

# **Stena (UK) Limited**

**Annual Report and Financial Statements**

Registered number 02766012

**For the year ended 31 December 2021**

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## Strategic Report

The Directors present the Strategic Report and audited financial statements of Stena (UK) Limited (the “Company”) for the year ended 31 December 2021.

### 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 notes 12-13 to the financial statements.

Business reviews in respect of the Company's principal UK investments for the year ended 31 December 2021 are included in the financial statements of the companies listed in note 13 to the financial statements.

### Directors' statutory duties in accordance with s172(1) Companies Act 2006

The Directors must act in accordance with a set of general duties. These duties are detailed in section 172 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](http://www.stena.co.uk)

**Risk Management:** The Company carefully considers the risks and uncertainties, described in the section “Principal risks and uncertainties” below, 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](http://www.stena.co.uk)

## Strategic Report *(continued)*

### Results and dividends

The Company made a loss for the financial year of \$5.1m (2020: \$338.8m).

During the year, the Company did not receive dividends (2020: \$49.6m) from its subsidiaries.

No dividend was paid to the parent company, Stena International SA, during the year (2020: \$nil).

The financial position of the Company is shown on page 13.

### 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.

Factors affecting the tax charge for the year are set out in note 10 to the financial statements.

#### UK/EU

The UK left the European Union on January 31, 2020, with transition arrangements expiring on December 31, 2020. There has been no significant impact to the activities of the company in 2021 and the directors do not believe it will have a significant impact going forward to 2022.

#### Covid-19

The consequences of the Covid-19 breakout has been dramatic for the subsidiaries' fellow group customers, including a substantial decline in the number of passengers and operational challenges due to quarantine restrictions.

The fleets owned by the subsidiaries however continue to be chartered out to various fellow group companies, with freight volumes having increased significantly. With restrictions now being eased, it is expected that this would result in further increases in freight volumes. The Directors continue to evaluate the situation with regards to Covid-19 on an ongoing basis and have implemented cost savings wherever possible; given the nature of contracts in place, it is not anticipated that this will have a significant effect on the Company.

## Strategic Report *(continued)*

### Key Performance Indicators

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

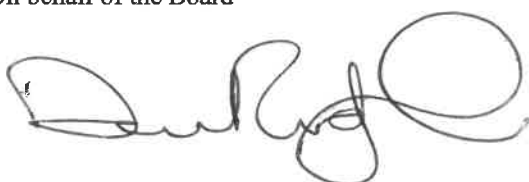
	2021	2020
	\$000	\$000
Turnover	2 563	2 563
Income from shares in group undertakings	-	49 598
Loss for the financial year	(5 117)	(338 829)
Total shareholders' funds	180 839	186 383
Total Assets	375 264	375 846
Solvency % <sup>1)</sup>	48.2	49.6

<sup>1)</sup> Total shareholders' funds/total assets

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 2021 is \$372.5m (2020: \$372.4m).

Liquidity is continuously monitored and the cash position as at 31 December 2021 is overdrawn by \$6.6m (2020: cash reserves of \$2.3m). Any surplus retained earnings in subsidiaries is to be distributed, in order to improve the liquidity of the company.

On behalf of the Board



**S D Fernandez-Ares**

Director

Date 27th May 2022

## **Directors' Report**

The Directors present their Directors' Report and audited financial statements of Stena (UK) Limited (the "Company") for the year ended 31 December 2021.

### **Dividends and Financial Risk Management**

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

### **Future Developments**

The market is expected to recover from the short term negative effects of the Covid-19 outbreak as well as the initial negative effects of Brexit.

The situations 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 develop in the same direction and to about the same extent as in 2021.

The current conflict between Russia and Ukraine has, in the short term, 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.

### **Climate change**

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 2021 the limit of the facility was \$230 (2020: \$260) million, reducing by \$30 million per annum.

At year-end, and as at the date of signing, \$153 (2020: \$153) million was drawn on the facility by the Company leaving a further \$77 (2020: \$107) million 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 consider it appropriate to prepare the financial statements on a going concern basis.

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

### **Directors**

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

Michael H Percy  
Staffan W Hultgren (resigned January 5, 2021)  
Hans E Noren  
Mikael F Stenvaller  
Ian J Hampton  
Mauro Mattiuzzo  
Annika Hult (appointed January 5, 2021)  
Sindo Dominic Fernandez-Ares (appointed May 19, 2021)

The Directors benefited from qualifying 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 and Directors' Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The Directors 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.

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

### **Directors' confirmation**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent Auditors**

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.

Approved by the Board of Directors and signed on behalf of the Board



**S D Fernandez-Ares**  
*Director*

Date 27TH MAY 2022





# 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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: balance sheet as at 31 December 2021; profit and loss account, 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.

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 2021 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 Statement of Directors' Responsibilities, 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 corporation taxes, 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. 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 were related to manipulation of the results of the company through inappropriate journal entries or bias in assumptions related to accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management, including consideration of known or suspected instances of non-compliance with 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 judgements made by management in significant accounting estimates, in particular, in relation to the carrying value of investments in subsidiaries; 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](http://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.



Kevin Reynard (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Aberdeen  
27 May 2022

**Profit and Loss Account**  
for the year ended 31 December 2021

	Notes	2021 \$000	2020 \$000
Turnover	4	2 563	2 563
Administrative expenses		(3 175)	(2 574)
<b>Loss before interest and taxation</b>	5	<b>(612)</b>	<b>(11)</b>
Income from shares in group undertakings		-	49 598
Other interest receivable and similar income	8	4	202
Amounts written off investments	12	-	(387 989)
Interest payable and similar expenses	9	(5 540)	(611)
<b>Loss before taxation</b>		<b>(6 148)</b>	<b>(338 811)</b>
Tax on loss	10	1 031	(18)
<b>Loss for the financial year</b>		<b>(5 117)</b>	<b>(338 829)</b>

The notes on pages 15 to 31 form an integral part of these financial statements.

**Statement of Comprehensive Income**  
for the year ended 31 December 2021

	2021 \$000	2020 \$000
Loss for the financial year	(5 117)	(338 829)
Other comprehensive (expense)/ income: Remeasurement of net liabilities in pension plans	(427)	223
<b>Total comprehensive expense for the year</b>	<b>(5 544)</b>	<b>(338 606)</b>

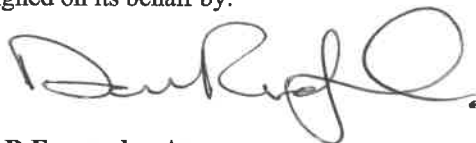
The notes on pages 15 to 31 form an integral part of these financial statements.

**Balance Sheet**  
as at 31 December 2021

	Notes	2021 \$000	2021 \$000	2020 \$000	2020 \$000
<b>Fixed assets</b>					
Tangible assets	11		488		-
Investments	12		372 491		372 446
			372 979		372 446
<b>Current assets</b>					
Debtors	14	2 285		1 073	
Cash at bank and in hand		-		2 327	
		2 285		3 400	
<b>Creditors:</b>					
Amounts falling due within one year	15	(41 209)		(36 294)	
<b>Net current liabilities</b>			(38 924)		(32 894)
<b>Total assets less current liabilities</b>			334 055		339 552
<b>Creditors:</b>					
Amounts falling due after more than one year	16		(153 000)		(153 000)
Provisions for liabilities	17		(216)		(169)
<b>Net assets</b>			180 839		186 383
<b>Capital and reserves</b>					
Called up share capital	18		455 298		455 298
Accumulated losses			(274 459)		(268 915)
<b>Total shareholders' funds</b>			180 839		186 383

The notes on pages 15 to 31 form an integral part of these financial statements.

These financial statements on pages 12 to 31 were approved by the Board of Directors on 27th May 2022 and signed on its behalf by:



**S D Fernandez-Ares**  
Director

Registered Company No: 02766012

**Statement of Changes in Equity**  
for the year ended 31 December 2021

	<b>Called up share capital</b>	<b>Retained earnings/ (Accumulated losses)</b>	<b>Total shareholders' funds</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Balance as at 1 January 2020	412 298	69 691	481 989
New shares issued	43 000	-	43 000
Loss for the financial year	-	(338 829)	(338 829)
Other comprehensive income for the year	-	223	223
Total comprehensive expense for the year	-	(338 606)	(338 606)
Balance as at 31 December 2020	<u>455 298</u>	<u>(268 915)</u>	<u>186 383</u>
Loss for the financial year	-	(5 117)	(5 117)
Other comprehensive expense for the year	-	(427)	(427)
Total comprehensive expense for the year	-	(5 544)	(5 544)
Balance as at 31 December 2021	<u>455 298</u>	<u>(274 459)</u>	<u>180 839</u>

The notes on pages 15 to 31 form an integral part of these financial statements.

**Notes to the Financial Statements**  
*(forming part of the financial statements)*

**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) Statement of compliance**

The individual financial statements of Stena (UK) Limited have been prepared in compliance with the United Kingdom Accounting Standards including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006. The Company is exempt by virtue of s400 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.

**3) Summary of significant 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.

**a) Basis of preparation**

These financial statements are prepared on a going concern basis under the historical cost convention, and in accordance with the UK accounting standard FRS 102.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in ‘Critical accounting judgements and key sources of estimation uncertainty’ section of this note.

**b) 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 2021 the limit of the facility was \$230 (2020: \$260) million, reducing by \$30 million per annum.

At year-end, and as at the date of signing, \$153 (2020: \$153) million was drawn on the facility by the Company leaving a further \$77 (2020: \$107) million 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 consider it appropriate to prepare the financial statements on a going concern basis.

**c) Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company’s shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Stena (UK) Limited is a qualifying entity as its results are consolidated into the financial statements of Stena AB (publ.) which are publicly available.

**Notes to the Financial Statements (Continued)**

**3) Summary of significant accounting policies (continued)**

**c) Exemptions for qualifying entities under FRS 102 (continued)**

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

**d) Foreign currencies**

**(i) Functional and presentation currency**

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.

**(ii) Transactions and balances**

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.

**e) Turnover**

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.

**f) Pension costs**

The Company participates in 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.



## Notes to the Financial Statements (Continued)

### 3) Summary of significant accounting policies (continued)

#### g) 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.

##### (i) Current tax

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.

##### (ii) Deferred tax

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.

#### h) 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.

##### i) 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.

#### j) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixture, fittings and equipment	5 years
Leasehold properties	Length of lease

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

## Notes to the Financial Statements (Continued)

### 3) Summary of significant accounting policies (continued)

#### j) Tangible assets (continued)

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

#### k) Leases

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### (i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets held under finance leases are included as tangible assets and depreciated as stated above. The rentals payable are apportioned between interest, which is charged to the Profit and Loss Account, and capital, which reduces the outstanding obligation, on a basis which will produce a constant period rate of charge on the remaining balance of the obligation for each accounting period.

##### (ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals under operating leases are charged to the Profit and Loss Account on a straight-line basis over the lease term.

Assets subject to operating leases are held on the balance sheet according to the nature of the asset. Lease income from operating leases is recognised in the Profit and Loss Account on a straight-line basis over the lease term.

#### l) 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.

**Notes to the Financial Statements (Continued)**

**3) Summary of significant accounting policies (continued)**

**m) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and fellow group company AB Stena Finans, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**n) Financial instruments**

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

**(i) 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.

**(ii) 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.

**Notes to the Financial Statements (Continued)**

**3) Summary of significant accounting policies (continued)**

**n) Financial instruments (continued)**

**(iii) 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.

**o) Interest receivable and interest payable**

Interest receivable and interest payable are recognised using the effective interest method. They are recognised in profit or loss in the period in which they are incurred or earned.

**p) 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.

**q) Critical accounting judgements and key source 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.

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.

## Notes to the Financial Statements (Continued)

### 3) Summary of significant accounting policies (continued)

#### r) Future amendments to FRS 102

There are no further disclosures in connection with amendments to FRS 102 or FRC abstracts that have an effect on the current period, prior period or future period as required by paragraph 10.13 of FRS 102.

#### 4) Turnover

Turnover comprises of administrative services provided to subsidiaries. All turnover arose in the UK.

#### 5) Loss before interest and taxation

	<b>2021</b>	2020
	<b>\$000</b>	\$000
<i>Loss before interest and taxation is stated after charging:</i>		
Operating lease rentals (equipment)	5	4
Operating lease rentals (office)	253	147
Depreciation		
- leasehold property	12	-
Exchange gain	1	2
	<hr/>	<hr/>
	<b>2021</b>	2020
	<b>\$000</b>	\$000
Fee payable to the Company's auditors for the audit of the Company's financial statements	6	6
Total fees payable to the Company's auditors	<hr/>	<hr/>
	6	6

#### 6) Staff numbers and cost

Excluding non-executive Directors, the average monthly number of persons employed by the company during the year was seven (2020: six).

The aggregate payroll cost, including Directors' emoluments was:

	<b>2021</b>	2020
	<b>\$000</b>	\$000
Wages and salaries	1 590	1 385
Social security costs	220	186
Other pension costs	37	32
	<hr/>	<hr/>
	<b>1 847</b>	1 603
	<hr/>	<hr/>

**Notes to the Financial Statements (Continued)**

**7) Remuneration of Directors**

At year end the Company had seven Directors (2020: six).

The total amount of fees paid to Directors during the year was \$789,000 (2020: \$624,000). The highest paid Director during the year was paid \$526,000 (2020: \$566,000).

**8) Other interest receivable and similar income**

	<b>2021</b>	2020
	<b>\$000</b>	\$000
Bank deposit interest	<u>4</u>	<u>202</u>
	<u><b>4</b></u>	<u><b>202</b></u>

**9) Interest payable and similar expenses**

	<b>2021</b>	2020
	<b>\$000</b>	\$000
Bank interest and other charges	<b>83</b>	22
Interest payable to group undertakings	<u><b>5 457</b></u>	<u>589</u>
	<u><b>5 540</b></u>	<u><b>611</b></u>

## Notes to the Financial Statements (Continued)

### 10) Tax on loss

	2021 \$000	2020 \$000
<b>(i) Analysis of tax credit/ (charge)</b>		
Current taxation:		
- Group relief receivable at 19.0% (2020: 19.0%)	1 108	86
- Adjustments in respect of prior years	(30)	(53)
<b>Current taxation</b>	<b>1 078</b>	<b>33</b>
Deferred taxation		
- Current year	(47)	(57)
- Adjustments in respect of prior years	-	6
<b>Deferred taxation</b>	<b>(47)</b>	<b>(51)</b>
<b>Total tax credit/ (charge) for the year</b>	<b>1 031</b>	<b>(18)</b>

The prior year adjustments relates to the change in the Group relief position in the filed tax returns.

### (ii) Factors affecting the tax credit/ (charge) for the year

The total tax credit/ (charge) for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%). The differences are explained below.

	2021 \$000	2020 \$000
Loss before taxation	(6 148)	(338 811)
Tax on loss before taxation at the standard rate of UK corporation tax of 19.0% (2020: 19.0%)	1 168	64 374
<i>Effect of:</i>		
Timing differences:		
- Permanent differences	(55)	(64 331)
- Adjustments in respect of prior years	(30)	(48)
- Deferred tax rate changes	(52)	(13)
<b>Total tax credit/(charge)</b>	<b>1 031</b>	<b>(18)</b>

### (iii) Factors affecting the future total tax charge

In the Spring Budget 2021, the UK Government announced that from 1 April 2023, the corporation tax rate would increase to 25.0% (rather than remaining at 19.0% as previously enacted). The new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

## Notes to the Financial Statements (Continued)

### 11) Tangible assets

	Leasehold properties \$000	Fixture, fittings and equipment \$000	Total \$000
<i>Cost</i>			
At the beginning of year	219	176	395
Additions	500	-	500
Disposals	(219)	(176)	(395)
<b>At end of year</b>	<b>500</b>	<b>-</b>	<b>500</b>
<i>Accumulated Depreciation</i>			
At beginning of year	219	176	395
Charge for the year	12	-	12
On disposals	(219)	(176)	(395)
<b>At end of year</b>	<b>12</b>	<b>-</b>	<b>12</b>
<i>Net book value</i>			
<b>At end of year</b>	<b>488</b>	<b>-</b>	<b>488</b>
At beginning of the year	-	-	-

### 12) Investments

	Shares in group undertakings \$000
Net book value as at 1 January 2020	492,435
Additions	268,000
Impairment in investment in shares	(387 989)
<b>Net book value as at 31 December 2020 and 1 January 2021</b>	<b>372 446</b>
Additions	45
<b>Net book value as at 31 December 2021</b>	<b>372 491</b>

Investments relate to investments in subsidiaries, associates and trade investments. Details of subsidiaries are set out in note 13.

The addition of \$0.045m relates to the acquisition of Stena Finance (U.K.) Limited.

The subsidiaries Stena Drilling (Holdings) Ltd and Stena IceMax Limited are active in the offshore drilling market. Their asset values and thus equity have been negatively affected by the very weak market conditions. Whilst no impairment charge has been recognised, in 2020, there was a \$388m impairment to the shares in these subsidiaries.

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 did not receive dividends (2020: \$50m) from subsidiaries during the year.



## Notes to the Financial Statements (Continued)

### 13) Subsidiary companies

The Company has the following subsidiary undertakings, which are wholly-owned and whose voting shares are 100% held by the Company unless otherwise stated, and are registered in England or Wales unless otherwise stated.

Subsidiary	Activity
Stena North Sea Limited 1)	Ownership and chartering of vessels
Stena Ropax Limited 1)	Ownership and chartering of vessels
Stena LNG (UK) Limited 1)	Ownership and chartering of vessels
Stena Finance (U.K.) Limited 1)	Dormant
Northern Marine Group Limited (registered in Scotland) 2)	Management services
Alba Travel (Inverness) Limited (registered in Scotland)* 2)	Travel services
Austen Maritime Services Consulting (Shanghai) Limited (registered in China)*20)	Agency and crewing services
Austen Maritime Services Pte Ltd (registered in Singapore)* 5)	Agency and crewing services
Clyde Travel BV (registered in The Netherlands)* 17)	Travel Services
Clyde Travel AB (registered in Sweden)* 12)	Travel Services
Clyde Travel AS (registered in Norway)* 4)	Travel Services
Clyde Travel Limited (registered in Scotland)* 2)	Travel Services
Clyde Marine Training Limited (registered in Scotland)* 2)	Training
Clyde Training Solutions Limited (registered in Scotland)* 2)	Training
Francois Marine Services Pte Ltd (registered in Singapore)* 5)	Ship and offshore supply specialist
Francois Offshore Catering Pte (registered in Singapore)*5)	Catering services
Francois Marine Korea Co. Ltd (registered in South Korea)* 7)	Ship and offshore supply specialist
Meridian Shipping Services Pte Limited (registered in Singapore)*5)	Provision of crewing and payroll services
NMG Ship Management Ltd (registered in England)* 1)	Management services
Northern Marine Management (India) Private Limited (reg in India)* 6)	Provision of crewing and payroll services
Northern Marine Management (USA) LLC (registered in USA)*10)	Ship management services
Northern Marine Management Limited (registered in Scotland)* 2)	Ship management and related services
Northern Marine Management Pte Limited (registered in Singapore)*5)	Ship management services
Northern Marine Management Shanghai Ltd (registered in China)*8)	Ship management and related activities
Northern Marine Manning Services Limited (registered in Scotland) * 2)	Marine Services and Recruitment
Northern Marine Manning Services Pte Limited (registered in Singapore)*5)	Marine and services recruitment
Skye Management Holdings Co Limited (registered in Bermuda)*14)	Holding company (non-trading)
Stena Drilling Pte Limited (registered in Singapore)*5)	Provision of crewing and payroll services
Stena Marine Consultant Shanghai Ltd (registered in China)*8)	Ship chandlery
Stena Marine BV (registered in The Netherlands)* 17)	Holding Company
Stena Marine Management Gmbh & Co KG (registered in Germany)*15)	Dormant
Stena Marine Management LLC (registered in Russia)*13)	Marine Services and Recruitment
Stena Marine Management Pte Limited (registered in Singapore)* 5)	Provision of crewing and payroll services
Stena Marine Services Gmbh (registered in Germany)*15)	Dormant
NMG Marine Services Ltd (registered in Scotland)* 2)	Holding company
Northern Marine Pte. Ltd (registered in Singapore)* 5)	Singapore Holding company
Tang Li Marine & Offshore China Ltd (registered in China)* 20)	Ship management and related activities
Tang Li Marine & Offshore Hong Kong (registered in Hong Kong) *20)	Ship management and related activities
The Clyde Group Limited (registered in Scotland)* 2)	Holding company
Francois Offshore Catering Pte. Ltd (registered in Singapore)*5)	Naval architects and marine consultants
Tritec Marine Limited (registered in Scotland)* 2)	Naval architects and marine consultants
Austen Marine Korea Limited (registered in South Korea)*7)	Agency and crewing services
Stena Drilling (Holdings) Limited 1)	Holding company (non-trading)

## Notes to the Financial Statements (Continued)

### 13) Subsidiary companies (continued)

Subsidiary	Activity
Stena Clyde PNG Limited* 1)	Dormant
Stena Drilling (Australia) Pty Limited (registered in Australia)* 9)	Offshore Drilling Services
Stena Drilling Asia Pacific Limited* 1)	Dormant
Stena Drilling Australia Limited* 1)	Dormant
Stena Drilling HR Limited* 1)	Provision of HR and payroll services
Stena Drilling Limited* 1)	Managers of mobile drilling units
Stena Drilling (Money Purchase) Pension Trustee Limited 1)*	Pensions & Funds
Stena Drillmax Ice Limited* 1)	Offshore Drilling Services (trading)
Stena Forth Drilling Limited* 1)	Offshore Drilling Services (trading)
Stena HSD Limited* 1)	Dormant
Stena Ice Chartering Limited* 1)	Dormant
Stena Icemax Limited 1)	Chartering rig and drilling services
Stena Oilfield Chartering Limited* 1)	Dormant
Stena Oilfield Services Limited* 1)	Offshore Drilling Services (trading)
Stena Rig Chartering Limited* 1)	Dormant
Stena Spey Services Limited* 1)	Offshore Drilling Services (trading)
Stena Spey Chartering Limited * 1)	Dormant
Stena Carron Drilling Limited * 1)	Offshore Drilling Services (trading)
Stenloyal Limited (registered in Scotland)* 3)	Dormant
Subsea Leasing Limited * 1)	Rental and leasing of drilling equipment
Stena Don Drilling Limited * 1)	Offshore Drilling Services (trading)
Stena Drilling US Inc (reg in USA) * 19)	Procurement agent
Stena Unicon Offshore Services Ghana Limited (reg in Ghana)* (90%) 18)	Offshore Drilling Services
Stena Drillmax Chartering Limited* 1)	Dormant
Stena Drilling Integrated Well Services Limited* 1)	Offshore Drilling Services
Francois Marine BV (registered in The Netherlands)* 17)	Ship and offshore supply specialist
Austen Maritime Service Hong Kong Ltd (registered in Hong Kong)* 20)	Agency and crewing services
Clyde Travel USA LLC (registered in USA)* 10)	Travel Services
Northern Marine Ship Management Ltd (registered in Scotland)* 2)	Ship Management Services
Clyde Uniforms Limited (registered in Scotland)* 2)	Wholesale of clothing
Northern Marine Manning Services (Shanghai) Ltd (registered in China)* 11)	Marine services recruitment
Aurora Digital Solutions Limited (registered in Scotland)* 2)	Software solutions
Stena LNG & Power AS (registered in Norway)* (75%) 16)	Development of power solutions
Stena Evolve Limited* 1)	Support activities
Maritime Global Services Limited (registered in Scotland)* 2)	Ship management services
Maritime Global Services Pte Ltd (registered in Singapore)* 5)	Ship management services
Maritime Global Services LLP (registered in India)* 6)	Ship management services
Maritime Global Services LLC (registered in USA)* 21)	Ship management services
NMG Corporate Services Ltd (registered in Scotland)* 2)	Management services
NMG Business Services Ltd (registered in Scotland)* 2)	Holding company (non-trading)
Clyde Travel ApS (registered in Denmark)* 22)	Travel Services
Northern Marine Management BV (registered in the Netherlands)* 17)	Ship management services
Clyde Travel Oy (registered in Finland)* 23)	Travel Services
Clyde Travel Pte Ltd (registered in Singapore)* 5)	Travel Services

\* Shares held by subsidiary companies.

## Notes to the Financial Statements (Continued)

### 13) Subsidiary companies (continued)

The company's registered address is:

- 1) 6 Arlington Street, London, England, SW1A 1RE
- 2) Alba House, 2 Clydebank Avenue, Clydebank, Scotland, G81 2QR.
- 3) Greenbank Crescent, East Tullos, Aberdeen, Scotland, AB1 3BG.
- 4) Skur 44, Akershusstranda 53, Oslo, Norway, 0150
- 5) 30 Pandan Road, Singapore 609277.
- 6) Orchard Avenue, Powai, India, 400076.
- 7) 3<sup>rd</sup> Floor, 4539 Geoje-daero, Gyeongnam, South Korea (53237).
- 8) Room 1606, United Plaza, Jingan District, Shanghai, 200040, P.R. China
- 9) 35 Hay Street, Subiaco, WA 6008, Australia
- 10) 2727 Allen Parkway, Houston, TX 77019-2115, USA
- 11) First Floor, Building 1, No 251 Yaohua Road, Shanghai, P.R. China
- 12) Masthuggskajen, SE-405 19 Gothenburg, Sweden
- 13) Petrogradskaya emb, 36A, 7<sup>th</sup> Floor, St Petersburg, Russia
- 14) Clarendon House, 2 Church Street, P O Box HM 1022, Hamilton, HM DX, Bermuda
- 15) c/o Ahlers & Vogel, Schaarsteinwegsbrücke 2, 20459 Hamburg, Germany
- 16) Smith Petersengate 6, 4876, Grimstad, Norway
- 17) Curieweg 2, Spijkenisse, Netherlands, 3208KJ
- 18) No 4, Momotse Avenue, Adabraka, Accra, Ghana
- 19) 12141 Wickchester Lane, Houston, TX 77079, USA
- 20) Room 305-3, Block 3, No. 3333, Shenjiang Road, Pudong District, 201206, P.R. China
- 21) 1999 Bryan Street, Suite 900, Dallas, TX 75201, USA
- 22) Tuborg Boulevard 12, Hellerup, 2900, Denmark
- 23) Äyritie 12B, 01510 Vantaa, Finland

### 14) Debtors

	2021 \$000	2020 \$000
The Company's share of net assets in industry pension schemes	489	916
Amounts owed by group undertakings	1 678	-
Other debtors	67	39
Prepayments and accrued income	51	118
	<u>2 285</u>	<u>1 073</u>

### 15) Creditors: Amounts falling due within one year

	2021 \$000	2020 \$000
Bank loans and overdrafts	6 596	-
Amounts owed to group undertakings	34 128	35 578
Accruals and deferred income	485	716
	<u>41 209</u>	<u>36 294</u>

## Notes to the Financial Statements (Continued)

### 16) Creditors: Amounts falling due after more than one year

	2021 \$000	2020 \$000
Amounts owed to group undertakings	153 000	153 000
	<u>153 000</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 2021 the limit of the facility was \$230.0 (2020: \$260.0) million, reducing by \$30.0 million per annum.

At year-end \$153.0 (2020: \$153.0) million was drawn on the facility by the Company leaving a further \$77.0 (2020: \$107.0) million 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% (2020: 3.25%).

### 17) Provisions for liabilities

	2021 \$000	2020 \$000
Deferred taxation		
- At beginning of year	169	118
- Changes during the year	<u>47</u>	<u>51</u>
At end of year	<u>216</u>	<u>169</u>

The amounts provided for deferred taxation in respect of timing differences are analysed below. All timing differences have been provided for or recognized:

	2021 \$000	2020 \$000
Difference between accumulated depreciation and capital allowances on fixtures, fittings and equipment	(13)	(5)
Short term timing differences on pension costs	<u>229</u>	<u>174</u>
	<u>216</u>	<u>169</u>

### 18) Called up share capital

	2021 \$000	2020 \$000
285 300 175 (2020: 285 300 175) ordinary shares of £1 each:		
Authorised, issued and fully paid	<u>455 298</u>	<u>455 298</u>

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

## Notes to the Financial Statements (Continued)

### 19) Commitments

#### Lease commitments

At 31 December the Company had future minimum lease payments, as a lessee, under non-cancellable operating leases expiring as follows:

	2021 \$000	2020 \$000
Not later than one year	135	110
Later than one year and not later than five years	680	28
	<u>815</u>	<u>138</u>

At 31 December the Company had future minimum lease receipts, as a lessor, under non-cancellable operating leases expiring as follows:

	2021 \$000	2020 \$000
Not later than one year	43	-
Later than one year and not later than five years	272	-
	<u>315</u>	<u>-</u>

There were no capital commitments at year end (2020: \$nil).

### 20) 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 (2020: 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 \$nil (2020: nil).

### 21) Industry Pension Schemes

The pension liabilities have been transferred from its subsidiary Stena Ferries Limited.

#### 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.

## Notes to the Financial Statements (Continued)

### ***MNOPF New Section***

A court judgement in March 2005 established how the deficit in the MNOPF 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 2018 and updated to 31 December 2021 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 2021 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, 2021 was equal to \$132 000 (2020: net asset of \$571 000).

### **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 2021 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 2021 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 2021 was \$357 000 (2020: \$344 000).

### **Recognized through the Profit and Loss Account**

The following amounts are recognized through the Profit and Loss Account for the two schemes:

	<b>2021</b>	2020
	<b>\$000</b>	\$000
Administrative Expenses	<b>36</b>	32
Net Interest Cost	-	-
	<b>36</b>	32

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

**Notes to the Financial Statements (Continued)**

**22) Subsequent events**

The current conflict between Russia and Ukraine has, in the short term, 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.

No adjustment has been made to the financial statements as a result of the above.

**23) 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.

**24) Parent Company and Ultimate Parent Company**

The Company is incorporated in Great Britain and registered in England and Wales. The Company is a wholly owned subsidiary of Stena International SA, which is incorporated and registered in Luxembourg. 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 undertaking is Stena International SA.