

P&O PORTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

REGISTERED NUMBER 751061

FOR THE YEAR ENDED 31 DECEMBER 2009

WEDNESDAY



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22/09/2010
COMPANIES HOUSE

Registered No. 751061

Directors

F Dalgaard

S M Qureshi

(appointed 11 May 2010)

J M Woollacott

(resigned 11 May 2010)

Secretary

B Allinson

Auditors

KPMG LLP

8 Salisbury Square

London EC4Y 8BB

Registered Office

16 Palace Street

London SW1E 5JQ

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The profit for the year, after taxation, was £2,474 (2008 £1,026,206). No dividend was paid or proposed for the year ended 31 December 2009 (2008 £nil)

Principal activity and review of business

The company acts as a holding company for its investments in Southampton Container Terminals Limited and Tilbury Container Services Limited

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

Directors

The directors during the year and to the date of this report were as follows

F Dalgaard

S M Qureshi (appointed 11 May 2010)

J M Woollacott (resigned 11 May 2010)

Funding and liquidity

The directors have considered the funding and liquidity position of the company and of its immediate 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 the going concern basis

Charitable and political donations

During the year the company has made no charitable or political donations (2008 £nil)

Directors Indemnity Insurance

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 insurance is provided and remains in force as at the date of approving the directors' report

DIRECTORS' REPORT (Continued)

Disclosure of information to the auditors

The directors confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

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

On behalf of the board

A handwritten signature in black ink, appearing to be 'S M Qureshi', written over a horizontal line.

S M Qureshi
Director

3 August, 2010

Company No 751061

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 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, 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 proper 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.

REPORT OF INDEPENDENT AUDITORS TO THE MEMBERS OF P&O PORTS LIMITED

We have audited the financial statements of P&O Ports Limited for the year ended 31 December 2009 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 statement.

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

5 August 2010

Mike Harper (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London, UK
EC4Y 8BB

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 £	2008 £
Other operating income		-	8,680
Operating profit	2	<u>-</u>	<u>8,680</u>
Income from investments			
Dividends receivable		-	1,020,000
Profit on ordinary activities before taxation		<u>-</u>	<u>1,028,680</u>
Tax on profit on ordinary activities	3	2,474	(2,474)
Profit on ordinary activities after taxation		<u>2,474</u>	<u>1,026,206</u>

All the above transactions relate to continuing business activities

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

There were no recognised gains or losses in the current or preceding years other than those shown above, which were derived from continuing operations, consequently a statement of total recognised gains and losses has not been presented

BALANCE SHEET OF P&O PORTS LIMITED (Registered Number 751061)
AT 31 DECEMBER 2009

	Notes	2009 £	2008 £
Fixed assets			
Investment in group undertaking	4	1,588,454	1,588,454
Investment in associates	4	<u>1,346,211</u>	<u>1,346,211</u>
		<u>2,934,665</u>	<u>2,934,665</u>
Current assets			
Amounts owed by group undertaking		<u>1,651,983</u>	<u>1,651,983</u>
Creditors amounts falling due within one year			
Group relief payable		<u>-</u>	<u>(2,474)</u>
Net current assets		<u>1,651,983</u>	<u>1,649,509</u>
Net assets		<u>4,586,648</u>	<u>4,584,174</u>
Capital and reserves			
Called up share capital	5	2,934,667	2,934,667
Profit and loss account	6	<u>1,651,981</u>	<u>1,649,507</u>
		<u>4,586,648</u>	<u>4,584,174</u>

These financial statements were approved by the board of directors and were signed on its behalf by



S M Qureshi
Director

3 August, 2010

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2009

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

Basis of preparation

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

Investments

Investments are included in fixed assets at cost less any amounts provided for impairment

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.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Funding and liquidity

The directors have considered the funding and liquidity position of the company and of its immediate 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 the going concern basis.

Group accounting exemption

The company is exempt by virtue of s400 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2009**

1 ACCOUNTING POLICIES (Continued)

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

- (a) The company's business is organised in the United Kingdom.
- (b) The basis of charging intra-group interest is agreed between the parties from time to time.
- (c) No directors received remuneration from the company in the year (2008: £nil). The directors do not believe that it is practicable to apportion these emoluments between their services as directors of the company and their services as directors/employees of other group undertakings.
- (d) Fees for audit and non-audit services provided by KPMG LLP to the company have been borne by other group undertakings. The fee in respect of the audit is £4,000 (2008: £4,000).

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2009**

3 TAX

(a) Tax on profit on ordinary activities

The tax (credit)/charge is made up as follows

	2009	2008
	£	£
<i>Current tax</i>		
UK corporation tax at 28% (2008 28.5%)	-	2,474
Adjustments in respect of prior periods	(2,474)	-
Total current tax (credit)/charge (note 3(b))	<u>(2,474)</u>	<u>2,474</u>

(b) Factors affecting the current tax (credit)/charge

The tax assessed on the profit on ordinary activities for the year is lower than (2008 lower) the statutory rate of corporation tax in the UK of 28% (2008 28.5%). The differences are reconciled below

	2009	2008
	£	£
Profit on ordinary activities before tax	-	1,028,680
Profit on ordinary activities multiplied by the current rate of corporation tax in the UK of 28% (2008 28.5%)	-	293,174
Non taxable income	-	(290,700)
Adjustments in respect of prior periods	(2,474)	-
Total current tax (credit)/charge (note 3(a))	<u>(2,474)</u>	<u>2,474</u>

No deductible or taxable temporary differences arose during the course of the year, thus no deferred tax assets or deferred tax liabilities were recognised

NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2009

4 INVESTMENTS

	Subsidiary undertaking	Associates	Total
	£	£	£
Cost			
At 1 January 2009 and 31 December 2009	1,588,454	1,346,211	2,934,665
	<u> </u>	<u> </u>	<u> </u>
Net book value			
Net book value at 1 January 2009 and 31 December 2009	1,588,454	1,346,211	2,934,665
	<u> </u>	<u> </u>	<u> </u>

The subsidiary is Southampton Container Terminals Ltd, a container terminal operator registered in England. The Company owns 100% of the ordinary "P" shares which represents an interest of 51% in the business

The associate is Tilbury Container Services Ltd, a container terminal operator registered in England. The company owns 100% of the ordinary "P" shares, which represents an interest of 34% in the ordinary shares of Tilbury Container Services Ltd, and 51% of the preference shares

5 ISSUED CAPITAL

Authorised	2009	2008
	£	£
2,934,667 ordinary shares of £1.00 each	2,934,667	2,934,667
	<u>2,934,667</u>	<u>2,934,667</u>
	<u> </u>	<u> </u>
Allotted, called up and fully paid	2009	2008
	£	£
2,934,667 ordinary shares of £1.00 each	2,934,667	2,934,667
	<u>2,934,667</u>	<u>2,934,667</u>
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2009**

6 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2009	2,934,667	1,649,507	4,584,174
Profit for the year	-	2,474	2,474
At 31 December 2009	<u>2,934,667</u>	<u>1,651,981</u>	<u>4,586,648</u>

7 PARENT UNDERTAKING

The smallest group of companies for which consolidated financials 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

The immediate parent undertaking as at 31 December 2009 was The Peninsular and Oriental Steam Navigation Company, a company incorporated in the United Kingdom

In the opinion of the directors the ultimate controlling parent undertaking as at 31 December 2009 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