Stena Line Ports Limited

Directors' Report and Financial Statements
For the Year Ended 31 December 2012

Registration Number: 1593558

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Directors' Report

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

Principal activity and business review

The principal activity of the Company remains the operation of ports and during the year the Company operated the ports of Holyhead and Fishguard The Company's operations at the port of Stranraer ceased on 21 November 2011 when Stena Line Limited moved its ferry operations to Loch Ryan Port, a port operated by the Company's subsidiary Stena Line Ports (Loch Ryan) Limited. The ports of Stranraer and Holyhead are owned by the Company and the port of Fishguard is owned by an associated undertaking but the Company retains the full benefit and responsibility for the port

The turnover and the profit for the year are as stated in the profit and loss account which is presented on page 9.

The turnover for the year reduced by 18% to £22,795,000 due to the loss of revenue at Stranraer following Stena Line Limited's move from Stranraer to Loch Ryan Port The underlying operating profit amounted to £3,786,000 compared with £5,993,000 in 2011. This reduction in profitability is primarily due to the cessation of trading at Stranraer Port.

Capital expenditure during the year of £311,000 is higher than the previous year's expenditure of £254,000

A revaluation of the Company's land, buildings and port infrastructure was undertaken as at 31 December 2012 by qualified external valuers, CB Richard Ellis Limited This valuation has been incorporated into the financial statements

The Company's net assets as at 31 December 2012 of £183,662,000 are £4,057,000 higher than as at 31 December 2011.

The relocation of Stena Line Limited's ferry operations from Stranraer will facilitate the potential redevelopment of the Stranraer waterfront In the Scottish Enterprise Dumfries and Galloway 5-year strategy (2003) the 26-acre site was identified as a key component in revitalising the Wigtownshire and South West Scotland's regional economy

On 6 June 2012 Isle of Anglesey County Council resolved to grant planning permission for a mixed-use marina development at Holyhead, Anglesey, Wales to Conygar Stena Line Limited, a joint venture between The Conygar Investment Company PLC and the Company The resolution to grant planning permission is subject to a number of relevant planning conditions and the signing of a S.106 agreement The main elements of the scheme include 326 apartments and townhouses, a 500 berth marina, 50,000 square feet of marine related retail, leisure, restaurants, hotel and office space along with considerable provisions for various local amenities and visitor attractions with public access a key element of the project.

Directors' Report *(continued)*

Principal activity and business review *(continued)*

On 3 January 2012 the Company subscribed for 22,000,000 £1 ordinary shares at nominal value in Stena Line Ports (Loch Ryan) Limited, for cash consideration.

On 5 December 2012 AB Stena Finans agreed to provide a new £100m loan facility to Stena Line Limited, Stena Line Irish Sea Ferries Limited, Stena Line (UK) Limited and the Company, as joint borrowers, for the period from 17 December 2012 to 18 December 2017 to meet working capital requirements. As at 31 December 2012 Stena Line Limited has drawn £40m under this facility.

On 14 December 2012 the Company repaid the balance outstanding on a £27m loan from AB Stena Finans

On 14 December 2012 the Company agreed to provide a £10m loan to Stena Line Ports (Loch Ryan) Limited for the period of five years until 18 December 2017 The loan is repayable on maturity This loan is unsecured and interest rates are linked to the London Inter-bank offered rate.

The Company's ports represent an important gateway between mainland Britain and Ireland and the profitability of the business is dependent on the volume throughput of the Company's customers and therefore cannot be expected to be immune from changes in economic activity levels in the UK and Republic of Ireland

In order to mitigate the potential impact from a weaker than expected economic environment the Company continues to focus on the management of its cost base Increases in overall costs that the Company is unable to pass on to its customers can be expected to impact the Company's future financial performance The Company's business rates and utilities costs can fluctuate in response to external factors and future changes in these costs could impact on future operating performance

The nature of the Company's business means that the health and safety of its employees and other persons involved in its operations is a continuous risk Effective management of health and safety matters can prevent serious injury and damage to infrastructure The Company manages this risk through a continuous process of safety audits and the enforcement of rigorous policies and procedures that are backed by a strong commitment from the Board

The Company is compliant with the latest version of the Port Marine Safety Code and the revised Guide to Good Practice on Port Marine Operations. The Code applies to all harbour authorities and requires the Company to identify all of the marine hazards present in its area of jurisdiction and to provide a safety management system, based upon formal risk assessments, designed to minimise or eliminate all of the risks presented by such hazards

Directors' Report *(continued)*

Principal activity and business review *(continued)*

The security of the Company's ports is also vital and the Company is fully compliant with the International Ship and Ports Facility Security Code and all UK and EU implementing legislation.

The Company is committed to establishing, implementing, maintaining and improving its environmental management system which is demonstrated by the Company Environmental Accreditation ISO 14001 2004 for the Port of Holyhead

Future prospects

The Company is actively considering opportunities for increasing existing business and developing new business.

Directors

The directors on the Board of Stena Line Ports Limited who held office during the year or subsequently were:

P G Blomdahl (resigned on 30 November 2012)
M A McGrath
L D Stracey
K MacLeod
O Helgesson
B E Koitrand

Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend for 2012 (2011. £nil) £1,308,000 (2011 £3,899,000) representing the retained profit for the financial year that has been transferred to reserves

Employees

The Company does not employ any personnel directly, but draws on the resources of other group undertakings for its business requirements.

Political and charitable contributions

The Company made no political or UK charitable contributions during the year (2011 £nil)

Directors' Report *(continued)*

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

By order of the board,

L D Stracey
Director
1 Suffolk Way
Sevenoaks
Kent TN13 1YL

23 September 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

KPMG LLP

8 Princes Parade
Liverpool
L3 1QH

Independent auditor's report to the members of Stena Line Ports Limited

We have audited the financial statements of Stena Line Ports Limited for the year ended 31 December 2012 set out on pages 9 to 27 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 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 web-site 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

Independent auditor's report to the members of Stena Line Ports Limited *(continued)*

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

Will Baker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

Date 25/9/2013

Profit and loss account
for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Turnover	2	**22,795**	27,681
Cost of sales		**(18,028)**	(20,424)
Gross profit		**4,767**	7,257
Administrative expenses		**(981)**	(1,264)
Operating profit		**3,786**	5,993
Interest receivable and similar income	4	**509**	477
Interest payable and similar charges	5	**(1,207)**	(130)
Profit on ordinary activities before taxation	2	**3,088**	6,340
Taxation on profit on ordinary activities	6	**(1,780)**	(2,441)
Profit for the financial year		**1,308**	3,899

The results for the current and prior years are derived from continuing operations

Note of historical cost profits and losses
for the year ended 31 December 2012

	2012 £000	2011 £000
Reported profit on ordinary activities before taxation	**3,088**	6,340
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	**3,358**	3,358
Historical cost profit on ordinary activities before taxation	**6,446**	9,698
Historical cost profit on ordinary activities after taxation	**4,666**	7,257

Balance Sheet
as at 31 December 2012

	Notes	2012 £000	2012 £000	2011 £000	2011 £000
Fixed assets					
Tangible assets	7		**156,217**		160,599
Investments	8		**26,729**		4,729
			182,946		165,328
Current assets					
Stocks	9	**59**		59	
Debtors (including £10,000,000 (2011 £nil) due after more than one year)	10	**16,067**		40,153	
Cash at bank and in hand		**1,919**		21,106	
		18,045		61,318	
Creditors:					
Amounts falling due within one year	11	**(8,634)**		(11,714)	
Net current assets			**9,411**		49,604
Total assets less current liabilities			**192,357**		214,932
Creditors:					
Amounts falling due after more than one year	12		**(7,494)**		(33,488)
Provision for taxes	13		**(1,201)**		(1,839)
Net assets			**183,662**		179,605
Capital and reserves					
Called up share capital	14		**30,000**		30,000
Revaluation reserve	14		**91,336**		91,945
Profit and loss account	14		**62,326**		57,660
Shareholders' funds			**183,662**		179,605

These financial statements were approved by the board of directors on 23 September 2013 and were signed on its behalf by

L D Stracey
Director

Statement of Total Recognised Gains and Losses
for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Profit for the financial year		**1,308**	3,899
Surplus arising on revaluation of properties and port infrastructure		**2,749**	-
Net profits recognised directly in equity		**2,749**	-
Total recognised profit relating to the financial year		**4,057**	3,899

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.

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain fixed assets

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

(b) Going concern

The financial statements have been prepared on a going concern basis because, after making due enquiries, the directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future

(c) Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

(d) Related party transactions

As the Company is a wholly-owned subsidiary of Stena AB, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Stena AB, within which this Company is included, can be obtained from the address given in note 16

(e) Turnover

Revenue is included in the period when a service is performed and principally comprises income from ships, cargo and passenger dues in respect of all movements through the Company's ports

Notes *(continued)*

1 Accounting policies *(continued)*

(f) Tangible fixed assets and depreciation

Tangible fixed assets are included in the balance sheet at historical cost, unless specifically stated as otherwise in the notes. Expenditure on tangible fixed assets, which includes own work and applicable interest, is capitalised above certain minimum monetary levels Cost includes directly attributable finance costs

The directors have adopted a policy of revaluation to freehold land and buildings and port infrastructure These financial statements incorporate a professional valuation of land, buildings and port infrastructure, which was undertaken as at 31 December 2012

Any surplus over net book values arising from the revaluation of fixed assets is credited to a revaluation reserve. Any deficit from net book values is charged to the profit and loss account unless the deficit is matched by a previous revaluation surplus on the same asset. To the extent that the depreciation charge for the year relates to an unrealised surplus, a transfer is made from the revaluation reserve to the profit and loss account

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

Heavy plant and machinery	- 20 to 25 years
Fixtures, fittings, tools and equipment	- 5 years
Computer hardware	- 3 to 5 years
Freehold buildings	- 40 years
Leasehold buildings	- life of lease

No depreciation is provided on freehold land

(g) Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Notes *(continued)*

1 Accounting policies *(continued)*

(h) Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

(i) Investments

Investments held as fixed assets are stated at cost less amounts written off in respect of any impairments. Dividends received and receivable are credited to the profit and loss account to the extent that they represent a realised profit for the Company

(j) Stocks

Stocks are stated at the lower of cost and net realisable value

(k) Insurance claims

Expenditures subject to insurance claims are included in debtors net of estimated amount of consequential loss at the point when recovery is virtually certain

(l) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

(m) Financial guarantee contracts

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Stena AB group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Notes *(contınued)*

2 Turnover and profit on ordinary activities before taxation

Turnover for the year relates to port operatıon ın the Company's ports

Profit on ordınary actıvıtıes before taxatıon ıs stated after chargıng/(credıtıng)

	2012	2011
	£000	£000
Rentals under operatıng leases		
Hıre of plant and machınery	**132**	271
Depreciatıon on tangıble fixed assets		
Owned assets	**7,409**	7,783
Government grants (note 12)	**(394)**	(394)

The depreciatıon charge for the year ıncludes £3,358,000 (2011· £3,358,000) relatıng to addıtıonal depreciatıon on revalued tangıble fixed assets

Auditor's remuneratıon

	2012	2011
	£000	£000
Audıt of these financıal statements	**25**	25
Audit of financıal statement of associates of the Company	**3**	3

Audıtor's remuneratıon ıs borne by Stena Lıne Lımıted and no charge ıs ıncluded ın these financıal statements (2011. £nıl)

3 Directors and employees

The dırectors receıved no emoluments for servıces provıded to the Company durıng the year (2011· £nıl)

The Company does not employ any personnel dırectly but draws on the resources of Stena Lıne Lımıted for its busıness requırements Cost of sales ıncludes employee costs recharged by Stena Lıne Lımıted amountıng to £3,863,000 (2011: £4,515,000).

4 Interest receivable and similar income

	2012	2011
	£000	£000
Bank ınterest receıvable	**4**	3
Interest receıvable from subsıdıary undertakıng	**15**	-
Other financıal ıncome from other group undertakıngs	**490**	474
	509	477

Notes *(continued)*

4 Interest receivable and similar income *(continued)*

Other financial income relates to commission received from another group company for the provision of security for group borrowings (see note 15 (c))

5 Interest payable and similar charges

	2012 £000	2011 £000
Bank overdraft	**(105)**	(121)
Interest payable to other group undertakings	**(1,100)**	-
Other financial expenses	**(2)**	(9)
	(1,207)	(130)

6 Taxation

Analysis of charge in period

	2012 £000	2011 £000
UK corporation tax		
Group relief payable	**2,434**	3,587
Adjustment in respect of previous periods	**(16)**	(28)
Total current tax	**2,418**	3,559
Deferred tax (see note 13)		
Origination/reversal of timing differences	**(638)**	(1,118)
Total deferred tax	**(638)**	(1,118)
Tax on profit on ordinary activities	**1,780**	2,441

Factors affecting the tax charge for the current period

The standard rate of tax applied to the loss on ordinary activities before taxation is a hybrid rate of 24.5% The current tax charge for the period is higher (2011. higher) than the standard rate of corporation tax in the UK during the year of 24.5% (2011: 26 5%) The differences are explained below.

Notes *(continued)*

6 Taxation *(continued)*

	2012 £000	2011 £000
Current tax reconciliation		
Profit on ordinary activities before tax	**3,088**	6,340
Current tax at 24.5% (2011 26 5%)	**756**	1,680
Effects of		
Expenses not deductible for tax purposes	**996**	1,045
Capital allowances in excess of depreciation	**682**	860
Other timing differences	**-**	2
Adjustments in respect of previous periods	**(16)**	(28)
Total current tax charge (see above)	**2,418**	3,559

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date

Notes *(continued)*

7 Tangible fixed assets

(a)

	Plant & Machinery £000	Fixtures, fittings, tools & equipment £000	Freehold Land & Buildings £000	Total £000
Cost/valuation at 1 January 2012	15,150	3,252	164,601	183,003
Additions	-	288	23	311
Disposals	(1,089)	(917)	-	(2,006)
Transfers and adjustments	1,067	(285)	-	782
Revaluation adjustment	(5,698)	-	(18,034)	(23,732)
Cost/valuation at 31 December 2012	9,430	2,338	146,590	158,358
Depreciation at 1 January 2012	8,202	2,550	11,652	22,404
Charged during the year	1,384	196	5,829	7,409
Disposals	(1,069)	(904)	-	(1,973)
Transfers and adjustments	483	299	-	782
Revaluation adjustment	(9,000)	-	(17,481)	(26,481)
Depreciation at 31 December 2012	-	2,141	-	2,141
Net book value at 31 December 2012	**9,430**	**197**	**146,590**	**156,217**
Net book value at 31 December 2011	6,948	702	152,949	160,599

(b)

	Plant & Machinery £000	Fixtures, fittings, tools & equipment £000	Freehold Land & Buildings £000	Total £000
Analysis of cost/valuation at 31 December 2012				
At cost	5,360	2,338	100	7,798
Revaluation adjustment	4,070	-	146,490	150,560
At valuation (note 7 (e))	9,430	2,338	146,590	158,358
Comparable amounts determined according to the historical cost convention				
Cost	33,990	2,338	95,968	132,296
Accumulated depreciation	29,865	2,141	35,409	67,415
Net book value at 31 December 2012	4,125	197	60,559	64,881
Net book value at 31 December 2011	7,499	1,905	59,250	68,654

Notes *(continued)*

7 Tangible fixed assets *(continued)*

(c) Under the British Rail Shipping and Harbours Scheme 1979 made pursuant to the Transport Act 1968 all the property rights in the harbours now being operated by the Company were transferred from the British Railways Board to Stena Line Limited Under the Sealink Harbours Scheme 1981 made pursuant to the Transport Act 1981 the same property rights were transferred from Stena Line Limited to the Company

(d) The net book value of land and building included in note 7(a) comprises:

	2012	2011
	£000	£000
Freehold land	**7,057**	6,649
Buildings on freehold land	**139,533**	146,300
	146,590	152,949

(e) Freehold land not subject to depreciation is included in note 7(a) in the following amounts

	2012	2011
	£000	£000
At cost	**-**	-
At valuation	**7,057**	6,649
	7,057	6,649

(f) These financial statements incorporate a professional valuation of land, buildings and port infrastructure The valuation was undertaken by external valuers, CB Richard Ellis Limited, and was based on the depreciated replacement cost for existing use of the land, buildings and port infrastructure owned or leased by the Company at Holyhead and Fishguard and the market value of the land at Stranraer as at 31 December 2012 The effect of this revaluation can be summarised as follows

	£000
Decrease in value of properties	**(553)**
Increase in value of plant and equipment	**3,302**
	(2,749)

Notes *(continued)*

7 Tangible fixed assets *(continued)*

(g) The port at Fishguard is owned by an associated undertaking. The Company retains the full benefit and responsibility for the port and it is therefore treated as a tangible fixed asset in these financial statements replacing the entire cost of the investment in the associated undertaking

8 Fixed asset investments

	Shares in group undertakings £000
Cost at 1 January 2012	4,729
Additions during the year	22,000
Cost at 31 December 2012	26,729

In the opinion of the directors the aggregate value of assets consisting of shares in subsidiary undertakings is not less than the aggregate amount at which the assets are stated

The companies in which the Company's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
Stena Line Ports (Loch Ryan) Limited	Great Britain	Port operation	100%
Associated undertakings			
Fishguard & Rosslare Railways & Harbour Company	Great Britain	Port operation	50%
Conygar Stena Line Limited	Great Britain	Property	50%

All shareholdings in subsidiary undertakings represent ordinary shares

The Company owns the entire issued share capital of Stena Line Ports (Loch Ryan) Limited, a company registered in Scotland. The principal activity of Stena Line Ports (Loch Ryan) Limited is the operation of Loch Ryan Port which is situated at Old House Point, Cairnryan, Scotland

On 3 January 2012 the Company subscribed for 22,000,000 £1 ordinary shares at nominal value in Stena Line Ports (Loch Ryan) Limited

Notes *(continued)*

8 Fixed asset investments *(continued)*

The company owns £794,500 guaranteed debenture stock 3 5%, £220,994 new guaranteed 3 5% preference stock 1914 and 36,000 new guaranteed ordinary shares of £10 each and 14,000 guaranteed ordinary shares of £10 each in the Fishguard and Rosslare Railways and Harbours Company (which is registered in England and Wales) This represents 50% of the ordinary shares, 100% of issued guaranteed debenture stock and 15 1% of issued preference stock respectively This associated undertaking owns the harbours at Fishguard and Rosslare, which are its primary assets As the Company retains the full benefit from and the responsibility for the port at Fishguard the entire cost of this investment has been replaced by the fixed assets relating to this port

The Company receives no financial benefit from its interests in and has no responsibility for the port at Rosslare and accordingly it does not include the fixed assets relating to that port in these financial statements.

The Company also owns 50% of the issued share capital of Conygar Stena Line Limited, a company registered in England and Wales. This associated company owns freehold and leasehold land at Holyhead for the purposes of a waterfront development.

9 Stocks

	2012	2011
	£000	£000
Materials and consumables	**59**	59

10 Debtors

	2012	2011
	£000	£000
Falling due within one year:		
Trade debtors	**2,749**	4,144
Amount owed by parent undertaking	**2,947**	3,471
Amount owed by subsidiary undertaking	**15**	-
Amount owed by other group undertakings	**4**	31,500
Prepayments and accrued income	**352**	1,038
	6,067	40,153
Falling due after more than one year:		
Amount owed by subsidiary undertaking	**10,000**	-
	16,067	40,153

Notes *(continued)*

10 Debtors *(continued)*

On 1 April 2009 the Company entered into a Deed of Waiver with Stena Line Limited, the terms of which were varied on 19 October 2009, on 4 May 2010, on 19 May 2011 and on 22 August 2012 (the Amended Deed). Under the terms of the Amended Deed the amount owed by Stena Line Limited shall not be repayable to the Company until 31 December 2013. The amount outstanding at 31 December 2012 totalled £nil (2011: £31,490,000) and is included in amounts owed by other group undertakings falling due within one year

On 14 December 2012 the Company agreed to provide a £10m loan to Stena Line Ports (Loch Ryan) Limited for the period of five years until 18 December 2017 The loan is repayable on maturity. This loan is unsecured and interest rates are linked to the London Inter-bank offered rate The amount outstanding at 31 December 2012 of £10,000,000 (2011. £nil) is included in amounts owed by subsidiary undertaking falling due after more than one year

11 Creditors: Amounts falling due within one year

	2012 **£000**	2011 £000
Trade creditors	**67**	83
Amounts owed to subsidiary undertaking	**73**	110
Amounts owed to other group undertakings	**5,756**	8,508
Other creditors	**-**	31
Accruals and deferred income	**2,738**	2,982
	8,634	11,714

12 Creditors: Amounts falling due after more than one year

	2012 **£000**	2011 £000
Amount owed to other group companies	**-**	25,600
Accruals and deferred income	**7,494**	7,888
	7,494	33,488

On 29 December 2011 AB Stena Finans provided a £27m loan to the Company for the period of ten years until 31 December 2021 at an interest rate of LIBOR plus 3%. The loan was repayable in 19 equal 6 monthly instalments of £0.7m with the balance of £13 7m payable on maturity On 14 December 2012 the amount outstanding of £26 8m was repaid in full

Notes *(continued)*

12 Creditors: Amounts falling due after more than one year *(continued)*

The amount outstanding at 31 December 2012 of £nil (2011 £27,000,000) is included in amounts owed to other group undertakings and is repayable as follows·

	2012	2011
	£000	£000
After 5 years	-	20,000
Between two and five years	-	5,600
	-	25,600
Within one year	-	1,400
	-	27,000

On 5 December 2012 the Company entered into a £100m loan facility as joint borrowers with Stena Line Limited, Stena Line Irish Sea Ferries Limited and Stena Line (UK) Limited and the Company, as joint borrowers. At 31 December 2012 the Company had not utilised this facility, but Stena Line Limited had drawndown £40m This loan is unsecured and interest rates are linked to the London Inter-bank offered rate This loan is repayable on 18 December 2017

Accruals and deferred income represent government grants received but not yet credited to the profit and loss account as follows:

	2012	2011
	£000	£000
Amounts falling due after one year	**7,494**	7,888
Amounts falling due within one year	**394**	394
	7,888	8,282

This amount primarily relates to grants received from the European Regional Development Fund An amount of £394,000 (2011. £394,000) has been released to the profit and loss account during the year Included in accruals and deferred income falling due within one year is an amount of £394,000 (2011 £394,000) which will be released to the profit and loss account during 2013.

13 Provision for taxes

	Deferred tax liability
	£000
At beginning of year	**1,839**
Credit to the profit and loss for the year	**(638)**
At end of year	**1,201**

Notes *(continued)*

13 Provision for taxes *(continued)*

The elements of deferred taxation are as follows:

	2012 **£000**	2011 £000
Difference between accumulated depreciation and amortisation and capital allowances	**1,339**	1,967
Other timing differences	**(138)**	(128)
Deferred tax liability	**1,201**	1,839

As at 31 December 2012, there is unrecognised deferred tax liabilities of £4,274,000 (2011: £4,807,000) relating to accelerated capital allowances

14 Capital and reserves

(a) Called up share capital

	2012 **£000**	2011 £000
Authorised, allotted, called up and fully paid:		
30,000,000 ordinary shares of £1 each	**30,000**	30,000

(b) Movements on capital and reserves

	Called up share capital £000	**Revaluation reserve £000**	**Profit and loss account £000**	**Total £000**
At 1 January 2012	30,000	91,945	57,660	179,605
Retained profit for the financial year	-	-	1,308	1,308
Transfer amount equivalent to additional depreciation on revalued assets	-	(3,358)	3,358	-
Surplus on revaluation of properties and port infrastructure	-	2,749	-	2,749
At 31 December 2012	30,000	91,336	62,326	183,662

Notes *(continued)*

14 Capital and reserves *(continued)*

(c) Reconciliation of movements in equity shareholders' funds

	2012	2011
	£000	£000
Retained profit for the financial year	**1,308**	3,899
Surplus on revaluation of properties and port infrastructure	**2,749**	-
Opening shareholders' funds	**179,605**	175,706
Closing shareholders' funds	**183,662**	179,605

15 Commitments and contingencies

(a) Capital commitments at the end of the financial year for which no provision has been made:

	2012	2011
	£000	£000
Expenditure contracted for	-	13
Expenditure approved by the directors but not contracted for	**72**	69
	72	82

(b) Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings		**Other**	
	2012	2011	**2012**	2011
	£000	£000	**£000**	£000
Operating leases which expire:				
Within 1 year	**7**	7	-	-
Within 2 – 5 years inclusive	-	-	**133**	146
	7	7	**133**	146

(c) Charge on assets

The Company has provided security for borrowings of other group undertakings At 31 December 2012 these borrowings were secured by a legal charge on the Port of Holyhead

Notes *(continued)*

(d) Contingent liabilities *(continued)*

(i) The Company has guaranteed the obligations of its subsidiary undertaking, Stena Line Ports (Loch Ryan) Limited, to Scottish Enterprise under an agreement between Scottish Enterprise and Stena Line Ports (Loch Ryan) Limited in respect of a contribution of £1.3m towards remediation works to facilitate the development of Loch Ryan Port, Cairnryan

(ii) The Company has guaranteed the obligations of Stena Line Ports (Loch Ryan) Limited under a 99-year lease of the foreshore and seabed at Loch Ryan Port, Cairnryan from the Crown Estate Commissioners

(iii) On 10 July 2013 the Company entered into a deed of amendment to guarantee the obligations of another group undertaking, Stena Line Limited, to pay to the Stena Line (UK) Pension Scheme contributions of £10 3m in 2013, increasing by 3% per annum in each subsequent year with the final payment in 2021 under the terms of a Recovery Plan, in respect of the deficit disclosed by the 31 March 2012 valuation of the Stena Line (UK) Pension Scheme

(iv) The Company has guaranteed the obligations of Stena Line Limited to pay to the Merchant Navy Officers Pension Fund 9 equal half yearly instalments of £1 5m from 30 September 2010 to 30 September 2014 and 12 equal half yearly instalments of £3 1m due from 31 March 2015 to 30 September 2020.

(v) On 5 December 2012 AB Stena Finans agreed to provide a new £100m loan facility to Stena Line (UK) Limited, Stena Line Limited, Stena Line Irish Ferries Limited and the Company, as joint borrowers for the period from 17 December 2012 to 18 December 2017 to meet working capital requirements. As at 31 December 2012 Stena Line Limited has drawn £40m under this facility. In the event the other borrowers do draw down on this facility, Stena Line Ports Limited will be liable in the event of a default from the other borrowers.

Notes *(continued)*

16 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company's ultimate parent undertaking and controlling party is Stena AB, a company incorporated in Sweden. The Company's immediate parent undertaking is Stena Line (UK) Limited, incorporated in Great Britain and registered in England and Wales

The only group in which the results of the Company are consolidated is that headed by Stena AB The consolidated financial statements of this group are available from Stena AB, S-405 19 Gothenburg, Sweden.