingdom.

### 3 Profit on ordinary activities before taxation

	2014 £000	2013 £000
<i>Auditors' remuneration</i>		
Audit of these financial statements	3	3
	<b>3</b>	<b>3</b>

## Notes (continued)

### 4 Directors and employees

The directors received no emoluments for services provided to the Company during the year (2013: £nil).

The average number of persons employed by the Company is 12 (2013: 13)

The aggregate payroll costs were:

	2014 £000	2013 £000
Wages and salaries	391	410
Social security costs	39	42
Other pension costs (note 9)	46	47
	476	499

### 5 Taxation

*Analysis of charge in period*

	2014 £000	2013 £000
UK corporation tax		
Group relief payable	14	14
Tax on profit on ordinary activities	14	14

## Notes (continued)

### 5 Taxation (continued)

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

The standard rate of tax applied to the profit/loss on ordinary activities before taxation is a hybrid rate of 21.5%. The current tax charge for the year is the same as (2013: higher than) the standard rate of corporation tax in the UK during the year of 21.5% (2013: 23.25%). The differences are reconciled below.

	2014 £000	2013 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	66	57
Current tax at 21.5% (2013: 23.25%)	14	13
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	1
Total current tax charge (see above)	14	14

Reductions in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) and to 21% (effective from 1 April 2014) were substantively enacted on 3 July 2012 and 2 July 2013 respectively. A further reduction to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further changes to the UK corporation tax rate were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. This will reduce the Company's future current tax charge accordingly.

### 6 Debtors

	2014 £000	2013 £000
Amount owed by other group undertakings	425	425
	425	425

The amounts owed by other group undertakings are non interest bearing and are payable on demand.

**Notes** *(continued)*

**7 Creditors: Amounts falling due within one year**

	2014 £000	2013 £000
Amounts owed to immediate parent undertaking	194	264
Amounts owed to other group undertakings	28	14
Accruals and deferred income	4	-
	<b>226</b>	<b>278</b>

The amounts owed to the immediate parent undertaking and other group undertakings are non interest bearing and are repayable on demand.

**8 Capital and reserves**

**(a) Called up share capital**

	2014 £	2013 £
<b>Allotted, called up and full paid:</b>		
1 ordinary share at £1 each	1	1

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

	Called up share capital £000	Profit and loss account £000
At 1 January 2014	-	147
Profit for the financial year	-	52
At 31 December 2014	-	199

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

	2014 £000	2013 £000
Profit for the financial year	52	43
Opening shareholders' funds	147	104
Closing shareholders' funds	199	147

## Notes (continued)

### 9 Pension arrangements

The Company participates in the Stena Line (UK) Pension, which has defined benefit and defined contribution sections. The assets of the Scheme are managed by independent fund managers.

The pension charge for the Company during the year is £46,000 (2013: £47,000).

The latest formal valuation of the Scheme was carried out at 31 March 2012 and has been updated to 31 December 2014 by a qualified independent actuary who was appointed by the Company.

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.

	2014	2013	2012
	%	%	%
Rate of increase in salaries	2.00	2.70	3.20
Pension increases - RPI max 5%	2.90	3.10	2.70
Pension increases - CPI max 5%	1.75	2.20	1.80
Discount rate	3.80	4.70	4.70
Retail price inflation (RPI)	2.95	3.20	2.70
Consumer price inflation (CPI)	1.65	2.20	1.80
<i>Return on assets:</i>			
Equities	7.30	7.50	7.50
Bonds	3.80	4.70	5.00
Gilts	2.80	3.20	2.20
Property	6.80	7.30	7.50
Cash/other	1.00	1.00	1.00

## Notes (continued)

### 9 Pension arrangements (continued)

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:

	2014	2013	2012
	£m	£m	£m
Equities	68.5	62.7	60.4
Bonds	60.0	60.8	42.6
Gilts	60.0	49.4	44.5
Property	23.6	13.3	8.9
Cash/other	2.1	3.9	21.3
Total fair value of scheme assets	214.2	190.1	177.7
Present value of scheme liabilities	(211.3)	(208.6)	(212.8)
Net pension surplus/(deficit)	2.9	(18.5)	(35.1)

The last formal actuarial valuation for the defined benefit section of the Scheme, which was carried out by independent qualified actuaries, as at 31 March 2012 revealed a shortfall in the assets, when measured against the technical provisions, of £91.1m. To correct this shortfall Stena Line Limited paid deficit repair contributions during the year of £10.6m (2013: £10.3m) with annual payments in each subsequent year, until 2021, increasing by 3% per annum.

Stena Line Ports Limited has guaranteed the obligations of the Stena Line Limited under the agreed recovery plan and any replacement recovery plan in effect before 30 September 2021. Stena Line Ports Limited's liability under this guarantee is capped at amounts set out in the Recovery Plan.

The Company has not recognised any liability within its balance sheet at 31 December 2014 or any earlier date for the pension deficits of the Scheme because an allocation of the deficit and the related assets or liabilities has never been made to the Company.



**Notes** *(continued)*

**10 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.