

Stena HSS Holdings Limited

Directors' Report and Financial Statements

Registered number 6441339

For the year ended 31 December 2013

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CONTENTS	<i>Page</i>
Directors' report	3
Statement of Directors' responsibilities in respect of the Directors' report and financial statements	5
Independent Auditor's report to the members of Stena HSS Holdings Limited	6
Profit and loss account	8
Balance sheet	9
Reconciliation of movements in equity shareholders' funds	10
Notes to the financial statements	11-14

DIRECTORS' REPORT

The Directors present their Directors' report and audited financial statements of Stena HSS Holdings Limited ("the Company") for the year ended 31 December 2013.

Principal activities

The Company is an investment holding company.

Business review

The Company has an investment in two subsidiaries. There are no business activities in these companies and the net asset value is zero. The investment was written down to £nil in 2012.

Financial risks

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 non-trading holding and financing company, key financial indicators are limited.

The Company's trading and financing transactions are Sterling denominated.

Factors affecting the tax charge for the year are set out in note 5 to the financial statements.

Directors

The Directors who held office during the year and at the date of signing this report were:

Peter Claesson

Michael H Percy

Staffan W Hultgren

Marica A Derenstrand

Appointed 18th April 2013

Disclosure of information to auditors

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 that 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 auditors are aware of that information.

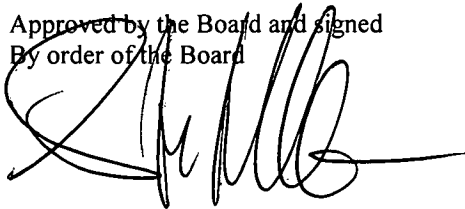
Independent auditor

KPMG resigned as auditor on 14 October 2013 at which point PricewaterhouseCoopers LLP were appointed as auditors for the audit of the statutory financial statements of the Company for the year ended 31 December 2013.

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

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

Approved by the Board and signed
By order of the Board

A large, stylized handwritten signature in black ink, appearing to read 'Staffan W Hultgren', written over the text 'Approved by the Board and signed By order of the Board'.

Staffan W Hultgren
Director

12 September 2014

45 Albemarle Street
W1S 4JL London

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 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; 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 HSS Holdings Limited

Report on the financial statements of Stena HSS Holdings Limited

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 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.

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 HSS Holdings Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the reconciliation of movements in shareholder funds for the year 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 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.

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.

Other matters on which we are required to report by exception

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.

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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.



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

18 September 2014

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover	2	-	-
Administrative expenses		<u>(37)</u>	<u>(14)</u>
Operating loss	3	(37)	(14)
Interest receivable or similar income		93	27
Dividend income		-	33 418
Write down of investment		-	(5 884)
Interest expenses		<u>(22)</u>	<u>-</u>
Profit on ordinary activities before tax		34	27 547
Tax charge on profit on ordinary activities	5	<u>(8)</u>	<u>(3)</u>
Profit for the financial year		<u>26</u>	<u>27 544</u>

The Company has no other recognised gains or losses in the current or prior year other than the profit for the year. Consequently no statement of total recognised gains and losses has been presented.

As the results disclosed in the profit and loss account are prepared on an unmodified historical cost basis, a note on historical cost profit and losses has not been included in these financial statements.

The results stated above are all derived from continuing operations.

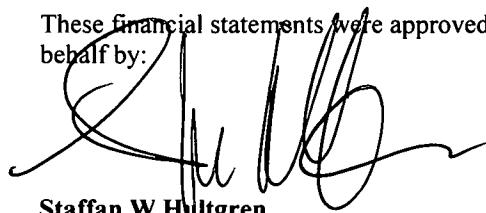
The notes on pages 11 to 14 form an integral part of these financial statements.

BALANCE SHEET
at 31 December 2013

	Note	2013 £000	2012 £000
Fixed Assets			
Investments	6	-	-
Current assets			
Debtors	7	-	3
Cash at bank and in hand		<u>5 947</u>	<u>5 910</u>
		5 947	5 913
Creditors:			
Amounts falling due within one year	8	<u>(13)</u>	<u>(5)</u>
Net current assets		<u>5 934</u>	<u>5 908</u>
Total assets less current liabilities		<u>5 934</u>	<u>5 908</u>
Net assets		<u>5 934</u>	<u>5 908</u>
Capital and reserves			
Called up share capital	9	5 884	5 884
Profit and loss account	10	<u>50</u>	<u>24</u>
Equity shareholders' funds		<u>5 934</u>	<u>5 908</u>

The notes on pages 11 to 14 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 12 September 2014 and signed on its behalf by:



Staffan W Hultgren
Director

Registered Company No: 6441339

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the year ended 31 December 2013

	2013	2012
	£000	£000
Opening shareholders' funds	5 908	5 864
Profit for the financial year	26	27 544
Dividend paid	-	(27 500)
Closing shareholders' funds	5 934	5 908

The notes on pages 11 to 14 form an integral part of these financial statements.

NOTES

(forming part of the financial statements)

1 ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the Companies Act 2006 with applicable UK accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and the intermediate parent undertaking is established under the law of a member state of the European Community.

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.

Except as otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but were not reversed by the balance sheet date. Timing differences arise when items of income and expenditure are included in tax computations in periods different from their inclusion in the financial statements.

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. Dividends are recognized when approved for payment by the investee.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognized as a liability at that date to the extent that they are appropriately authorized 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.

NOTES (Continued)

2 TURNOVER

Turnover represents the amount (excluding valued added tax) derived from management service charged to associate companies. Turnover is recognized on an accruals basis following the provision of the related goods and services.

3 OPERATING LOSS

Auditor's remuneration

Audit fee payable to the Company's auditor for the audit of the Company's financial statements was £2,000 (2012: £2,000).

4 STAFF NUMBERS AND COST

The number of persons employed by the Company (excluding directors) was nil (2012: nil). The Directors received no remuneration in respect of their services to the Company during the year (2012: nil). The number of Directors employed by the company: 4 (2012: 4).

5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2013 £000	2012 £000
(i) Analysis of taxation charge		
Current taxation:		
- Group relief (payable) at 23.25% (2012: 24.5%)	(8)	(3)
	<hr/>	<hr/>
Current taxation and tax on loss on ordinary activities	(8)	(3)

The tax assessed for the year is equal to (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)

(ii) Factors affecting the current tax credit

	2013 £000	2012 £000
Profit on ordinary activities before taxation	(34)	(27 547)
Current tax at 23.25% (2012: 24.5%)	(8)	(6 749)
Effect of:		
Dividend income not chargeable to taxation	-	8 187
Expenses not deductible for tax purposes	-	(1 441)
	<hr/>	<hr/>
Current taxation (charge) relating to the year	(8)	(3)

NOTES (Continued)

5 TAXATION ON LOSS ON ORDINARY ACTIVITIES (continued)

(iii) Factors affecting the future tax charges (continued)

The total future tax charge is anticipated to follow the UK statutory rate of corporation tax, after allowing for non-deductible expenses.

During the year, as a result of the reduction in the UK main corporation tax rate to 23%, that was substantively enacted on 3 July 2012 and effective from 1 April 2013, and the further reductions to 21% from 1 April 2014 and 20% from 1 April 2015 that were substantively enacted on 2 July 2013, the relevant deferred tax balances have been re-measured. No further rate changes have been announced by the Government.

6 FIXED ASSETS INVESTMENTS

The Company has the following subsidiaries which are wholly-owned by the Company:

Stena Voyager Limited (registered in England)

Stena Explorer Limited (registered in Scotland)

The companies do not have any business activities.

The investments were written down to £nil during 2012.

7 DEBTORS	2013 £000	2012 £000
Trade Debtors	-	3
	<u>-</u>	<u>3</u>
8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2013 £000	2012 £000
Amounts owed to group undertakings	11	3
Accruals and deferred income	2	2
	<u>13</u>	<u>5</u>
9 CALLED UP SHARE CAPITAL	2013 £000	2012 £000
<i>Authorized</i> 10,000,000 of £ 1.00 each	10 000	10 000
	<u>10 000</u>	<u>10 000</u>
<i>Allotted, called up and fully paid</i> 5,884,000 shares at £ 1.00 each	5 884	5 884
	<u>5 884</u>	<u>5 884</u>

10 PROFIT AND LOSS ACCOUNT

	Profit and loss account £000
At beginning of year	24
Profit for the year	26
	<hr/>
At the end of the year	<hr/> 50

11 DIVIDENDS

During the year the Company did not pay a dividend (2012: £27,500,000).

12 CAPITAL COMMITMENTS

There were no capital commitments at the year-end (2012: £ nil).

13 RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8: Related party transactions, the Company is exempt from the requirement to disclose related party transactions with other group undertakings as it is wholly owned subsidiary of a parent undertaking 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.

14 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF SMALLEST GROUP OF WHICH THE COMPANY IS A MEMBER

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

The 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.