

Stena HSD Limited

**Directors' report and financial
statements**

Registered number 2849743

31 December 2009



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2009

Principal activities

The company has not traded since its assets and liabilities were transferred to a fellow group company on 2 March 2007. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Proposed dividend

The directors do not recommend the payment of a dividend (2008: *nil*)

Directors

The directors who held office during the year and up to the date of this report were as follows

TW Welo
SW Hultgren
P Claesson
JO Banks

Certain directors benefited from qualifying third party indemnity provision in place during the financial year and at the date of this report


Disclosure of information to auditors

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

Auditors

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

By order of the board



GA Cowie
Secretary

45 Albemarle Street
London
W1S 4JL

27 July 2010

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 judgements 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. (As explained in note 1 the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis)

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 its 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.



37 Albyn Place
Aberdeen
AB10 1JB
United Kingdom

Independent auditors' report to the members of Stena HSD Limited

We have audited the financial statements of Stena HSD Limited for the year ended 31 December 2009 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements.

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 auditors

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 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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of its result 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 by the company, 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.

D MacAskill (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
27 July 2010

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 \$000	2008 \$000
Administrative expenses		-	(10)
Result (loss) on ordinary activities before taxation	<i>2-4</i>	-	(10)
Tax on result (loss) on ordinary activities	<i>5</i>	-	(3,906)
Result (loss) for the financial year	<i>9</i>	-	(3,916)

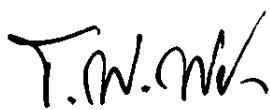
Turnover and operating loss in the prior year arose wholly from discontinued operations

The company had no recognised gains or losses other than the result (loss) for the financial years reported above

Balance sheet
at 31 December 2009

	<i>Note</i>	2009	2008
		\$000	\$000
Current assets			
Debtors	6	3,274	2,987
Creditors amounts falling due within one year	7	(2,310)	(2,023)
Net current assets		964	964
Total assets less current liabilities		964	964
Net assets		964	964
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	964	964
Shareholders' funds	10	964	964

These financial statements were approved by the board of directors on 27 July 2010 and were signed on its behalf by


TW Welo
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 financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. In previous years, the financial statements have been prepared on a going concern basis. However on 2 March 2007 the directors took the decision to cease trading following the transfer of the company's trade to a fellow group company. As they do not intend to acquire a replacement trade, the directors have not prepared these financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Under Financial Reporting Standard 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.

The functional currency of the company (and the Stena Drilling (Holdings) Limited group) is United States Dollars. The dollar is the prevalent currency used within the oil industry and the Company has a significant level of dollar assets and financing. The financial statements are therefore presented in US dollars.

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). A copy of the consolidated financial statements of Stena AB, within which this company is included, can be obtained from the address given in note 11.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the results 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.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the company

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (ie forming part of shareholders' funds) only to the extent that they meet the following two conditions

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

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.

2 Notes to the profit and loss account

	2009 \$000	2008 \$000
<i>Auditors' Remuneration</i>		
Audit of these financial statements	1	3
	<u>1</u>	<u>3</u>

The audit fee was borne by a fellow group undertaking on behalf of the company in both the current and prior year.

3 Remuneration of directors

None of the directors received any remuneration in respect of their services to the company during the year (2008 \$nil)

4 Staff numbers and costs

The company had no employees during the year (2008 none)

Notes (continued)

5 Taxation

Analysis of charge in year

	2009 \$000	2008 \$000
<i>Group Relief</i>		
Adjustment in respect of prior years	-	3,906
	<hr/>	<hr/>
Total current tax being tax on the result (2008 loss) on ordinary activities	-	3,906
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is equal to (2008 higher than) the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	2009 \$000	2008 \$000
<i>Current tax reconciliation</i>		
Result (loss) on ordinary activities before tax	-	(10)
	<hr/>	<hr/>
Current tax at 28% (2008 28.5%)	-	(3)
	<hr/>	<hr/>
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	3
Adjustments in respect of prior years group relief	-	3 906
	<hr/>	<hr/>
Total current tax charge (see above)	-	3 906
	<hr/>	<hr/>

6 Debtors

	2009 \$000	2008 \$000
Amounts owed by group undertakings	3,221	2,934
Other debtors	53	53
	<hr/>	<hr/>
	3,274	2,987
	<hr/>	<hr/>

7 Creditors amounts falling due within one year

	2009 \$000	2008 \$000
Amounts owed to group undertakings	2,310	2,023
	<hr/>	<hr/>

Notes (continued)

8 Called up share capital

	2009	2008
	\$	\$
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	2	2
	<u>2</u>	<u>2</u>

9 Profit and loss account

	2009
	\$000
At beginning of year	964
Result for the year	-
	<u>964</u>
At end of year	<u>964</u>

10 Reconciliation of movements in shareholders' funds

	2009	2008
	\$000	\$000
Result (loss) for the financial year being net reduction in shareholders' funds	-	(3,916)
Opening shareholders' funds	964	4,880
	<u>964</u>	<u>4,880</u>
Closing shareholders' funds	<u>964</u>	<u>964</u>

11 Ultimate holding company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Stena AB, a company incorporated in Sweden, which is the company's ultimate parent company and ultimate controlling party

The largest group in which the results of the company are consolidated is that headed by Stena AB. Copies of the consolidated financial statements of Stena AB can be obtained from Patent och Registreringsverket, Bolagsavdelningen, 851 81 Sunsvall, Sweden

The smallest group in which the results of the company are consolidated is that headed by Stena Drilling (Holdings) Limited, a company incorporated in England and Wales. Copies of the consolidated financial statements of Stena Drilling (Holdings) Limited can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ