

ABP PROPERTY DEVELOPMENT COMPANY LIMITED

(Company Number 1521927)

ANNUAL REPORT AND ACCOUNTS 2012

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ABP PROPERTY DEVELOPMENT COMPANY LIMITED
ANNUAL REPORT AND ACCOUNTS 2012

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Directors' report

The directors present their report and the audited accounts of the company for the year ended 31 December 2012

Principal activity

The principal activity of the company is property investment in the United Kingdom. There have been no additional property investments made during the year

The profit for the year attributable to the equity shareholder was £474,000 (2011 £16,000). The company has net assets of £14,303,000 (2011: £13,829,000)

Dividends

The directors do not recommend the payment of a dividend (2011 £nil)

Future outlook

The directors do not foresee any material changes in the principal activity of the company

Directors

The directors of the company during the year and up to the date of these accounts were as follows

GSM Bull

JNS Cooper (appointed 30 June 2013)

PJ Williams (resigned 30 June 2013)

Financial instruments

The company's policies on financial instruments are set out on page 12 of the financial statements.

Directors' indemnities

The company's ultimate parent undertaking, ABP (Jersey) Limited, maintains directors' and officers' liability insurance and pension fund trustees' liability insurance which give appropriate cover for any legal action brought against the directors and officers of the company. In addition, the Articles of Association of the company permit the directors and officers of the company to be indemnified in respect of liabilities incurred as a result of their office. Qualifying third party indemnity provisions (as defined by s234 of the Companies Act 2006) for the benefit of directors and officers were in force with effect from 22 November 2011 for all directors and officers at that date and remain in force in relation to certain losses and liabilities which directors and officers may incur (or have incurred) in connection with their duties, powers or office.

Annual general meeting

In accordance with s303 of the Companies Act 2006, the members have not required the directors to call an annual general meeting of the company.

Auditor re-appointment

In accordance with s487 of the Companies Act 2006, the auditor is deemed to have been re-appointed and Ernst & Young LLP will therefore continue as auditor to the company.

Directors' report (continued)

Audit information

The directors of the company at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and the company's auditor, each of these directors confirms that

- so far as each director is aware, there is no relevant audit information (that is, information needed by the company's auditor in connection with preparing his report) of which the company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of relevant audit information and to establish that the company's auditor is aware of that information.

Small company exemptions

In preparing the directors' report, the directors have taken advantage of the exemptions available under s417 of the Companies Act 2006 in so far as it relates to small companies

By Order of the Board



A Rutter
Company Secretary
Aldwych House
71-91 Aldwych
London WC2B 4HN

24September 2013

Statement of directors' responsibilities in respect of the preparation of the annual report and accounts

The directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the company accounts in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law, the directors must not approve accounts unless they are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the company for that period. In preparing these accounts, the directors are required to

- present fairly the financial position, financial performance and cashflows of the company,
- select suitable accounting policies in accordance with IAS 8 Accounting policies, changes in accounting estimates and errors and then apply them consistently,
- make judgments that are reasonable,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance, and
- state that the company has complied with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the accounts

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to 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.

By Order of the Board



A Rutter
Company Secretary
Aldwych House
71-91 Aldwych
London WC2B 4HN

24 September 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABP PROPERTY DEVELOPMENT COMPANY LIMITED

We have audited the financial statements of ABP Property Development Company Limited for the year ended 31 December 2012 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union

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 auditors

As explained more fully in the Statement of Directors' Responsibilities 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABP PROPERTY DEVELOPMENT COMPANY LIMITED (continued)

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.

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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report

Ernst & Young LLP

Matthew Williams (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

30 September 2013

Income statement for the year ended 31 December

	Note	2012 £000	2011 £000
Revenue	1	109	-
Cost of sales	2	519	-
Operating profit	2	628	-
Increase in fair value of investment properties	5	-	16
Profit before taxation		628	16
Taxation	4	(154)	-
Profit attributable to equity shareholder		474	16

All results are derived from continuing operations in the United Kingdom.

Statement of comprehensive income for the year ended 31 December

There were no gains or losses other than the amounts reported above.

The notes on pages 9 to 16 form part of these accounts

Balance sheet as at 31 December

	Note	2012 £000	2011 £000
Assets			
Non-current assets			
Investment property	5	510	510
Trade and other receivables	6	13,000	-
		13,510	510
Current assets			
Trade and other receivables	6	4,854	18,183
		4,854	18,183
Total assets		18,364	18,693
Liabilities			
Current liabilities			
Trade and other payables	7	(4,061)	(4,864)
		(4,061)	(4,864)
Total liabilities		(4,061)	(4,864)
Net assets		14,303	13,829
Shareholder's equity			
Share capital	8	-	-
Share premium account		59,800	59,800
Accumulated losses		(45,525)	(45,999)
Revaluation reserve		28	28
Total shareholder's equity		14,303	13,829

The financial statements on pages 6 to 16 were approved by the Board on **24** September 2013 and signed on its behalf by.

GSM Bull
Director



Statement of cash flows for the year ended 31 December

The company had no cash flows during the years ended 31 December 2012 and 2011, consequently no statement of cash flows has been presented

Statement of changes in equity for the year ended 31 December

	Share capital £000	Share premium £000	Revaluation reserve £000	Accumulated losses £000	Total £000
At 1 January 2012	-	59,800	28	(45,999)	13,829
Profit for the year	-	-	-	474	474
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	474	474
At 31 December 2012	-	59,800	28	(45,525)	14,303

	Share capital £000	Share premium £000	Revaluation reserve £000	Accumulated losses £000	Total £000
At 1 January 2011	-	59,800	12	(45,999)	13,813
Profit for the year	-	-	16	-	16
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	16	-	16
At 31 December 2011	-	59,800	28	(45,999)	13,829

Notes to the financial statements

1 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs. The financial statements have been prepared on a going concern basis under the historical cost convention, except for investment property that has been measured at fair value.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

The directors believe that the most critical accounting policies and the most significant areas of judgment and estimation are revenue and profit recognition and investment property valuation.

The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

Changes in accounting policy

With the exception of the company's policy in relation to investment property, as noted below, the company accounting policies are consistent with those of the previous year and reflect new IFRS standards, amendments and interpretations where appropriate.

The company has reviewed IFRS standards, amendments and interpretations that became mandatory for accounting periods beginning 1 January 2012 and considers that none of these have a material impact on its financial statements.

The IASB and IFRIC have issued the following standards, amendments and interpretations with an effective date of implementation for accounting periods beginning after the start of the company's current year financial statements. The directors do not anticipate that the adoption of these standards, amendments and interpretations will have a material impact on the company's financial statements in the period of initial application.

Notes to the financial statements (continued)**1 Accounting policies (continued)**

		Effective for accounting periods beginning on or after
IFRS 1 (amendment)	First time adoption of IFRS (government loans)	01 01 2013
IFRS 7 (amendment)	Offsetting financial assets and liabilities	01 01 2013
IFRS 9	Financial instruments – classification and measurement	01 01 2015
IFRS 10	Consolidated financial statements	01 01 2014
IFRS 11	Joint arrangements	01 01 2014
IFRS 12	Disclosure of interest in other entities	01 01 2014
IFRS 13	Fair value measurement	01 01 2013
IAS 19 (revised)	Employee benefits	01 01 2013
IAS 27 (revised)	Consolidated and separate financial statements	01 01 2014
IAS 28 (revised)	Investments in associates and joint ventures	01 01 2014
IAS 32 (amendment)	Offsetting financial assets and liabilities	01 01 2014
IFRIC 20	Stripping costs in the production phase of a surface mine	01 01 2013

Investment property

The company has assessed its accounting policy in relation to the classification of its property assets between investment property and property, plant and equipment. The company had previously classified property as investment property if it was subject to legal exclusive use or sole effective use by a tenant or other port user. During 2012, the company determined that in order to present a reliable and more relevant view of the company's financial position the existing policy should be amended to remove the requirement for exclusive use and to classify properties as investment properties if

- for a defined area (land, buildings, jetties and other fixed structures), one or more users pay an amount for use of that area for a period of one or more years, and
- any "ancillary services" provided by the company at the property are insignificant to the arrangements as a whole

The changes above have not resulted in the reclassification of property assets between the categories

Revenue and profit recognition

Revenue comprises the amounts receivable in respect of income from investment properties and sales of property developments, excluding related sales taxes. Revenue and profit in relation to rental income from investment property is recognised in line with the provision of the service. Revenue and profits or losses arising on the sale of sites or completed developments are recognised when contracts for sale have been exchanged and when all material conditions have been satisfied.

Investment property

Investment property comprises land and buildings within the port estate that are held for long-term income and are not occupied by the group or used by the company for the provision of material operational port services (eg stevedoring).

Notes to the financial statements (continued)

1 Accounting policies (continued)

Investment property (continued)

During the year, the company changed its policy in relation to the classification of its tangible property assets between investment property and property, plant and equipment. The change in policy is described above.

Completed investment properties and land held for development are stated at fair value. Investment property in the course of construction is measured at cost (including interest and other appropriate net outgoings) until such time as it is possible to determine fair value, with the exception of underlying land, which is included at carrying value before construction commenced. Valuations are conducted annually by the directors and by external valuers at least once every five years. Surpluses or deficits arising on the revaluation of investment property are recognised in the income statement.

Transfers from investment property to property, plant and equipment are made at the carrying amount of the investment property at the date of transfer.

Properties transferred into investment property from property, plant and equipment are revalued at the date of transfer with resulting gains recognised in other comprehensive income to the extent that they do not reverse previous revaluation losses on the same asset recognised in the income statement. Losses on the initial valuation of properties transferred from property, plant and equipment are recognised in the income statement unless they reverse gains previously recognised in other comprehensive income on the same asset.

Obligations in relation to leasehold properties classified as investment property are recorded as finance leases.

The main assumptions considered in arriving at the fair value of investment property are the expected future rental values, forecast variable income and prevailing market yields.

The valuations adopt conventional investment valuation methodology by assessing the income from the investment assets and then capitalising against an investment yield. Deductions have been made to reflect the costs that would be incurred by a purchaser of the asset, namely stamp duty, legal and surveyors fees.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences, except to the extent that the deferred tax liability arises from (a) the initial recognition of goodwill, (b) goodwill for which amortisation is not deductible for tax purposes, or (c) the initial recognition of an asset or liability in a transaction which is not a business combination and which at the time of the transaction affects neither accounting profit nor taxable profit.

Temporary differences are differences between the tax base value of assets and liabilities and their carrying amount as stated in the financial statements. These arise from differences between the valuation, recognition and amortisation bases used in tax computations compared with those used in the preparation of financial statements under IFRS.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax liabilities are measured at the average tax rates that are expected to apply in the years in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The company's deferred tax provision is measured on an undiscounted basis.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to facilitate the realisation of such assets.

Financial instruments

Treasury matters throughout the group of which the company is a member are controlled centrally and carried out in compliance with policies approved by the board of the company's intermediate parent, Associated British Ports Holdings Limited. The company's main financial risks are liquidity, interest rate and credit risk. The wider group aims to manage these risks to an acceptable level. The company does not trade in financial instruments.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for impairment of trade receivables is made when there is objective evidence that the company may not be able to collect all amounts recorded within the balance sheet. Cost of impairment of receivables is recorded within administrative expenses.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

Shares are classified as equity or debt or a combination of the two depending on the terms of the instrument. External costs directly attributable to the issue of new shares are apportioned as either debt or equity on the same basis.

Dividends

Dividend receipts and payments are recognised in the period when they become a binding obligation on the paying company.

2 Operating profit

Revenue in 2012 represents an adjustment to the profit share on the 2010 disposal of the development land at The Waterfront, Barry, a joint initiative with the Welsh Assembly Government. Legal completion took place on 31 March 2012 at which point an accrual relating to the wind up was also released against cost of sales.

The auditor's remuneration for 2012 and 2011 was borne by a fellow group company.

Notes to the financial statements (continued)

3 Directors and employees

No director received any emoluments in relation to their services to the company (2011: £nil), which were incidental to their services as executives of other group companies

The company had no employees during the year (2011: nil).

4 Taxation

Current taxation represents a charge (2011: £nil) for group relief surrendered by another group undertaking, with the amount being deducted from amounts due from group undertakings

	2012 £000	2011 £000
Analysis of taxation for the year		
Taxation	154	-

Taxation for the year is equal to (2011: lower than) the standard rate of taxation in the UK of 24.5% (2011: 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit before taxation	628	16
Profit before taxation multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	154	4
Effects of		
Income not chargeable to tax	-	(4)
Total taxation for the company	154	-

5 Investment property

	2012 £000	2011 £000
At valuation		
At 1 January	510	494
Income on re-measurement	-	16
At 31 December	510	510

As set out in note 1, the company has changed its policy in relation to the classification of property assets between investment property and property, plant and equipment. This change did not impact the company's results.

Investment property has been valued on the basis of market value in accordance with the Appraisal and Valuation Standards issued by The Royal Institution of Chartered Surveyors. The valuation was carried out as at 31 December 2012 by Phillip Williams FRICS, Group Property Director, Associated British Ports. The open market valuation adopted represents the fair value of the company's investment property portfolio and takes into account the condition of each property, the strength of covenant and the term of any lease agreement.

Notes to the financial statements (continued)

5 Investment property (continued)

The increase on revaluation during the year of £nil (2011 £16,000) was included within the income statement as an increase in the fair value of investment property.

Rental income generated from the company's investment property amounted to £nil (2011 £nil) and related operating expenses amounted to £nil (2011 £nil) Direct operating expenses relating to vacant property are £nil

The future minimum lease income receivable under non-cancellable operating leases is £nil (2011 £nil) as property is not let

6. Trade and other receivables

	2012 £000	2011 £000
Non-current		
Amounts due from group undertakings (note 9)	13,000	-
Total non-current trade and other receivables	13,000	-
Current		
Amounts due from group undertakings (note 9)	4,854	18,183
Total current trade and other receivables	4,854	18,183

Amounts due from group undertakings are non-interest bearing and have no fixed terms of repayment

The carrying amount of trade and other receivables approximates to their fair value Amounts due from group undertakings are not overdue for repayment and are not considered to be impaired Amounts have been included in current or non-current (2011 all current) receivables in the balance sheet to reflect the expected repayment timing at the respective balance sheet date

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable shown above The company does not hold any collateral as security The company's receivables are denominated in sterling

7 Trade and other payables

	2012 £000	2011 £000
Current		
Amounts due to group undertakings (note 9)	3,808	3,808
Accruals	253	1,056
Total current trade and other payables	4,061	4,864

The carrying amount of trade and other payables approximates to their fair value

All of the amounts due to group undertakings are non-interest bearing and have no fixed terms of repayment

The company's payables are denominated in sterling

Notes to the financial statements (continued)

8 Share capital

	2012 £000	2011 £000
Issued and fully paid		
3 (2011. 3) ordinary shares of £1 each	-	-

9 Related party transactions

The company's fellow group undertaking, Associated British Ports, makes payments and receives funds on the company's behalf

Balances due from/(to) group undertakings were as follows

	2012 £000	2011 £000
Grosvenor Waterside (Holdings) Limited	13,000	13,000
Associated British Ports	4,854	5,183
Grosvenor Waterside Investments Limited	(3,808)	(3,808)
	14,046	14,375

The following table shows the transactions that have been entered into by the company with group undertakings, together with period end balances, for the relevant financial year

Associated British Ports	2012 £000	2011 £000
Intercompany receivable at start of year	5,183	5,204
Decrease in receivable	(10)	(21)
Land sale settlement	(165)	-
Group tax relief purchased	(154)	-
Receivable at end of the year	4,854	5,183

10 Ultimate parent undertaking and controlling party

The company is a limited liability company domiciled and incorporated in England and Wales

The immediate parent undertaking is Grosvenor Waterside (Holdings) Limited. The company's intermediate parent undertaking is Associated British Ports Holdings Limited ("ABPH"), which produces IFRS financial statements that are available from its registered office at Aldwych House, 71-91 Aldwych, London, WC2B 4HN. The consolidated financial statements of ABPH are the smallest group in which the company is included.

The ultimate parent undertaking and controlling party is ABP (Jersey) Limited, which produces IFRS consolidated financial statements that are available from Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The consolidated financial statements of ABP (Jersey) Limited are the largest group in which the company is included.

Notes to the financial statements (continued)

10 Ultimate parent undertaking and controlling party (continued)

ABP (Jersey) Limited is a limited liability company registered in Jersey, owned by a consortium of investors as shown below

	% of Ordinary shares	% of Preference shares
Infracapital Partners LP (through a nominee acting by its manager M&G Investment Management Limited)	10 00	10 00
Cheyne Walk Investment Pte Limited (owned by GIC Special Investments Pte)	33 33	33 33
Borealis (Luxembourg) S C A	16 67	33 33
Borealis International Investments Corporation	16 67	-
Admiral Global & International S à r l (owned by GS Infrastructure Partners)	23 00	22 71
Admiral Institutional S à r.l (owned by GS Infrastructure Partners)	0 33	0 63
	100.00	100.00