



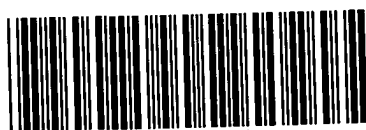
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London Gateway Port Holdings Limited

Directors' report and financial statements

for the year ended 31 December 2014

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London Gateway Port Holdings Limited

Company Information

Directors	A A R Alabbar I B Malcolm C Meaby S N Moore S M Qureshi
Company secretary	M Al Hashimy
Registered number	07618348
Registered office	16 Palace Street London SW1E 5JQ
Independent auditor	KPMG LLP Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL

London Gateway Port Holdings Limited

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London Gateway Port Holdings Limited

Strategic report for the year ended 31 December 2014

Introduction

The principal activity of London Gateway Port Holdings Limited is to act as holding company for its subsidiary London Gateway Port Limited. London Gateway Port Limited is a new container port, purpose built on a Greenfield site in a unique location close to the largest consumer market in the UK. It is capable of handling the largest vessels in the world using the most up to date equipment and systems. Located next to potentially the largest distribution park in Europe further enhances its cargo potential.

Business review

As the immediate parent company of London Gateway Port Limited, the principal risks and uncertainties are those that the Port is exposed to.

Following the opening of the first berth in November 2013 and the securing of its first customers, the Port continued to develop its initial infrastructure leading to the opening of the second berth in May 2014. At this time additional custom was secured with a further three-weekly service coming to London Gateway. Since then three further weekly services have started to call and a number of calls have seen an upgrade of the tonnage employed, a reflection of the ability of London Gateway to attract business volumes for Shipping Lines calling at London Gateway. By the end of 2014 seven services were coming to London Gateway compared with one service during 2013. Thirteen out of the top nineteen shipping lines have used London Gateway during 2014. Volume has increased to 277,002 teu in 2014 from 14,614 teu in 2013.

Planning for the 3rd berth has continued with tenders being invited for the construction of the stacking yards and equipment. All quay facilities are already complete and this has led to the announcement in early 2015 of firm contracts with a target opening date of mid-2016.

Principal risks and uncertainties

While the opening of berth 2 initial construction risks ceased, the recent announcement of berth 3 represents some risk but this is limited as the work is for basic civil engineering and all the equipment is broadly the same as is being used on the first two berths. This also minimises any IT risks as all systems and interfaces remain the same.

Commercial risk is thus paramount though by the end of 2014 most of the major Lines were active at London Gateway to some extent due to the wide employment of vessel sharing agreements in the industry. This is a significant risk mitigation factor that Lines can experience the London Gateway service quality before taking the risk of bringing in large services. The benefit was amply demonstrated in December 2014 when MSC, the world's second largest container operator, brought in a service following experience as a slot operator on another service. London Gateway also continues to accept regular ad-hoc calls as other UK Ports fail to adequately service Lines requirements.

While Liner companies are able to try before they buy, the rationalisation of the industry continues to be a significant risk to London Gateway. During 2014, the alliance between Maersk, MSC and CMA-CGM was barred by regulators causing the uncertainty over carrier alliances to continue. Subsequently Maersk and MSC have moved ahead together with CMA-CGM teaming up with China Shipping and UASC but this has delayed further the overall restructuring of carrier alliances and sailing schedules. With this uncertainty there has naturally been a reticence of Lines to make any moves. As the new service patterns settle in, significant movement is expected as the various groupings seek commercial advantage. London Gateway expects to benefit at this stage.

Lines continue to order larger vessels in the search for economies of scale with significant deliveries scheduled for 2015. This will place further strains on the already challenged UK Port infrastructure to deal with these large vessels. With two deep water berths and excellent landside connectivity, London Gateway expects to benefit as the the only Port with available capacity for new large vessel services.

London Gateway Port Holdings Limited

Strategic report (continued) for the year ended 31 December 2014

Financial key performance indicators

The financial performance indicators used are working capital, interest rate risk and capital commitments. Working capital indicators are volatile, however debtor days are in line with expectations from the agreed credit terms. Interest rate risk has been mitigated by the use of an interest rate swap on 100% of the senior debt. Capital commitments in the form of incomplete contracts are monitored on a monthly basis both internally and also with the aid of external independent consulting engineers. All initial banking covenants required have been satisfied and all of the ongoing banking covenants are being met.

Other key performance indicators

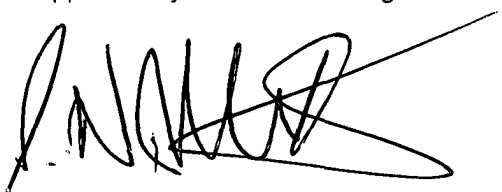
Health and Safety is always of paramount importance to London Gateway where an excellent safety record continues on both the operational and construction business sides despite the challenges of running the two together and introducing a new team to the demands of an operational terminal.

After working closely with the Environment Agency (EA), amongst many other regulatory bodies, the London Gateway Environment process has been deemed "best practice by the EA and is being used as a model for other major infrastructure projects. Ensuring a diverse workforce to better represent the overall demographic mix is a priority and London Gateway has achieved considerable success with a 20% female ratio, including female crane drivers. In an industry typified by older males, this and the balanced age demographics, is a considerable success.

London Gateway has a strong commitment to the local community with 85% of staff living within 20 miles of the Port. This local commitment is further evidenced by the continuation of the engineering apprentice programme with further local youngsters being recruited and trained at the nearby Grays College.

Involvement with the local community can also be seen from projects undertaken by London Gateway staff to tidy up local sheltered housing and repainting projects at local schools.

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



S N Moore
Director

Date: 21 August 2015

London Gateway Port Holdings Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Directors

The directors who served during the year were:

A A R Alabbar
I B Malcolm
C Meaby
S N Moore
S M Qureshi

Qualifying third party indemnity provisions

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 auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

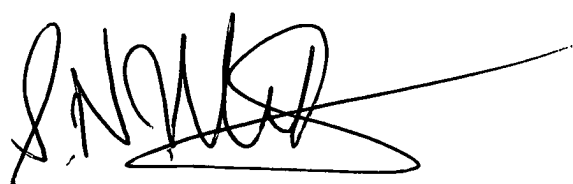
- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, KPMG LLP, will be deemed to be reappointed in accordance with section 487 of the Companies Act 2006 and KPMG LLP will therefore continue in office.

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

S N Moore
Director



Date: 21 August 2015

London Gateway Port Holdings Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements for the year ended 31 December 2014

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

London Gateway Port Holdings Limited

Independent auditor's report to the shareholders of London Gateway Port Holdings Limited

We have audited the financial statements of London Gateway Port Holdings Limited for the year ended 31 December 2014, set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Strategic Report and Directors' report for the financial period 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.



Sameena Arshad (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

25 August 2015

London Gateway Port Holdings Limited
Registered number: 07618348

Profit and loss account
for the year ended 31 December 2014

The Company has not traded during the current year or the preceding financial year. During these years, the Company received no income and incurred no expenditure and therefore made neither profit nor loss.

There were no recognised gains or losses for 2014 or 2013 and therefore no Statement of Total recognised gains and losses has been presented.

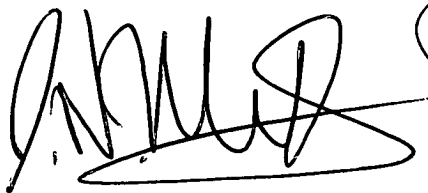
The notes on pages 7 to 11 form part of these financial statements.

Balance sheet
as at 31 December 2014

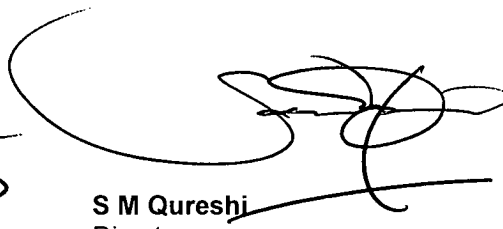
		2014	2013
	Note	£000	* as restated £000
Fixed assets			
Investments	3	25,000	25,000
Current assets			
Debtors : amounts falling due after more than one year	4	573,088	568,767
Total assets less current liabilities		598,088	593,767
Creditors: amounts falling due after more than one year	5	(573,088)	(568,767)
Net assets		25,000	25,000
Capital and reserves			
Called up share capital	6	25,000	25,000
Shareholders' funds	8	25,000	25,000

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf by:

S N Moore
Director



S M Qureshi
Director



Date: 21 August 2015

Date: 21 August 2015

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

* Refer to note 7

London Gateway Port Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the Group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Investments

Investments in subsidiary undertakings are stated at cost, less provision for impairment.

1.4 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.

1.5 Related party transactions

The Company has taken advantage of the exemption contained in the Financial Reporting Standard No.8 "Related Party Disclosure" as it is a wholly-owned subsidiary of The Peninsular and Oriental Steam Navigation Company. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the group headed by The Peninsular and Oriental Steam Navigation Company. There were no other related party transactions in the period.

London Gateway Port Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies (continued)

1.6 Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or group of assets.

Calculation of recoverable amounts

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed on intangible assets if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a ready ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

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.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected UK corporation tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and financial reporting purposes which have arisen but not reversed by the balance sheet dates except as otherwise required by FRS 19 Deferred Tax. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that future taxable profits will be available against which the assets can be utilised. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

London Gateway Port Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies (continued)

1.8 Going concern

The directors have considered the funding and liquidity position of the Company, and consider it appropriate to continue to prepare the financial statements on a going concern basis.

2. Notes to the profit and loss account

During the year, no director received any emoluments (2013 - £NIL).

Amounts receivable by the Company's auditor in respect of the audit of the financial statements is £5,500 (2013 : £5,300) and has been borne by London Gateway Port Limited, a related entity of the Company.

3. Investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2014 and 31 December 2014	25,000
Net book value	
At 31 December 2014	25,000
At 31 December 2013	25,000

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of Incorporation	Principal Activity	Class of shares	Holding
London Gateway Port Limited	United Kingdom	Port Operator	Ordinary	100%

London Gateway Port Holdings Limited

Notes to the financial statements
for the year ended 31 December 2014

4. Debtors

	2014	2013
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	573,088	568,767

The amounts owed by group undertakings comprises of a loan which has been granted to London Gateway Port Limited to fund the construction of the Port. This intra-group loan is non-interest bearing and is repayable are more than one year.

5. Creditors:
Amounts falling due after more than one year

	2014	2013
	£000	£000
Amounts owed to group undertakings	573,088	568,767

Creditors include amounts not wholly repayable within 5 years as follows:

	2014	2013
	£000	<i>as restated</i> £000
Repayable by instalments	573,088	568,767

The amounts owed to group undertakings comprises of loans which have been granted by The Peninsular and Oriental Steam Navigation Company and ultimately represents external borrowings sourced to fund the construction of the Port. This intra-group loan is currently non-interest bearing until after the first construction phase of the Port is completed in 2016. Loan repayments on the intra-group loan is repayable after more than one year.

6. Called up Share capital

	2014	2013
	£000	£000
Authorised, allotted, called up and fully paid		
25,000,101 Ordinary shares of £1 each	25,000	25,000

London Gateway Port Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

7. Prior year adjustment

The loan owing to group companies (The Peninsular and Oriental Steam Navigation Company) totalling £568.8 million was erroneously not included on the Balance Sheet at 31 December 2013 and in earlier years. Similarly, the loan receivable of £568.8 million owing by London Gateway Port Limited, a wholly owned subsidiary, was also not included on the Balance Sheet. There is no impact on the 2013 profit and loss account, the 2013 statement of total recognised gains and losses, or the 2013 opening or closing retained earnings.

8. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Shareholders' funds at 1 January 2014 and 31 December 2014	<u>25,000</u>	<u>25,000</u>

9. Ultimate parent undertaking and controlling party

The smallest group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is The Peninsular and Oriental Steam Navigation Company, a company incorporated by Royal Charter and therefore not registered, copies of whose accounts can be obtained from: The Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

The largest group of companies for which consolidated financial statements are prepared and which are publicly available, and in which the Company is consolidated is DP World Limited, a company limited by shares incorporated in Dubai, whose accounts are filed with the Dubai International Financial Centre and where 19.55% of its shares are traded on the NASDAQ Dubai. DP World Limited was further admitted to trade on the London Stock Exchange with effect from 1 June 2011 and voluntarily delisted from the London Stock Exchange on 21 January 2015.

The immediate parent undertaking at 31 December 2014 was The Peninsular and Oriental Steam Navigation Company, a company incorporated in the United Kingdom.

In the opinion of the directors the ultimate controlling parent undertaking as at 31 December 2014 was Port & Free Zone World FZE, which owns 80.45% of DP World Limited. Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation, which is the ultimate parent company of the Company, but which does not exert control over the company. Both Port and Free Zone World FZE and Dubai World Corporation are incorporated in Dubai.