

ABP PROPERTY DEVELOPMENT COMPANY LIMITED

(Company Number 1521927)

ANNUAL REPORT AND ACCOUNTS 2013



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Directors' report

The directors present their report and the audited accounts of the company (number 1521927) for the year ended 31 December 2013.

Principal activity

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

Important events of the year

The profit for the year attributable to the equity shareholder was £nil (2012: £474,000). There are no revenue streams attached to the company's investment properties. The company has net assets of £14,303,000 (2012: £14,303,000).

Dividends

The directors do not recommend the payment of a dividend (2012: £nil).

Future outlook

Despite the absence of rental income in the year the directors do not foresee any material changes in the principal activity of the company.

Financial instruments

The company's policies on financial instruments are set out in note 1 of the financial statements.

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)

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 for all directors and officers 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

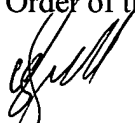
The directors of the company at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and the company's auditor, each of these directors confirms that:

- 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



GSM Bull

Director

Aldwych House

71-91 Aldwych

London WC2B 4HN

29 September 2014

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

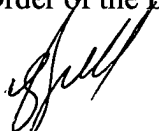
The directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations.

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 cash flows 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



GSM Bull
Director
Aldwych House
71-91 Aldwych
London WC2B 4HN

29 September 2014

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 2013 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 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.

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 2013 and of its result 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 not preparing the Strategic Report and 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 2014

Income statement for the year ended 31 December

	Note	2013 £000	2012 £000
Revenue	1	-	109
Cost of sales	2	-	519
Operating profit	2	-	628
Profit before tax		-	628
Taxation	4	-	(154)
Profit attributable to equity shareholder		-	474

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 in other comprehensive income during the year or prior year. Total comprehensive income is as reported above.

Balance sheet as at 31 December

	Note	2013 £000	2012 £000
Assets			
Non-current assets			
Investment property	5	510	510
Trade and other receivables	6	17,854	13,000
		18,364	13,510
Current assets			
Trade and other receivables	6	-	4,854
		-	4,854
Total assets		18,364	18,364
Liabilities			
Current liabilities			
Trade and other payables	7	(4,061)	(4,061)
		(4,061)	(4,061)
Total liabilities		(4,061)	(4,061)
Net assets		14,303	14,303
Shareholder's equity			
Share capital	8	-	-
Share premium account		59,800	59,800
Accumulated losses		(45,525)	(45,525)
Revaluation reserve		28	28
Total shareholder's equity		14,303	14,303

The financial statements were approved by the Board on 29 September 2014 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 2013 and 2012; 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 2013	-	59,800	28	(45,525)	14,303
Profit for the year	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
At 31 December 2013	-	59,800	28	(45,525)	14,303

	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

Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation

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

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has the ability to continue to trade for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

Statement of compliance

The 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 basis except for investment property that has been measured at fair value.

1.2 Changes in accounting policy

The company has implemented the following new accounting standards in these financial statements:

IFRS 13 Fair Value Measurement

IFRS 13 is effective for accounting periods commencing on or after 1 January 2013 and shall be applied prospectively. The new standard defines fair value, sets out a framework for measuring fair value and requires disclosures regarding fair value measurement. The application of the new standard requires:

- the measurement of fair value of the company's investment properties to take into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. This takes into account the use of the asset that is physically possible, legally permissible and financially feasible. The change in approach has had no impact on the fair value of the company's investment properties based on the values at 31 December 2013; and
- additional disclosures in respect of fair value measurements of investment properties. These disclosures are included in note 5.

Several other new standards and amendments apply for the first time in 2013. The directors have concluded however that they do not have a material impact on the company's financial statements.

New standards and amendments issued but not yet effective

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

1. Accounting policies (continued)

1.2 Changes in accounting policy (continued)

		Effective for accounting periods beginning on or after
IFRS 9	Financial instruments	01.01.2018
IFRS 10	Consolidated financial statements	01.01.2014
IFRS 11	Joint arrangements	01.01.2014
IFRS 12	Disclosure of interests in other entities	01.01.2014
IFRS 14	Regulatory deferral accounts	01.01.2016
IFRS 15	Revenue from contracts with customers	01.01.2017
IAS 27 (revised)	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
IAS 39 and IFRS 9 (amendments)	Novation of derivatives and continuation of hedge accounting	01.01.2014
IAS 36 (proposed amendments)	Recoverable amount disclosures for non-financial assets	01.01.2014
IAS 19 (proposed amendments)	Defined benefit plans: employee contributions	01.07.2014
IFRIC 21	Levies	01.01.2014
IFRS 11 (amendment)	Accounting for acquisitions of interests in joint operations	01.01.2016
IAS 16 and IAS 38 (amendments)	Clarification of acceptable methods of depreciation and amortisation	01.01.2016
IAS 16 and IAS 41 (proposed amendments)	Agriculture: bearer plants	01.01.2016
IAS 27 (amendment)	Equity method in separate financial statements	01.01.2016

1.3 Critical accounting policies, estimates and judgements

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 recognition and investment property valuation.

Revenue recognition

Revenue comprises the amounts receivable in respect of income from investment properties and sales of property.

Notes to the financial statements

1. Accounting policies (continued)

1.3 Critical accounting policies, estimates and judgements (continued)

Revenue recognition (continued)

Minimum lease payments from operating leases are recognised as rental income over the lease term on straight line basis. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and also recognised as costs over the lease term. Contingent rents are recognised as rental income in the period in which they are earned.

Sales of property are recognised when contracts for sale have been exchanged and when all material conditions have been satisfied.

Investment property

Property (including land held for development) is classified as investment property if:

- it is not occupied by the group or used by the group for the provision of material operational port services (eg stevedoring);
- it is a defined area (land, buildings, jetties and other fixed structures) and 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 group at the property are insignificant to the arrangements as a whole.

Completed investment property is measured 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 reviewed 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.

1.4 Other accounting policies

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; or (b) 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.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the periods 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.

Notes to the financial statements

1. Accounting policies (continued)

1.4 Other accounting policies (continued)

Taxation (continued)

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

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. Costs for impairment of receivables are 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.

Financial risk management

Treasury matters for the company are controlled centrally throughout the group, of which the company is a member, 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 and credit risk. The wider group aims to manage these risks to an acceptable level.

The group does not use financial instruments for speculative purposes. The treasury function operates on a centralised non-speculative risk basis. Its purpose is to identify, mitigate and hedge treasury-related financial risks inherent in the group's business operations and funding.

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.

1.5 Critical estimates and judgements

The critical estimates and judgements in applying these policies are as follows:

Estimates

- Valuation of investment property – note 5

Notes to the financial statements

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 2013 at which point an accrual relating to the wind up of this initiative was also released against cost of sales.

The auditor's remuneration for 2013 and 2012 was borne by a fellow group company.

3. Directors and employees

No director received any emoluments in relation to their services to the company (2012: £nil), which were incidental to their services as executives of other group companies.

The company had no employees during the year (2012: nil).

4. Taxation

Current tax for 2012 represents a charge for group relief surrendered by another group undertaking, with the amount due being deducted from amounts due from group undertakings.

	2013 £000	2012 £000
Analysis of taxation for the year		
Current tax	-	154
Taxation	-	154

Taxation for the year is equal to (2012: equal) the standard rate of taxation in the UK of 23.25% (2012: 24.5%) as explained below:

	2013 £000	2012 £000
Profit before taxation	-	628
Profit before taxation multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	-	154
Total taxation for the company	-	154

5. Investment property

	2013 £000	2012 £000
At valuation		
At 1 January	510	510
At 31 December	510	510

Notes to the financial statements**5. Investment property (continued)***Basis of valuation*

Investment properties fair value has been estimated on the basis of market value in accordance with the Appraisal and Valuation Standards issued by The Royal Institution of Chartered Surveyors ("RICS"), which is consistent with fair value as defined by IFRS13. The valuation of investment property as at 31 December 2013 has been reviewed by independent valuers, Savills (UK) Limited, Chartered Surveyors regulated by RICS.

The investment properties represent three parcels of land held at Barry. There are no revenue streams attached to these properties. The market value was primarily derived using comparable market transactions on arm's length terms and a residual approach and has been adjusted for more recent market conditions and expectations. The valuation of investment property has been categorised as a Level 3 fair value measurement under IFRS 13, being a recurring fair value measurement using significant unobservable inputs.

Rental income

Rental income generated from the company's investment property amounted to £nil (2012: £nil) and related operating expenses amounted to £nil (2012: £nil). Direct operating expenses relating to vacant property are £nil (2012: £nil).

The future minimum lease income receivable under non-cancellable operating leases is £nil (2012: £nil) as property is not let.

6. Trade and other receivables

	2013	2012
	£000	£000
Non-current		
Amounts due from parent undertaking	13,000	13,000
Amounts due from group undertaking	4,854	-
Total non-current trade and other receivables	17,854	13,000
Current		
Amounts due from group undertaking	-	4,854
Total current trade and other receivables	-	4,854

Amounts due from parent and group undertaking are not overdue for repayment and are not considered to be impaired. Amounts have been included in current or non-current receivables in the balance sheet to reflect the expected repayment timing at the respective balance sheet date.

Amounts due from parent and group undertaking are non-interest bearing and have no fixed terms of repayment. Further details on the amounts due from related parties are disclosed in note 10.

The company considers that the carrying amount of the receivables approximate to their fair value.

Notes to the financial statements**6. Trade and other receivables (continued)**

Given the counterparties of group receivables management considers the group's exposure to credit risk to be minimal. The maximum exposure to credit risk at the reporting date for group receivables is the carrying value of each class of receivable.

The company does not hold any collateral as security. The company's receivables are denominated in sterling.

7. Trade and other payables

	2013	2012
	£000	£000
Current		
Amounts due to group undertaking	3,808	3,808
Accruals	253	253
Total current trade and other payables	4,061	4,061

Amounts due to group undertaking are in respect of Grosvenor Waterside Investments Limited. These amounts are non-interest bearing and have no fixed terms of repayment. Further details on amounts due to group undertakings are disclosed in note 10.

The company considers that the carrying amount of the payables approximate to their fair value.

The company's payables are denominated in sterling.

8. Share capital

	2013	2012
	£000	£000
Issued and fully paid		
3 (2012: 3) ordinary shares of £1 each	-	-

9. Related party transactions

The company has entered into related party transactions and/or holds balances with the following related parties:

Name	Relationship
Grosvenor Waterside (Holdings) Limited	Immediate parent
Associated British Ports	Fellow group undertaking
Grosvenor Waterside Investments Limited	Fellow group undertaking

Notes to the financial statements

9. Related party transactions (continued)

The company has the following balances due from/(to) related parties:

	2013 £000	2012 £000
Grosvenor Waterside (Holdings) Limited	13,000	13,000
Associated British Ports	4,854	4,854
Grosvenor Waterside Investments Limited	(3,808)	(3,808)
	14,046	14,046

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

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

Associated British Ports	2013 £000	2012 £000
Intercompany receivable at start of the year	4,854	5,183
Decrease in receivable	-	(10)
Land sale settlement	-	(165)
Group tax relief purchased	-	(154)
Intercompany receivable at end of the year	4,854	4,854

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

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