
ISTITHMAR P&O ESTATES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 DECEMBER 2014

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ISTITHMAR P&O ESTATES LIMITED

COMPANY INFORMATION

Directors	R O Keshiro S S Ali (appointed 30 April 2015) S R Karaikuruchi (appointed 30 April 2015)
Registered number	805591
Registered office	16 Palace Street London SW1E 5JQ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

ISTITHMAR P&O ESTATES LIMITED

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ISTITHMAR P&O ESTATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 24 DECEMBER 2014

The directors present their report and the audited financial statements of Istithmar P&O Estates Limited (the 'Company'), for the year ended 24 December 2014.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Results and dividends

The result for the financial year amounted to £NIL (2013: loss £269,482).

The directors do not recommend the payment of a dividend (2013: £NIL).

Principal activities and review of business

The Company's principal activity is acting as a property investment holding company.

The Company has not engaged in any commercial trading activity during the year.

The Company is a wholly owned subsidiary of P&O Property Holdings Limited.

The financial statements contain a prior year adjustment in respect of the value of investment in subsidiaries. In 2013 it was based on the value of underlying net assets, rather than cost. The 2013 restated impact on retained earnings is a reduction of £2,403,969.

Principal risks and uncertainties

Impairment of investments in subsidiaries

The financial performance of subsidiary undertakings may affect their carrying value. The carrying value of these investments is monitored regularly for indications of impairment.

Going concern

In respect of going concern, after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

G Brooks (resigned 31 December 2014)
I G H Barnett (resigned 31 December 2014)
E E Wilson (resigned 23 June 2014)
R O Keshiro
G B Corser (resigned 31 December 2014)
Z K Makkawi (resigned 29 May 2014)
S S Ali (appointed 30 April 2015)
S R Karaikuruchi (appointed 30 April 2015)

ISTITHMAR P&O ESTATES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 24 DECEMBER 2014**

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.

Provision of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



R O Keshiro
Director

Date: 24 September 2015

ISTITHMAR P&O ESTATES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 24 DECEMBER 2014

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- 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.

ISTITHMAR P&O ESTATES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISTITHMAR P&O ESTATES LIMITED

Report on the financial statements

Our opinion

In our opinion, Istithmar P&O Estates Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs at 24 December 2014 and of its result 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.
-

What we have audited

The financial statements comprise:

- The Balance sheet as at 24 December 2014;
- The Profit and loss account for the year ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosure of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic report. We have no exceptions to report arising from this responsibility.

ISTITHMAR P&O ESTATES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISTITHMAR P&O ESTATES LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report 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.



Sonia Copeland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 September 2015

ISTITHMAR P&O ESTATES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 24 DECEMBER 2014**

	Note	2014 £	<i>As restated 2013 £</i>
Impairment	5	-	(269,567)
RESULT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	(269,567)
Tax on result/(loss) on ordinary activities	4	-	85
RESULT/(LOSS) FOR THE FINANCIAL YEAR	9	-	(269,482)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

There are no material differences between the result/(loss) on ordinary activities before taxation and the result/(loss) for the financial year stated above and their historical cost equivalents.

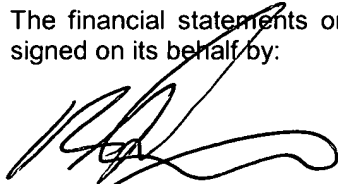
The notes on pages 8 to 13 form part of these financial statements.

ISTITHMAR P&O ESTATES LIMITED
REGISTERED NUMBER: 805591

BALANCE SHEET
AS AT 24 DECEMBER 2014

	Note	2014 £	As restated 2013 £
FIXED ASSETS			
Investments	5	7,091,294	7,091,294
CURRENT ASSETS			
Debtors	6	85	198
TOTAL ASSETS LESS CURRENT LIABILITIES		7,091,379	7,091,492
CREDITORS: amounts falling due after more than one year	7	(6,211,366)	(6,211,479)
NET ASSETS		880,013	880,013
CAPITAL AND RESERVES			
Called up share capital	8	250,000	250,000
Profit and loss account	9	630,013	630,013
TOTAL SHAREHOLDERS' FUNDS	11	880,013	880,013

The financial statements on page 6 to 13 were approved and authorised for issue by the board and were signed on its behalf by:



R O Keshiro
Director

Date: 24 September 2015

The notes on pages 8 to 13 form part of these financial statements.

ISTITHMAR P&O ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 24 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared on the going basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

The Company is a wholly owned subsidiary of P&O Property Holdings Limited.

Group financial statements are not prepared because the Company is itself a wholly owned subsidiary undertaking of another company incorporated in England and Wales which, in turn, is a wholly owned subsidiary of a company incorporated in Dubai which prepares consolidated financial statements which are available on request. The Company has thus taken advantage of the exemption available under the terms of section 401 of the Companies Act 2006.

The financial statements contain a prior year adjustment in respect of the value of investment in subsidiaries. In 2013 the investment in subsidiaries was based on the value of underlying net assets, rather than cost. The 2013 restated impact on retained earnings is a reduction of £2,403,969.

1.2 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Impairment losses are recognised in the Profit and loss account in the period in which they arise. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

1.3 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 wholly owned group companies. There were no other related party transactions during the year.

1.4 Taxation

The charge for current taxation for the year is based on the result for the year, adjusted for disallowable items.

Full provision has been made for deferred taxation in respect of timing differences that have originated, but not reversed at the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in the future, except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

ISTITHMAR P&O ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 24 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

1.5 Cash flow

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised) "Cash flow Statements" from the requirement to produce a cash flow statement on the grounds that it is a small company.

2. RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION

(a) The Company's business is organised in the United Kingdom.

(b) The basis of charging intra-group interest is agreed between the parties from time to time.

(c) Fees for audit and non-audit services provided by PricewaterhouseCoopers LLP to the Company in 2013 and 2014 have been borne by other group undertakings. It is not practicable to ascertain what proportion of such fees relates to the Company.

3. STAFF COSTS

The Company has no employees (2013: *none*) other than the directors, who did not receive any remuneration (2013: *£NIL*). 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.

ISTITHMAR P&O ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 24 DECEMBER 2014**

4. TAX ON RESULT ON ORDINARY ACTIVITIES

	2014	<i>As restated</i>
	£	2013
		£
UK corporation tax charge/(credit) on result/(loss) for the year	-	(85)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014	<i>As restated</i>
	£	2013
		£
Result/(loss) on ordinary activities before tax	-	(269,567)
Result/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	-	(62,674)
Effects of:		
Non-tax deductible impairment	-	62,674
Capital allowances for year in excess of depreciation	-	(85)
Capital gains	-	(532,872)
Unrelieved tax losses carried forward	-	532,872
Current tax charge/(credit) for the year (see note above)	-	(85)

Factors that may affect future tax charges

The reductions in the corporation tax rate from 21% to 20% from 1 April 2015 announced in the March 2013 Budget were substantively enacted on 2 July 2013. The rate change will impact the amount of the future tax charges recognised by the Company. However, it is not considered to have any material effect on the current year results.

Unrecognised deferred tax

A deferred tax asset of £406 (2013: £333) has not been recognised in respect of decelerated capital allowances. The asset is unrecognised as there is uncertainty as to whether there will be suitable profits and gains available for offset in the future.

ISTITHMAR P&O ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 24 DECEMBER 2014

5. INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 25 December 2013 (as previously stated)	9,495,263
Prior year adjustment	(2,403,969)
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At 25 December 2013 (as restated) and 24 December 2014	7,091,294
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Net book value	
At 24 December 2014	7,091,294
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At 24 December 2013 (as restated)	7,091,294
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Subsidiary and related undertakings

The following were subsidiary and related undertakings of the Company:

Name	Class of shares	Holding
P&O Estates	Ordinary	100 %
Leonora Estates Limited	Ordinary	100 %

Name	Business	Registered office
P&O Estates	Management of real estate on a fee or contract basis	UK
Leonora Estates Limited	Management of real estate on a fee or contract basis	UK

The financial statements contain a prior year adjustment in respect of the value of investment in subsidiaries. In 2013 it was based on the value of underlying net assets, rather than cost. The 2013 restated impact on retained earnings is a reduction of £2,403,969.

The Company's subsidiary undertakings at the date of the balance sheet are set out above. All are wholly owned subsidiary Companies of Istithmar P&O Estates Limited, registered in England and Wales, and engaged as a property investment holding company.

In the opinion of the directors, the value of the shares in the subsidiary undertakings is not less than the amount shown in the balance sheet.

ISTITHMAR P&O ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 24 DECEMBER 2014**

6. DEBTORS

	2014	2013
	£	£
Group relief receivable	85	198

There are no debtors falling due after more than one year.

**7. CREDITORS:
Amounts falling due after more than one year**

	2014	2013
	£	£
Amounts owed to group undertakings	6,211,366	6,211,479

Amounts owed to group undertakings are unsecured, interest free and do not require repayment within one year.

8. CALLED UP SHARE CAPITAL

	2014	2013
	£	£
Authorised, allotted, called up and fully paid		
250,000 (2013: 250,000) Ordinary shares of £1 each	250,000	250,000

9. PROFIT AND LOSS ACCOUNT

	£
At 25 December 2013 (as previously stated)	3,033,982
Prior year adjustment (note 10)	(2,403,969)
At 25 December 2013 (as restated)	630,013
At 24 December 2014	630,013

10. PRIOR YEAR ADJUSTMENT

The financial statements contain a prior year adjustment in respect of the value of investment in subsidiaries. In 2013 it was based on the value of underlying net assets, rather than cost. The 2013 restated impact on retained earnings is a reduction of £2,403,969.

ISTITHMAR P&O ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 24 DECEMBER 2014**

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	<i>As restated</i>
	£	2013
		£
Opening shareholders' funds	3,283,982	1,149,495
Prior year adjustments (note 10)	(2,403,969)	-
Opening shareholders' funds (as restated)	880,013	1,149,495
Result/(loss) for the financial year	-	(269,482)
Closing shareholders' funds	880,013	880,013

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking at 24 December 2014 is P&O Property Holdings Limited, a company incorporated in the United Kingdom.

The smallest group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is Istithmar Building FZE, a company incorporated in Dubai. The consolidated financial statements of this group are available on request from 6th Floor, Building No.4, The Galleries, Downtown Jebel Ali, Dubai, United Arab Emirates.

The largest group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is the ultimate parent company Dubai World. The consolidated financial statements of this group are available on request from P.O. Box 1700, Dubai, United Arab Emirates.