



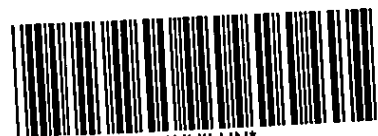
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P&O Overseas Holdings Limited

Directors' report and financial statements

for the year ended 31 December 2011

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P&O Overseas Holdings Limited

Company Information

Directors	F Dalgaard S M Quershi P A Walker
Company secretary	B Allinson
Company number	537728
Registered office	16 Palace Street London SW1 5JQ
Auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

P&O Overseas Holdings Limited

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P&O Overseas Holdings Limited

**Directors' report
for the year ended 31 December 2011**

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activities and review of business

The company is a holding company for subsidiary companies operating in the ferries and ports business

Where appropriate, movements on reserves and fixed assets are set out in the financial statements

The company is exempt, by virtue of its size, from the requirement to include an enhanced business review

Results and dividends

The profit for the year, after taxation, amounted to £587 thousand (2010 - £7,650 thousand)

No dividends were declared or paid during the year (2010 £NIL)

Directors

The directors who served during the year and to the date of this report were

F Dalgaard
S M Quershi
P A Walker

Political and charitable contributions

During the year the company made no charitable or political donations (2010 £NIL)

Principal risks and uncertainties

Funding and liquidity

The directors have considered the funding and liquidity position of the company and of its intermediate parent company, The Peninsular and Oriental Steam Navigation Company. Following this review, the directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

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.

P&O Overseas Holdings Limited

**Directors' report
for the year ended 31 December 2011**

Provision of information to the auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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



P A Walker
Director

Date 6 July 2012

P&O Overseas Holdings Limited

**Directors' responsibilities statement
for the year ended 31 December 2011**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

P&O Overseas Holdings Limited

Independent auditor's report to the members of P&O Overseas Holdings Limited

We have audited the financial statements of P&O Overseas Holdings Limited for the year ended 31 December 2011, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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.



Mike Harper (Senior statutory auditor)

for and on behalf of

KPMG LLP

Chartered Accountants

15 Canada Square

Canary Wharf

London

E14 5GL

6 July 2012

P&O Overseas Holdings Limited

**Profit and loss account
for the year ended 31 December 2011**

	Note	2011 £000	2010 £000
Other operating charges		<u>(23)</u>	<u>(362)</u>
Operating loss	2	(23)	(362)
Income from shares in group undertakings		-	1,268
Interest receivable and similar income	3	1,377	9,112
Interest payable and similar charges	4	<u>(202)</u>	<u>(433)</u>
Profit on ordinary activities before taxation		1,152	9,585
Tax on profit on ordinary activities	5	<u>(565)</u>	<u>(1,935)</u>
Profit for the financial year	11	<u>587</u>	<u>7,650</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 7 to 13 form part of these financial statements

P&O Overseas Holdings Limited
Registered number 537728

Balance sheet
as at 31 December 2011

	Note	£000	2011 £000	£000	2010 £000
Fixed assets					
Investments	6		4,516		4,516
Current assets					
Debtors	7	543,590		542,326	
Creditors amounts falling due within one year	8	(51,647)		(50,697)	
Net current assets			491,943		491,629
Total assets less current liabilities			496,459		496,145
Creditors amounts falling due after more than one year	9		(324,970)		(325,243)
Net assets			171,489		170,902
Capital and reserves					
Called up share capital	10		1,081		1,081
Share premium account	11		38		38
Profit and loss account	11		170,370		169,783
Shareholders' funds	12		171,489		170,902

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



P A Walker
Director

Date 6 July 2012

The notes on pages 7 to 13 form part of these financial statements

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2011**

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Related party transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard No 8 "Related Party Disclosure" as it is a wholly-owned subsidiary of The Peninsular and Oriental Steam Navigation Company. Therefore the company has not disclosed transactions or balances with entities that form part of the group headed by The Peninsular and Oriental Steam Navigation company. There were no other related party transactions in the year.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Interest bearing loans and borrowings

Interest bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing loans and borrowings are stated at amortised costs with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2011**

1. Accounting policies (continued)

1.7 Going concern

The directors have considered the funding and liquidity position of the company and of its intermediate parent company The Peninsular and Oriental Steam Navigation Company. Following this review, the directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

1.8 Taxation

UK corporation tax is provided on taxable profits at the current rate. The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet dates except as otherwise required by Financial Reporting Standard 19 (Deferred Tax).

2. Operating loss

The operating loss is stated after charging

	2011	2010
	£000	£000
Difference on foreign exchange	23	362

During the year, no director received any emoluments (2010 - £NIL)

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

Fees for audit and non-audit services provided by KPMG LLP to the company have been borne by other group companies. The fees for the year were £4,000 (2010 £4,000) and £NIL (2010 £NIL) in respect of audit and non-audit services, respectively.

3. Interest receivable

	2011	2010
	£000	£000
Interest receivable from group companies	1,369	9,112
Interest receivable from joint ventures	8	-
	1,377	9,112

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

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2011**

4. Interest payable

	2011	2010
	£000	£000
On loans from group undertakings	161	168
Interest payable on associate loans	-	265
Other interest payable	41	-
	<u>202</u>	<u>433</u>

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

5. Taxation

	2011	2010
	£000	£000
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	820	3,114
Adjustments in respect of prior periods	(255)	(1,433)
	<u>565</u>	<u>1,681</u>
Foreign tax on income for the year	-	254
	<u>565</u>	<u>1,935</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - *lower than*) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are explained below

	2011	2010
	£000	£000
Profit on ordinary activities before tax	<u>1,152</u>	<u>9,585</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	305	2,684
Effects of:		
Adjustments to tax charge in respect of prior periods	(255)	(1,433)
Non-taxable income	-	(355)
Double taxation relief	33	254
Transfer pricing adjustments	482	785
	<u>565</u>	<u>1,935</u>
Current tax charge for the year (see note above)		

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2011**

5 Taxation (continued)

Factors that may affect future tax charges

In his budget on 21 March 2012, the Chancellor of the Exchequer announced a decrease in the rate of UK corporation tax from 26% to 24% from 1 April 2012, and then by a further 1% per annum to 22% by 2014. This is an acceleration of the reductions enacted in the Finance Act 2011 which reduced the main rate of corporation tax to 25% from April 2012. The rate change will impact the amount of the future tax charges recognised by the company. However, it is not considered to have any material effect on the current year results. The company will only recognise the impact of these rate changes in its financial statements once they are substantively enacted.

Unrecognised deferred tax

A Deferred tax asset of £1,756,443 (2010: £1,345,173) in respect of capital losses has not been recognised because it is not probable that future taxable profits will be available for offset in the future.

6. Fixed asset investments

	Investments in subsidiary companies £000	Investments in associates £000	Unlisted investments £000	Total £000
Cost or valuation				
At 1 January 2011 and 31 December 2011	3,802	798	452	5,052
Impairment				
At 1 January 2011 and 31 December 2011	84	-	452	536
Net book value				
At 31 December 2011	3,718	798	-	4,516
At 31 December 2010	3,718	798	-	4,516

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
P&O European Feries Espana, S A	Ordinary	99.6%
Promociones Cabo Don Miguel, S A	Ordinary	100%

Name	Business	Registered office
P&O European Feries Espana, S A	Non-trading	Spain
Promociones Cabo Don Miguel, S A	Non-trading	Spain

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2011**

6 Fixed asset investments (continued)

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
DP World Maputo, S A	Mozambique	Ordinary	30%	Port operations

7. Debtors

	2011	2010
	£000	£000
Amounts owed by group companies	540,464	539,100
Amounts owed by associates	3,086	3,176
Prepayments and accrued income	40	50
	<u>543,590</u>	<u>542,326</u>

Amounts owed by group companies and amounts owed by associates, have no fixed repayment terms, are not secured and bear interest which is agreed between the parties from time to time

8. Creditors

Amounts falling due within one year

	2011	2010
	£000	£000
Amounts owed to group companies	50,810	47,569
Corporation tax	787	3,082
Accruals and deferred income	50	46
	<u>51,647</u>	<u>50,697</u>

Amounts owed to group companies have no fixed repayment terms, are not secured and bear interest which is agreed between the parties from time to time

9. Creditors:

Amounts falling due after more than one year

	2011	2010
	£000	£000
Amounts owed to group companies	<u>324,970</u>	<u>325,243</u>

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2011**

10. Share capital

	2011	2010
	£000	£000
Authorised		
1,500,000 (2010 - 1,500,000) Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
Allotted, called up and fully paid		
1,081,000 (2010 - 1,081,000) Ordinary shares of £1 each	<u>1,081</u>	<u>1,081</u>

11 Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2011	38	169,783
Profit for the year	-	587
At 31 December 2011	<u>38</u>	<u>170,370</u>

12. Reconciliation of movement in shareholders' funds

	2011	2010
	£000	£000
Opening shareholders' funds	170,902	708,252
Profit for the year	587	7,650
Dividends (Note 13)	-	(545,000)
Closing shareholders' funds	<u>171,489</u>	<u>170,902</u>

13. Dividends

	2011	2010
	£000	£000
Dividends paid on equity capital	<u>-</u>	<u>545,000</u>

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2011**

14. Ultimate parent undertaking and controlling party

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

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

The immediate parent undertaking at 31 December 2011 was Partkestrrel Limited, a company incorporated in the United Kingdom

In the opinion of the directors the ultimate controlling parent undertaking as at 31 December 2011 was Port & Free Zone World FZE, which owns 80.45% of DP World Limited. Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation, which is the ultimate parent company of the company, but which does not exert control over the company. Both Port & Free Zone World FZE and Dubai World Corporation are incorporated in Dubai.