

Nedlloyd Container Line Limited
Directors' Report and Financial Statements
31 December 2011
Registered Number: 3279820



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DIRECTORS' REPORT

The directors present their report together with the financial statements for the year ended 31 December 2011

Results

The statement of comprehensive income for the year is set out on page 5

Dividends

No interim dividend was paid to the shareholders during 2011 (2010 USD 170 million) The Directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2011 (2010 USD nil)

Principal activities

The Company is a guarantor for debt owed by Maersk Line UK Ltd (a fellow group company)

Directors

The Directors of the company during the year were

J Kilby

S N Chrstensen appointed 01 July 2011

M C Allen resigned 01 July 2011

Statement of 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 might 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

Auditors

KPMG LLP were re-appointed auditors during the year, in accordance with Section 487 of the Companies Act 2006, and will therefore continue in office

By order of the Board



J Kilby

Secretary

20/6/2012

Maersk House
Braham Street
London
E1 8EP

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

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 IFRSs as adopted by the EU and applicable law.

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 they have been prepared in accordance with IFRSs as adopted by the EU,
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEDLLOYD CONTAINER LINE LIMITED

We have audited the financial statements of Nedlloyd Container Line Limited (the "financial statements") for the year ended 31 December 2011 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 Directors' Responsibilities Statement 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 (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 website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, 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.

 22 June 2012

Ian Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	<u>Notes</u>	<u>2011</u> <u>\$'000</u>	<u>2010</u> <u>\$'000</u>
Operating expense	3	(55)	(72)
Financial income	4	<u>26,831</u>	<u>31,469</u>
Profit before taxation		26,776	31,397
Income tax expense	5	<u>(6,222)</u>	<u>(7,054)</u>
Profit for the financial year		<u>20,554</u>	<u>24,343</u>
Attributable to Equity holders of the company		<u>20,554</u>	<u>24,343</u>

There was no other comprehensive income other than the profit for the year

The notes on pages 9 to 13 form part of these accounts

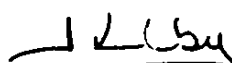
STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	<u>Notes</u>	<u>2011</u> \$'000	<u>2010</u> \$'000
ASSETS			
Long term loans receivable	6	900,000	500,000
Total non-current assets		<u>900,000</u>	<u>500,000</u>
Trade and other receivables	7	712,150	1,085,212
Total current assets		<u>712,150</u>	<u>1,085,212</u>
TOTAL ASSETS		<u>1,612,150</u>	<u>1,585,212</u>
EQUITY			
Share capital	8	1,600	1,600
Share premium		1,543,152	1,543,152
Retained earnings		42,192	21,638
Total equity		<u>1,586,944</u>	<u>1,566,390</u>
Trade and other payables	9	25,206	18,822
Total current liabilities		<u>25,206</u>	<u>18,822</u>
TOTAL LIABILITIES		<u>25,206</u>	<u>18,822</u>
TOTAL EQUITY AND LIABILITIES		<u>1,612,150</u>	<u>1,585,212</u>

The notes on pages 9 to 13 form part of these accounts

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



Director

J Kilby

20 June 2012

STATEMENT OF CHANGES IN EQUITY (SOCIE)

As at 31 December 2011

	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2010	1,600	1,543,152	167,295	1,712,047
Total comprehensive income	-	-	24,343	24,343
Dividend paid	-	-	(170,000)	(170,000)
Balance at 31 December 2010	1,600	1,543,152	21,638	1,566,390
Balance at 1 January 2011	1,600	1,543,152	21,638	1,566,390
Total comprehensive income	-	-	20,554	20,554
Balance at 31 December 2011	1,600	1,543,152	42,192	1,586,944

The notes on pages 9 to 13 form part of these accounts

CASH FLOW STATEMENT

For the year ended 31 December 2011

	<u>2011</u>	<u>2010</u>
	<u>\$000</u>	<u>\$000</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	26,776	31,397
Adjustments for		
Financial income	(11)	(31,469)
Operating profit/(loss) before changes in working capital and provisions	<u>26,765</u>	<u>(72)</u>
Decrease in trade and other receivables		148,424
Increase in trade and other payables	-	72
Non cash intercompany settlements	<u>(26,765)</u>	<u>-</u>
Cash generated from operations	<u>-</u>	<u>148,424</u>
Tax paid	-	(10,220)
Net cash from operating activities	<u>-</u>	<u>138,204</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Loans advanced	-	-
Interest received	-	31,796
Net cash from investing activities	<u>-</u>	<u>31,796</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(170,000)
Net cash from financing activities	<u>-</u>	<u>(170,000)</u>
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	<u>-</u>	<u>-</u>

The Company has no bank accounts. All cash settlements are made on its behalf by fellow Group companies with corresponding changes in balances owed by/(to) Group undertakings.

Notes (forming part of the financial statements)

1. Accounting Policies

Statement of compliance

Nedlloyd Container Line Limited (the "Company") is a Company incorporated in the UK. The Company's registered office and principal place of business is Maersk House, Braham Street, London, E1 8EP. The Company's financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Functional and presentation currency

The Company's functional currency is US dollars.

Basis of preparation

The financial statements are prepared on the historical cost basis.

Going concern

The company participates in the Group's centralised treasury arrangements and has no direct banking arrangements of its own, cash settlements being effected via non-cash intercompany settlements which are expected to continue to be positive.

The directors, having assessed the responses of the directors of the Company's ultimate parent, A.P. Moller-Maersk A/S, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of A.P. Moller-Maersk A/S to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of A.P. Moller-Maersk A/S, the Company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Loans

Interest-bearing loans are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans on an effective interest basis.

Trade and other receivables

Trade and other receivables are stated at amortised cost less allowance for doubtful debts.

2. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011. These have not been applied in preparing these financial statements and none of these are expected to have a significant effect on the financial statements of the Company.

3. Results before financial income

	<u>2011</u>	<u>2010</u>
	<u>\$'000</u>	<u>\$'000</u>
Other operating cost	(55)	(72)
	<u>(55)</u>	<u>(72)</u>

The audit fees for the Company are borne by the Company's parent company. The Company's share of these is estimated at £1,600 (2010 £1,527).

Notes (continued)

3 Results before financial income (continued)

The Company has no employees other than the directors. The directors received no emoluments for their services to the Company (2010 nil)

4 Financial income

	<u>2011</u>	<u>2010</u>
	<u>\$'000</u>	<u>\$'000</u>
Interest income received from group loans and receivables	26,842	31,140
Foreign exchange (Loss)/gains	(11)	329
	<u>26,831</u>	<u>31,469</u>

5 Income tax expense

Recognised in the statement of comprehensive income	<u>6,222</u>	<u>7,054</u>
Reconciliation of effective tax rate		
Profit before tax	<u>26,776</u>	<u>31,397</u>
Theoretical tax thereon 26.5% (2010 28%)	7,096	8,791
Effect of		
Tax over provided in prior years	(939)	(1,645)
Expenses not deductible for tax purposes	65	(92)
Current tax charge for the year	<u>6,222</u>	<u>7,054</u>

The company has a net current liability of \$25,206,000 (2010 \$18,750,000 current tax liability) representing the net amount of income taxes payable in respect of current and prior periods

6 Long term loans receivable

Amounts owed by group companies	<u>900,000</u>	<u>500,000</u>
	<u>900,000</u>	<u>500,000</u>

The loan is repayable in two stages in 2013 and 2014. It is on a commercial basis and the interest rate is variable. The interest rate is 3.64% (2010 3.71%) at balance sheet date.

Notes (continued)

7 Trade and other receivables

	<u>2011</u>	<u>2010</u>
	<u>\$'000</u>	<u>\$'000</u>
Amounts owed by group undertakings	712,150	1,085,212
Balance at 31 December	<u>712,150</u>	<u>1,085,212</u>

Amounts owed by group undertakings are cash deposits made with the parent entity The Maersk Company Limited and ultimate parent entity A P Møller-Mærsk A/S at an average rate of interest of 0.65% at the balance sheet date (2010, 1.96%). These deposits can be drawn upon as required by the company.

8 Share capital and premium

		<u>Shares</u>	<u>2011</u>	<u>2010</u>
Allotted				
Ordinary share capital	USD	1,599,999	1,599,999	1,599,999
Equity share	USD	<u>1</u>	<u>1</u>	<u>1</u>
		<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
Non voting deferred share	GBP	<u>1</u>	<u>1</u>	<u>1</u>

All shares in the company rank equally, save for the following rights and restrictions which attach to the equity share and the non-voting deferred share -

non-voting deferred share

the holder shall not be entitled to any participation in the profits or assets of the Company nor to any profits available for distribution. On liquidation or other return of capital, the assets of the Company available for distribution among the members shall be applied in repaying to the holder of this share an amount in aggregate not exceeding the nominal value thereof. This share shall not confer on the holder thereof any further right to participate in the assets of the company on liquidation or any other return of capital. This share shall not carry any right to receive notice of or to attend and vote at any general meeting of the Company.

equity share

the holder shall not be entitled to any participation in the profits or assets of the Company nor to any profits available for distribution. On liquidation or other return of capital, the assets of the Company available for distribution among the members shall only be applied to repaying the holder of this share once the holders of the ordinary shares have received an amount equal to US\$ 30 million from such distribution, with any surplus above that distributed among the holders of the ordinary shares and the holders of this share rateably according to the nominal amounts paid up or credited as paid up on such shares held by them respectively. This share shall not carry any right to receive notice of or to attend and vote at any general meeting of the company.

Furthermore, the rights attaching to the equity share and the non-voting deferred share shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or pari passu with or subsequent to such shares.

Capital management

The Board's policy is to maintain a strong capital base as to sustain future operations of the business. Capital consists of share capital and retained earnings. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

Notes (continued)

9 Trade and other payables

	<u>2011</u>	<u>2010</u>
	\$'000	\$'000
Amounts owed to fellow group undertakings	-	72
Corporate tax payable	25,206	18,750
	<u>25,206</u>	<u>18,822</u>

10. Financial instruments

Credit risk

The company's principal financial assets are long term loans, trade and other receivables. These represent the company's maximum exposure to credit risk in relation to financial assets.

Interest rate risk

Interest rate exposure arises from the company's long term loans receivable and deposits with immediate and ultimate parent entity (See note 6).

Fair value

The carrying amount of financial assets and liabilities of the company approximate their fair value.

Interest bearing loans and borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

Trade and other payables and receivables

For payables and receivables with a remaining life of one year or less, the carrying amount is deemed to reflect the fair value.

11 Related parties

The Company has a related party relationship with its parent and ultimate holding parent company and fellow subsidiaries. All transactions are on an arm's length basis and other than purchases of goods and services are interest bearing. The transactions and outstanding balances are as follows:

	<u>2011</u>	<u>2010</u>
	\$'000	\$'000
Transaction values		
Purchases of goods and service - parent	-	(72)
Interest income - parent	2,994	2,608
Interest income - ultimate parent	5,205	8,848
Interest income - fellow group subsidiaries	18,643	19,684
Balances outstanding		
Amounts owed to parent	-	(72)
Amounts owed from parent	47,501	211,061
Amounts owed from ultimate parent	664,424	873,929
Amounts owed from fellow group subsidiaries	900,224	500,222

All outstanding balances with related parties are unsecured. There are no provisions against related party debtors (2010, nil) and there have been no write offs of related party items in the year (2010, nil).

Notes (continued)

12 Immediate and ultimate Parent Company

The immediate parent company at 31 December 2011 is The Maersk Company Limited

The ultimate parent company into which the results of the company are consolidated is A P Møller-Mærsk A/S. Copies of the group financial statement of A P Møller-Mærsk A/S are available from the registered office at 50 Esplanaden, DK-1098, Copenhagen, Denmark

13 Contingent liabilities

Guarantees on behalf of A P Møller-Mærsk A/S subsidiaries of USD 985,588,128 (2010, USD 1,075,470,343) have been provided in respect of finance commitments entered into by these entities. These guarantees are not expected to materialise as liabilities due to the financial strength of the A P Møller-Mærsk group.