

Northern Marine Manning Services Limited

Directors' report and financial statements

Registered Number SC090039

31 December 2012

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Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2012.

Principal activities

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

Business review

The trading activity of the company has improved in the current year due to a change in the activity performed by the company. This resulted in increases in turnover and profitability compared to the prior year. Similar activity levels are expected to continue in the future.

Dividend and transfer to reserves

The profit for the year retained in the company is £442,127 (2011: profit of £536,630). The directors do not recommend the payment of a dividend (2011: £Nil).

Directors and directors' interests

The directors of the company during the year were:

KP Slade
HL Ferguson
A Paterson
D Swadi
MJ Macdonald

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.

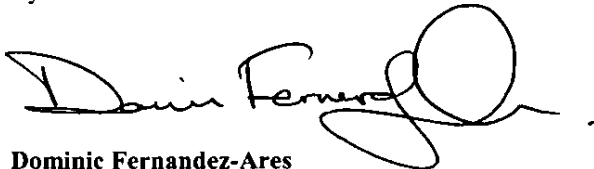
Disclosure of information to auditor

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will not be deemed to be re-appointed and KPMG LLP will therefore not continue in office. This is because the Company's ultimate parent, Stena AB, has appointed PWC from 2013 as group auditors.

By order of the board



Dominic Fernandez-Ares
Secretary

Alba House
2 Central Avenue
Clydebank Business Park
Glasgow
G81 2QR

15 March 2013

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent auditor's report to the members of Northern Marine Manning Services Limited

We have audited the financial statements of Northern Marine Manning Services Limited for the year ended 31 December 2012 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Bruce Marks (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

22 March 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	2012 £	2011 £
Turnover	2	8,199,453	5,920,195
Cost of sales		(3,048,818)	(1,305,072)
Gross profit		5,150,635	4,615,123
Administrative expenses		(4,478,021)	(3,897,725)
Operating profit		672,614	717,398
Interest receivable and similar income	6	4,175	12,456
Interest payable and similar charges	7	(79,238)	-
Profit on ordinary activities before taxation	3	597,551	729,854
Tax charge on profit on ordinary activities	8	(155,424)	(193,224)
Profit for the financial year	14	442,127	536,630

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

All amounts relate to continuing activities.

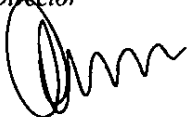
Balance sheet
at 31 December 2012

	<i>Note</i>	2012 £	2012 £	2011 £	2011 £
Fixed assets	9		1,534,610		1,373,353
Current assets					
Debtors	10	1,895,468		966,547	
Cash at bank and in hand		100,509		425,293	
		<u>1,995,977</u>		<u>1,391,840</u>	
Creditors: amounts falling due within one year	11	<u>(1,792,279)</u>		<u>(1,462,121)</u>	
Net current assets/(liabilities)			203,698		(70,281)
Provisions for liabilities and charges	12		(3,196)		(10,087)
Net assets			<u>1,735,112</u>		<u>1,292,985</u>
Capital and reserves					
Called up share capital	13		2		2
Profit and loss account			1,735,110		1,292,983
Shareholders' funds	14		<u>1,735,112</u>		<u>1,292,985</u>

These financial statements were approved by the board of directors on 15 March 2013 and were signed on its behalf by:

Dhananjay Swadi

Director



Company registered number: SC090039

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
Buildings	50 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 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, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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, exclusive of Value Added Tax. All turnover is derived from recruitment and marine personnel services worldwide.

3 Profit on ordinary activities before taxation

	2012 £	2011 £
<i>Profit on ordinary activities is stated after charging:</i>		
Auditors' remuneration:		
Audit fee	7,800	7,800
Depreciation on tangible fixed assets	130,921	15,962

Notes (continued)

4 Emoluments of directors

	2012 £	2011 £
Directors' emoluments (excluding pension contributions)	<u>606,208</u>	<u>470,785</u>

Excluding pension contributions and including the estimated money value of benefits in kind, the emoluments of the highest paid director was £305,112 (2011: £242,905)

The accrued pension benefit in respect of the highest paid director as at the year end was £37,703 (2011: £33,524) per annum.

During the year 2012 one (2011: one) directors was a member of the company's defined benefit scheme.

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	
	2012	2011
Directors	3	3
Others	<u>57</u>	<u>48</u>

The aggregate payroll costs of the remaining personnel, including directors, were as follows:

	2012 £	2011 £
Wages and salaries	2,231,765	1,829,740
Social security costs	224,457	222,608
Other pension costs	<u>317,931</u>	<u>178,659</u>
	<u>2,774,153</u>	<u>2,231,007</u>

6 Interest receivable and similar income

	2012 £	2011 £
On cash and bank balances	<u>4,175</u>	<u>12,456</u>

7 Interest payable and similar charges

	2012 £	2011 £
On bank loans and overdrafts	59,661	-
Exchange loss on cash balances	<u>19,577</u>	<u>-</u>
	<u>79,238</u>	<u>-</u>

Notes (continued)

8 Taxation

	2012 £	2011 £
<i>Current tax</i>		
Group relief payable at 24.5% (2011: 26.5%)	158,558	182,853
Adjustment in respect of prior periods : payment for group relief	3,757	-
Tax charge on profit on ordinary activities	162,315	182,853
<i>Deferred tax</i>		
Origination/reversal of timing differences	(6,891)	10,371
Total deferred tax	(6,891)	10,371
Tax charge on profit on ordinary activities	155,424	193,224

The tax assessed is higher (2011: lower) than the standard rate of corporation tax in the UK 24.5% (2011: 26.5%) based upon the profit for the year. The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	597,551	729,854
Current tax at 24.5% (2011: 26.5%)	146,400	193,411
<i>Effects of:</i>		
Prior year adjustment	3,757	-
Current deferred tax credit/(debit)	6,891	(10,087)
Effect of changes in tax rate	5,267	(471)
Current corporation tax charge	162,315	182,853

Notes (continued)

9 Tangible fixed assets

	Freehold Land & Buildings £	Furniture, Fittings & Equipment £	Computer hardware £	Computer software £	Total £
Cost					
At beginning of year	1,093,595	255,970	23,120	24,261	1,396,946
Additions during the year	777	35,907	33,357	222,137	292,178
At end of year	1,094,372	291,877	56,477	246,398	1,689,124
Depreciation					
At beginning of year	1,672	4,270	3,623	14,028	23,593
Charge for year	19,662	53,258	13,449	44,552	130,921
At end of year	21,334	57,528	17,072	58,580	154,514
Net book value					
At 31 December 2012	1,073,038	234,349	39,405	187,818	1,534,610
At 31 December 2011	1,091,923	251,700	19,497	10,233	1,373,353

10 Debtors

	2012 £	2011 £
Trade debtors	1,024,632	424,663
Amounts owed by group undertakings	417,672	309,046
Other debtors	453,164	232,838
	1,895,468	966,547

11 Creditors: amounts falling due within one year

	2012 £	2011 £
Accruals and deferred income	602,336	844,766
Other tax and social security	115,493	70,853
Group relief payable	345,264	292,544
Other creditors	729,186	253,958
	1,792,279	1,462,121

Notes (continued)

12 Provision for liabilities and charges

Deferred taxation

	2012 £000	2011 £000
At beginning of year	10,087	-
(Credit)/charge in year	(6,891)	10,087
At end of year	3,196	10,087
Analysed as:		
Capital allowances in excess of depreciation	3,196	10,087

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of four years from 2011. The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010, the reduction to 26% was substantively enacted on 29 March 2011, effective from 1 April 2011, the reduction to 25% was substantively enacted on 5 July 2011, effective from 1 April 2012, the reduction to 24% was substantively enacted on 26 March 2012, effective from 1 April 2012 and the reduction to 23% was substantively enacted on 3 July 2012, effective from 1 April 2013. This will reduce the company's future tax charge accordingly. It has not yet been possible to quantify the full anticipated effect of the announced further rate reductions, although this will further reduce the company's future current tax charge and reduce the company's deferred tax assets accordingly.

13 Share capital

	2012 £	2011 £
<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

	Share capital £	Profit and loss account £	Total shareholders' funds £
At beginning of year	2	1,292,983	1,292,985
Profit for the financial year	-	442,127	442,127
At end of year	2	1,735,110	1,735,112

Notes *(continued)*

15 Commitments

The company had no capital commitments at 31 December 2012 (2011: £Nil).

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.

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 smallest and 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 Masthuggskajen, S405 19 Gothenburg, Sweden.