

Registered number: 00751061

P&O Ports Limited

Unaudited

Directors' report and financial statements

For the year ended 31 December 2017



P&O Ports Limited

Company Information

Directors	R.A. Al Qahtani (appointed 16 April 2018) S.M. Qureshi G.R. Jayaraman (resigned 16 April 2018)
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 2017

The directors present their report and the financial statements for the year ended 31 December 2017. P&O Ports Limited (the 'Company') is incorporated and domiciled in the UK. The Company acted as an investment holding company until December 2017 when its investment in Southampton Container Terminal Limited was transferred to the Peninsular & Oriental Steam Navigation Company, its immediate parent undertaking.

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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £4,977,449 (2016 - £5,257,197).

During the year, the Company declared and paid a dividend of £11,007,689 (2016:£NIL).

Directors

The directors who served during the year were:

S.M. Qureshi
G.R. Jayaraman (resigned 16 April 2018)

Qualifying third party indemnity provisions

All directors are entitled to contractual indemnification from the Company to the extent permitted by law against claim 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.

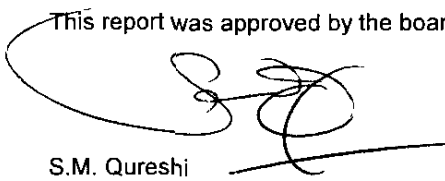
P&O Ports Limited

Directors' report (continued)
For the year ended 31 December 2017

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21 September 2018 and signed on its behalf.



S.M. Qureshi
Director

P&O Ports Limited

**Income statement
For the year ended 31 December 2017**

	Note	2017 £	2016 £
Administrative expenses		170,925	-
Operating profit		170,925	-
Income from subsidiary		4,806,524	5,100,000
Profit before tax		4,977,449	5,100,000
Tax credit	4	-	157,197
Profit for the financial year		4,977,449	5,257,197

There were no recognised gains and losses for 2017 or 2016 other than those included in the income statement.

The notes on pages 7 to 11 form part of these financial statements.

P&O Ports Limited
Registered number: 00751061

Statement of financial position
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments in subsidiaries	5	-	1,588,454
Current assets			
Debtors	6	2,934,667	7,547,378
		<u>2,934,667</u>	<u>7,547,378</u>
Creditors: amounts falling due within one year	7	-	(170,925)
		<u>2,934,667</u>	<u>7,376,453</u>
Net current assets		<u>2,934,667</u>	<u>7,376,453</u>
Total assets less current liabilities		<u>2,934,667</u>	<u>8,964,907</u>
Net assets		<u><u>2,934,667</u></u>	<u><u>8,964,907</u></u>
Capital and reserves			
Called up share capital	8	2,934,667	2,934,667
Profit and loss account		-	6,030,240
		<u>2,934,667</u>	<u>8,964,907</u>

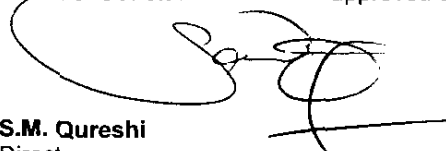
The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Company was entitled to exemption from audit under section 479(A) of the 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


S.M. Qureshi
Director

21 September 2018

The notes on pages 7 to 11 form part of these financial statements.

P&O Ports Limited

**Statement of changes in equity
For the year ended 31 December 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	2,934,667	6,030,240	8,964,907
Comprehensive income for the year			
Profit for the year	-	4,977,449	4,977,449
Total comprehensive income for the year	-	4,977,449	4,977,449
Contributions by and distributions to owners			
Dividends paid	-	(11,007,689)	(11,007,689)
Total transactions with owners	-	(11,007,689)	(11,007,689)
At 31 December 2017	2,934,667	-	2,934,667

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
At 31 December 2016	2,934,667	6,030,240	8,964,907

The notes on pages 7 to 11 form part of these financial statements.

P&O Ports Limited

**Notes to the financial statements
For the year ended 31 December 2017**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

1.3 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.

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**Notes to the financial statements
For the year ended 31 December 2017**

1. Accounting policies (continued)

1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.5 Debtors

Short term debtors are measured at transaction price, 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.

1.6 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.

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.8 Taxation

Tax is recognised in the Income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2. Employees

The Company has no employees other than the directors.

P&O Ports Limited

Notes to the financial statements
For the year ended 31 December 2017

3. Directors' remuneration

None of the directors received any remuneration from the Company during the year or prior period. The directors' remuneration was borne by group undertakings. The directors do not believe that it is practicable to apportion the remuneration between their services as directors of the Company and their services as directors/employees of other group undertakings.

4. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of previous periods	-	(157,197)
Tax credit in the income statement	-	(157,197)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	4,977,449	5,100,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	958,159	1,020,000
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(157,197)
Non-taxable income	(958,159)	(1,020,000)
Total credit in the income statement	-	(157,197)

P&O Ports Limited

**Notes to the financial statements
For the year ended 31 December 2017**

4. Taxation (continued)

Factors that may affect future tax charges

A reduction from 20% to 19% from 1 April 2017 was 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 year, thus no deferred tax assets or deferred tax liabilities have been recognised.

5. Investments

	Investments in subsidiary companies £
Cost	
At 1 January 2017	1,588,454
Disposals	(1,588,454)
	<hr/>
At 31 December 2017	-
	<hr/>
Net Book Value	
At 31 December 2017	-
	<hr/>
At 31 December 2016	1,588,454
	<hr/>

During the year, the Company received dividends of £4,806,524 from Southampton Container Terminal Limited (2016:£5,100,000).

The Company's investment in Southampton Container Terminal Limited was transferred to the immediate parent undertaking.

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**Notes to the financial statements
For the year ended 31 December 2017**

6. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	2,934,667	7,547,378
	<u>2,934,667</u>	<u>7,547,378</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	-	170,925
	<u>-</u>	<u>170,925</u>

8. Share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
2,934,667 Ordinary shares shares of £1 each	2,934,667	2,934,667
	<u>2,934,667</u>	<u>2,934,667</u>

9. 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 2017 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 2017 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.