

Registered number: 00751061

P&O Ports Limited

Unaudited

Directors' report and financial statements

For the Year Ended 31 December 2016



P&O Ports Limited

Company Information

Directors	S M Qureshi G R Jayaraman
Company secretary	M Al Hashimy
Registered number	00751061
Registered office	16 Palace Street London SW1E 5JQ

P&O Ports Limited

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P&O Ports Limited

**Directors' report
For the Year Ended 31 December 2016**

The Directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 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.

Principal activity

The Company acts as a holding company for its investments in Southampton Container Terminals Limited.

Results and dividends

The profit for the year, after taxation, amounted to £5,257,197 (2015 - £NIL).

No dividends were paid in 2016 (2015 - £NIL)

Directors

The Directors who served during the year were:

S M Qureshi
G R Jayaraman

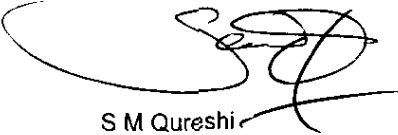
Political contributions

During the year the Company has made no charitable or political donations (2015 - £NIL).

P&O Ports Limited

**Directors' report (continued)
For the Year Ended 31 December 2016**

This report was approved by the board on 25 September 2017 and signed on its behalf.



S M Qureshi
Director

P&O Ports Limited

**Income statement
For the Year Ended 31 December 2016**

	Note	2016 £	2015 £
Other operating income	2	5,100,000	-
Operating profit		5,100,000	-
Tax on profit	5	157,197	-
Profit for the year		5,257,197	-

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement.

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

**Statement of comprehensive income
For the Year Ended 31 December 2016**

	Note	2016 £	2015 £
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Total comprehensive income for the year		-	-

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

P&O Ports Limited
Registered number: 00751061

Statement of financial position
As at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Investments	6		1,588,454		1,588,454
			<u>1,588,454</u>		<u>1,588,454</u>
Current assets					
Debtors: amounts falling due within one year	7	7,547,378		2,447,378	
		<u>7,547,378</u>		<u>2,447,378</u>	
Creditors: amounts falling due within one year	8	(170,925)		(328,122)	
Net current assets			<u>7,376,453</u>		<u>2,119,256</u>
			<u>8,964,907</u>		<u>3,707,710</u>
Net assets excluding pension asset			<u>8,964,907</u>		<u>3,707,710</u>
			<u>8,964,907</u>		<u>3,707,710</u>
Called up share capital	9		2,934,667		2,934,667
Profit and loss account			6,030,240		773,043
			<u>8,964,907</u>		<u>3,707,710</u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

25 September 2017

S M Qureshi

Director

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

P&O Ports Limited

**Statement of changes in equity
For the Year Ended 31 December 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	2,934,667	773,043	3,707,710
Comprehensive income for the year			
Profit for the year	-	5,257,197	5,257,197
Total comprehensive income for the year	-	5,257,197	5,257,197
Total transactions with owners	-	-	-
At 31 December 2016	2,934,667	6,030,240	8,964,907

P&O Ports Limited

**Statement of changes in equity
For the Year Ended 31 December 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	2,934,667	773,043	3,707,710
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 31 December 2015	2,934,667	773,043	3,707,710

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

P&O Ports Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

1. Accounting policies

1.1 Basis of preparation of financial statements

P&O Ports Limited (the 'Company') is a company incorporated and domiciled in the UK.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the accounts of the Company except as noted below.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

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. In these financial statements, the Company has applied exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, and investments;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management; and
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of Port & Free Zone World FZE ('ultimate parent undertaking') include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 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 FRS 101 in its next financial statements.

1.2 Going concern

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 the going concern basis.

1.3 Investments in subsidiary

Investment in subsidiaries are shown at cost less provision for impairment.

1.4 Debtors

Short term debtors are measured initially at fair value and subsequently at amortised cost less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

P&O Ports Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

1. Accounting policies (continued)

1.5 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.6 Taxation

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.

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 assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and 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.

2. Dividend income

	2016	2015
	£	£
Dividends received from group undertakings	5,100,000	-
	5,100,000	-

3. Employees

The Company has no employees other than the directors (see note 4).

P&O Ports Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

4. Directors' remuneration

During the year, no director received any emoluments (2015: £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.

5. Taxation

	2016 £	2015 £
Corporation tax		
Prior year adjustment	(157,197)	-
Tax expense/(credit) in the income statement	<u>(157,197)</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - nil) than the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>5,100,000</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	1,020,000	-
Effects of:		
Non-taxable income	(1,020,000)	-
Prior year adjustment	(157,197)	-
Total tax expense/(credit) reported in the income statement	<u>(157,197)</u>	<u>-</u>

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**Notes to the financial statements
For the Year Ended 31 December 2016**

5. Taxation (continued)

Factors that may affect future tax charges

From 1 April 2015 the UK corporation tax rate was reduced from 21% to 20%.

A further reduction from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

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

No deductible or taxable differences arose during the course of the year, thus no deferred tax assets or deferred tax liabilities have been recognised.

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2016	1,588,454
At 31 December 2016	1,588,454
Net book value	
At 31 December 2016	1,588,454
At 31 December 2015	1,588,454

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Notes to the financial statements
For the Year Ended 31 December 2016

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Business	Registered office
Southampton Container Terminals Limited	Ordinary	51%	Container terminal Operating	UK

The holding of 51% in Southampton Container Terminal Limited (SCT) is the result of the Company owning 100% of the ordinary "P" class shares, which represents 51% of the ordinary share capital of SCT.

7. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	7,547,378	2,447,378
	<u>7,547,378</u>	<u>2,447,378</u>

Amounts owed by group companies are payable on demand, unsecured and bear no interest.

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Group relief payable	-	157,197
Accruals and deferred income	170,925	170,925
	<u>170,925</u>	<u>328,122</u>

9. Share capital

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
2,934,667 Ordinary Shares shares of £1 each	<u>2,934,667</u>	<u>2,934,667</u>

P&O Ports Limited

**Notes to the financial statements
For the Year Ended 31 December 2016**

10. 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.

The immediate parent undertaking at 31 December 2016 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 2016 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.