

P&O Overseas Holdings Limited

Directors' report and financial statements

for the year ended 31 December 2012

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P&O Overseas Holdings Limited

Company Information

Directors	F Dalgaard S M Qureshi P A Walker
Company secretary	B Allinson
Registered number	00537728
Registered office	16 Palace Street London SW1E 5JQ
Independent 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 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities and review of business

The Company is a holding company for subsidiary and associate 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 £1,025 thousand (2011 - profit after taxation £587 thousand)

No dividends were declared or paid during the year (2011 - £NIL)

Directors

The directors who served during the year were

F Dalgaard
S M Qureshi
P A Walker

Political and charitable contributions

During the year the Company made no charitable or political donations (2011 - £NIL)

Principal risks and uncertainties

Funding and liquidity

The directors have considered the funding and liquidity position of the 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.

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.

P&O Overseas Holdings Limited

**Directors' report
for the year ended 31 December 2012**

Auditor

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

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



P A Walker
Director

Date 5 June 2013

P&O Overseas Holdings Limited

**Directors' responsibilities statement
for the year ended 31 December 2012**

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 Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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.

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 2012, set out on pages 5 to 12. 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2012 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.



Sameena Arshad (Senior Statutory Auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

6 June 2013

P&O Overseas Holdings Limited

**Profit and loss account
for the year ended 31 December 2012**

	Note	2012 £000	2011 £000
Foreign exchange gain/(loss)		<u>514</u>	<u>(23)</u>
Operating profit/(loss)	2	514	(23)
Interest receivable and similar income	3	1,583	1,377
Interest payable and similar charges	4	<u>(175)</u>	<u>(202)</u>
Profit on ordinary activities before taxation		1,922	1,152
Tax on profit on ordinary activities	5	<u>(897)</u>	<u>(565)</u>
Profit for the financial year	11	<u>1,025</u>	<u>587</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 12 form part of these financial statements

P&O Overseas Holdings Limited
Registered number: 00537728


Balance sheet
as at 31 December 2012

	Note	£000	2012 £000	£000	2011 £000
Fixed assets					
Investments	6		4,516		4,516
Current assets					
Debtors	7	545,060		543,590	
Creditors: amounts falling due within one year	8	(52,508)		(51,647)	
Net current assets			492,552		491,943
Total assets less current liabilities			497,068		496,459
Creditors: amounts falling due after more than one year	9		(324,554)		(324,970)
Net assets			172,514		171,489
Capital and reserves					
Called up share capital	10		1,081		1,081
Share premium account	11		38		38
Profit and loss account	11		171,395		170,370
Shareholders' funds	12		172,514		171,489

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



P A Walker
Director



F Dalgaard
Director

Date 5 June 2013

The notes on pages 7 to 12 form part of these financial statements

P&O Overseas Holdings Limited

Notes to the financial statements for the year ended 31 December 2012

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 in subsidiaries and associates 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 profit and loss account 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 2012**

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 profit/(loss)

The operating profit/(loss) is stated after charging/(crediting)

	2012	2011
	£000	£000
Foreign exchange (gain)/loss	(514)	23

During the year, no director received any emoluments (2011 - £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 £4,100 (2011 - £4,000) and £NIL (2011 - £NIL) in respect of audit and non-audit services, respectively.

3. Interest receivable

	2012	2011
	£000	£000
Interest receivable from group companies	1,568	1,369
Interest receivable from associates	15	8
	1,583	1,377

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 2012**

4. Interest payable

	2012	2011
	£000	£000
On loans from group undertakings	175	161
Other interest payable	-	41
	<u>175</u>	<u>202</u>

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

5. Taxation

	2012	2011
	£000	£000
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	897	820
Adjustments in respect of prior periods	-	(255)
	<u>897</u>	<u>565</u>
Tax on profit on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - *higher than*) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012	2011
	£000	£000
Profit on ordinary activities before tax	1,922	1,152
	<u>471</u>	<u>305</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)		
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(255)
Double taxation relief	-	33
Transfer pricing adjustments	426	482
	<u>897</u>	<u>565</u>
Current tax charge for the year		

Factors that may affect future tax charges

The rate of UK corporation tax has been reduced to 23% from 1 April 2013 and this rate change was enacted on 17 July 2012 when the UK Finance Act 2012 received Royal Assent. In his Autumn Statement on 5 December 2012 and Budget on 20 March 2013 the Chancellor of the Exchequer announced further reductions in the corporation tax rate to 21% from 1 April 2014 and then to 20% from 1 April 2015. 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.

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2012**

Unrecognised deferred tax

A deferred tax asset of £1,554,679 (2011 - £1,756,443) 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 2012 and 31 December 2012	3,802	798	452	5,052
Impairment				
At 1 January 2012 and 31 December 2012	84	-	452	536
Net book value				
At 31 December 2012	3,718	798	-	4,516
At 31 December 2011	3,718	798	-	4,516

Subsidiary undertakings

The following were subsidiary undertakings of the Company

Name	Class of shares	Holding
P&O European Ferries Espana, S A	Ordinary	99.6 %
Promociones Cabo Don Miguel, S A	Ordinary	100 %
P&O Ports (Kulpi) Pvt Ltd	Ordinary	100 %

Name	Business	Registered office
P&O European Ferries Espana, S A	Non-trading	Spain
Promociones Cabo Don Miguel, S A	Non-trading	Spain
P&O Ports (Kulpi) Pvt Ltd	Non-trading	Mauntius

Associates

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

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2012**

7. Debtors

	2012	2011
	£000	£000
Amounts owed by group companies	542,019	540,464
Amounts owed by associates	3,020	3,086
Prepayments and accrued income	21	40
	<u>545,060</u>	<u>543,590</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**

	2012	2011
	£000	£000
Amounts owed to group companies	51,562	50,810
Group relief payable	897	787
Accruals and deferred income	49	50
	<u>52,508</u>	<u>51,647</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**

	2012	2011
	£000	£000
Amounts owed to group companies	324,554	324,970

10. Share capital

	2012	2011
	£000	£000
Authorised		
1,500,000 (2011 - 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 (2011 - 1,081,000) Ordinary shares of £1 each	<u>1,081</u>	<u>1,081</u>

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2012**

11. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2012	38	170,370
Profit for the year	-	1,025
At 31 December 2012	<u>38</u>	<u>171,395</u>

12. Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	171,489	170,902
Profit for the year	<u>1,025</u>	<u>587</u>
Closing shareholders' funds	<u>172,514</u>	<u>171,489</u>

13. 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 2012 was Partkeirel Limited, a company incorporated in the United Kingdom

In the opinion of the directors the ultimate controlling parent undertaking as at 31 December 2012 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.