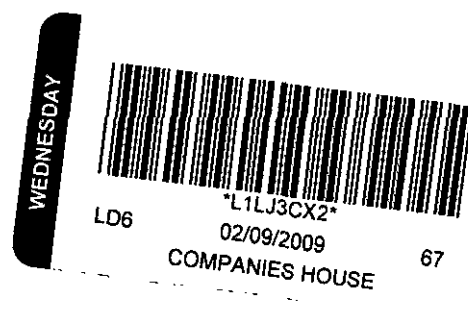


P&O SCOTTISH FERRIES SHIP MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

REGISTERED NUMBER SC10350

31 DECEMBER 2008



Registered No. SC10350

Directors

T C Cairns

P A Walker

M Moore

(resigned 15 October 2008)

F Dalgaard

(appointed 16 April 2008)

J M Woollacott

P W Walters

(resigned 16 April 2008)

Secretary

B Allinson

Registered Office

16 Palace Street

London SW1E 5JQ

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activity and review of business

The company did not trade during the year.

Principal risks and uncertainties

The directors do not foresee any significant risks and uncertainties.

Directors

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

T C Cairns

P A Walker

M Moore (resigned 15 October 2008)

J M Woollacott

P W Walters (resigned 16 April 2008)

F Dalgaard (appointed 16 April 2008)

Secretary

B Allinson

Directors' Indemnity Insurance

All directors are entitled to contractual indemnification from the Company to the extent permitted by law against claims and legal expenses incurred in the course of their duties.

Such qualifying third party indemnity insurance is provided and remains in force as at the date of approving the directors' report.

On behalf of the board



P A Walker
Director

28 August 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

BALANCE SHEET
AT 31 DECEMBER 2008

	Notes	2008 £'000	2007 £'000
Current assets			
Amounts owed by group undertakings		<u>400</u>	<u>400</u>
Capital and reserves			
Called up share capital	3	<u>400</u>	<u>400</u>

During the financial year and the preceding financial year the company received no income and incurred no expenditure. Consequently during those years the company made neither a profit nor loss.

The directors:

(a) confirm that the company was entitled to exemption under section 249AA(1) of the Companies Act 1985 from the requirement to have its financial statements for the financial year ended 31 December 2008 audited.

(b) confirm that members have not required the company to obtain an audit of its financial statements for the financial year in accordance with section 249B(2) of the Companies Act 1985.

(c) acknowledge their responsibilities for:

(i) ensuring that the company keeps accounting records which comply with section 221 Companies Act 1985; and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirement of section 226 of the Companies Act 1985, and which otherwise comply with the requirement of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The accounts were approved by the Board of Directors and signed on its behalf by:-



P A Walker
Director

28 August 2009

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2008

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements of P&O Scottish Ferries Ship Management Limited were approved for issue by the Board of Directors on 28 August 2009.

The financial statements are prepared under the historical cost convention.

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

Cash flow statement

The company has taken advantage of the exemption available to it under FRS1 "Cash Flow Statements" not to prepare a statement of cash flows.

Related party transactions

The company has taken advantage of the exemption available to it under FRS8 "Related Party Disclosures" not to disclose transactions with other group companies. There were no other related party transactions during the year.

2 OPERATING PROFIT

- (a) The company's business is organised in the United Kingdom.
- (b) The directors are also directors/employees of, and were paid by, other group undertakings. The directors do not believe that it is practicable to apportion these emoluments between their services as directors of the company and their services as directors/employees of other group undertakings.

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2008**

3 AUTHORISED AND ISSUED SHARE CAPITAL

Authorised	2008 £'000	2007 £'000
400,000 ordinary shares at £1 each	<u>400</u>	<u>400</u>
Allotted, called up and fully paid	2008 £'000	2007 £'000
400,000 ordinary shares at £1 each	<u>400</u>	<u>400</u>

4 PARENT UNDERTAKING

The smallest group of companies for which consolidated financials 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 financial statements can be obtained from: The Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

The largest group of companies for which consolidated financial statements are prepared and in which the company is consolidated is DP World Limited, a company limited by shares incorporated in Dubai, whose accounts are filed with the Dubai International Financial Exchange and where 19.55% of its shares are traded.

The immediate parent undertaking at 31 December 2008 is P&O Scottish Ferries Limited, a company incorporated in the United Kingdom.

In the opinion of the directors the ultimate controlling parent undertaking as at 31 December 2008 was Port & Free Zone World FZE, which owns 81.45% of DP World Limited. Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation, which is the ultimate parent company of the Company, but which does not exert control over the Company.