Nedlloyd Container Line Limited

Directors' Report and Financial Statements

31 December 2013

Registered Number: 03279820

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STRATEGIC REPORT

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2013.

Review of the business of the Company

The Company is a guarantor for debt owed by Maersk Line UK Ltd (a fellow group company). Business during the year remains consistent.

The statement of comprehensive income for the year is set out on page 7, showing a profit for the year of \$17,011k (2012: \$21,902k) At the year end total equity was \$1,625,857k (2012: \$1,608,846k) and total assets were \$1,637,859k (2012: \$1,623,048k).

Principal risks and uncertainties

The Company actively reviews and manages risk.

The principle risks and uncertainties of the Company are linked with those of the parent company, Maersk Line UK Limited, for which the Company acts as a guarantor. Please refer to the Maersk Line UK Limited financial statements for further details of the principle risks and uncertainties faced by the Company.

Further information on the Company's financial risk management policies can be found in Note 9 of these financial statements.

By order of the Board

J. Kilby

J Kilby
Company Secretary
25 June 2014

Maersk House
Braham Street
London
E1 8EP

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 December 2013.

Principal activities

The Company is a guarantor for debt owed by Maersk Line UK Ltd (a fellow group company). The directors consider that the activities will continue for the foreseeable future.

Principal risks and uncertainties

Refer to the strategic report set out on page 2.

Results

The statement of comprehensive income for the year is set out on page 7.

Dividends

No interim dividend was paid to the shareholders during 2013 (2012: USD Nil).The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2013 (2012: USD Nil).

Directors

The directors in office during the year ended 31 December 2013 and to the date of approval of these financial statements were:

J Kilby		
S N Christensen	resigned	29 March 2013
T E Cornick	appointed	01 June 2013
	resigned	28 May 2014
N Lehmann-Taylor	appointed	28 May 2014

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.

Independent Auditors

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

By order of the Board

J. Kilby

J Kilby
Company Secretary
25 June 2014

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 Strategic Report, 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union, 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.

By order of the Board

J. Kilby

J Kilby
Company Secretary
25 June 2014

Maersk House
Braham Street
London
E1 8EP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEDLLOYD CONTAINER LINE LIMITED

We have audited the financial statements of Nedlloyd Container Line Limited for the year ended 31 December 2013 which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report, Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEDLLOYD CONTAINER LINE LIMITED (continued)

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.

Tony Nicol

Tony Nicol **(Senior Statutory Auditor)**
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH
26 June 2014

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

Continuing Operations	Notes	2013 $'000	2012 $'000
Operating expense	3	(27)	(66)
Financial income	4	21,145	29,009
Profit before taxation		21,118	28,943
Income tax expense	5	(4,107)	(7,041)
Profit for the financial year		17,011	21,902
Attributable to:			
Owners of the parent		17,011	21,902

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

There is no material difference between the results shown in the Income Statement and that on a historical cost basis.

The notes on pages 11 to 16 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Notes	2013 $'000	2012 $'000
ASSETS			
Trade and other receivables	6	-	250,000
Total non-current assets		-	250,000
Trade and other receivables	6	1,637,859	1,373,048
Total current assets		1,637,859	1,373,048
TOTAL ASSETS		1,637,859	1,623,048
EQUITY			
Share capital	7	1,600	1,600
Share premium		1,543,152	1,543,152
Retained earnings		81,105	64,094
Total equity attributable to owners of the parent		1,625,857	1,608,846
Trade and other payables	8	12,002	14,202
Total current liabilities		12,002	14,202
TOTAL LIABILITIES		12,002	14,202
TOTAL EQUITY AND LIABILITIES		1,637,859	1,623,048

The notes on pages 11 to 16 form part of these financial statements.

The financial statements on pages 7 to 16 were approved by the Board of Directors on 25 June 2014 and were signed on its behalf by:

N Lehmann-Taylor
Director

STATEMENT OF CHANGES IN EQUITY
As at 31 December 2013

	Share capital $'000	Share premium $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2012	1,600	1,543,152	42,192	1,586,944
Total comprehensive income	-	-	21,902	21,902
Balance at 31 December 2012	1,600	1,543,152	64,094	1,608,846
Balance at 1 January 2013	1,600	1,543,152	64,094	1,608,846
Total comprehensive income	-	-	17,011	17,011
Balance at 31 December 2013	1,600	1,543,152	81,105	1,625,857

The notes on pages 11 to 16 form part of these financial statements.

CASH FLOW STATEMENT

For the year ended 31 December 2013

	2013	2012
	$000	$000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	21,118	28,943
Adjustments for:		
Financial income	-	(3)
Operating profit before changes in working capital and provisions	21,118	28,940
Non cash intercompany settlements	(21,118)	(28,940)
Net cash from operating activities	-	-
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

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) those Group companies.

Notes to the financial statements

1. Accounting Policies

Statement of compliance

Nedlloyd Container Line Limited (the "Company") is a Company incorporated in England and Wales and domiciled in the United Kingdom. The registered office and principal place of business is Maersk House, Braham Street, London, E1 8EP. The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the Companies Act 2006. The accounting policies set out below have, unless otherwise stated been applied consistently to all years presented in these financial statements.

Functional and presentation currency

The Company's functional and presentational 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.

Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilites , income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods.

Notes to the financial statements (continued)

2. New Standards, Amendments and Intepretations

The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2013 and have a material impact on the group:

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

New standards and interpretations not yet adopted

The following standards and amendments to published standards are mandatory for accounting periods beginning on or after 1 January 2014, and have not been early adopted:

- IFRS 10 'Consolidated financial statements' including amendments.
- IFRS 11 'Joint arrangements' including amendments, effective for accounting periods beginning on or after 1 January 2014. The standard defines two types of joint arrangements: joint operations and joint ventures, based on the rights and obligations of the parties to the arrangement. Proportional consolidation of joint ventures will no longer be allowed and must be accounted for using the equity method. The standard is not expected to have an impact on the company.
- IFRS 12, 'Disclosures of interests in other entities', including amendments.
- IAS 28 (amendment), 'Investments in associates and joint ventures', includes requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
- IAS 32 (amendment), 'Financial instruments: Presentation', regarding asset and liability offsetting.
- IAS 36 (amendment), 'Impairment of assets', regarding recoverable amount disclosures.
- IFRS 9, 'Financial instruments', including amendments. This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

Notes to the financial statements (continued)

3. Results before financial income

	2013	2012
	$'000	$'000
Other operating cost	(27)	(66)
	(27)	(66)

The audit fee for the Company is borne by the parent company and is estimated to be £1,700 (2012 £2,100).

The Company has no employees other than the directors. The directors received no emoluments for their services to the Company (2012: nil).

4. Financial income

	2013	2012
	$'000	$'000
Interest income received from group loans and receivables	21,145	29,006
Foreign exchange gain	-	3
	21,145	29,009

5. Income tax expense

	2013	2012
	$'000	$'000
Current tax expense:		
Current tax	4,910	7,091
Adjustments in respect of prior periods	(803)	(50)
Total tax expense	4,107	7,041
Reconciliation of effective tax rate:		
Profit before tax	21,118	28,943
Theoretical tax thereon 23.25% (2012: 24.5%)	4,910	7,091
Effect of		
Adjustments in respect of prior periods	(803)	(50)
Current tax charge for the year	4,107	7,041

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's taxable profits for the accounting period are taxed at an effective rate of 23.25%. Further decreases are expected to be enacted in future finance bills.

Current tax liability

The company has a net current liability of $12,002,000 (2012: $14,202,000) representing the net amount of income taxes payable in respect of current and prior years. This balance is recognised within Note 8 ' Trade and Other Payables'.

Notes to the financial statements (continued)

6. Trade and other receivables

Non Current	2013	2012
	$'000	$'000
Amounts owed by group undertakings	-	250,000
	-	250,000

Current	2013	2012
	$'000	$'000
Amounts owed by group undertakings	1,637,859	1,373,048
	1,637,859	1,373,048

Amounts owed by group undertakings are cash deposits and short-term loans.

The deposits are made with a fellow subsisiary, The Maersk Company Limited and ultimate parent entity, A.P.Møller-Mærsk A/S, at a rate of interest of 0.30% and 0.63% respectively at the balance sheet date (2012: 0.33% and 0.47%). These deposits can be drawn upon as required by the Company.

The loans are with fellow subsidiaries, Maersk Oil UK Limited and Maersk Oil North Sea UK Limited, and are repayable in April 2014. The interest rate is 3.60% (2012: 3.76%) at balance sheet date. The Company entered into a new loan relationship during the year with the parent entity, Maersk Line UK Limited at a rate of interest of 2.6% at the balance sheet date.

7. Share capital

		Shares	2013	2012
Allotted				
Ordinary share capital	USD	1,599,999	1,599,999	1,599,999
Equity share	USD	1	1	1
		1,600,000	1,600,000	1,600,000
Non voting deferred share	GBP	1	1	1

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

Notes to the financial statements (continued)

7. Share capital (continued)

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 ay 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.

8. Trade and other payables

	$'000	$'000
Corporate tax payable	12,002	14,202
	12,002	14,202

9. 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.

Notes to the financial statements (continued)

10. 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:

	2013	2012
	$'000	$'000
Transaction values		
Interest income - parent	2,730	4,728
Interest income - ultimate parent	4,228	3,886
Interest income - fellow group subsidiaries	14,186	20,392
Balances outstanding		
Amounts owed from parent	702,730	472,581
Amounts owed from ultimate parent	680,381	650,266
Amounts owed from fellow group subsidiaries	254,748	500,201

All outstanding balances with related parties are unsecured. There are no provisions against related party debtors (2012: nil) and there have been no write offs of related party items in the year (2012: nil).

11. Immediate and ultimate Parent Company

In 2013 the immediate parent undertaking changed from the Maersk Company Limited to Maersk Line UK Limited. The beneficial ownership changed on 8 Nov 2013 and the legal ownership changed on 2 Dec 2013.

The ultimate parent company and controlling party into which the results of the company are consolidated is A.P.Møller-Mærsk A/S.

The only group in which the results of the company are consildated 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.

12. Contingent liabilities

Guarantees on behalf of A.P.Møller-Mærsk A/S subsidiaries of USD 758,650,538 (2012: USD 910,036,464) 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.