

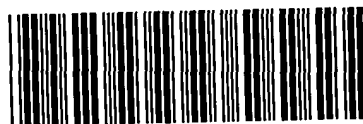
Registered number: 00537728

P&O Overseas Holdings Limited

Directors' report and financial statements

for the year ended 31 December 2013

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P&O Overseas Holdings Limited

Company Information

Directors F Dalgaard (resigned 17 January 2014)
S M Qureshi
P A Walker (resigned 1 November 2013)
G R Jayaraman (appointed 17 January 2014)

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 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

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.

Results and dividends

The profit for the year, after taxation, amounted to £982 thousand (2012 - £1,025 thousand).

No dividends were declared or paid during the year (2012 - £NIL).

Directors

The directors who served during the year were:

F Dalgaard (resigned 17 January 2014)
S M Qureshi
P A Walker (resigned 1 November 2013)
G R Jayaraman (appointed 17 January 2014)

Political and charitable contributions

During the year the Company made no charitable or political donations (2012 - £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 2013**

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

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



S M Qureshi
Director

Date: 11 July 2014

P&O Overseas Holdings Limited

**Directors' responsibilities statement
for the year ended 31 December 2013**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 2013, set out on pages 6 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 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 2013 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

P&O Overseas Holdings Limited

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



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

15 Canada Square
Canary Wharf
London
E14 5GL

11 July 2014

P&O Overseas Holdings Limited

**Profit and loss account
for the year ended 31 December 2013**

	Note	2013 £000	2012 £000
Other operating income		3	-
Foreign exchange gain		113	514
Operating profit	2	116	514
Exceptional items			
Loss on sale of Investments		(364)	-
(Loss)/profit on ordinary activities before interest		(248)	514
Income from shares in group undertakings		913	-
Interest receivable and similar income	3	1,043	1,583
Interest payable and similar charges	4	(161)	(175)
Profit on ordinary activities before taxation		1,547	1,922
Tax on profit on ordinary activities	5	(565)	(897)
Profit for the financial year	11	982	1,025

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

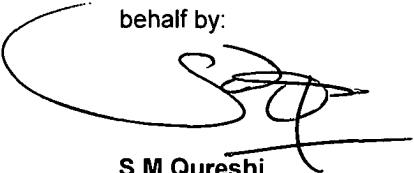
The notes on pages 8 to 13 form part of these financial statements.

P&O Overseas Holdings Limited
Registered number: 00537728

Balance sheet
as at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Investments	6		4,152		4,516
Current assets					
Debtors	7	525,965		545,060	
Creditors: amounts falling due within one year	8	(250,828)		(52,508)	
Net current assets			275,137		492,552
Total assets less current liabilities			279,289		497,068
Creditors: amounts falling due after more than one year	9		(105,793)		(324,554)
Net assets			173,496		172,514
Capital and reserves					
Called up share capital	10		1,081		1,081
Share premium account	11		38		38
Profit and loss account	11		172,377		171,395
Shareholders' funds	12		173,496		172,514

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


S M Qureshi
Director


G R Jayaraman
Director

Date: 11 July 2014

The notes on pages 8 to 13 form part of these financial statements.

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2013**

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 2013**

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

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

	2013 £000	2012 £000
Foreign exchange gain	(113)	(514)
Other operating income	(4)	-
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2012 - £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 (2012 - £4,100) and £NIL (2012 - £NIL) in respect of audit and non-audit services, respectively.

3. Interest receivable

	2013 £000	2012 £000
Interest receivable from group companies	1,032	1,568
Interest receivable from associates	11	15
	<u>1,043</u>	<u>1,583</u>

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 2013

4. Interest payable

	2013 £000	2012 £000
On loans from group undertakings	161	175

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

5. Taxation

	2013 £000	2012 £000
UK corporation tax charge on profit for the year	565	897

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - *higher than*) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	1,547	1,922
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	360	471
Effects of:		
Non-taxable income	(212)	-
Non-deductible expenditure	85	-
Chargeable gain transferred out	(1)	-
Transfer pricing adjustments	333	426
Current tax charge for the year	565	897

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and a further reduction to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. The rate changes will impact the amount of future tax recognised by the company. However it does not have any effect on the current year results.

Unrecognised deferred tax

A deferred tax asset of **£707 thousand** (2012: £1,554 thousand) has not been recognised in respect of capital losses. This asset is unrecognised as there is uncertainty as to whether there will be suitable profits and gains available for offset in the future.

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2013**

6. Fixed asset investments

	Investments in subsidiary companies £000	Investments in associates £000	Unlisted investments £000	Total £000
Cost or valuation				
At 1 January 2013	3,802	798	452	5,052
Disposals	(364)	-	-	(364)
At 31 December 2013	3,438	798	452	4,688
Impairment				
At 1 January 2013 and 31 December 2013	84	-	452	536
Net book value				
At 31 December 2013	3,354	798	-	4,152
At 31 December 2012	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 %

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

Associates

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

On 7 November 2013, P&O Overseas Holdings Limited divested its shares in P&O Ports (Kulpi) Pvt Ltd to South Asia Logistics Pvt Ltd, for nil consideration (as gift by P&O Overseas Holdings Limited of its shareholding in the Company to South Asia Logistics Pvt Ltd).

P&O Overseas Holdings Limited

**Notes to the financial statements
for the year ended 31 December 2013**

7. Debtors

	2013 £000	2012 £000
Amounts owed by group companies	522,866	542,019
Amounts owed by associates	3,083	3,020
Prepayments and accrued income	16	21
	<u>525,965</u>	<u>545,060</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**

	2013 £000	2012 £000
Amounts owed to group companies	250,263	51,562
Group relief payable	565	897
Accruals and deferred income	-	49
	<u>250,828</u>	<u>52,508</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**

	2013 £000	2012 £000
Amounts owed to group companies	<u>105,793</u>	<u>324,554</u>

10. Share capital

	2013 £000	2012 £000
Authorised		
1,500,000 (2012 - 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 (2012 - 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 2013**

11. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2013	38	171,395
Profit for the year	-	982
At 31 December 2013	38	172,377

12. Reconciliation of movement in shareholders' funds

	2013 £000	2012 £000
Opening shareholders' funds	172,514	171,489
Profit for the year	982	1,025
Closing shareholders' funds	173,496	172,514

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 2013 was Partkestrel Limited, a company incorporated in the United Kingdom.

In the opinion of the directors the ultimate controlling parent undertaking as at 31 December 2013 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.