

Registered number: 00282161

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 24 DECEMBER 2018**



---

**P&O PROPERTY HOLDINGS LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	J M R Muhammad K K Shah (appointed 9 April 2018)
<b>Registered number</b>	00282161
<b>Registered office</b>	16 Palace Street London SW1E 5JQ
<b>Independent auditor</b>	KPMG LLP Chartered Accountants and Statutory Auditors 15 Canada Square E14 5GL

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	1 - 2
<b>Directors' responsibilities statement</b>	3
<b>Independent auditor's report to the members of P&amp;O Property Holdings Limited</b>	4 - 6
<b>Profit and loss account</b>	7
<b>Statement of comprehensive income</b>	8
<b>Balance sheet</b>	9 - 10
<b>Statement of changes in equity</b>	11
<b>Notes to the financial statements</b>	12 - 23

---

## **P&O PROPERTY HOLDINGS LIMITED**

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 24 DECEMBER 2018**

---

The directors present their report and the audited financial statements of P&O Property Holdings Limited (the 'Company'), for the year ended 24 December 2018.

#### **Business review**

The principal activity of the Company is investment in property and other group companies.

The Company's financial statements for the year summarise the property and other income.

The Company has been reviewing the corporate rationalisation of its subsidiaries. As a result, a number of dormant companies have been voluntarily liquidated and struck off where permissible.

The Company held a long lease interest in a property known as Chartist Tower, located in Newport, Wales. The lease was entered into for a term of 99 years from the 1st July 1960 was due to expire on 27th June 2059. The building's main tenant was the high street retail store BHS, whose lease was due to expire on 20th June 2059. In April 2016 BHS went into administration and following a failed bid to rescue the store by its administrators, went into receivership in June 2016.

On 20th December 2017 the Company surrendered its lease to the superior landlord and paid a surrender premium of £6.45m plus VAT.

#### **Future developments**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

#### **Results**

The loss for the year amounted to £624,000 (2017 - loss £6,977, 000).

The directors do not recommend the payment of a dividend (2017: *£NIL*).

#### **Principal risks and uncertainties**

##### **Impairment of investments in subsidiaries**

The financial performance of subsidiary undertakings may affect their carrying value. The carrying value of these investments is monitored regularly for indications of impairment.

##### **Going concern**

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

**Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

R O Keshiro (resigned 9 April 2018)  
J M R Muhammad  
K K Shah (appointed 9 April 2018)

**Qualifying third party indemnity provisions**

All directors are entitled to contractual indemnification from the Company to the extent permitted by law against claims and legal expenses incurred in the course of their duties.

Such qualifying third party indemnity insurance is provided and remains in force as at the date of approving the Directors' report.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Independent auditor's**

PricewaterhouseCoopers LLP were auditor's to the Company for year ended 24 December 2017. KPMG LLP replaced PricewaterhouseCoopers LLP for the year ended 24 December 2018.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



J M R Muhammad  
Director

Date: 24 September 2019

Registered Office 16 Palace Street, London SW1E 5JQ

---

## P&O PROPERTY HOLDINGS LIMITED

---

### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 24 DECEMBER 2018

---

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF P&O PROPERTY HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of P&O Property Holdings Limited ("the company") for the year ended 24 December 2018 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 24 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect



the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.





A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.

A handwritten signature in black ink, appearing to read 'Tom Eve'.

Tom Eve (Senior statutory auditor)  
for and on behalf of  
KPMG LLP  
Chartered Accountants and Statutory Auditors  
15 Canada Square  
London  
E14 5GL

25 September 2019

---

P&O PROPERTY HOLDINGS LIMITED

---

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 24 DECEMBER 2018

---

	Note	2018 £000	2017 £000
Turnover	5	18	1,731
Cost of sales		(642)	(6,108)
<b>Gross loss</b>		<b>(624)</b>	<b>(4,377)</b>
Administrative expenses		-	(2,600)
<b>Operating loss</b>	6	<b>(624)</b>	<b>(6,977)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(624)</b>	<b>(6,977)</b>
Tax on loss on ordinary activities	9	-	-
<b>Loss for the financial year</b>		<b>(624)</b>	<b>(6,977)</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

The notes on pages 12 to 23 form part of these financial statements.

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

	Note	2018 £000	2017 £000
Loss for the financial year		(624)	(6,977)
<b>Total comprehensive expense for the year</b>		<u>(624)</u>	<u>(6,977)</u>

The notes on pages 12 to 23 form part of these financial statements.

**P&O PROPERTY HOLDINGS LIMITED**  
**REGISTERED NUMBER: 00282161**

**BALANCE SHEET**  
**AS AT 24 DECEMBER 2018**

	<b>Note</b>	<b>2018 £000</b>	<b>2017 £000</b>
<b>Fixed assets</b>			
Investments	10	11,042	11,042
		<u>11,042</u>	<u>11,042</u>
<b>Current assets</b>			
Debtors	11	113,928	114,204
Cash at bank and in hand	12	29	66
		<u>113,957</u>	<u>114,270</u>
Creditors: amounts falling due within one year	13	(3,936)	(3,353)
<b>Net current assets</b>		<u>110,021</u>	<u>110,917</u>
<b>Total assets less current liabilities</b>		<u>121,063</u>	<u>121,959</u>
<b>Provisions for liabilities</b>			
Other provisions	14	-	(272)
		<u>-</u>	<u>(272)</u>
<b>Net assets</b>		<u><u>121,063</u></u>	<u><u>121,687</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	32,256	32,256
Share premium account		318	318
Other reserves		120,794	120,794
Profit and loss account		(32,305)	(31,681)
<b>Total equity</b>		<u><u>121,063</u></u>	<u><u>121,687</u></u>

---

**P&O PROPERTY HOLDINGS LIMITED**  
**REGISTERED NUMBER: 00282161**


---

**BALANCE SHEET (CONTINUED)**  
**AS AT 24 DECEMBER 2018**

---

The Company's financial statements on pages 6 to 23 have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 6 to 23 were approved and authorised for issue by the board of directors and were signed on its behalf by:



**J M R Muhammad**  
Director

Date: 24 September 2019

The notes on pages 12 to 23 form part of these financial statements.

**P&O PROPERTY HOLDINGS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 24 DECEMBER 2018**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 25 December 2017	32,256	318	120,794	(31,681)	121,687
<b>Comprehensive income for the year</b>					
Loss for the financial year	-	-	-	(624)	(624)
<b>Total comprehensive expense for the year</b>	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	-	-	-	(624)	(624)
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 24 December 2018</b>	<b>32,256</b>	<b>318</b>	<b>120,794</b>	<b>(32,305)</b>	<b>121,063</b>

The notes on pages 12 to 23 form part of these financial statements.

---

## P&O PROPERTY HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

---

#### 1. General information

P&O Property Holdings Limited (the 'Company') principal activity is investment in property and other group companies.

The Company is a wholly owned subsidiary of Istithmar P&O Estates (UK) Limited.

The Company is a private company limited by shares and is organised in the United Kingdom. The address of its registered office is 16 Palace Street, London SW1E 5JQ.

#### 2. Statement of compliance

The individual financial statements of P&O Property Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### 3. Summary of significant accounting policies

The principal accounting policies in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

##### 3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flow, on the basis that it is a qualifying entity for the small company exemption.
- (ii) the non-disclosure of key management personnel compensation in total.
- (iii) a reconciliation of the number of shares outstanding at the beginning and end of the period.
- (iv) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The following principal accounting policies have been applied:

---

## **P&O PROPERTY HOLDINGS LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018**

---

#### **3. Summary of significant accounting policies (continued)**

##### **3.2 Going concern**

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

##### **3.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

###### **Income from fixed asset investments**

Income from fixed asset investments is recognised when the right to receive payment is established.

##### **3.4 Valuation of investments**

Investments are stated at cost less any provision for impairment. Impairment losses are recognised in the Profit and loss account in the period in which they arise. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

During the year amounts written off relating to impairment of investments or dissolution.



---

**P&O PROPERTY HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

**3. Summary of significant accounting policies (continued)**

**3.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 25 December 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**3.6 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**3.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**3.8 Creditors**

Short term creditors are measured at the transaction price.

**3.9 Interest income**

Interest income is recognised in the Profit and loss account using the effective interest method.

**3.10 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

**3. Summary of significant accounting policies (continued)**

**3.11 Taxation**

Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

---

## P&O PROPERTY HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2018

---

#### 3. Summary of significant accounting policies (continued)

##### 3.12 Called up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### 3.13 Related party

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

##### 3.14 Consolidated financial statements

The Company is a wholly owned subsidiary of Istithmar P&O Estates FZE. The smallest group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is Istithmar Building FZE. The largest group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is the ultimate parent company Dubai World. The consolidated financial statements of both groups are available on request. Therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

#### 4. Critical accounting judgements and estimation uncertainty

There were no critical accounting judgements and estimation uncertainty during the year.

#### 5. Turnover

The whole of the turnover is attributable to rental income received from investment properties supplemented or offset by way of the recovery of dilapidations from tenants or by bearing such expenditure where it cannot be recovered.

	2018 £000	2017 £000
Rent receivable	18	496
Income from fixed asset investments	-	1,235
	<u>18</u>	<u>1,731</u>

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

**6. Operating loss**

(a) The Company's business is organised and revenue generated wholly in the United Kingdom.

(b) The basis of charging intra-group interest is agreed between the parties from time to time.

(c) Fees for audit £26,000 (2017 - £26,000) provided by KPMG LLP to the Company in 2018 and by PricewaterhouseCoopers LLP in 2017, these have been borne by other group undertakings.

(d) Intra-group management charges relate to the services of an employee based in the Czech Republic on secondment.

(e) The Company held a long lease interest in a property known as Chartist Tower, located in Newport, Wales. The lease was entered into for a term of 99 years from the 1st July 1960 was due to expire on 27th June 2059. The building's main tenant was the high street retail store BHS, whose lease was due to expire on 20th June 2059. In April 2016 BHS went into administration and following a failed bid to rescue the store by its administrators, went into receivership in June 2016.

On 20th December 2017 the Company surrendered its lease to the superior landlord and paid a surrender premium of £6.45m plus VAT.

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

**7. Employees**

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2018 No.</b>	<b>2017 No.</b>
Administration	<b>2</b>	<b>2</b>
Directors	<b>1</b>	<b>1</b>
	<b>3</b>	<b>3</b>

**8. Directors' remuneration**

The highest paid director received remuneration of £370,000 (2017 - £265, 000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,546 (2017 - £18,169).

Staff costs including Directors, were fully borne by P&O Estates Limited, a fellow subsidiary undertaking, which has responsibility for incurring administrative expenditure for the Istithmar P&O Estates (UK) Limited group. The employment contracts for all the employees within the Istithmar P&O Estates (UK) Limited group, however, are held by P&O Property Holdings Limited.

**P&O PROPERTY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2018**

**9. Tax on loss on ordinary activities**

	<b>2018 £000</b>	<b>2017 £000</b>
UK corporation tax credit on loss for the financial year	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>

**Factors affecting tax credit for the year**

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	<b>2018 £000</b>	<b>2017 £000</b>
Loss on ordinary activities before tax	<b>(624)</b>	<b>(6,977)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	<b>(119)</b>	<b>(1,343)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>6</b>	<b>1,438</b>
Losses brought forward utilised in the period	<b>(200)</b>	<b>-</b>
Deferred tax not recognised	<b>-</b>	<b>(387)</b>
Non-taxable expense	<b>(52)</b>	<b>-</b>
Transfer pricing adjustments	<b>365</b>	<b>292</b>
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

**Factors that may affect future tax charges**

From 1 April 2017 the UK corporation tax rate was reduced from 20% to 19%. Further reductions to 17% from 1 April 2020 were 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**

A deferred tax asset of £3.8m (2017: £4.1m) has not been recognised in respect of short-term timing differences and tax losses. This asset is unrecognised as there is uncertainty as to whether there will be suitable profits and gains available for offset in the future.

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

**10. Investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost</b>	
At 25 December 2017	<b>35,791</b>
At 24 December 2018	<b>35,791</b>
<b>Impairment</b>	
At 25 December 2017	<b>24,749</b>
At 24 December 2018	<b>24,749</b>
<b>Net book value</b>	
At 24 December 2018	<b>11,042</b>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company has been reviewing the corporate rationalisation of its subsidiaries. As a result, a number of dormant companies have been voluntarily liquidated and struck off where permissible.

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

**10. Investments (continued)**

**Principal subsidiary undertakings**

The following were principal subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Cheverell Estates Limited	UK	Ordinary	100 %	Development of building projects
P&O Developments Limited	UK	Ordinary	100 %	Development of building projects
Millennium Park (Grimsby) Limited	UK	Ordinary	100 %	Development of building projects
Istithmar P&O Estates Limited	UK	Ordinary	100 %	Activities of head offices Service
P&O Estates Limited	UK	Ordinary	100 %	organisation Management of real estate on a fee or contract basis
P&O Properties Limited	UK	Ordinary	100 %	Development of building projects
Midland City Property Limited	UK	Ordinary	100 %	Development of building projects
P&O Property Accounts Limited	UK	Ordinary	100 %	Banks
P&O Agency Services Limited	UK	Ordinary	100 %	Non-trading company
Regent Quarter Limited	UK	Ordinary	100 %	Development of building projects
Ridgecross Limited	UK	Ordinary	100 %	Construction of commercial buildings

All companies are wholly owned, have 24 December or 31 December year ends, are incorporated in Great Britain and registered in England and Wales, and operate mainly in the country of incorporation.



---

**P&O PROPERTY HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

**11. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	188	498
Amounts owed by group undertakings	112,465	112,284
Other debtors	1,275	1,422
	<u>113,928</u>	<u>114,204</u>

There are no debtors falling due after more than one year.

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

**12. Cash at bank and in hand**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	29	66
	<u>29</u>	<u>66</u>

**13. Creditors: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	116	227
Other creditors	3,820	3,126
	<u>3,936</u>	<u>3,353</u>

There are no creditors falling due after one year.

---

**P&O PROPERTY HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 24 DECEMBER 2018**

---

**14. Other provisions**

	<b>Dilapidation provision £000</b>
At 25 December 2017	<b>272</b>
Charged to profit or loss	<b>(272)</b>
<b>At 24 December 2018</b>	<b>-</b>

**Dilapidation provision**

Provision has been made for dilapidation and refurbishment costs in relation to certain property obligations. The provision represents the directors' best estimate of the costs expected to be incurred in respect of these properties.

**15. Called up share capital**

	<b>2018 £000</b>	<b>2017 £000</b>
<b>Authorised</b>		
80,000,000 (2017 - 80,000,000) Ordinary shares of £0.50 each	<b>40,000</b>	<b>40,000</b>
<b>Allotted, called up and fully paid</b>		
64,512,794 (2017 - 64,512,794) Ordinary shares of £0.50 each	<b>32,256</b>	<b>32,256</b>

**16. Related party transactions**

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

**17. Parent undertaking and controlling party**

The immediate parent undertaking at 24 December 2018 is Istithmar P&O Estates (UK) Limited, a company incorporated in the United Kingdom.

The smallest group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is Istithmar Building FZE, a company incorporated in Dubai. The consolidated financial statements of this group are available on request from P.O. Box 1700, Dubai, United Arab Emirates.

The largest group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is the ultimate parent company Dubai World. The consolidated financial statements of this group are available on request from P.O. Box 1700, Dubai, United Arab Emirates.