

PD Logistics Limited

**Annual report and financial statements
for the year ended 30 June 2008**

Registered number: 1422772

THURSDAY



A04

A5VQT8VW

09/04/2009

169

COMPANIES HOUSE

Contents

	Pages
Directors' report	2-4
Independent auditors' report	5-6
Profit and loss account	7
Balance sheet	8
Statement of accounting policies	9
Notes to the financial statements	10-14

Directors' report (continued)

The Directors present their annual report on the affairs of PD Logistics Limited ("the Company") together with the financial statements for the year ended 30 June 2008.

Principal activities and business review

The Company is a wholly owned subsidiary of BBI Port Acquisitions (UK) Limited. On 31 March 2005, the Company transferred its trade to PD Port Services Limited, a fellow group company, together with all of its assets and liabilities with the exception of the liabilities in respect of the long term loans from THPA Finance Limited and Ports Holdings Limited. The Company is currently non-trading and therefore, given the nature of the business and operating structure of the BBI Port Acquisitions (UK) Limited group, the Directors are of the opinion that analysis using other key performance indicators is not necessary for an understanding of the development, performance or position of the Company.

The Company's profit for the year amounted to £nil (2007: £nil). A dividend of £9,000,000 was paid during the year (2007: nil).

The Directors consider the future position of the Company to be satisfactory.

Directors

The Directors of the Company who served during the year and subsequently were as follows:

D J Robinson
D M Russell
J M Hopkinson
M J Pounder

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key risks affecting the Company include financing risks and the ability of the fellow subsidiary to generate sufficient revenues to service the inter-company debt. The Company monitors and manages these risks through a series of regular meetings of the Company and divisional management to discuss operational, strategic and risk issues, as well as through meetings of the BBI Port Acquisitions (UK) Limited Risk Committee which has been set-up to assess the major risks and key controls designed to manage these risks.

As a subsidiary of PD Portco Limited, the Company is a party to the terms of the whole business securitisation raised by THPA Finance limited, a fellow subsidiary of PD Portco Limited, in 2001. PD Portco limited and its subsidiaries (together the Portco Group), of which the Company is a member, provides cross guarantees under the terms of the securitisation. The Company's material borrowings comprise the amounts owed to group undertakings which relate to the Portco Group's securitisation loan notes and its subordinated debt. The securitisation loan notes are repayable on a semi annual basis under a fixed amortisation schedule from September 2011 to March 2032, and their interest rates are fixed under the terms of their issue in 2001. There is therefore no refinancing risk attached to this debt. The subordinated debt is owed by Portco Group to Ports Holdings Limited ('the subordinated creditor') and is subject to the terms of the Subordinated Debt Agreement dated April 2001. Under the terms of this agreement, the Subordinated

Directors' report (continued)

Principal risks and uncertainties (continued)

Creditor cannot demand repayment of the subordinated debt until all of the securitisation loan notes have been repaid. The Portco Group therefore has no requirement to repay any of the subordinated debt until 2032 at the earliest. There is therefore no refinancing risk attached to the amounts owed to group undertakings in the short or medium term. As a consequence, the directors consider that the use of the going concern basis of accounting is appropriate in drawing up the financial statements.

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 its profit or loss for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, ; 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 proper accounting records which 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 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.

Auditors and disclosure of information to Auditors

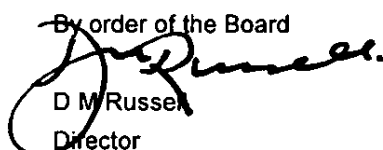
Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report as defined in the Companies Act 1985) of which the Company's auditors are unaware, and they have taken all the 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 auditors are aware of this information. This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Directors' report (continued)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

By order of the Board

A handwritten signature in black ink, appearing to read 'D M Russek', is written over the printed name.

D M Russek

Director

27 February 2009

Independent auditors' report

Independent auditors' report to the Directors of PD Logistics Limited

We have audited the financial statements of PD Logistics Limited for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 June 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

United Kingdom

27 February 2009

On 1 December 2008 the Company's auditors changed their name from Deloitte & Touche LLP to Deloitte LLP. Accordingly, they have signed the report in their new name.

Profit and loss account

For the year ended 30 June 2008

	Notes	2008 £'000	2007 £'000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	-
Operating profit		-	-
Finance charges (net)	2	-	-
Profit on ordinary activities before taxation	3	-	-
Taxation	4	-	-
Profit for the financial year	10	-	-

The accompanying notes are an integral part of this profit and loss account.

There were no recognised gains and losses other than the profit for the financial year, in either year, and accordingly no separate statement of total recognised gains and losses is presented.

Balance sheet
30 June 2008

	Notes	2008 £'000	2007 £'000
Current assets			
Debtors: Amounts falling due within one year	5	55,581	51,019
Creditors: Amounts falling due within one year	6	(7,437)	(7,064)
Net current assets		<u>48,144</u>	<u>43,955</u>
Total assets less current liabilities		48,144	43,955
Creditors: Amounts due in more than one year	7	(43,786)	(30,597)
Net assets		<u>4,358</u>	<u>13,358</u>
 Capital and reserves			
Called-up equity share capital	9	4,000	4,000
Profit and loss account	10	<u>358</u>	<u>9,358</u>
Shareholders' funds	11	<u>4,358</u>	<u>13,358</u>

The financial statements on pages 7 to 14 were approved by the board of Directors on 27 February 2009 and signed on its behalf by:



D J Robinson
Director

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

The principal accounting policies are set out below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

The Company has taken advantage of the exemption from the requirement of Financial Reporting Standard ("FRS") 1 (revised 1996) "Cash flow statements" to present a cash flow statement because it is a wholly owned subsidiary of BBI Port Acquisitions (UK) Limited which prepares consolidated financial statements which are publicly available.

Debt

Debt is initially stated at the amount of the net proceeds after the deduction of issue costs. The carrying amount of debt is increased by the finance cost in respect of the accounting year and reduced by payments made during the year. Finance charges, including direct issue costs, are accounted for on an accruals basis, using the effective interest method and are amortised to the profit and loss account over the life of the associated loans. Issue costs are amortised to the profit and loss account over the life of the associated loans.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract which evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Related party transactions

The Company has taken advantage of the exemptions of FRS 8 "Related party disclosures" which allow non-disclosure of all intra-group transactions, as the consolidated financial statements of its ultimate parent company are publicly available.

Notes to the financial statements (continued)

30 June 2008

1 Staff costs

The Company has no employees other than executive Directors.

Messrs Hopkinson, Robinson and Russell were paid wholly by PD Ports Limited, which is a fellow group company. It is not practicable to determine the proportions of such emoluments which are attributable to these Directors' services to the Company and the emoluments are therefore disclosed in the financial statements of the parent company, BBI Port Acquisitions (UK) Limited. Mr Pounder was paid wholly by PD Port Services Limited, and it is not possible to determine the proportion of such emoluments that are attributable to those Director's services to the Company. His emoluments are therefore disclosed in the accounts of PD Port Services Limited.

Retirement benefits are accruing to one of the Directors under a defined benefit scheme (2007: one). The Group also contributed to the personal pension scheme of two Directors (2007: two). The remaining director at 30 June 2008 and 30 June 2007 was a member of the Group Personal Pension Scheme.

The Directors have no interests in the share capital of the Company. At 30 June 2008, Mr Robinson held 22,859 (2007: 21,600) and Mr D M Russell held 38,950 (2007: nil) shares in Babcock and Brown Infrastructure Limited, the Company's ultimate parent undertaking.

2 Finance charges (net)

	2008 £'000	2007 £'000
<i>Investment income</i>		
Interest receivable from fellow group undertakings	4,562	3,963
<i>Interest payable and similar charges</i>		
Interest payable to fellow group undertakings	(4,562)	(3,963)
	<u>-</u>	<u>-</u>

3 Profit on ordinary activities before taxation

Fees payable to the Company's auditors for the audit of the annual accounts of £1,000 (2007: £1,000) were met by other Group companies. There were no fees payable for other non-audit services.

Notes to the financial statements (continued)

30 June 2008

4 Taxation

	2008 £'000	2007 £'000
Analysis of tax charge:		
UK Corporation tax on profit for the year	-	-
Total current tax	-	-
Deferred tax		
Timing differences	-	-
	-	-

Factors that may affect future tax charges

The future tax charges will be affected by the changes in taxation announced in the 2007 and 2008 Budgets, including the reduction in standard rate of corporation tax, from 30% to 28%, to be implemented with effect from April 2008.

5 Debtors

	2008 £'000	2007 £'000
<i>Amounts falling due within one year:</i>		
Amounts owed by group undertakings – PD Port Services Limited	55,581	51,019

Interest on the balance owed by PD Port Services Limited is charged at a rate agreed between the two companies.

6 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts owed to group undertakings	(7,437)	(7,064)

Notes to the financial statements (continued)

30 June 2008

7 Creditors: amounts falling due in more than one year

	2008 £'000	2007 £'000
Amounts owed to group undertakings	(43,786)	(30,597)
Amounts owed to group undertakings fall due for payment as follows:		
Between one and two years	25	25
Between two and five years	74	74
After five years	(43,885)	(30,696)
	(43,786)	(30,597)
On demand or within one year	(7,437)	(7,064)
	(51,223)	(37,661)

Of the amounts owed to group undertakings, £25,518,000 (2007: £25,120,000) is secured by way of a fixed and floating charge over the assets of the Company and is repayable in the years to 31 March 2031. This debt attracts fixed interest rates, after the effect of the interest rate swaps, currently of between 6.4% and 11.6%. The balance of £25,705,000 (2007: £12,542,000) is unsecured, repayable in full on 31 March 2031, and attracts an interest rate of 23%.

As a subsidiary of PD Portco Limited, the Company is a party to the terms of the whole business securitisation raised by THPA Finance limited, a fellow subsidiary of PD Portco Limited, in 2001. PD Portco limited and its subsidiaries (together the Portco Group), of which the Company is a member, provides cross guarantees under the terms of the securitisation. The Company's material borrowings comprise the amounts owed to group undertakings which relate to the Portco Group's securitisation loan notes and its subordinated debt. The securitisation loan notes are repayable on a semi annual basis under a fixed amortisation schedule from September 2011 to March 2032, and their interest rates are fixed under the terms of their issue in 2001. There is therefore no refinancing risk attached to this debt. The subordinated debt is owed by Portco Group to Ports Holdings Limited ('the subordinated creditor') and is subject to the terms of the Subordinated Debt Agreement dated April 2001. Under the terms of this agreement, the Subordinated Creditor cannot demand repayment of the subordinated debt until all of the securitisation loan notes have been repaid. The Portco Group therefore has no requirement to repay any of the subordinated debt until 2032 at the earliest. There is therefore no refinancing risk attached to the amounts owed to group undertakings in the short or medium term. As a consequence, the directors consider that the use of the going concern basis of accounting is appropriate in drawing up the financial statements.

Notes to the financial statements (continued)

30 June 2008

8 Called-up equity share capital

	2008 £'000	2007 £'000
<i>Authorised</i>		
4,000,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>
<i>Allotted, called-up and fully paid</i>		
4,000,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

9 Profit and loss account

	£'000
At 1 July 2007	9,358
Dividend	(9,000)
At 30 June 2008	<u>358</u>

10 Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Dividend	<u>(9,000)</u>	-
Net additions to equity shareholders' funds	(9,000)	-
Shareholders' funds at 1 July 2007	<u>13,358</u>	<u>13,358</u>
Shareholders' funds at 30 June 2008	<u>4,358</u>	<u>13,358</u>

11 Financial commitments

As at 30 June 2008, the Company (along with certain other companies) had guaranteed the obligations of THPA Finance Limited, a fellow subsidiary, under the terms of the issue of that company's listed debt. The amount guaranteed by the Company at 30 June 2008 and 30 June 2007 under these arrangements totalled £245,000,000. The guarantees were secured by fixed and floating charges.

Notes to the financial statements (continued)

30 June 2008

12 Ultimate parent company and controlling party

The Company's intermediate parent company, and the smallest corporate entity which produces consolidated financial statements including the results of the Company, is PD Portco Limited, a company registered in England and Wales. Copies of the financial statements of this company are available from its registered office, 17-27 Queen's Square, Middlesbrough, TS2 1AH.

The Company's ultimate parent company and controlling party, and the largest corporate entity which produces consolidated financial statements including the results of the Company is Babcock & Brown Infrastructure Limited, a company incorporated in Australia. Copies of the financial statements of this company are available from its registered office, Level 39, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia.