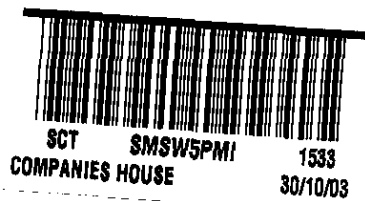


Swecal Limited

Directors' report and financial statements

Registered Number SC090039

31 December 2002



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Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2002.

Principal activities

The company carries out the supply of marine and industrial services, together with the recruitment of marine personnel.

Business review

The trading activity of the company has continued at a similar level to last year, the outcome being a small loss. No change in this pattern is envisaged. On the 1 January 2002 the directors implemented a change in the basis of charging fees and recognising recharged costs to fellow group companies which accounts for the fall in turnover and administration expenses.

Dividend and transfer to reserves

The directors paid a dividend of £70,000 (2001: £Nil) in the year. The loss for the year retained in the company after payment of the dividend is £72,805 (2001: £8,168).

Directors and directors' interests

The directors of the company during the year were:

K MacLeod
I Ramsay-Lewis

According to the register kept by the company no director had any interest in the share capital of the company or any group company during the year which they were required to disclose.

Auditors

In accordance with Section 366a and 386 of the Companies Act 1985 the company has passed an elective resolution dispensing with the requirement to re-appoint auditors and hold an Annual General Meeting.

By order of the board



William J Beatson
Secretary

Clydebank

23 October 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

24 Blythswood Square
Glasgow
G2 4QS
United Kingdom

Report of the independent auditors to the members of Swecal Limited

We have audited the financial statements on pages 4 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor

27 October 2003

Profit and loss account
for the year ended 31 December 2002

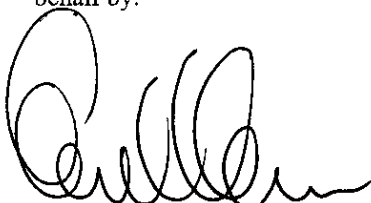
	<i>Note</i>	2002 £	2001 £
Turnover	2	61,694	1,380,351
Administrative expenses		(67,222)	(1,395,423)
Operating loss		(5,528)	(15,072)
Interest receivable and similar income	6	2,024	3,604
Loss on ordinary activities before taxation	3	(3,504)	(11,468)
Tax credit on loss on ordinary activities	7	699	3,300
Loss on ordinary activities after taxation and for the financial year		(2,805)	(8,168)
Dividend paid on equity shares	8	(70,000)	-
Retained loss for the year		(72,805)	(8,168)
Retained profit brought forward		104,447	112,615
Retained profit carried forward		31,642	104,447

The company has no recognised gains and losses other than those stated above.

Balance sheet
at 31 December 2002

	<i>Note</i>	£	2002	£	£	2001	£
Fixed assets							
Tangible assets	9		6,314			9,609	
Current assets							
Debtors	10	23,216		31,472			
Cash at bank and in hand		5,364		74,868			
			28,580		106,340		
Creditors: amounts falling due within one year	11	(3,250)		(11,500)			
Net current assets			25,330			94,840	
Net assets			31,644			104,449	
Capital and reserves							
Called up share capital	13		2			2	
Profit and loss account			31,642			104,447	
Shareholders' funds - all equity	14		31,644			104,449	

These financial statements were approved by the board of directors on 23 October 2003 and were signed on its behalf by:


Kenneth MacLeod
Director

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 accounting

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

Depreciation

Depreciation of tangible fixed assets is calculated to write off the cost of the assets over their estimated useful lives by equal annual instalments:

Motor cars	4 years
Fixtures, fittings and equipment	3 or 5 years

Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at approximate rates of exchange ruling at the balance sheet date. Foreign currency transactions are converted at the rate ruling at the time of the transaction. Exchange adjustments arising are dealt with in arriving at the results from ordinary activities before taxation.

Taxation

The charge for taxation is based in 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, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Previously a provision was carried only where there was a reasonable probability that a liability was expected to crystallise in the foreseeable future at the rate at which the liability was expected to crystallise.

Cash flow statement

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 holding company is established under the law of a member state of the European Community.

2 Turnover

Turnover is the total amount of fees charged in relation to services provided. In the prior year, turnover included recharged costs to fellow group companies. All turnover is derived from recruitment and marine industrial services within the United Kingdom.

Notes (continued)

3 Loss on ordinary activities before taxation

	2002	2001
	£	£
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Depreciation of tangible fixed assets	3,295	3,295
Auditors' remuneration:		
- audit fee	2,000	2,000
- fees for other services	750	1,450

4 Emoluments of directors

No directors received any emoluments during 2002 or 2001.

5 Staff numbers and costs

The average number of persons employed by the company during the year, analysed by category, was as follows:

	Number of employees	
	2002	2001
Directors	<u>2</u>	<u>2</u>

6 Interest receivable and similar income

	2002	2001
	£	£
Bank account interest	<u>2,024</u>	<u>3,604</u>

Notes (continued)

7 Taxation

	2002 £	2001 £
<i>Current tax</i>		
Group relief receivable : current year	699	3,300

Factors affecting the tax charge

The tax assessed is higher (2001: higher) than the standard rate of corporation tax in the UK (30%, 2001: 30%) based upon the loss for the year. The differences are explained below:

	2002 £	2001 £
Loss on ordinary activities before tax	3,504	11,468
Current tax at 30% (2001: 30%)	1,051	3,440
<i>Effects of:</i>		
Other permanent differences	(352)	(140)
	699	3,300

8 Dividend

	2002 £	2001 £
Interim dividend paid	70,000	-

Notes (continued)

9 Tangible fixed assets

	Motor vehicles
	£
<i>Cost</i>	
At beginning of year	28,233
Disposals	(15,055)
At end of year	13,178
<i>Depreciation</i>	
At beginning of year	18,624
Charge for year	3,295
On disposals	(15,055)
At end of year	6,864
<i>Net book value</i>	
At 31 December 2002	6,314
At 31 December 2001	9,609

10 Debtors

	2002	2001
	£	£
Amounts owed by group undertakings:		
Parent and fellow subsidiary undertakings - group relief	699	3,300
Prepayments and accrued income	22,517	28,172
	23,216	31,472

11 Creditors: amounts falling due within one year

	2002	2001
	£	£
Accruals and deferred income	3,250	4,500
Other creditors	-	7,000
	3,250	11,500

Notes *(continued)*

12 Deferred taxation

The company has a deferred tax asset of £14 (*2001: liability of £338*) which has not been recognised as it is not material.

13 Share capital

	2002 £	2001 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2

14 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Loss for the financial year	(72,805)	(8,168)
Opening shareholders' funds	104,449	112,617
Closing shareholders' funds	31,644	104,449

15 Commitments

The company had no capital commitments at either 31 December 2001 or 31 December 2002.

16 Related party transactions

Under Financial Reporting Standard No 8, the company is exempt from the requirement to disclose related party transactions with other group undertakings as it is a wholly owned subsidiary of a parent undertaking which prepares and publishes consolidated financial statements.

Notes *(continued)*

17 Parent company and ultimate parent company

The company is a wholly owned subsidiary of Northern Marine Management Limited, which is incorporated in Great Britain and registered in Scotland and which, in turn, is a wholly owned subsidiary of Stena (UK) Limited, which is incorporated in Great Britain and registered in England and Wales. The ultimate parent company is Stena AB, a company incorporated in Sweden.

The largest group in which the results of the company are consolidated is that headed by Stena AB. The consolidated financial statements of Stena AB are available at Masthugskajen, S405 19 Gothenburg, Sweden.

The smallest higher group in which the results of the company are consolidated is Stena International BV. The consolidated financial statements of Stena International BV are available at World Trade Center, Amsterdam Airport, Schipol Boulevard 237, 1118 BH Schiphol Airport, The Netherlands.