Registration number: 00444786

Pandoro Limited

Directors' report and Financial Statements

for the Year Ended 31 December 2020

Pandoro Limited

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Pandoro Limited

Company Information

Directors	T Runge
	CN Cassidy
Company secretary	CN Cassidy
Registered office	Wherstead Park Wherstead Redlands Crescent Ipswich Suffolk IP9 2WG
Auditors	KPMG LLP Statutory Auditor 15 Canada Square London E14 5GL

Pandoro Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020. The company is exempt, by virtue of its size, from the requirement to prepare a Strategic Report under Section 414B of the Companies Act 2006.

Incorporation
The company was incorporated on 6 November 1947.

Directors of the company
The directors who held office during the year and up to the date of signing the accounts were as follows:

B Belder (resigned 31 May 2020)

T Runge (appointed 1 June 2020)

CN Cassidy

Principal activity
The principal activity of the company is that it is responsible for its share of the Merchant Navy Ratings Pension Fund and the Merchant Navy Officers Pension Fund.

Dividends
The directors have not recommended a final dividend (2019: £nil). No interim dividends were paid in the year (2019: £nil).

Business review

Fair review of the business

The liability in relation to the defined benefit pension schemes has increased from the position at last year end. Other than the Pension scheme, all that is left in the company is the amount owed by group undertakings and there is no reason to believe that these amounts are not recoverable.

The organisation also monitors other factors such as Human Resources, Service Quality and Health and Safety.

Principal risks and uncertainties

The pension movement is the principal risk to the business.

Further details of risks and uncertainties relating the company's participation in funded multi-employer defined benefit pension schemes are set out in note 11.

Financial instruments

Objectives and policies

The company's activities expose it to a number of financial risks including credit risk. The company does not use derivative financial instruments for speculative purposes.

Credit risk
The company's principal financial assets are amounts owed by group undertakings.

The amounts presented in the balance sheet are net of expected credit loss. All allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

COVID 19
During the month of December 2019 the Covid-19 virus began to spread across the globe with cases in the UK and EU reaching thousands by March 2020. This unprecedented situation has caused a worldwide economic and public health crisis. In 2021, the UK Government has introduced an easing out of the lockdown and is successfully rolling out the Covid-19 vaccination programme which is progressin at pace.

Political donations
The Company made no political contributions or charitable donations during the year (2019 £nil).

Going concern
As the company does not seek to obtain a replacement trade, these financial statements have not been prepared on a going concern basis. Further details are set out in Note 2 to the Financial Statements.

Directors' liabilities
Relevant personnel at Pandoro Limited are covered by the Directors and Officers liability Insurance arranged by Port and Free Zone World with Chubb Insurance and others. The main limit is US$100m which applies to either a single claim or to cap the total claims submitted within an insured period.

Disclosure of information to the auditors
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 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.

Reappointment of auditors
The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 09 December 2021 and signed on its behalf by:

Chris Cassidy

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CN Cassidy
Director

Registered Office address : Wherstead Park, Wherstead, Ipswich, Suffolk, IP9 2WG

Pandoro Limited

Statement of Directors' responsibilities in respect of the Directors' report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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), including FRS 101 *Reduced Disclosure Framework*.

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 (as explained in note 2, 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 the financial statements comply with the Companies Act 2006. They are 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.

Independent Auditor's Report to the members of Pandoro Limited

Opinion

We have audited the financial statements of Pandoro Limited ("the company") for the year ended 31 December 2020 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. These financial statements have not been prepared on the going concern basis for the reason set out 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 31 December 2020 and of its loss for the year then ended;

• have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

• Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
• Reading Board minutes.
• Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Company management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as pension assumptions . On this audit we do not believe there is a fraud risk related to revenue recognition because the Company has ceased operations and no revenue has been recognised.

We did not identify any additional fraud risks.

We performed procedures including:

• Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts and those posted with rounded numbers.

Independent Auditor's Report to the members of Pandoro Limited (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

Independent Auditor's Report to the members of Pandoro Limited (continued)

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 4, 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.

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.

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Tom Eve (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 09 December 2021

Pandoro Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Administrative expenses		(71)	(62)
Operating loss		(71)	(62)
Other interest receivable and similar income	4	-	4
Interest payable and similar charges	5	(16)	(1)
Loss before tax		(87)	(59)
Tax on loss	8	-	-
Loss for the year		(87)	(59)

The above results were derived from continuing operations.

Pandoro Limited

Statement of Other Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Loss for the year		(87)	(59)
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post - employment benefit obligations	11	885	(752)
Deferred Tax movement on Actuarial Gains/Losses	8	-	-
Deferred tax not recognised	8	-	-
Total comprehensive income / (loss) for the year		798	(811)

Pandoro Limited

(Registration number: 00444786)
Balance Sheet as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Current assets			
Debtors	9	2,841	2,841
Creditors: Amounts falling due within one year			
Net Pension (liability)	11	(28)	(826)
Net assets		2,813	2,015
Capital and reserves			
Called up share capital	10	3,000	3,000
Profit and loss account		(187)	(985)
Shareholders' funds		2,813	2,015

Approved by the Board on 09 December 2021 and signed on its behalf by:

Chris Cassidy

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CN Cassidy

Director

Pandoro Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	3,000	(985)	2,015
Loss for the year	-	(87)	(87)
Other comprehensive loss	-	885	885
Total comprehensive loss	-	798	798
At 31 December 2020	3,000	(187)	2,813

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	3,000	(174)	2,826
Loss for the year	-	(59)	(59)
Other comprehensive income	-	(752)	(752)
Total comprehensive loss	-	(811)	(811)
At 31 December 2019	3,000	(985)	2,015

The notes on pages 13 to 31 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital incorporated and domiciled in the United Kingdom.

The address of its registered office is:

Wherstead Park
Wherstead
Redlands Crescent
Ipswich
Suffolk
IP9 2WG
Northern Ireland

2 Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation
The financial statements are prepared on the historical cost basis.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. 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.

These financial statements are presented in sterling because that is the currency of the primary economic environment in which the company operates.

2 Accounting policies (continued)

Summary of disclosure exemptions

IFRS1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:
- Business combinations - Business combinations that took place prior to 1 January 2014 have not been restated.
- Employee benefits - All cumulative actuarial gains and losses on defined benefit plans have been recognised in equity at 1 January 2014.

In these financial statements, the company has applied the exemptions available under FRS101 in respect of the following disclosures:
- a Cash Flow Statement and related notes
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets.
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management
- the effects of new but not yet effective IFRSs
- Disclosures in respect of the compensation of Key Management Personnel and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of P&O Ferries Division Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill;
- Certain disclosures required by IFRS13 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 FRS101 in its next financial statements.

Going concern

The company is no longer expected to trade and the directors do not anticipate that the company will seek a replacement trade in the future. As a result, these financial statements are not prepared on a going concern basis. No additional adjustments have been required to the balance sheet at 31 December 2020 to reflect this basis of preparation.

Tax

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.

2 Accounting policies (continued)

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 goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and the 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.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined benefit pension obligation

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The principal schemes include the P&O Ferries Division 2008 Pension Scheme ('P&O Ferries UK Scheme') operated by the Company and the Merchant Navy Officers Pension Fund ('MNOPF'), and Merchant Navy Ratings Pension Fund ('MNRPF'), industry wide schemes in which the Group's employees participate.

The Group'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 its present value, and the fair value of any plan assets (at bid price) are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Group operates group wide defined benefit pension plans. The net defined benefit cost of the plan is charged to participating entities in proportion to their share of the overall deficit and in proportion to their participating members earnings as appropriate. The contributions payable by the participating entities are determined on a similar basis.

2 Accounting policies (continued)

Financial assets and liabilities

The company's non-derivative financial instruments comprise amount owed by group undertakings.

Amount owed by group undertakings

Amount owed by group undertakings are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Impairment

Financial assets (including receivables)

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

Loss allowances for trade receivables are generally measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when:

• the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

• the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

2 Accounting policies (continued)

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Classification
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

Recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The company's financial assets include amounts owed by group undertakings. These are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Pension liabilities are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment and impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3 Accounting estimates and judgements

The Company's financial statements prepared in accordance with FRS101 require management to make judgements and estimates that affect amounts reported in the financial statements and related notes. The judgements and estimates used in the financial statements are based upon managements' evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such estimates.

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors consider that significant estimation arises in respect of assumptions applied to measure the Company's defined benefit pension liabilities (note 11).

4 Other interest receivable and similar income

	2020 £ 000	2019 £ 000
MNOPF interest receivable	-	4
Total interest receivable	-	4

5 Interest payable and similar charges

	2020 £ 000	2019 £ 000
MNRPF interest charge	16	1
Total interest charge	16	1

6 Directors' remuneration

No director received any emoluments during the period for services to the Company. The Company considers that there is no practicable method to accurately allocate a portion of the emoluments the Directors receive from their respective Group company.

7 Auditor's remuneration

Fees for audit and non-audit services provided by KPMG LLP to the company have been borne by other group undertakings.

	2020 £ 000	2019 £ 000
Audit of these financial statements	2	2

8 Taxation

Tax charged/(credited) in the Profit and Loss Account:

	2020 £ 000	2019 £ 000
Current taxation		
	-	-
Deferred taxation		
Total deferred taxation	-	-
Total tax credited in the Profit and Loss Account	-	-

The tax on loss before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Loss before tax	(87)	(59)
Corporation tax at standard rate	(17)	(11)
Increase (decrease) in current tax from adjustment for prior periods	(67)	-
Deferred tax asset not recognised	32	138
Deferred tax expense (credit) from unrecognised tax loss or credit	4	(140)
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	-	16
Other tax effects for reconciliation between accounting profit and tax expense (income)	48	(3)
Total tax credited in the Profit and Loss Account	-	-

8 Taxation (continued)

Deferred tax (unrecognised)

	2020 £000	2019 £000
Opening deferred tax	566	428
Deferred tax unrecognised	31	138
Closing deferred tax	597	566

Deferred tax arising from	2020 £000	2019 £000
Losses carried forward	475	428
Defined benefit pension	122	138
	597	566

	2020 £000	2019 £000
Of which unrecognised	597	566

No deferred tax asset has been recognised as the Directors do not forecast future taxable profits.

9 Debtors

	2020 £ 000	2019 £ 000
Receivables from related parties	2,841	2,841

The receivables from related parties are due from P&O Ferrymasters Limited, a fellow subsidiary of P&O Ferrymasters Holdings Limited. No interest expense or income arises on the amounts receivable from related parties. The transactions between P&O Ferrymasters Limited and Pandoro Limited are recognised on an arm's length basis. The debt is repayable on demand.

10 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary of £1 each	3,000	3,000	3,000	3,000

11 Pension and other schemes

Defined benefit pension schemes
The company participates in the Merchant Navy Officers' Pension Fund (the "MNOPF Scheme") and the Merchant Navy Ratings' Pension Fund (the "MNRPF Scheme") industry wide schemes. Both of these Schemes are CARE schemes and are closed to future accrual. The MNRPF Scheme closed to future accrual in 2001 and the MNOPF Scheme closed to defined benefit accrual on 31 March 2016. All participating employers, including the Group, are jointly and severally liable for the outstanding scheme deficits.

The Trustees of the MNOPF and MNRPF Schemes have provided sufficient information regarding the share of the obligations to be borne by the Company. In recognising its share of these deficits, the directors have considered the sensitivity of the assumptions which may alter the share of the deficit recognised in the future, including in respect of the ability of other employers to satisfy their obligations to the Scheme. However, as the directors are not able to predict the future allocation actions of the Trustees no sensitives can reasonably be provided in respect of allocation shares. The materiality of the company participation in the Schemes is also relevant. In the period the share of deficit did not change for either MNRPF or MNOPF (2019: change for MNOPF).

Agreements were reached in 2015, 2017 and 2019 with the Trustees of the MNOPF and the MNRPF respectively regarding deficit contributions. The amount disclosed as a minimum funding liability for the MNRPF and MNOPF Schemes is based on Deficit Share Notices issued by the Trustees and payments set out in the respective contribution agreements. No refunds or reductions in future contributions have been assumed in the calculation of these amounts. Under IFRIC14 the company is required to recognise an additional liability if the contributions agreed as part of the schemes' funding plans are expected to lead to an IAS19 surplus. This would not apply if the company has an "unconditional right" to any surplus arising in the pension schemes. We have assessed that no such unconditional right exists in relation to the MNOPF and MNRPF schemes, and have therefore applied a balance sheet restriction in respect of these schemesin line with the requirements of IFRIC14.

MNOPF

The MNOPF Scheme is a defined benefit final salary multi-employer scheme in which officers employed by the Company have participated. This is a Career Average Related Earnings (CARE) scheme. The Scheme is divided into two sections, the Old Section and the New Section both of which are closed to defined benefit accrual. The assets and liabilities are jointly owned by all participating employers and the outstanding scheme deficit is jointly and severally held amongst all employers, including the Company.

11 Pension and other schemes (continued)

The Plan is governed by the Trustees and in accordance with the Trust Deed and Rules. The Trustees are appointed under the Trust Deed and Rules and there are currently two corporate trustees.

The parent company P&O Ferries Division Holdings Limited is responsible for the governance of the plan.

There are no amendments, curtailments or settlements.

Agreements were reached in 2015 with the Trustees on the MNOPF regarding deficit contributions. The amount disclosed as a minimum funding liability for the MNOPF scheme is based on the Deficit Share Notices issued by the Trustees and payments set out in the respective contribution agreements.

Contributions payable to the pension scheme at the end of the year are £Nil (2019 - £Nil). The expected contributions to the plan for the next reporting period are £Nil. No refunds or reductions in future contributions have been assumed in the calculation of these amounts and therefore no asset is recognised.

The scheme was most recently valued on 31 March 2018.

Risks

Investment risk
One of the main risks associated with the Scheme is that there will be insufficient funds in the Scheme to meet benefit payments as they fall due. The assessment of the Scheme is dependent on the financial and demographic assumptions made. Experience will determine the actual cost of providing the benefit and to the extent that experience differs from these assumptions, the cost to the Employer of providing benefits may be higher than expected.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2020 £ 000	2019 £ 000
Fair value of scheme assets	17,103	13,224
Present value of scheme liabilities	(15,851)	(12,229)
	1,252	995
Effect of asset ceiling	(1,252)	(1,003)
Defined benefit pension scheme deficit	-	(8)

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2020 £ 000	2019 £ 000
Fair value at start of year	13,224	15,199
Interest income	250	428
Return on plan assets, excluding amounts included in interest income/(expense)	819	961
Benefits paid	(685)	(694)
Change in overall share	3,519	(2,646)
Administrative expenses paid	(24)	(24)
Fair value at end of year	17,103	13,224

11 Pension and other schemes (continued)

Analysis of assets

The major categories of scheme assets are as follows:

	2020 £ 000	2019 £ 000
Equity instruments	4,459	3,954
Bonds	12,644	9,270
	17,103	13,224

Equity instruments

Equity instruments can be further categorised as follows:

	2020 £ 000	2019 £ 000
Quoted		
Equity instruments	4,459	3,954

Actual return on scheme's assets

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2020 £ 000	2019 £ 000
Present value at start of year	12,229	14,383
Past service cost	3	-
Actuarial gains and losses arising from changes in demographic assumptions	53	(575)
Actuarial gains and losses arising from changes in financial assumptions	848	1,254
Actuarial gains and losses arising from experience adjustments	(106)	(110)
Interest cost	231	400
Benefits paid	(685)	(694)
Change in overall share	3,278	(2,429)
Present value at end of year	15,851	12,229

11 Pension and other schemes (continued)

Effect of asset ceiling

A reconciliation of the effect of the asset ceiling is as follows:

	2020 £ 000	2019 £ 000
Opening balance	(1,003)	(816)
Interest cost	(17)	(24)
Changes in asset ceiling, excluding amounts included in interest	(232)	(163)
Closing balance	(1,252)	(1,003)

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

	2020 %	2019 %
Discount rate	1.25	1.95
Future pension increases - deferment	2.00	2.25
Inflation	2.80	3.25
Future pension increases - payment	2.75	3.15

Post retirement mortality assumptions

The assumptions relating to longevity underlying the pension liabilities at the statement of financial position date are based on 85% of the SAPS tables with adjustments to reflect historical scheme experience. The future improvements are in line with CMI 2014 projections with a long term improvement rate of 1.8% p.a.

Amounts recognised in the income statement

	2020 £ 000	2019 £ 000
Amounts recognised in operating profit		
Past service cost	3	-
Administrative expenses paid	24	24
Recognised in arriving at operating profit	27	24
Amounts recognised in finance income or costs		
Net interest	(1)	(4)
Total recognised in the income statement	26	20

11 Pension and other schemes (continued)

Amounts taken to the Statement of Other Comprehensive Income

	2020 £ 000	2019 £ 000
Actuarial gains and losses arising from changes in demographic assumptions	53	(575)
Actuarial gains and losses arising from changes in financial assumptions	(11,725)	(1,174)
Actuarial gains and losses arising from experience adjustments	(106)	(110)
Return on plan assets, excluding amounts included in interest income/(expense)	12,765	1,685
Changes in the effect of the asset ceiling	(1,020)	-
Irrecoverable surplus	-	163
Amounts recognised in the Statement of Other Comprehensive Income	(33)	(11)

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above.

Sensitivity is only considered for the P&O Ferries Division Holdings Limited group (the "Group"), the Company's immediate parent undertaking. The following table summarises how the impact on the Group's defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions:

	2020 - 0.1% £ 000	2019 - 0.1% £ 000
Adjustment to discount rate		
Present value of total obligation	2,900	5,700

	2020 + 0.1% £ 000	2019 + 0.1% £ 000
Adjustment to rate of inflation		
Present value of total obligation	900	2,300

	2020 + 1 Year £ 000	2019 + 1 Year £ 000
Adjustment to mortality age rating assumption		
Present value of total obligation	1,700	2,900

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31 March 2018 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

11 Pension and other schemes (continued)

MNRPF

The Trustee of the MNRPF became aware in 2018 of legal uncertainties relating to ill-health early retirement benefits payable from the MNRPF since the early 1990s, which could result in significant additional benefit liabilities. In order to resolve the issue the Trustee was due to seek directions from the Court, and an initial hearing was due in November 2020, involving representative parties for the Participating Employers and members. Parties have since been negotiating the details of the case and a court hearing is scheduled for October 2021.

There remains a significant amount of uncertainty regarding the amount and timing of any additional benefit payments that might arise as a result of this case. As a result, no allowance has been made in the disclosures forany additional liabilities resulting from the ongoing legal case.

The Plan is governed by the Trustees and in accordance with the Trust Deed and Rules. The Trustees are appointed under the Trust Deed and Rules and there are currently two corporate trustees.

The parent company P&O Ferries Division Holdings Limited is responsible for the governance of the plan.

There are no amendments, curtailments or settlements.

Agreements were reached in 2019 with the Trustees of the MNRPF regarding deficit contributions. The amount disclosed as a minimum funding liability for the MNRPF scheme is based on the Deficit Share Notices issued by the Trustees and payments set out in the respective contribution agreements.

Contributions payable to the pension scheme at the end of the year are £Nil (2019 - £Nil). The expected contributions to the plan for the next reporting period are £Nil. No refunds or reductions in future contributions have been assumed in the calculation of these amounts therefore no asset is recognised.

The scheme was most recently valued on 31 March 2017.

Risks

Investment risk
One of the main risks associated with the Scheme is that there will be insufficient funds in the Scheme to meet benefit payments as they fall due. The assessment of the Scheme is dependent on the financial and demographic assumptions made. Experience will determine the actual cost of providing the benefit and to the extent that experience differs from these assumptions, the cost to the Employer of providing benefits may be higher than expected.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2020 £ 000	2019 £ 000
Fair value of scheme assets	6,620	4,985
Present value of scheme liabilities	(5,330)	(4,978)
	1,290	7
Effect of asset ceiling	(1,318)	(825)
Defined benefit pension scheme deficit	(28)	(818)

11 Pension and other schemes (continued)

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2020 £ 000	2019 £ 000
Fair value at start of year	4,985	5,478
Interest income	94	152
Return on plan assets, excluding amounts included in interest income/(expense)	527	541
Benefits paid	(216)	(232)
Administrative expenses paid	(39)	(39)
Change in irrecoverable surplus	1,269	(915)
Fair value at end of year	6,620	4,985

Analysis of assets

The major categories of scheme assets are as follows:

	2020 £ 000	2019 £ 000
Equity instruments	910	567
Bonds	5,710	4,418
	6,620	4,985

Equity instruments

Equity instruments can be further categorised as follows:

	2020 £ 000	2019 £ 000
Quoted		
Equity instruments	5,710	4,418

Actual return on scheme's assets

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

11 Pension and other schemes (continued)

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2020 £ 000	2019 £ 000
Present value at start of year	4,978	4,548
Past service cost	5	-
Actuarial gains and losses arising from changes in demographic assumptions	59	-
Actuarial gains and losses arising from changes in financial assumptions	370	523
Actuarial gains and losses arising from experience adjustments	38	12
Interest cost	96	127
Benefits paid	(216)	(232)
Present value at end of year	5,330	4,978

Effect of asset ceiling

A reconciliation of the effect of the asset ceiling is as follows:

	2020 £ 000	2019 £ 000
Opening balance	(825)	(945)
Interest cost	(16)	(26)
Changes in asset ceiling, excluding amounts included in interest	(477)	146
Closing balance	(1,318)	(825)

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

	2020 %	2019 %
Discount rate	1.25	1.59
Future pension increases - deferment	2.00	2.25
Inflation	2.80	3.25
Future pension increases - payment	2.75	3.15

Post retirement mortality assumptions

The assumptions relating to longevity underlying the pension liabilities at the statement of financial position date are based on 112.5% of SAPS tables with adjustments to reflect historical scheme experience. The future improvements are in line with CMI 2017 projections with a long term improvement rate of 1.80% p.a.

11 Pension and other schemes (continued)

Amounts recognised in the income statement

	2020 £ 000	2019 £ 000
Amounts recognised in operating profit		
Past service cost	5	-
Administrative expenses paid	39	38
Recognised in arriving at operating profit	44	38
Amounts recognised in finance income or costs		
Net interest	17	1
Total recognised in the income statement	61	39

Amounts taken to the Statement of Other Comprehensive Income

	2020 £ 000	2019 £ 000
Actuarial gains and losses arising from changes in demographic assumptions	58	-
Actuarial gains and losses arising from changes in financial assumptions	370	523
Actuarial gains and losses arising from experience adjustments	38	13
Return on plan assets, excluding amounts included in interest income/(expense)	(1,795)	374
Irrecoverable Surplus	477	(147)
Amounts recognised in the Statement of Other Comprehensive Income	(852)	763

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above.

Sensitivity is only considered for the P&O Ferries Division Holdings Limited group (the "Group"), the Company's intermediate parent undertaking, due to the complexity of accurately allocating a proportion sensitivities to the respective Group companies. The following table summarises how the impact on the Group's defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions. The Group's sensitivity is considered relevant as this provides a reasonable proxy for the Company's position, and the sensitivities demonstrate how the Group obligation would be impacted.

	2020 - 0.1% £ 000	2019 - 0.1% £ 000
Adjustment to discount rate		
Adjustment to discount rate	6,900	6,600

11 Pension and other schemes (continued)

	2020	2019
	+ 0.1%	+ 0.1%
Adjustment to rate of inflation	**£ 000**	**£ 000**
Present value of total obligation	2,100	2,200

	2020	2019
	+ 1 Year	+ 1 Year
Adjustment to mortality age rating assumption	**£ 000**	**£ 000**
Present value of total obligation	6,900	4,400

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31 March 2017 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

12 Parent of group in whose consolidated financial statements the company is consolidated

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is P&O Ferries Division Holdings Limited (registration number 06038090).

These financial statements are available upon request from:

The Registrar of Companies
Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ

The registered office of P&O Ferries Division Holdings Limited is:

Channel House
Channel View Road
Dover
Kent
CT17 9TJ

13 Parent and ultimate parent undertaking

The company's immediate parent is P&O Ferrymasters Holdings Limited.

The address for P&O Ferrymasters Holdings Limited is:

Wherstead Park
Wherstead
Ipswich
Suffolk
IP9 2WG.

The ultimate controlling party is DP World PLC, a company incorporated in Dubai.

The ultimate parent undertaking is Dubai World Corporation, a company incorporated in Dubai. This is the largest group of companies for which consolidated financial statements are prepared in which P&O Ferries Division Holdings Limited is consolidated. Thesefinancial statements are not publicly filed