
P&O Scottish Ferries Limited

Unaudited

Directors' report and financial statements

For the Year Ended 31 December 2016



P&O Scottish Ferries Limited

Company Information

Directors	S M Qureshi G R Jayaraman
Company secretary	M Al Hashimy
Registered number	00071375
Registered office	16 Palace Street London SW1E 5JQ

P&O Scottish Ferries Limited

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P&O Scottish Ferries Limited

Directors' report For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the financial statements unless 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 accounting 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 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.

Principal activity

The Company ceased its main business of ship owning and passenger and freight ferry services on 11 November 2002. The Company also participates in three funded defined benefit pension schemes.

Results and dividends

The loss for the year, after taxation, amounted to £792 thousand (2015 - loss £856 thousand).

No dividends (2015 - £NIL) were declared or paid during the year.

Directors

The directors who served during the year were:

S M Qureshi
G R Jayaraman

P&O Scottish Ferries Limited

**Directors' report
For the Year Ended 31 December 2016**

Political contributions

During the year the Company has made no charitable or political donations (2015: *£NIL*).

This report was approved by the board on 25 September 2017 and signed on its behalf.



S M Qureshi
Director

P&O Scottish Ferries Limited

**Statement of comprehensive income
For the Year Ended 31 December 2016**

	Note	2016 £000	2015 £000
Administrative expenses		(285)	(286)
Operating loss		(285)	(286)
Net Interest costs on net defined benefit liability/(asset)	4	(507)	(570)
Loss for the year		(792)	(856)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on defined benefit schemes		(22,759)	1,443
Other comprehensive income net of tax		(22,759)	1,443
Total comprehensive income for the year		(23,551)	587

The notes on pages 7 to 18 form part of these financial statements.

P&O Scottish Ferries Limited
Registered number:00071375

Statement of financial position
As at 31 December 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Investments	6		403		403
			<u>403</u>		<u>403</u>
Creditors: amounts falling due within one year	7	(9,216)		(5,931)	
Net current liabilities			<u>(9,216)</u>		<u>(5,931)</u>
Total assets less current liabilities			<u>(8,813)</u>		<u>(5,528)</u>
Net assets excluding pension liability			<u>(8,813)</u>		<u>(5,528)</u>
Pension liability			<u>(31,813)</u>		<u>(11,547)</u>
Net liabilities			<u><u>(40,626)</u></u>		<u><u>(17,075)</u></u>
Capital and reserves					
Called up share capital	8		8,148		8,148
Profit and loss account			<u>(48,774)</u>		<u>(25,223)</u>
			<u><u>(40,626)</u></u>		<u><u>(17,075)</u></u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

25 September 2017

S M Qureshi

Director

The notes on pages 7 to 18 form part of these financial statements.

P&O Scottish Ferries Limited

**Statement of changes in equity
As at 31 December 2016**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2016	8,148	(25,223)	(17,075)
Comprehensive income for the year			
Loss for the year	-	(792)	(792)
Actuarial losses on pension scheme	-	(22,759)	(22,759)
Other comprehensive income for the year	-	(22,759)	(22,759)
Total comprehensive income for the year	-	(23,551)	(23,551)
Total transactions with owners	-	-	-
At 31 December 2016	8,148	(48,774)	(40,626)

P&O Scottish Ferries Limited

**Statement of changes in equity
As at 31 December 2015**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2015	8,148	(25,810)	(17,662)
Comprehensive income for the year			
Loss for the year	-	(856)	(856)
Actuarial gains on pension scheme	-	1,443	1,443
Other comprehensive income for the year	-	1,443	1,443
Total comprehensive income for the year	-	587	587
Total transactions with owners	-	-	-
At 31 December 2015	8,148	(25,223)	(17,075)

The notes on pages 7 to 18 form part of these financial statements.

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

1. Accounting policies

1.1 Basis of preparation of financial statements

P&O Scottish Ferries Limited (the 'Company') is a company incorporated and domiciled in the UK.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the accounts of the Company except as noted below.

Basis of Preparation

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its Group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. In these financial statements, the Company has applied exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, and investments;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Port & Free Zone World FZE ('ultimate parent undertaking') include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

1.2 Going concern

The Company has net liabilities of £40,626 thousand. The parent company, The Peninsular and Oriental Steam Navigation Company, has given a written undertaking that it will continue to support the Company and its present activities. The directors acknowledge that there can be no certainty that this support will continue, although they have no reason to believe that it will not do so. Based on this undertaking, the directors consider it remains appropriate to prepare the financial statements on a going concern basis.

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

1. Accounting policies (continued)

1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Other investments in debt and equity securities held by the Company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised in equity is recognised in profit or loss.

1.4 Debtors

Short term debtors are measured initially at fair value and subsequently at amortised cost less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.5 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

1. Accounting policies (continued)

1.6 Pensions

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method.

The discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Company's obligations.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the profit and loss account on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the profit and loss account.

When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using actuarial assumptions and the resultant gain or loss recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

Actuarial gains and losses that arise in calculating the Company's obligation in respect of a plan are recognised in the period in which they arise directly in other comprehensive income.

The operating and financing costs of defined benefit pension plans are recognised in the profit and loss account; current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the year and net financing costs are recognised in the finance income or expense in the periods within which they arise.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

2. Employees

The Company has no employees other than the directors (see note 4).

3. Directors' remuneration

During the year, no director received any emoluments (2015: £NIL).

The directors do not believe that it is practicable to apportion these emoluments between their services as directors of the Company and their services as directors/employees of other group undertakings.

4. Other Finance Costs

	2016	2015
	£000	£000
Net interest cost on defined benefit liability	(507)	(570)
	<u>(507)</u>	<u>(570)</u>

5. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is nil (2015 - nil) than the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016	2015
	£000	£000
Loss on ordinary activities before tax	<u>(792)</u>	<u>(856)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(158)	(173)
Effects of:		
Non-taxable income less expenses not deductible for tax purposes	<u>158</u>	<u>173</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

5. Taxation (continued)

Factors that may affect future tax charges

From 1 April 2015 the UK corporation tax rate was reduced from 21% to 20%.

A further reduction from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

The rate change will impact the amount of future tax recognised by the company. However it does not have any effect on the current year results.

Unrecognised deferred tax

No deferred tax has been recognised at the end of the year.

6. Fixed asset investments

	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
Cost of investments			
At 1 January 2016	400	3	403
At 31 December 2016	400	3	403
Cost of investments			
At 31 December 2016	400	3	403
<i>At 31 December 2015</i>	400	3	403

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
P&O Scottish Ferries Ship Management Limited	Ordinary shares	100 %

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

7. Creditors: Amounts falling due within one year

	2016	2015
	£000	£000
Amounts owed to group undertakings	9,216	5,931
	9,216	5,931

Amounts owed to group companies are unsecured, bear no interest and have no fixed repayment terms.

8. Share capital

	2016	2015
	£000	£000
Allotted, called up and fully paid		
814,844 Ordinary Shares shares of £10 each	8,148	8,148

9. Pension commitments

The Company participates in a number of pension schemes throughout the world.

Merchant Navy Officers' Pension Fund ("MNOFF")

The MNOFF Scheme is an industry wide multi-employer defined benefit scheme, in which officers employed by the Company have participated. The scheme is divided into two sections, the Old Section and the New Section, both of which are closed to new members.

The Old section completed a buy-out of all its members benefit obligations in July 2014, following which the Old Section was wound up. Therefore, no further liabilities were assigned to the Company in respect of the Old Section.

The most recent formal actuarial valuation of the New Section was carried out as at 31 March 2015. This resulted in a deficit of GBP 0.9 million. The Trustee Board believe their investment strategy will address this deficit and therefore has not issued deficit contribution notices to employers in respect of the 2015 actuarial valuation. The New Section closed to future accrual in April 2016. The Company's aggregated outstanding deficit contributions from 2009 and 2012 actuarial valuations (including an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share) are £1.5 million per annum from 2017 to 2020 and £0.3 million per annum from 2021 to 2023.

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The Company's share of the net deficit of the New Section at 10 February 2017 is estimated at 5.33%.

P&O UK Scheme

The P&O UK Scheme was closed to routine new members on 1 January 2002.

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

9. Pension commitments (continued)

The company made no contributions to the P&O UK Scheme, as The Peninsular and Oriental Steam Navigation Company, its immediate parent undertaking, agreed to take on the liability for any P&O UK Scheme deficit payments relating to P&O Scottish Ferries Limited from 30 March 2007, and the company is therefore accounting for the P&O UK Scheme under IAS 19.

Merchant Navy Ratings' Pension Fund ("MNRPF")

The MNRPF Scheme is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by the Company has participated. The scheme has a significant funding deficit and has been closed to further benefit accrual.

The most recent formal actuarial valuation was carried out as at 31 March 2014. The Company's deficit contributions arising from this valuation totalled £3.0 million (equating to 7.3% share of the net deficit). Outstanding deficit contributions of £0.4 million per annum have been agreed to be paid until and including 2022. The Company is awaiting the results of the Scheme's actuarial valuation as at 31 March 2017.

The Company which is no longer a current employer in the MNRPF had settled its statutory debt obligation and was not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustees could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Company appealed the decision, it was not overturned.

The amounts recognised in the balance sheet are as follows:

	2016 £000	2015 £000
Present value of obligations	(80,393)	(68,852)
Fair value of plan assets	48,580	57,305
	<u>(31,813)</u>	<u>(11,547)</u>

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

9. Pension commitments (continued)

The re-measurements of the net defined benefit liability recognised in the statement of other comprehensive income is as follows:

	2016 £000	2015 £000
Actuarial loss/(gain) recognised in the year	14,949	(2,434)
Return on plan assets lesser/ (greater) than the discount rate	11,906	(4,684)
Change in share in multi-employer scheme	(1,196)	(282)
Movement in minimum funding liability	(2,900)	5,957
	<u>22,759</u>	<u>(1,443)</u>

The pension costs for defined benefit schemes are as follows:

	2016 £000	2015 £000
Administration costs	(285)	(286)
Net interest cost on net defined benefit liability/(asset)	(507)	(570)
Total expenses recognised in the income statement	<u>(792)</u>	<u>(856)</u>

The latest valuation of the defined benefit schemes have been updated to 31 December 2016 by qualified independent actuaries. The principal assumptions are included in the table below.

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered, may not necessarily be borne out of practice.

	MNOFF Scheme		MNRPF Scheme	
	2016	2015	2016	2015
Discount rates	2.5%	3.7%	2.5%	3.7%
Discount rates - Bulk Annuity Asset	n/a	n/a	n/a	n/a
Expected rate of salary increases	n/a	n/a	n/a	n/a
Pension increases:				
- Deferment	2.5%	2.2%	2.5%	2.2%
- Payment	3.4%	3.1%	3.4%	3.1%
Inflation	3.5%	3.2%	3.5%	3.2%

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

9. Pension commitments (continued)

The assumptions for pensioner longevity under both the P&O UK scheme and the MNOPF scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	MNOPF Scheme £000	MNRPF Schemes £000	Total Fair value £000
2016			
Equities	9,593	4,335	13,928
Bonds	13,898	20,754	34,652
Others	-	-	-
	<u>23,491</u>	<u>25,089</u>	<u>48,580</u>
2015			
Equities	14,400	2,800	17,200
Bonds	24,715	10,190	34,905
Others	-	5,200	5,200
	<u>39,115</u>	<u>18,190</u>	<u>57,305</u>

With the exception of the insured pensioner liability all material investments have quoted prices in active markets.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below:

	Male		Female	
	Age 65 now	Age 65 in 20 years' time	Age 65 now	Age 65 in 20 years' time
2016				
MNRPF scheme	20.9	23.6	26.4	29.1
MNOPF scheme	23.0	25.9	26.4	29.2
2015				
MNRPF scheme	22.7	25.6	26.3	29.3
MNOPF scheme	22.7	25.6	26.3	29.3

At 31 December 2016 the weighted average duration of the defined benefit obligation was 17.3 years (2015: 15.8 years).

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

9. Pension commitments (continued)

Reconciliation of the opening and closing present value of defined benefit obligations and fair value of scheme assets for the period ended 31 December 2016:

	MNOFF Scheme £000	MNRPF Scheme £000	Total £000
Present value of obligation at 1 January 2016	(37,437)	(22,941)	(60,378)
Interest cost on Defined Benefit Obligation	(1,729)	(847)	(2,576)
Actuarial gain/(loss) - experience	32	158	190
Actuarial gain/(loss) - demographic assumptions	448	-	448
Actuarial gain/(loss) - financial assumptions	(10,693)	(4,894)	(15,587)
Gain/(Loss) due to change in share	-	-	-
Actual benefit paid	2,369	1,035	3,404
Present value of obligation at 31 December 2016	(47,010)	(27,489)	(74,499)
Fair value of scheme assets at 1 January 2016	39,115	18,191	57,306
Interest income on assets	1,729	659	2,388
Return on plan assets (greater)/less than the discount rate	(16,200)	4,294	(11,906)
Actual employer contributions	1,496	1,789	3,285
Actual benefit paid	(2,369)	(1,035)	(3,404)
Gain/(Loss) due to change in share	(152)	1,348	1,196
Administration costs incurred during period	(128)	(157)	(285)
Fair value of scheme assets at 31 December 2016	23,491	25,089	48,580
Irrecoverable surplus at 1 January 2016	(6,262)	(2,213)	(8,475)
Interest cost on irrecoverable surplus	(256)	(63)	(319)
Actuarial loss during the year	2,977	(77)	2,900
Irrecoverable surplus at 31 December 2016	(3,541)	(2,353)	(5,894)
Defined benefit schemes net liabilities at 31 December 2016	(23,519)	(2,400)	(25,919)
Minimum funding liability	(3,541)	(2,353)	(5,894)
Defined benefit scheme net liability at 31 December 2016	(27,060)	(4,753)	(31,813)

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

9. Pension commitments (continued)

Reconciliation of the opening and closing present value of defined benefit obligations and fair value of scheme assets for the period ended 31 December 2015:

	MNOFF Scheme £000	MNRPF Scheme £000	Total £000
Present value of obligation at 1 January 2015	(40,352)	(24,070)	(64,422)
Interest cost on Defined Benefit Obligation	(1,793)	(847)	(2,640)
Actuarial gain/(loss) - experience	1,889	(690)	1,199
Actuarial gain/(loss) demographic assumptions	-	376	376
Actuarial gain/(loss) - financial assumptions	546	314	860
Gain/(Loss) due to change in share	-	1,098	1,098
Actual benefit paid	2,273	878	3,151
Present value of obligation at 31 December 2015	(37,437)	(22,941)	(60,378)
	-	-	-
Fair value of scheme assets at 1 January 2015	35,849	16,814	52,663
Interest income on assets	1,601	565	2,166
Return on plan assets (greater)/less than the discount rate	2,602	2,082	4,684
Actual employer contributions	1,496	549	2,045
Actual benefit paid	(2,273)	(878)	(3,151)
Gain/(Loss) due to change in share	-	(816)	(816)
Administration costs incurred during period	(160)	(125)	(286)
Fair value of scheme assets at 31 December 2015	39,115	18,191	57,305
Irrecoverable surplus at 1 January 2015	(2,420)	-	(2,420)
Interest cost on irrecoverable surplus	(96)	-	(96)
Change in irrecoverable surplus	(3,746)	(2,213)	(5,958)
Irrecoverable surplus at 31 December 2015	(6,262)	(2,213)	(8,474)
Defined benefit schemes net liabilities at 31 December 2015	(4,584)	(6,962)	(11,547)
Defined benefit schemes net liabilities at 31 December 2015	(4,584)	(6,962)	(11,547)

P&O Scottish Ferries Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

9. Pension commitments (continued)

It is anticipated that the company will make the following contributions to the pension schemes in 2017:

	MNOPF Scheme £000	MNRPF Scheme £000	Total £000
Pension scheme contributions	1,496	375	1,871
	1,496	375	1,871

10. Controlling party

The smallest group of companies for which consolidated financial statements are prepared and in which the company is consolidated is The Peninsular and Oriental Steam Navigation Company, a company incorporated by Royal Charter and therefore not registered, copies of whose accounts can be obtained from: The Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

The largest group of companies for which consolidated financial statements are prepared and which are publicly available, and in which the company is consolidated is DP World Limited, a company limited by shares incorporated in Dubai, whose accounts are filed with the Dubai International Financial Centre. 19.55% of the shares of DP World Limited are traded on NASDAQ Dubai.

The immediate parent undertaking at 31 December 2016 was The Peninsular and Oriental Steam Navigation Company, a company incorporated in the United Kingdom.

In the opinion of the directors the ultimate controlling parent undertaking as at 31 December 2016 was Port & Free Zone World FZE, which owns 80.45% of DP World Limited. Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation, which is the ultimate parent company of the company, but which does not exert control over the company. Both Port & Free Zone World FZE and Dubai World Corporation are incorporated in Dubai.