

COMPANY REGISTRATION NUMBER: 04914754

**PORT OF CAIRNRYAN LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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# **PORT OF CAIRNRYAN LIMITED**

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## **PORT OF CAIRNRYAN LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements of Port of Cairnryan Limited ('the Company') for the year ended 31 December 2018. The Company is exempt, by virtue of its size, from the requirements to prepare a Strategic Report.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company during the year was the holding of freehold land and buildings in respect of the Port of Cairnryan and the operation of the port facilities.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £0.1m (2017: profit £0.5m). The directors have not recommended a final dividend (2017: £nil). No interim dividends were paid in the year (2017: £nil).

#### **DIRECTORS**

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

K Howarth

R Armson

S M Mackenzie (resigned 9 May 2018)

The following directors were appointed after the year end:

D Stretch (appointed 1 January 2019)

L A McGolpin (appointed 1 January 2019 and resigned 2 July 2019)

No director had any interest in the share capital of the Company during the year or at the year end. No rights to subscribe for shares in or debentures of the Company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

#### **DIRECTORS INDEMNIFICATION**

Relevant personnel at Port of Cairnryan Limited are covered by the Directors and Officers liability Insurance arranged by Port and Free Zone World with Chubb Insurance and others. The main limit is US\$100,000,000 which applies to either a single claim or to cap the total claims submitted within an insured period.

#### **POLITICAL DONATIONS**

The Company made no political donations and incurred no political expenditure during the year (2017: £nil).

#### **GOING CONCERN**

The Directors have made an assessment regarding the going concern assumption, and are of the opinion that the entity will be able to continue on a going concern basis for the foreseeable future and meet their obligations as and when they are due.

## **PORT OF CAIRNRYAN LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **UNITED KINGDOM LEAVING THE EUROPEAN UNION**

The UK enacted Article 50 in March 2017 with the deadline for departure set at 29th March 2019. The Withdrawal Agreement negotiated between the British Government and the EU, which made provision for a transition period until the end of 2020, was not ratified by parliament and Britain's departure was postponed until 31st October. The risk to this intra UK route are two fold. The first relates to the ' Backstop' which if amended could lead to a creation of a border for more goods and services in the Irish Sea. This would be the case if the UK was outside the Customs Union and a less close alignment to the single market than that maintained in Northern Ireland occurred. The EU never envisaged a UK Customs Union and single market alignment in any case for the UK outside of Northern Ireland.. The other risk is that the no deal Brexit will lead to the EU having to install a 'hard border' leading to disruption to key elements of the Northern Ireland economy and the viability of exports to the rest of the UK from Northern Ireland will falter.

#### **FINANCIAL INSTRUMENTS**

Details of the Company's financial instruments are included in notes 9 and 10 to the financial statements.

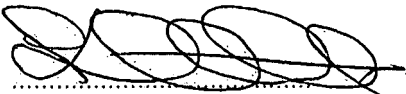
#### **DISCLOSURE OF INFORMATION TO THE AUDITORS**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **REAPPOINTMENT OF AUDITORS**

The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 30 September 2019 and signed on its behalf by:



K Howarth  
Director

Registered office:  
Channel House  
Channel View Road  
Dover  
CT17 9TJ

## **PORT OF CAIRNRYAN LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 UK Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 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 apply them consistently;
- make judgements 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
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

# PORT OF CAIRNRYAN LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORT OF CAIRNRYAN LIMITED

### Opinion

We have audited the financial statements of Port of Cairnryan Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Other matter: The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by directors, such as the carrying value of debtors and valuation of provisions. All of these depend on assessments of the future economic environment and the Group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardized firm-wide approach in response to that uncertainty (except for areas outside the scope of our audit) when assessing the Group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all future implications for a company and this is particularly the case in relation to Brexit.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analyzed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made,

the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



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

30 September 2019



# PORT OF CAIRNRYAN LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £ 000	2017 £ 000
Turnover	3	2,302	2,371
Cost of sales		<u>(1,973)</u>	<u>(1,956)</u>
Gross profit		329	415
Administrative expenses		<u>(5)</u>	<u>(4)</u>
Operating profit		324	411
Interest payable and similar charges	5	<u>(36)</u>	<u>(27)</u>
Profit before tax		288	384
Tax on profit	7	<u>(212)</u>	<u>76</u>
Profit for the year		<u>76</u>	<u>460</u>

The above results were derived from continuing operations.

**PORT OF CAIRNRYAN LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER  
2018**

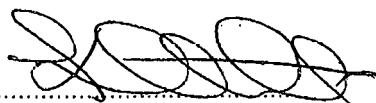
	<b>2018</b> <b>£ 000</b>	<b>2017</b> <b>£ 000</b>
Profit for the year	<u>76</u>	<u>460</u>
Total comprehensive income for the year	<u><u>76</u></u>	<u><u>460</u></u>

**PORT OF CAIRNRYAN LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2018**  
**(REGISTRATION NUMBER: 04914754)**

	Note	31 December 2018 £ 000	31 December 2017 £ 000
<b>Fixed assets</b>			
Tangible assets	8	14,919	15,811
<b>Current assets</b>			
Debtors	9	-	249
Cash at bank and in hand		-	875
		-	1,124
Creditors: Amounts falling due within one year	10	(11,609)	(13,913)
Net current liabilities		(11,609)	(12,789)
Total assets less current liabilities		3,310	3,022
Deferred tax liabilities	7	(223)	(11)
Provisions	11	(50)	(50)
Net assets		3,037	2,961
<b>Capital and reserves</b>			
Called up share capital	12	8,390	8,390
Profit and loss account		(5,353)	(5,429)
Shareholders' funds		3,037	2,961

Approved by the Board on 30 September 2019 and signed on its behalf by:



K Howarth  
Director

# PORT OF CAIRNRYAN LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	8,390	(5,429)	2,961
Profit for the year	-	76	76
Total comprehensive income	-	76	76
At 31 December 2018	8,390	(5,353)	3,037

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	8,390	(5,889)	2,501
Profit for the year	-	460	460
Total comprehensive income	-	460	460
At 31 December 2017	8,390	(5,429)	2,961

## **PORT OF CAIRNRYAN LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1 ACCOUNTING POLICIES**

##### **BASIS OF PREPARATION**

Port of Cairnryan Limited (the "Company") is a company incorporated and domiciled in the UK.

The financial statements are prepared on the historical cost basis.

The Company financial statements have been prepared and approved by the directors in accordance with Financial Reporting Standard FRS 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately 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. FRS 101 disclosure exemptions adopted include transactions with related parties which form part of the Company's group and certain disclosures required by IFRS 13 Fair Value Measurement, IFRS 16 Leases, IAS 7 the disclosure of a statement of cash flows and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

##### **GOING CONCERN**

The financial statements have been prepared on a going concern basis notwithstanding the Company's net current liabilities at the year end. This is on the basis that the Directors have received an indication from the Company's intermediate parent undertaking, P&O Ferries Division Holdings Limited, that it will make available to the Company such financial support as required to enable the Company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

##### **TURNOVER**

Turnover represents the amounts derived from the operating of the port facilities.

Turnover is recognised on an accruals basis on delivery of the related goods or services.

##### **SEPARATELY DISCLOSED ITEMS**

Separately disclosed items are those significant items which, in the Directors' judgement, are highlighted by virtue of their size or incidence to enable a full understanding of the Company's financial performance. There are no separately disclosed items in 2018 or 2017.

## **PORT OF CAIRNRYAN LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **FOREIGN CURRENCY TRANSACTIONS AND BALANCES**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. 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.

#### **TAX**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The Company's operations' taxation charge is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## PORT OF CAIRNRYAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### IMPAIRMENT

##### Financial assets (including receivables)

##### Policy applicable from 1 January 2018

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

Loss allowances for trade receivables are generally measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### *Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

##### *Write-offs*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

## PORT OF CAIRNRYAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### Policy applicable prior to 1 January 2018

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

#### **Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **TANGIBLE ASSETS**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

##### *Depreciation*

Depreciation is charged to the income statement so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	10 to 25 years
Linkspan	25 years
Other equipment	3 to 10 years

The depreciation charge for other equipment is calculated after adjusting for the residual value based upon a percentage of the original cost.

Land is not depreciated.



## PORT OF CAIRNRYAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### PROVISIONS

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### FINANCIAL ASSETS AND LIABILITIES

Non-derivative financial instruments comprise trade and other debtors, and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's financial statements prepared in accordance with IFRS require management to make judgements and estimates that affect amounts reported in the financial statements and related notes. The judgements and estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such estimates.

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on the Company's activities in the year, the directors do not consider that there are any significant estimates and judgements (including in respect of turnover) which require disclosure.

## 2 CHANGES TO ACCOUNTING POLICIES

The Group has initially adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018.

#### IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 8 Revenue and related interpretations.

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients), with any effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated.

There is not a significant impact to the Company of applying IFRS 15.

# PORT OF CAIRNRYAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies.

### 3 TURNOVER

The analysis of the Company's turnover for the year from continuing operations is as follows:

	2018 £ 000	2017 £ 000
Port operations	<u>2,302</u>	<u>2,371</u>

In 2018 and 2017, all turnover arose in the United Kingdom.

### 4 OPERATING PROFIT

Arrived at after charging

	2018 £ 000	2017 £ 000
Depreciation expense	<u>901</u>	<u>895</u>

The Company had no employees in the current or prior year.

No director received any emoluments during the period for services to the Company. The Company considers that there is no practicable method to accurately allocate a portion of the emoluments the Directors receive from their respective Group company.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £ 000	2017 £ 000
Interest on bank overdrafts and borrowings	<u>36</u>	<u>27</u>

### 6 AUDITORS' REMUNERATION

	2018 £ 000	2017 £ 000
Audit of the financial statements	<u>5</u>	<u>4</u>

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's intermediate parent, P&O Ferries Division Holdings Limited.

# PORT OF CAIRNRYAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 7 TAXATION

Tax charged/(credited) in the profit and loss account:

	2018 £ 000	2017 £ 000
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	<u>212</u>	<u>(76)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19.00% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit before tax	<u>288</u>	<u>384</u>
Corporation tax at standard rate	55	74
Increase (decrease) from effect of capital allowances depreciation	<u>157</u>	<u>(150)</u>
Total tax charge/(credit)	<u>212</u>	<u>(76)</u>

### Factors that may affect future tax charges

The corporation tax rate of 19% reflects the reduction in the rate from 20% to 19% (effective from 1 April 2017) and was substantively enacted on 26 October 2015. Further reductions to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

### DEFERRED TAX

The net deferred tax asset at the current and prior year end relates to depreciation in excess of capital allowances claimed and losses carried forward. There are no unprovided deferred tax liabilities and no unrecognised deferred tax assets.

Deferred tax movement during the year:

	At 1 January 2018 £ 000	Recognised in income £ 000	At 31 December 2018 £ 000
Accelerated tax depreciation	<u>(11)</u>	<u>(212)</u>	<u>(223)</u>

Deferred tax movement during the prior year:

	At 1 January 2017 £ 000	Recognised in income £ 000	At 31 December 2017 £ 000
Accelerated tax depreciation	<u>(87)</u>	<u>76</u>	<u>(11)</u>

**PORT OF CAIRNRYAN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**8 TANGIBLE ASSETS**

	Land and buildings £ 000	Other equipment £ 000	Total £ 000
<b>Cost</b>			
At 1 January 2018	8,162	18,065	26,227
Additions	9	-	9
At 31 December 2018	<u>8,171</u>	<u>18,065</u>	<u>26,236</u>
<b>Depreciation</b>			
At 1 January 2018	6,996	3,420	10,416
Charge for the year	62	839	901
At 31 December 2018	<u>7,058</u>	<u>4,259</u>	<u>11,317</u>
<b>Carrying amount</b>			
At 31 December 2018	<u>1,113</u>	<u>13,806</u>	<u>14,919</u>
At 31 December 2017	<u>1,166</u>	<u>14,645</u>	<u>15,811</u>

**9 DEBTORS**

	31 December 2018 £ 000	31 December 2017 £ 000
Trade debtors	-	19
Amounts owed by group undertakings	-	229
Prepayments	-	1
	<u>-</u>	<u>249</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 December 2018 £ 000	31 December 2017 £ 000
Amounts owed to group undertakings	11,567	12,942
Accruals and deferred income	42	971
	<u>11,609</u>	<u>13,913</u>

# PORT OF CAIRNRYAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 OTHER PROVISIONS

	Legal £ 000	Total £ 000
At 1 January 2018	50	50
At 31 December 2018	50	50
Current liabilities	50	50

### 12 SHARE CAPITAL

#### ALLOTTED, CALLED UP AND FULLY PAID SHARES

	No. 000	2018 £ 000	No. 000	2017 £ 000
Ordinary A voting shares of £1 each	4,190	4,190	4,190	4,190
Ordinary B voting shares of £1 each	4,190	4,190	4,190	4,190
Ordinary C non-voting shares of £1 each	10	10	10	10
	<u>8,390</u>	<u>8,390</u>	<u>8,390</u>	<u>8,390</u>

### 13 RESERVES

#### Share capital

Ordinary share capital issued by the Company.

There were no changes in equity resulting from items of other comprehensive income for the current year or the prior year.

### 14 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with companies which are also wholly controlled by the group headed by P&O Ferries Division Holdings Limited. There are no other related party transactions in the year which require disclosure.

### 15 PARENT AND ULTIMATE PARENT UNDERTAKING

The Company's immediate parent is Larne Harbour Limited, a company incorporated in Northern Ireland.

The smallest group of companies for which consolidated financial statements are prepared in which the Company is consolidated is P&O Ferries Division Holdings Limited.

The ultimate parent undertaking is Dubai World Corporation, a company incorporated in Dubai. This is the largest group of companies for which consolidated financial statements are prepared in which Port of Cairnryan Limited is consolidated. The financial statements are not publicly filed.

As at 31 December 2018 the ultimate controlling party is Port and Free Zone World FZE, a company incorporated in Dubai.

## **PORT OF CAIRNRYAN LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **16 NON ADJUSTING EVENTS AFTER THE FINANCIAL PERIOD**

On 20 February 2019, DP World PLC, a company incorporated in Dubai, announced the acquisition of the Company's intermediate parent company, P&O Ferries Division Holdings Limited, for a purchase consideration of £322m.

Following the completion of this transaction, the ultimate parent will remain Dubai World Corporation, and the ultimate controlling party will be DP World.