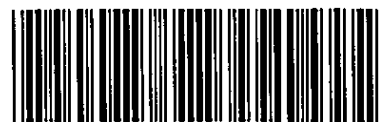


**P&O PROPERTY SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2008.**

WEDNESDAY



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COMPANIES HOUSE

**Registered No. 5172186**

**Directors**

W T Edgerley

R O Keshiro

**Secretary**

D Nicholson

**Auditors**

Ernst & Young LLP

1 More London Place

London SE1 2AF

**Registered Office**

16 Palace Street

London SW1E 5JQ

## **DIRECTORS' REPORT**

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

### **Results and dividends**

The profit for the year, after taxation, is £39,009 (2007: profit of £131,652). The directors do not recommend payment of a dividend.

### **Principal activity and review of business**

The company's principal activity in 2007 was the administration of the insurance programme covering the UK property portfolio for P&O Property Holdings Limited and its subsidiary undertakings. This activity has been largely wound down during 2008 and transferred to a fellow group undertaking.

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

### **Principal risks and uncertainties**

The directors do not foresee any significant risks and uncertainties.

### **Directors**

The directors of the company who held office during the year and up to the date of this report were as follows:

A A Preiskel (resigned 3 April 2009)

W T Edgerley

R O Keshiro (appointed 3 April 2009)

## **DIRECTORS' REPORT**

### **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.

### **Disclosure of information to the auditors**

So far as each person who was a director at the date of approving the audit report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Auditors**

Ernst & Young LLP were appointed auditors to the Company, and a resolution is to be proposed at the Annual General Meeting that they be re-appointed.

On behalf of the board



W T Edgerley

Director

8 May 2009

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF P&O PROPERTY SERVICES LIMITED**

We have audited the financial statements of P&O Property Services Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total recognised Gains and Losses, the Balance Sheet and the related notes 1 to 7. 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 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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.

# **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF P&O PROPERTY SERVICES LIMITED (CONTINUED)**

## **Basis of audit opinion**

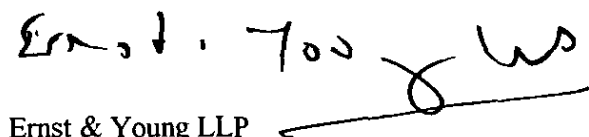
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

## **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 31 December 2008 and of its profit 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.



Ernst & Young LLP  
Registered Auditor  
London  
8 May 2009

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
<b>Turnover</b>			
Commission receivable		<u>38,722</u>	<u>188,074</u>
<b>Operating profit and profit on ordinary activities before taxation</b>	2	38,722	188,074
Tax on profit on ordinary activities	3	<u>287</u>	<u>(56,422)</u>
<b>Profit on ordinary activities after taxation and for the financial year</b>		<u><u>39,009</u></u>	<u><u>131,652</u></u>

The above results relate wholly to continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 31 DECEMBER 2008**

There were no recognised gains and losses other than the profit of £39,009 attributable to the shareholders for the year ended 31 December 2008 (2007: profit of £131,652).



**BALANCE SHEET**  
**AT 31 DECEMBER 2008**

	Notes	2008 £	2008 £	2007 £	2007 £
<b>Current assets</b>					
Debtors:					
Amounts owed by group undertakings		190,374		246,796	
Group relief receivable		287		-	
		<u>          </u>	190,661	<u>          </u>	246,796
<b>Creditors: amounts falling due within one year</b>					
Group relief payable		-		56,422	
Deferred income		-		38,722	
		<u>          </u>	-	<u>          </u>	95,144
<b>Net Assets</b>			<u>190,661</u>		<u>151,652</u>
<b>Capital and reserves</b>					
Share capital	4		20,000		20,000
Profit and loss account	5		170,661		131,652
<b>Equity shareholder's funds</b>			<u>190,661</u>		<u>151,652</u>

*W T Edgerley*

W T Edgerley  
Director  
8 May 2009

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

### **1 ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements of P&O Property Services Limited were approved for issue by the Board of Directors on 8 May 2009.

The financial statements are prepared under the historical cost convention.

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

#### **Revenue Recognition**

Commissions receivable are recognised on an accruals basis commencing when the contracts are placed, and are earned in accordance with supplier agreements. Commissions are apportioned to income based on the time period of cover of the underlying insurance, with any amounts relating to the period after the balance sheet date being transferred to deferred income.

#### **Cash flow statement**

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

#### **Related party transactions**

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

#### **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.

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

**2 OPERATING PROFIT**

- (a) The company's business is organised in the United Kingdom.
- (b) The directors are also directors/employees of, and were paid by, other group undertakings. The directors do not believe that it is practicable to apportion these emoluments between their services as directors of the company and their services as directors/employees of other group undertakings.
- (c) Fees for audit and non-audit services provided by Ernst & Young LLP to the company have been borne by other group undertakings. It is not practicable to ascertain what proportion of such fees relates to the company.

**3 TAX**

- (a) Tax on loss/profit on ordinary activities

The tax credit/(charge) is made up as follows:

	2008	2007
	£	£
<i>Current tax:</i>		
UK corporation tax at 28.5% (2007: 30%)	(11,036)	(56,422)
Tax overprovided in previous years	11,323	-
	<hr/>	<hr/>
Total current tax and tax on profit on ordinary activities (note 3(b))	287	(56,422)
	<hr/>	<hr/>

- (b) Factors affecting the tax credit/(charge)

The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are reconciled below:

	2008	2007
	£	£
Profit on ordinary activities before tax	38,722	188,074
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the current rate of corporation tax in the UK of 28.5% (2007: 30%)	(11,036)	(56,422)
Tax overprovided in previous years	11,323	-
	<hr/>	<hr/>
Total current tax credit/(charge) (note 3(a))	287	(56,422)
	<hr/>	<hr/>

- (c) Factors affecting future tax charges

On 1 April 2008, the rate of corporation tax in the UK was changed to 28%. This will affect the future tax payments made by the company.

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

**4 AUTHORISED AND ISSUED SHARE CAPITAL**

<b>Authorised</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
20,000 ordinary shares at £1 each	<b>20,000</b>	<b>20,000</b>
<b>Allotted, called up and fully paid</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
20,000 ordinary shares at £1 each	<b>20,000</b>	<b>20,000</b>

**5 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES**

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2006	20,000	244,905	264,905
Profit for the year	-	131,652	131,652
Dividend paid	-	(244,905)	(244,905)
At 31 December 2007	20,000	131,652	151,652
Profit for the year	-	39,009	39,009
At 31 December 2008	20,000	170,661	190,661

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

**6 PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking at 24 December 2008 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 Buildings FZE, a company incorporated in Dubai. The consolidated financial statements of this group are available on request from Level 38, Shatha Tower, Dubai Media City, P.O. Box 262080, Dubai, United Arab Emirates.

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

**7 DIVIDENDS**

	<b>2008</b>	2007
	<b>£</b>	<b>£</b>
<i>Declared and paid during the year</i>		
Equity dividends on ordinary shares		
Dividend for 2007: £12.25 per share	-	244,905
	-	244,905