

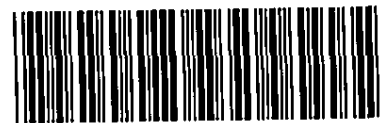
**MANAGED OFFICES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**REGISTERED NUMBER 1344820**

**31 DECEMBER 2007**

TUESDAY



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COMPANIES HOUSE

**Registered No. 1344820**

**Directors**

P A Walker

D J Collins

P O'Driscoll

P W Walters

(resigned 16 April 2008)

F Dalgaard

(appointed 16 April 2008)

**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 2007

### **Results and dividends**

The consolidated profit for the year, after taxation, is £5,247,000 (2006. £4,966,000) No dividend was paid or proposed for the year ended 31 December 2007 (2006 £nil)

### **Principal activity and review of business**

The Company is an investment holding company. It was the holding company for Laing Properties Inc up to 3 March 2006 when that company ceased business activity and was formally dissolved. Upon dissolution, Laing Properties Inc transferred its subsidiaries, Laing Management Company and Laing Investments Inc, to the Company and formally resolved to assign and endorse the promissory notes it held from P&O Holdings Inc and Duelguide Funding LLC (formerly Duelguide Funding Inc), over to the Company. The effective date of this assignment was 4 March 2006.

### **Going concern**

The Company and Group has net liabilities of £8,702,000 and £8,695,000 respectively. The parent undertakings, The Peninsular and Oriental Steam Navigation Company and Duelguide (UK) Limited, have provided written undertakings that they will continue to support the Company and its present activities. The directors acknowledge that there can be no certainty that this support will continue, although they have no reason to believe that it will not do so. Based on the undertakings received, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

## **DIRECTORS' REPORT**

### **Directors**

The directors of the company who held office during the year were as follows:

P A Walker (Chairman)	
D A Shaw	(resigned 23 April 2007)
J M Woollacott	(appointed 23 April 2007, resigned 2 December 2007)
M E Moore	(resigned 2 December 2007)
D J Collins	(appointed 3 December 2007)
P O'Driscoll	(appointed 3 December 2007)
P N Armstrong	(resigned 3 December 2007)
W N Hugill	(resigned 3 December 2007)
P W Walters	(appointed 23 April 2007, resigned 16 April 2008)

The following directors were appointed after the financial year end

F Dalgaard	(appointed 16 April 2008)
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### **Secretary**

N H Rees	(resigned 23 April 2007)
S Damle	(appointed 23 April 2007, resigned 5 October 2007)
B Allinson	(appointed 5 October 2007)

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

### **Disclosure of information to the auditors**

The directors who held office at the date of approval of this directors' report 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

## **DIRECTORS' REPORT**

### **Auditors**

Ernst & Young LLP resigned as the company's auditor and KPMG LLP was appointed in accordance with the elective resolution passed by the company under section 386 Companies Act 1985

In accordance with section 385 Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

On behalf of the board

A handwritten signature in black ink, appearing to read 'B Allinson', written in a cursive style.

B Allinson  
Secretary

29 September 2008

## **STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual 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)

The financial statements are required by law to 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 disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANAGED OFFICES LIMITED**

We have audited the group and company financial statements of Managed Offices Limited for the year ended 31 December 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheet, the Group Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANAGED OFFICES LIMITED**

### **Basis of audit opinion**

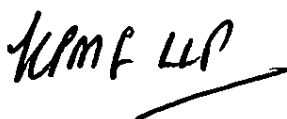
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the groups and the parent company's affairs as at 31 December 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



**KPMG LLP**

Chartered Accountants London  
Registered Auditor  
8 Salisbury Square  
London, UK  
EC4Y 8BB

30 September 2008



**GROUP PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £'000	2006 £'000
<b>Discontinued operations</b>			
Administrative expenses		(16)	(57)
<b>Net operating loss from discontinued operations</b>		(16)	(57)
Net interest and similar items			
Interest receivable from parent companies		5,263	5,040
<b>Profit on ordinary activities before taxation</b>	2	5,247	4,983
Tax on profit on ordinary activities	3	-	(17)
<b>Profit on ordinary activities after taxation and for the financial year</b>	10	5,247	4,966

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 £'000	2006 £'000
Profit on ordinary activities after tax	5,247	4,966
Exchange movements on foreign currency net investments	582	(8,032)
<b>Total recognised gains and losses for the financial year</b>	5,829	(3,066)

**GROUP BALANCE SHEET**  
**AT 31 DECEMBER 2007**

	Notes	2007 £'000	2007 £'000	2006 £'000	2006 £'000
<b>Current assets</b>					
Debtors	4	92,549		87,209	
Cash at bank and in hand		23		41	
		<u>92,572</u>		<u>87,250</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(3)</u>		<u>(5)</u>	
<b>Net current assets</b>			92,569		87,245
<b>Total assets less current liabilities</b>			<u>92,569</u>		<u>87,245</u>
<b>Creditors: amounts falling due within one year</b>					
Convertible unsecured subordinated loan stock	6		(66,000)		(66,000)
Other loans	7		(35,264)		(35,769)
<b>Net liabilities</b>			<u>(8,695)</u>		<u>(14,524)</u>
<b>Capital and reserves</b>					
Called up share capital	8		4,800		4,800
Other reserves	9		234		234
Profit and loss account	9		(13,729)		(19,558)
			<u>(8,695)</u>		<u>(14,524)</u>

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



P A Walker  
Director



D J Collins  
Director

29 September 2008

**COMPANY BALANCE SHEET**  
**AT 31 DECEMBER 2007**

	Notes	2007 £'000	2007 £'000	2006 £'000	2006 £'000
<b>Fixed assets</b>					
Investments	12		9		9
<b>Current assets</b>					
Debtors	5	92,549		87,209	
Cash at bank and in hand		4		4	
		<u>92,553</u>		<u>87,213</u>	
<b>Creditors: amounts falling due within one year</b>	6	-		-	
<b>Net current assets</b>			<u>92,553</u>		<u>87,213</u>
<b>Total assets less current liabilities</b>			<u>92,562</u>		<u>87,222</u>
<b>Creditors: amounts falling due within one year</b>					
Convertible unsecured subordinated loan stock	7		(66,000)		(66,000)
Other loans	8		(35,264)		(35,769)
<b>Net liabilities</b>			<u>(8,702)</u>		<u>(14,547)</u>
<b>Capital and reserves</b>					
Called up share capital	9		4,800		4,800
Other reserves	10		1,833		1,833
Profit and loss account	10		(15,335)		(21,180)
			<u>(8,702)</u>		<u>(14,547)</u>

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



P A Walker  
Director



D J Collins  
Director

29 September 2008

**NOTES TO THE FINANCIAL STATEMENTS  
AT 31 DECEMBER 2007**

**1 ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985

The financial statements are prepared in accordance with applicable UK accounting standards

The Company and Group has net liabilities of £8,702,000 and £8,695,000 respectively. The parent undertakings, The Peninsular and Oriental Steam Navigation Company and Duellguide (UK) Limited, have given a written undertaking that it will continue to support the company and its present activities. The directors acknowledge that there can be no certainty that this support will continue, although they have no reason to believe that it will not do so. Based on this undertaking, the directors consider it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The consolidated financial statements include the financial statements of the Company and its subsidiaries and incorporate the Group's interests in joint ventures. Results of subsidiaries and joint ventures disposed during the year are included to the effective date of disposal. Where the financial statements of subsidiaries and joint ventures do not conform with the accounting policies set out below, adjustments are made on consolidation in order to achieve conformity.

In accordance with section 230(4) Companies Act 1985 a separate profit and loss account for the Company is not presented.

In preparing the financial statements for the current year, the company has adopted the following

**Investments**

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

**Joint ventures**

The appropriate share of results of joint ventures, as disclosed in the financial statements but after adjustment to conform with the Group's accounting policies, is included in the Group's profit and loss account. Investments in joint ventures are shown in the balance sheet at cost plus goodwill and the appropriate share of post-acquisition reserves.

**NOTES TO THE FINANCIAL STATEMENTS**  
**AT 31 DECEMBER 2007**

**1 ACCOUNTING POLICIES (continued)**

**Foreign Currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**Cash flow statement**

Under FRS 1 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.

**2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Administrative costs	<b>(16)</b>	<b>(57)</b>
	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Auditors' remuneration		
Audit of these financial statements	-	(8)
Other services relating to taxation	-	(29)

Following the dissolution of Laing Properties Inc in 2006, no further audit fees are expected to be incurred by the Group.

The audit fee of the Company was £nil (2006: £nil).

The Company had no employees during the year (2006: none).

**NOTES TO THE FINANCIAL STATEMENTS**  
**AT 31 DECEMBER 2007**

**3 TAX**

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	<b>2007</b>	2006
	<b>£'000</b>	£'000
<i>Overseas tax</i>		
Total current tax charge (note 3(b))	-	17

(b) Factors affecting the tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2006 lower) than the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are reconciled below

	<b>2007</b>	2006
	<b>£'000</b>	£'000
Profit on ordinary activities before tax	<b>5,247</b>	4,983
Profit on ordinary activities multiplied by the current rate of corporation tax in the UK of 30% (2006 30%)	<b>1,574</b>	1,495
Imputed interest	<b>(479)</b>	(565)
Unrelieved tax losses and other deductions	<b>(1,095)</b>	(930)
Variance from overseas tax rates and adjustments (US Alternative Minimum Tax charge)	-	17
Total current tax charge (note 3(a))	-	17

A deferred tax asset of £9.7m (2006 £10.8m) in respect of losses has not been recognised as it is not more likely than not that there would be sufficient profits in the future to utilise these losses

**NOTES TO THE FINANCIAL STATEMENTS**  
**AT 31 DECEMBER 2007**

**4 DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Accrued interest receivable	<b>1,347</b>	1,337	<b>1,347</b>	1,337
Amounts owed by related parties (see Note 10)	<b>91,202</b>	85,872	<b>91,202</b>	85,872
	<b>92,549</b>	87,209	<b>92,549</b>	87,209

**5 CREDITORS**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Overseas taxation	<b>2</b>	3	-	-
Accruals and deferred income	<b>1</b>	2	-	-
	<b>3</b>	5	-	-

**6 CONVERTIBLE UNSECURED SUBORDINATED LOAN STOCK**

Stockholders have the right, exercisable at any time, to convert the whole or any part of such stock into fully paid ordinary shares of £1 each at the rate of one share for every £1 of stock converted. No interest is payable on the convertible unsecured loan stock.

**NOTES TO THE FINANCIAL STATEMENTS  
AT 31 DECEMBER 2007**

**7 OTHER LOANS**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group and company</b>		
Loan from related parties	<b>35,264</b>	<b>35,769</b>

The Company holds two equal interest free loans from related parties, each of USD \$35,000,000

**8 AUTHORISED AND ISSUED SHARE CAPITAL**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
70,800,100 ordinary shares at £1 each	<b>70,800</b>	<b>70,800</b>
	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid</b>		
4,800,100 ordinary shares at £1 each	<b>4,800</b>	<b>4,800</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**AT 31 DECEMBER 2007**

**9 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES**

***Group***

	<i>Share capital</i>	<i>Other reserves</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£'000	£'000	£'000	£'000
At 1 January 2007	4,800	234	(19,558)	(14,524)
Profit for the year	-	-	5,247	5,247
Exchange movements	-	-	582	582
At 31 December 2007	<b>4,800</b>	<b>234</b>	<b>(13,729)</b>	<b>(8,695)</b>

***Company***

	<i>Share capital</i>	<i>Other reserves</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£'000	£'000	£'000	£'000
At 1 January 2007	4,800	1,833	(21,180)	(14,547)
Profit for the year	-	-	5,263	5,263
Exchange movements	-	-	582	582
At 31 December 2007	<b>4,800</b>	<b>1,833</b>	<b>(15,335)</b>	<b>(8,702)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**AT 31 DECEMBER 2007**

**10 RELATED PARTIES**

As at 31 December 2005 Laing Properties Inc (a wholly owned subsidiary of the company) held notes from P&O Holdings Inc, a subsidiary of The Peninsular and Oriental Steam Navigation Company and Duelguide Funding LLC, a subsidiary of Duelguide Holdings Limited. The notes were assigned to Managed Offices Limited on 4 March 2006 upon dissolution of Laing Properties Inc. The balances outstanding at 31 December 2007 are US\$91,411,899 (£46,051,335) from P&O Holdings Inc and US\$91,363,826 (£46,027,116) from Duelguide Funding LLC.

The Company holds two unsecured notes for a maximum amount of US\$75,000,000 and two unsecured notes for a maximum amount of US\$24,000,000. One note for US\$75,000,000 and one note for US\$24,000,000 is receivable from each parent company. The notes from P&O Holdings Inc are guaranteed by The Peninsular and Oriental Steam Navigation Company while the notes from Duelguide Funding LLC are guaranteed by Duelguide Holdings Limited.

Interest accrues on the aggregate principal balance outstanding at a 6 month rate equal to LIBOR plus 75 basis points (0.75) in simple interest terms. Interest is payable in arrears, beginning on 31 March 2001, with the final payment to coincide with the revised maturity of the notes on 30 September 2006. As at 31 December 2007, interest accrued but not yet received on these loans was £1,347,000 (2006 £1,337,000). Total interest accrued for the year was £5,263,000 (2006 £5,040,000).

Managed Offices Limited also holds two equal interest free loans of US\$35,000,000 each from Duelguide (UK) Limited, one of its shareholders, and Leonora Investment Company (Central) Limited, a subsidiary of its other shareholder, The Peninsular and Oriental Steam Navigation Company. As at 31 December 2007 the loans outstanding at their sterling equivalent totalled £35,264,000 (2006 £35,769,000) (see Note 8).

Managed Offices Limited also has a loan balance outstanding from the Peninsular and Oriental Steam Navigation Company, of £471,000 (2006 £471,000).

There were no other material related party transactions in the year ended 31 December 2007 (2006 £nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**AT 31 DECEMBER 2007**

**11 INVESTMENTS**

**Company**

Cost	<b>£'000</b>
At 1 January 2007 and 31 December 2007	<u>9</u>
Amounts provided	
At 1 January 2007 and 31 December 2007	<u>-</u>
Net book value at 1 January 2007 and 31 December 2007	<u><u>9</u></u>

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

<b>Name of company</b>	<b>Country of incorporation</b>	<b>Class of shares held</b>	<b>Percentage of shares held</b>	<b>Principal activity</b>
Laing Management Company	USA	Ordinary	100%	Property investment
Laing Investments, Inc	USA	Ordinary	100%	Property investment

## **NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2007**

### **12 PARENT UNDERTAKING**

The Company is jointly owned by The Peninsular and Oriental Steam Navigation Company and Duelguide (UK) Limited. Copies of financial statements for both companies 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 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 Exchange and where 19.55% of its shares are traded.

In the opinion of the directors, the ultimate parent undertaking as at 31 December 2007 was Ports Customs and Free Zones Corporation, a company incorporated in Dubai.

In the opinion of the directors the ultimate controlling parent undertaking as at 31 December 2007 was Port & Free Zone World FZE, which owns 81.45% 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.

### **13 SUBSEQUENT EVENTS**

On 10 September 2008 the Company entered into a multi party debt settlement deed with The Peninsular and Oriental Steam Navigation Company and Leonora Investment Company (Central) Limited to settle the £33,000,000 unsecured loan indebted to The Peninsular and Oriental Steam Navigation Company, and the \$US35,000,000 loan indebted to Leonora Investment Company (Central) Limited.

On 10 September 2008 The Peninsular and Oriental Steam Navigation Company assumed the entire of the P&O Holdings Inc debt owed to the Company. On this date The Peninsular and Oriental Steam Navigation Company repaid the majority of the debt to the Company leaving a residual US\$822,532 to be owed by the Peninsular and Oriental Steam Navigation Company to the Company.

On 10 September 2008 Duelguide (U S A ) LLC assigned a receivable of \$94,080,729 owed by Duelguide (UK) Limited to the Company. The consideration in the same amount was left outstanding on the inter-company account. Subsequently Duelguide (U S A ) LLC deferred consideration receivable from the Company was assigned to Duelguide Funding LLC.

On 11 September 2008 the Company entered into a debt set-off deed with Duelguide (UK) Limited and Duelguide Funding LLC to set-off all intercompany balances between the two entities leaving a residual US\$773,029 to be owed by Duelguide (UK) Limited to the Company.