

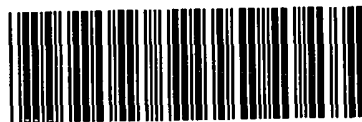
Registered number: 01960484

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Annual report and financial statements

For the Year Ended 31 December 2024

TUESDAY



AEC7BØTT

A43

30/09/2025

#51

COMPANIES HOUSE

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Company Information

Directors	R B Woods M Rosenberg R A H Abdulla E T A Schulze A Shaoul A Bowen
Company secretary	Z El Chami
Registered number	01960484
Registered office	16 Palace Street London SW1E 5JQ
Trading Address	Western Docks Southampton SO15 1DA
Independent auditor	KPMG LLP, Statutory Auditor Chartered Accountants New Kings Court Tollgate Chandlers Ford Eastleigh SO53 3LG

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Contents

	Page
Strategic report	1 - 3
Directors' report	4 - 8
Directors' responsibilities statement	9
Independent auditors' report to the Members of Southampton Container Terminals Limited	10 - 13
Profit and loss account	14
Statement of comprehensive income	15
Balance sheet	16 - 17
Statement of changes in equity	18 - 19
Notes to the financial statements	20 - 47

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Strategic report For the Year Ended 31 December 2024

Introduction

We provide our customers with fast, reliable and secure services to move containers safely through the strategically located port of Southampton.

Our aim is to be the leading UK container terminal for excellent customer service. We will achieve this by:

- delivering consistently high levels of productivity
- being receptive and flexible to our customers' needs
- developing a culture of engagement and teamwork
- focusing on continuous improvement

Principal activities and business review

The profit and loss account and other comprehensive income for the year are set out on pages 14 and 15.

The main activities of the Company are unchanged. Southampton Container Terminals Limited (trading as DP World Southampton) provides container and other cargo handling services at the Port of Southampton.

The Directors consider the Company's financial position to be strong and stable with significant cash reserves and short term investments.

This year was a very successful year. Financial results were encouraging and lay a strong foundation for future years.

Container handling volumes showed an increase on 2023 of 4%. Turnover increased by 18% compared to 2023 reflecting higher handling rates, increased volumes, higher storage and ancillary revenue. Overall this led to an increase of 45.9% in operating profit and 80% in profit before tax compared to 2023. Inflationary impacts on materials and staff costs during the year were also significant.

For customers, DP World offers a competitive alternative to Felixstowe with a unique offer to those shipping lines wishing to develop a two-port solution for their customers – Southampton Container Terminals Limited (trading as DP World Southampton) with its south coast location, good road/rail/feeder links and high productivity levels is in a strong position to benefit from such initiatives along with DP World London Gateway.

As a result of the strong commercial positioning derived from its combined U.K port offering The Alliance, a consortium of container shipping lines, continues to use both Southampton Container Terminals Limited (trading as DP World Southampton) and London Gateway Port Limited (trading as DP World London Gateway) as their two-port strategy within the UK.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Strategic report (continued) For the Year Ended 31 December 2024

Business and financial risks

Business Risks

Economic risks and the possibility of recession remain our biggest concern over the next 12 months. Volumes and associated income closely follows the performance of the wider UK economy. Given the macro economic uncertainty, the outlook remains difficult to forecast, however we expect the continued normalisation of energy prices and easing outlook for inflation to be generally helpful to our trading results.

Health and safety is always of paramount importance to Southampton Container Terminals Limited and we have a good safety record for the year, and have introduced new measures in year to improve safety for operations staff.

As larger vessels are deployed on the main international trading routes from Asia into the UK it is important that the business continues to invest in new equipment to ensure the safe and efficient handling of these services. Consequently DP World ordered new quay cranes for Southampton on 6th January 2025 and is continuing to improve marine access.

Financial Risks

The Company mostly purchases and sells in sterling. The Directors do not actively manage the remaining foreign currency risk exposures on the purchase and selling of goods overseas as these are not considered to be material.

The Company does not trade in interest rate or currency derivatives.

Given the minimal exposure of financial risk to the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. Policies set by the Board of Directors are implemented by the Company's finance department.

As a result of minimal exposure to financial risk and no investment in financial securities it is accepted that there is minimal price risk.

A number of measures are in place to ensure trade debtors do not exceed standard credit terms. These include regular meetings with finance and commercial departments to discuss issues relating to debt collection. This is an area in which the company is highly focused and is in constant communication with its customers. The ECL provision is reviewed quarterly, credit risk of customers is reviewed biannually, Z Scores for shipping lines are provided by HO annually.

The Company has low liquidity risk due to its strong attention to converting the debtor balances into cash to ensure there are sufficient liquid funds to pay its short-term liabilities.

Based on the latest cash flow forecast for 2025 and 2026 which indicates positive cash balances, the Directors believe that no overdraft facility will be required during the period to 31 December 2026.

Financial key performance indicators

The financial performance indicators used are working capital ratios and capital commitments. Average trade debtor days in 2024 are 39 days, which is a decrease on prior year (44 days) but exceeds standard credit terms. The situation is expected to remain similar in 2025. Capital commitments are monitored on a monthly basis.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Strategic report (continued)
For the Year Ended 31 December 2024

Directors' statement of compliance with duty to promote the success of the Company

The Directors of the Company must act in a way, as defined in section 172 of the Companies Act 2006. This requires Directors to act in way which would promote the success of the Company and consider the following matters:

- (a) the likely long-term consequences of decisions;
- (b) the need to foster the Company's business relationships with suppliers, customers and others;
- (c) the impact of the Company's operations on the community and the environment;
- (d) the desirability of the Company maintaining a reputation for high standards of business conduct;
- (e) the need to act fairly; and
- (f) the interests of the company's employees

As part of their induction to the Company, a Director is made aware of their duties, by the Group Secretary. The following paragraphs summarise how the Directors fulfil their duties:

Long-term decisions - The Directors systematically review and monitor a Company risk register with respect to regulatory, legislative, financial and political risk and act accordingly to mitigate any long-term risks. Details of the principal risks and uncertainties can be found within this report.

Business Relationships – The Company's strategy is to grow and develop business relationships. The Directors do this by maintaining strong relationships with both suppliers and customers.

Community and Environment – The operations of the Company may have impacts on the environment and the Directors consider this when making decisions including reviewing the cargo and chemicals that the Company handles prior to their arrival and take appropriate action and care when handling dangerous materials to prevent incidents before they happen.

Maintaining a reputation for high standards of business conduct and to act fairly - The Directors periodically consider changes in health and safety legislation, anti-bribery and modern slavery legislation within the Company.

Interests of the Company's employees - The Directors promote a safe working environment for our employees and operate a global health and wellbeing programme.

By order of the board.



A Shaoul
Director

Date: 29 September 2025

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Directors' report For the Year Ended 31 December 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

Results and dividends

The profit for the year, after taxation, amounted to £21,390 thousand (2023 - £11,962 thousand).

A dividend of £30.0 million was paid during 2024 (2023: £Nil). A dividend of £10.0 million was paid on 26th March 2025. A further £10.0 million dividend is proposed for November 2025, dependant on financial performance and capital expenditure cash requirements.

Directors

The directors who served during the year were:

R B Woods
M Rosenberg
R A H Abdulla
E T A Schulze
A Shaoul
A Bowen

Political and charitable donations

No political donations were made during the year (2023: £Nil).

As part of the Company's commitment to the community in which it operates donations of £31,731 were made during the year (2023:£66,064) to registered charities.

Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, details of Greenhouse gas emissions are on page 7 of these financial statements. We continue to address health, safety and economic issues as discussed in the strategic report. The Company has complied with all applicable legislation and regulations.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Directors' report (continued) For the Year Ended 31 December 2024

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As at 31 December 2024, the Company had net current assets of £38.5 million (2023: £45.4 million), current assets of £135.9 million (2023: £123.7 million) and profit before tax of £28.5 million (2023: £15.8 million).

The company's activities are to provide container and cargo handling services at the Port of Southampton. The directors have prepared cash flow forecasts and performed a going concern assessment which indicates in both the prudent base case and a reasonably possible downside, the Company will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements, the going concern assessment period.

The base case assumes 2025 volumes are in line with the latest forecast and 2026 volumes are in line with budgeted levels, consequently the base case is expected to generate an EBITDA of £84 million in 2025 and £72 million in 2026, for both financial years in full. The reasonably possible downside scenario assumes that 2025 volumes are in line with the latest forecast, but decline by 20% in 2026, due to a merger between 2 major shipping lines leading to a possible loss of volume, this leads to a reduced EBITDA £47 million in 2026. Despite a heavy capital expenditure programme, the dividend of £10 million paid on 26 March 2025, the cash position under both the base case and reasonably possible downside scenario, for the going concern assessment period to 31 December 2026 shows that the Company will have sufficient funds to meet its liabilities as they fall due.

Consequently, the directors are confident that the company will have resources to continue to meet its obligations as they fall due and continue in operational existence for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Research and development activities

The company has undertaken no research and development activities in 2024.

Engagement with employees

Southampton Container Terminals Limited (trading as DP World Southampton) is proactive in seeking to involve and consult with its employees. Managers provide regular business performance updates, typically on a monthly basis, along with a half year and full year briefing which gives employees an insight into the commercial, operational and financial performance of the Company. Additionally, the Company runs an employee engagement programme, "My World" on a biannual basis where employees are actively encouraged to provide anonymous feedback on a range of employee related issues relating to their working environment and the leadership culture. Importantly, this employee feedback is benchmarked against high performing companies and specific action plans implemented with progress being monitored and regularly communicated to employees.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Directors' report (continued)
For the Year Ended 31 December 2024**

Engagement with suppliers, customers and others

Our customers include major shipping lines, freight forwarders and hauliers. We work closely with them to understand their evolving needs so we can improve and adapt to meet them.

We depend on the capability and performance of our suppliers and contractors to help deliver the products and services we need for our operations and customers.

We consult with local people to gain valuable perspectives on the ways in which our activities could impact the local community or environment.

Disabled employees

The Company has a policy of giving full and fair consideration to applications for employment from registered disabled people. In cases where disablement occurs whilst at work, Company policy is, as far as possible, to continue employment and to arrange for any necessary retraining and facilities. Opportunities for training, career development and promotion apply equally across the Company to disabled and non-disabled employees alike.

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.

Directors' indemnity insurance is provided by the UK holding Company, The Peninsular and Oriental Steam Navigation Company such qualifying third party indemnity insurance remains in force as at the date of approving the Directors' report.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Directors' report (continued) For the Year Ended 31 December 2024

Greenhouse gas emissions, energy consumption and energy efficiency action

DP World UK's carbon emissions are now verified by LRQA - (ISO14064) Carbon Emissions Verification.

The Company's greenhouse gas emissions and energy consumption for the year were 2,443,000 kg CO₂ (2023:3,508,100 kg CO₂). The main driver for this reduction was an increased in "green" energy supply from ABP which has 0 associated emissions. Additionally, HVO was used for the second full year in a row.

The above data was calculated using invoiced electricity data from our landlord ABP. This data included the green and grey energy provided by Associated British Ports (ABP) on a monthly basis. Hydrotreated Vegetable Oil (HVO) data was also calculated using invoiced data provided by suppliers which included the number of litres used. CO₂ calculations used the UK Government GHG Conversion Factors (location-based) and AIB European residual fuel mix for (market-based). We are using market-based emission for our internal reporting. The use of the AIB emissions factor must be agreed with Group Health Safety and Environment and LRQA.

Because we obtain our electricity via the Port supply, thus directly through ABP (our landlord), we do not have any control as to who we choose to be our supplier. ABP have a split electricity supply between Drax (green) & SGHC (grey) and the supplied % of each provider varies on a month-by-month basis. The overall green energy proportion was 67% compared to 54% in 2023. There is a proposed contract for 100% green electricity supply from April 2025.

- Ongoing replacement program of electric fleet and operational vehicles
- New EV charging points around site
- Purchase of 14 new hybrid straddle carriers
- New green energy contract from April 2025
- Temperature review of the Border Control Post in conjunction with Port Health – some units switched off
- Solar PV is still out for tender
- Purchase of new EV straddle fleet is being pushed back likely to be ordered in 2026 at the earliest

As a ratio the companies greenhouse emissions are 1.30kg per TEU (2023: 1.93 kg per TEU).

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

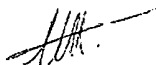
Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP, as Statutory Auditor will be deemed to have been reappointed 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Directors' report (continued)
For the Year Ended 31 December 2024**

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



E T A Schulze
Director

Date: 29 September 2025

16 Palace Street
London
SW1E 5JQ

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Directors' responsibilities statement For the Year Ended 31 December 2024

The directors are responsible for preparing the Annual Report, Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

- use the going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and detect fraud and other irregularities.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Independent auditor's report to the members of SOUTHAMPTON CONTAINER TERMINALS LIMITED

Independent auditor's Report to the Members of SOUTHAMPTON CONTAINER TERMINALS LIMITED

Opinion

We have audited the financial statements of SOUTHAMPTON CONTAINER TERMINALS LIMITED ("the Company") for the year ended 31 December 2024 which comprise the Profit and Loss account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Independent auditor's report to the members of SOUTHAMPTON CONTAINER TERMINALS LIMITED

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included;

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures and inquiry procedures to identify any unusual or unexpected relationships.
- Considering remuneration incentive schemes and performance targets for management and directors.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries and the ability to overstate revenue in the period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries to revenue and cash where the opposite entry was posted to unusual or unexpected accounts.
- Selecting a sample of revenue invoices posted pre year-end and tracing them to supporting documentation to test whether revenue was recognised in the correct period.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Independent auditor's report to the members of SOUTHAMPTON CONTAINER TERMINALS LIMITED

an effect: health and safety, anti-bribery, employment law, GDPR compliance and certain aspects of Company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Independent auditor's report to the members of SOUTHAMPTON CONTAINER TERMINALS LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Harry Mears (Senior statutory auditor)
for and on behalf of **KPMG LLP, Statutory Auditor**
Chartered Accountants
New Kings Court
Tollgate
Chandlers Ford
Eastleigh
SO53 3LG

29 September 2025

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Profit and loss account
For the Year Ended 31 December 2024**

	Note	2024 £000	2023 £000
Turnover		210,513	177,970
Cost of sales		(98,872)	(95,071)
Gross profit		<u>111,641</u>	<u>82,899</u>
Administrative expenses		(73,423)	(58,382)
Other operating income	4	6,496	6,136
Operating profit	6	<u>44,714</u>	<u>30,653</u>
Interest receivable and similar income	10	3,469	3,128
Interest payable and similar expenses	11	(19,681)	(17,943)
Profit before tax		<u>28,502</u>	<u>15,838</u>
Tax on profit	12	(7,112)	(3,876)
Profit for the financial year		<u><u>21,390</u></u>	<u><u>11,962</u></u>

The notes on pages 20 to 47 form part of these financial statements.

All activities in the current and prior year are continuing.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Statement of comprehensive income
For the Year Ended 31 December 2024**

	Note	2024 £000	2023 £000
Profit for the financial year		21,390	11,962
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit schemes		5,349	123
Movement of deferred tax relating to pension scheme		(2,071)	(749)
Other items of comprehensive income		-	117
Current tax arising on gains in the pension scheme		734	675
		<u>4,012</u>	<u>166</u>
Total comprehensive income for the year		<u><u>25,402</u></u>	<u><u>12,128</u></u>

The notes on pages 20 to 47 form part of these financial statements.

SOUTHAMPTON CONTAINER TERMINALS LIMITED
Registered number: 01960484

Balance sheet
As at 31 December 2024

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	13	451	528
Tangible assets	14	490,662	468,427
Investments	15	1,182	1,182
		<u>492,295</u>	<u>470,137</u>
Current assets			
Stocks	16	3,829	4,674
Debtors: amounts falling due after more than one year	17	143	-
Debtors: amounts falling due within one year	17	30,445	35,449
Current asset investments	19	22,860	21,593
Cash at bank and in hand	18	78,656	61,974
		<u>135,933</u>	<u>123,690</u>
Creditors: amounts falling due within one year	20	(97,386)	(78,337)
		<u>38,547</u>	<u>45,353</u>
Net current assets		<u>38,547</u>	<u>45,353</u>
Total assets less current liabilities		<u>530,842</u>	<u>515,490</u>
Creditors: amounts falling due after more than one year	21	(399,557)	(377,355)
		<u>131,285</u>	<u>138,135</u>
Provisions for liabilities			
Deferred taxation	23	(16,475)	(12,735)
		<u>(16,475)</u>	<u>(12,735)</u>
Net assets excluding pension asset		<u>114,810</u>	<u>125,400</u>
Pension asset		10,866	4,874
Net assets		<u><u>125,676</u></u>	<u><u>130,274</u></u>

SOUTHAMPTON CONTAINER TERMINALS LIMITED
Registered number: 01960484


Balance sheet (continued)
As at 31 December 2024

	Note	2024 £000	2023 £000
Equity shareholders' funds			
Called up share capital	24	3,725	3,725
Profit and loss account	25	121,951	126,549
		<u>125,676</u>	<u>130,274</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2025.



A Shaoul
Director



E T A Schulze
Director

The notes on pages 20 to 47 form part of these financial statements.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Statement of changes in equity
For the Year Ended 31 December 2024**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2024	3,725	126,549	130,274
Comprehensive income for the year			
Profit for the year	-	21,390	21,390
Actuarial gains on pension scheme net of tax	-	3,278	3,278
Current tax arising on gains in the pension scheme	-	734	734
Other comprehensive income for the year	-	4,012	4,012
Total comprehensive income for the year	-	25,402	25,402
Contributions by and distributions to owners			
Dividends paid	-	(30,000)	(30,000)
Total transactions with owners	-	(30,000)	(30,000)
At 31 December 2024	3,725	121,951	125,676

The notes on pages 20 to 47 form part of these financial statements.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Statement of changes in equity
For the Year Ended 31 December 2023**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2023	3,725	114,421	118,146
Comprehensive income for the year			
Profit for the year	-	11,962	11,962
Actuarial losses on pension scheme	-	(626)	(626)
Other items of other comprehensive income	-	117	117
Current tax arising on gains in the pension scheme	-	675	675
Other comprehensive income for the year	-	166	166
Total comprehensive income for the year	-	12,128	12,128
Total transactions with owners	-	-	-
At 31 December 2023	3,725	126,549	130,274

The notes on pages 20 to 47 form part of these financial statements.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

1. Accounting policies

1.1 Basis of preparation of financial statements

Southampton Container Terminals Limited, trading as DP World Southampton (the "Company") is a private Company incorporated, domiciled and registered in England in the UK. The registered number is 01960484 and the registered address is 16, Palace Street, London, SW1E 5JQ.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure in conformity with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

1.2 Financial Reporting Standard 101 - reduced disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases ;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The smallest group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is the Peninsular and Oriental Steam Navigation Company, a company incorporated and domiciled in the United Kingdom.

- Certain disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. The directors consider the critical judgements, estimates and assumptions for the year ended 31 December 2024 includes pension assumptions, intangible assets, useful economic life and capitalisation. Please refer to relevant accounting policy notes for more details.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

1. Accounting policies (continued)

1.3 Measurement convention

The financial statements are prepared on the historical cost basis.

1.4 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As at 31 December 2024, the Company had net current assets of £38.5 million (2023: £45.4 million), current assets of £135.9 million (2023: £123.7 million) and profit before tax of £28.5 million (2023: £15.8 million).

The company's activities are to provide container and cargo handling services at the Port of Southampton.

The directors have prepared cash flow forecasts and performed a going concern assessment which indicates in both the prudent base case and a reasonably possible downside, the Company will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements, the going concern assessment period.

The base case assumes 2025 volumes are in line with the latest forecast and 2026 volumes are in line with budgeted levels, consequently the base case is expected to generate an EBITDA of £84 million in 2025 and £72 million in 2026, for both financial years in full. The reasonably possible downside scenario assumes that 2025 volumes are in line with the latest forecast, but decline by 20% in 2026, due to a merger between 2 major shipping lines leading to a possible loss of volume, this leads to a reduced EBITDA £47 million in 2026. Despite a heavy capital expenditure programme, the dividend of £10 million paid on 26 March 2025, the cash position under both the base case and reasonably possible downside scenario, for the going concern assessment period to 31 December 2026 shows that the Company will have sufficient funds to meet its liabilities as they fall due.

Consequently, the directors are confident that the company will have resources to continue to meet its obligations as they fall due and continue in operational existence for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

1. Accounting policies (continued)

1.5 Foreign currency

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in subsidiaries, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price. Subsequent to initial recognition they are measured at transaction price less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Current asset investments

Current asset investments are cash deposits with financial institutions that mature after three months from the date of acquisition with insignificant risk of change in value.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

1. Accounting policies (continued)

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

Buildings, dock structures, roads and quays	- 5 to 25 years
Plant and equipment	- 5 to 25 years
Motor vehicles	- 3 to 5 years
Computer equipment	- 3 to 5 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Right of use assets are depreciated over a useful economic life equal to the relative lease term.

1.8 Intangible assets

Intangible assets refer principally to computer software and are carried at cost less accumulated amortisation. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of those involved in the software development. Expenditure which enhances or extends the performance of identifiable computer software products beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives, not exceeding a period of 10 years.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- capitalised software costs - 3 to 10 years

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

1. Accounting policies (continued)

1.10 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Lifetime expected credit losses (ECL) are calculated using a provision matrix, which includes global economic factors. In addition, major customers are given a weighting based on their payment history as a management adjustment to the the calculated ECL .

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

1.11 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that has maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

1. Accounting policies (continued)

on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Company's employees are members of a group wide defined benefit pension scheme, the SCT Pension Scheme. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by Southampton Container Terminals Limited (trading as DP World Southampton).

1.12 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The lease liability is included in 'Creditors' on the Balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

1. Accounting policies (continued)

1.12 Leases (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Balance sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 1.7.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

1.13 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.14 Revenue

The Company's revenue mainly consists of port related services (containerised stevedoring and ancillary services).

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for the performance of a service. Revenue is net of discounts, rebates, VAT and other sales taxes or duty. Revenue from providing containerised stevedoring, other containerised services and non-containerised services is recognised at the point in time when the service is rendered to customer (on vessel departure) and are usually payable within 30 to 45 days. However, storage revenue is recognised over a period of time, which are accrued on a daily basis and are usually payable within 30 to 45 days.

Revenue collected by CNS is passed directly to Southampton Container Terminals Limited on a monthly basis and is accounted for as it is invoiced by CNS.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

1. Accounting policies (continued)

1.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.16 Expenses

Interest receivable and Interest payable

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.18 Government grants

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Balance sheet and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

1.19 New and amended standards and interpretations

The following standards and amendments have been issued which are effective for annual periods beginning on or after 1 January 2023. These have not been applied in these financial statements.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

1. Accounting policies (continued)

1.19 Impact of new international reporting standards, amendments and interpretations (continued)

Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Supplier Finance Arrangements (Amendments to IAS7 and IFRS 7)
- Amendments to IAS 1 Presentation of Financial Statements
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

Determine whether there are any indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration include the economic viability and expected future financial performance of an asset.

Other key sources of estimation uncertainty include:

Tangible fixed assets (see note 14)

Tangible fixed assets are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets, and residual values, are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product lifecycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Deferred tax (see note 23)

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that the underlying temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as a component of the tax expense in the income statement, except where it relates to items charged or credited to other comprehensive income or directly to equity.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

3. Revenue

All the Company's revenue is generated from the principal activities in the UK.

Turnover from contracts with customers

(i) In the following tables, revenue is disaggregated by primary geographical market, major service lines and timing of revenue recognition.

	2024	2023
	£000	£000
An analysis of turnover by class of business is as follows:		
Handling of containers	123,664	110,892
Ancillary and storage services	86,849	67,078
	<u>210,513</u>	<u>177,970</u>

	2024	2023
	£000	£000
An analysis of turnover by destination:		
United Kingdom	210,513	177,970
	<u>210,513</u>	<u>177,970</u>

	2024	2023
	£000	£000
Timing of revenue recognition		
Goods and services transferred at a point in time	170,162	150,932
Goods and services transferred over time	40,351	27,038
	<u>210,513</u>	<u>177,970</u>

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

4. Other operating income

	2024	<i>2023</i>
	£000	<i>£000</i>
Other operating income	6,335	6,000
Government grants receivable	161	136
	<u>6,496</u>	<u>6,136</u>

Other operating income consists of recharges to Community Network Services Limited including payroll and other costs incurred.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

5. Leases

Company as a lessee

The land the company operates on is leased from Associated British Ports, in addition there are a number of smaller leases relating to items such as coffee machines, photocopiers etc

Lease liabilities are due as follows:

	2024	2023
	£000	£000
Not later than one year	29,428	27,847
Between one year and five years	103,560	97,786
Later than five years	287,000	274,330
	<u>419,988</u>	<u>399,963</u>

Contractual undiscounted cash flows are due as follows:

	2024	2023
	£000	£000
Not later than one year	29,457	27,847
Between one year and five years	117,729	111,298
Later than five years	537,055	503,824
	<u>684,241</u>	<u>642,969</u>

There is no significant liquidity risk to the business based on projections into the foreseeable future.

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2024	2023
	£000	£000
Interest expense on lease liabilities	19,583	17,865

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

6. Operating profit

The operating profit is stated after charging/(crediting):

	2024	2023
	£000	£000
Depreciation of tangible fixed assets - note 14	29,183	29,270
Impairment of tangible fixed assets - note 14	908	-
Amortisation of intangible assets, including goodwill - note 13	204	204
Exchange differences	50	12
Defined contribution pension cost - note 27	1,710	1,483
Defined benefit pension cost (excluding CNS staff) - note 27	1,405	1,351
Government grants	(161)	(136)

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2024	2023
	£000	£000
Auditor's remuneration	196	152

8. Directors' remuneration

	2024	2023
	£000	£000
Directors' emoluments	488	380
Amounts receivable under long-term incentive schemes	85	74
	<u>573</u>	<u>454</u>

Directors' remuneration in 2024 relates to Ernst Schulze (UK CEO), Alan Shaoul (UK CFO) and Andrew Bowen. Directors remuneration does not include salary payments made to non- executive directors appointed by the Company's shareholders, since any qualifying services in respect of the Company are considered to be incidental and part of these directors overall management responsibilities within DP World. Directors remuneration does not include salary payments made to other executive directors who are employed within the DP World group.

The highest paid Director received emoluments of £221,298 (2023: £198,540) and pension contributions of £16,250 (2023: £15,357).

There are 2 directors accruing benefits under money purchase schemes (2023: 1).

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

9. Employees

	2024	2023
	£000	£000
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	41,907	39,697
Staff national insurance	4,275	3,432
Pension scheme charge	1,405	1,351
Other pension costs (Defined Contribution Scheme)	1,710	1,483
	<u>49,297</u>	<u>45,963</u>

	2024	2023
	£000	£000
The average monthly number of employees, including the directors, during the year was as follows:		
Operations	388	388
Engineering	136	134
Administration	59	57
	<u>583</u>	<u>579</u>

10. Interest receivable

	2024	2023
	£000	£000
Bank interest receivable	3,219	2,896
Pension interest receivable	250	232
	<u>3,469</u>	<u>3,128</u>

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

11. Interest payable and similar expenses

	2024	2023
	£000	£000
Other loan interest payable	98	78
Interest on lease liabilities	19,583	17,865
	<u>19,681</u>	<u>17,943</u>

12. Taxation

	2024	2023
	£000	£000
Corporation tax		
Current tax on profits for the year	6,945	2,610
Adjustments in respect of previous periods	(1,501)	(321)
	<u>5,444</u>	<u>2,289</u>
Total current tax	<u>5,444</u>	<u>2,289</u>
Deferred tax		
Origin and reversal of timing differences	604	1,403
Changes to tax rates	-	184
Adjustments in respect of previous periods	1,064	-
	<u>1,668</u>	<u>1,587</u>
Total deferred tax	<u>1,668</u>	<u>1,587</u>
Tax on profit	<u>7,112</u>	<u>3,876</u>

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - *higher than*) the standard rate of corporation tax in the UK of 25% (2023 - 23.52%). The differences are explained below:

	2024	2023
	£000	£000
Profit on ordinary activities before tax	28,502	15,838
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.52%)	7,126	3,725
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	278	253
Capital allowances for year in excess of depreciation	-	(52)
Fixed asset differences	145	-
Adjustments to tax charge in respect of prior periods	(437)	(137)
Increase on tax rate on deferred tax balances	-	127
Current tax credited directly to OCI	734	(73)
Deferred tax charged directly to OCI	(734)	-
Other timing differences leading to an increase in taxation	-	33
Total tax charge for the year	7,112	3,876

Deferred tax charge recognised in other comprehensive income

	2024	2023
	£000	£000
Remeasurements of defined benefit liability	2,064	749

Factors that may affect future tax charges

No factors present to impact future corporation tax. Accordingly, the deferred tax balances have been measured using a tax rate of 25% (2023: 25%).

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

13. Intangible assets

	£000
Cost	
At 1 January 2024	5,098
Additions - external	127
Disposals	(442)
At 31 December 2024	<u>4,783</u>
Amortisation	
At 1 January 2024	4,570
Charge for the year on owned assets	204
On disposals	(442)
At 31 December 2024	<u>4,332</u>
Net book value	
At 31 December 2024	<u>451</u>
At 31 December 2023	<u>528</u>

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

14. Tangible fixed assets

	Long-term leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 January 2024	525,826	145,872	671,698
Additions	42,731	10,131	52,862
Disposals	(484)	(4,003)	(4,487)
At 31 December 2024	568,073	152,000	720,073
Depreciation and impairment			
At 1 January 2024	124,673	78,598	203,271
Charge for the year on owned assets	3,571	9,296	12,867
Charge for the year on right-of-use assets	16,283	32	16,315
Disposals	(479)	(3,471)	(3,950)
Impairment charge	-	908	908
At 31 December 2024	144,048	85,363	229,411
Net book value			
At 31 December 2024	424,025	66,637	490,662
At 31 December 2023	401,153	67,274	468,427

Included in Long-term leasehold property additions is £29,466k (2023: £26.461k) in respect of right of use assets. Included in Plant and machinery additions is £10k (2023: £10k), and disposals of £10k (2023: £26k) in respect of right of use assets. The carrying value of right of use assets is £374,516k (2023: £361,333k) in Long-term leasehold property and £47k (2023: £71k) in Plant and machinery.

The impairment charge in year relates to mothballing of 2 quay cranes deemed incapable of servicing the larger ships now calling at the port due to their size.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

15. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2024	1,182
At 31 December 2024	1,182

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Community Network Services Limited	England	Computer Bureau	Ordinary	99.5%
Solent Container Services Limited	England	Dormant	Ordinary	100%
SCT Pension Trustees Limited	England	Dormant	Ordinary	99%
SCT Nominees Limited	England	Dormant	Ordinary	100%

16. Stocks

	2024 £000	2023 £000
Spares and consumables	3,829	4,674
	3,829	4,674

17. Debtors

	2024 £000	2023 £000
Due after more than one year		
Prepayments and accrued income	143	-
	143	-

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

17. Debtors (continued)

	2024	2023
	£000	£000
Due within one year		
Trade debtors	23,513	21,353
Amounts owed by group undertakings	4,458	9,379
Other debtors	415	425
Prepayments and accrued income	2,059	4,292
	<u>30,445</u>	<u>35,449</u>

Amounts owed by group undertakings are on normal commercial terms of 30 days from date of invoice.

18. Cash and cash equivalents

	2024	2023
	£000	£000
Cash at bank and in hand	78,656	61,974
	<u>78,656</u>	<u>61,974</u>

19. Current asset investments

	2024	2023
	£000	£000
Short term deposit	22,860	21,593
	<u>22,860</u>	<u>21,593</u>

One account is a rolling 95 day deposit account, which cannot be accessed earlier than the 95 day notice period. The other is on a 3 month deposit (92 days), due to mature 28th February 2025.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

20. Creditors: Amounts falling due within one year

	2024	2023
	£000	£000
Trade creditors	7,811	2,502
Amounts owed to group undertakings	25,779	16,428
Corporation tax - group relief payable	9,535	4,827
Other taxation and social security	1,205	1,665
Lease liabilities	29,428	27,847
Other creditors	681	417
Accruals and deferred income	22,947	24,651
	<u>97,386</u>	<u>78,337</u>

Amounts owed to group undertakings are on normal commercial terms of 30 days from date of invoice, with the exception of the intercompany bank account with Community Network Services Limited.

21. Creditors: Amounts falling due after more than one year

	2024	2023
	£000	£000
Lease liabilities	390,560	372,116
Other creditors	8,997	5,239
	<u>399,557</u>	<u>377,355</u>

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

22. Financial instruments

The only financial instruments that the Company holds are cash and trade debtors

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company believes there is very minimal credit risk due to the fact that there are strong credit control processes in place with regular credit control meetings with management, good relationships with the Company's customers with some of those customers paying by direct debit. Past experience has shown there is a limited requirement for a credit risk provision, however in line with group policy a credit risk provision has been made in 2024. The maximum exposure to credit risk at the year end is considered to be £3,416k (2023: £1,725k)

The aging of trade receivables at the balance sheet date was

	£000	£000
	2024	2023
Not past due	15,709	14,080
Past due 0-30 days	6,067	6,031
Past due 31-120 days	1,743	1,106
More than 120 days	(6)	136
	-----	-----
	23,513	21,353
	=====	=====

The Company considers the credit quality of the Not past due to be strong, based on knowledge of its customer base and from past experience. However in line with group policy a credit risk provision has been made in 2024.

Financial assets

Financial assets measured at amortised cost	78,656	61,974
Financial assets that are debt instruments measured at amortised cost	51,639	55,677
	-----	-----
	130,295	117,651

Financial liabilities

Financial liabilities measured at amortised cost	(60,839)	(43,555)
	=====	=====

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

23. Deferred taxation

	2024	2023
	£000	£000
At beginning of year	(12,735)	(10,399)
Charged to profit or loss	(1,668)	(1,587)
Charged to other comprehensive income	(2,072)	(749)
At end of year	(16,475)	(12,735)

The provision for deferred taxation is made up as follows:

	2024	2023
	£000	£000
Accelerated capital allowances	(14,543)	(12,876)
Pension surplus	(2,151)	(88)
Other	219	229
	(16,475)	(12,735)

24. Share capital

	2024	2023
	£000	£000
Authorised		
50,000,000 (2023 - 50,000,000) Ordinary Shares shares of £0.10 each	5,000	5,000
Allotted, called up and fully paid		
37,250,000 (2023 - 37,250,000) Ordinary Shares shares of £0.10 each	3,725	3,725

There are no preferences and restrictions attached to the ordinary shares. There are also no restrictions on the distribution of dividends and the repayment of capital.

25. Reserves

Retained Earnings

The profit and loss account is the amount of distributable profit less dividends paid.

26. Capital commitments

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

Capital commitments (continued)

During the year ended 31 December 2024, the Company entered into contracts to purchase property, plant and equipment of £8,721k (2023: £13,653k), all of which are due within one year of the balance sheet date.

27. Pension commitments

The Company operates a Defined benefit pension scheme.

Profile of the Scheme

The defined benefit obligation includes benefits for active members (current employees), deferred members (former employees) and current pensioners.

Broadly, about 45% of the liabilities are attributable to active members, 15% to deferred members and 40% to current pensioners.

The Scheme duration is an indicator of the weighted-average time until benefit payments are made. For the Scheme as a whole, the durations is around 15 years reflecting the approximate split of the defined benefit obligation between active members (duration of 20 years), deferred pensioners (duration of 16 years) and current pensioners (duration 9 years).

Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the scheme was carried out by a qualified actuary as at 5 April 2022 and it showed a deficit of £9.5 million. Following that valuation the Company agreed to pay:

- 18.5% pa of pensionable salaries for future accrual of benefits and the cost of insuring certain death in service benefits;
- Contributions of £3,600,000 pa to eliminate the Technical Provisions deficit, payable monthly up to and including November 2022, with a one-off payment of £9,500,000 payable in December 2022;
- Contributions appropriate to cover administration costs up to a maximum of £230,000 pa; and
- The Pension Protection Fund levy and other levies collected by the Pensions Regulator.

In addition, active members will contribute 12.3% pa of Pensionable Salaries for future accrual of benefits.

The next funding valuation will be carried out with an effective date of 5 April 2025, when the funding of the scheme will be reviewed. In the event that the valuation reveals a larger deficit than expected then the Company may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

27. Pension commitments (continued)

During the year ended 31 December 2024 the Company paid contributions of £1,804,000 to the Scheme. Company contributions to the Scheme in the year to 31 December 2025 are estimated to be £1,378,000.

Reconciliation of present value of plan liabilities:

	2024	2023
	£000	£000
At the beginning of the year	132,027	125,727
Current service cost	1,000	1,003
Interest cost	5,841	5,939
Changes to financial assumptions	(20,799)	3,406
Contributions	894	941
Benefits paid	(5,422)	(4,989)
At the end of the year	113,541	132,027

Reconciliation of present value of plan assets:

	2024	2023
	£000	£000
At the beginning of the year	136,901	129,903
Current service cost	(411)	(299)
Interest income	6,091	6,171
Return on assets less interest	(15,450)	3,529
Contributions paid by employer	1,804	1,645
Benefits paid	(5,422)	(4,989)
Contributions by Scheme participants	894	941
At the end of the year	124,407	136,901

Composition of plan assets:

	2024	2023
	£000	£000
Cash and cash equivalents	1,438	3,169
Equities and other growth assets	32,701	34,374
Corporate bonds	39,374	36,614
LDI	41,056	56,547
Private market funds	6,197	-

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

27. Pension commitments (continued)

Insured pensions	1,140	1,362
Property	2,501	4,835
Total plan assets	<u>124,407</u>	<u>136,901</u>
	2024	2023
	£000	£000
Fair value of plan assets	124,407	136,901
Present value of plan liabilities	(113,541)	(132,027)
Net pension scheme asset	<u>10,866</u>	<u>4,874</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2024	2023
	%	%
Discount rate	5.7	4.5
Future salary increases	2.5	2.5
Future pension increases	3.0	2.9
RPI Inflation	3.1	3.0
CPI Inflation	2.5	2.4
Mortality rates		
- for a male aged 65 now	21.3	21.3
- at 65 for a male aged 45 now	22.6	22.6
- for a female aged 65 now	23.9	23.8
- at 65 for a female member aged 45 now	25.3	25.2

SOUTHAMPTON CONTAINER TERMINALS LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2024**

27. Pension commitments (continued)

Transfer take-up	No allowance	No allowance
Cash commutation	Members assumed to take 2/3rds of their maximum cash lump sum at retirement	Members assumed to take 2/3rds of their maximum cash lump sum at retirement

Sensitivity analysis

The key assumptions used for IAS 19/FRS 101 are: discount rate, inflation and mortality. If different assumptions were used, this could have a material effect on the results disclosed. The sensitivity of the results to these assumptions is as follows.

	2024	2023
	£000	£000
Discount rate-0.1% pa decrease	1,511	1,984
Inflation-0.1% pa increase	398	798
Long term rate of mortality-1.5% pa increase	629	909

The sensitivity information shown above has been prepared using the same method as adopted when adjusting the results of the latest funding valuation to the balance sheet date. This is the same approach as has been adopted in previous periods.

The Scheme operates a cap on pensionable salary increase of 2.5% pa and therefore the results are not particularly sensitive to changes in the assumption for the rate of increase in salaries. There is no medical cost trend assumption as this relates to post-retirement medical benefits rather than the defined benefit obligation. The sensitivity to changes in the assumptions for pension increases is included in the inflation sensitivity above.

The amount shown in note 9 as Defined benefit pension cost (excluding CNS Staff) is £1,405 thousand (2023: £1,351 thousand), this includes costs for the pension protection fund (PPF) levy which are not part of the IAS19 numbers reported above, the amount for PPF Levy in the accounts is £24 thousand (2023: £81 thousand). The amount for Community Network Services (CNS) staff within the Defined benefit pension scheme, recharged to the subsidiary and not included in these accounts is £30 thousand (2023: £34 thousand) including the PPF Levy.

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £1,709,583 (2023:£1,483,025). This includes life assurance of £107,669 (2023:£152,681).

SOUTHAMPTON CONTAINER TERMINALS LIMITED

Notes to the financial statements For the Year Ended 31 December 2024

28. Related party disclosures

The Company has taken advantage of the exemption from disclosing transactions with entities which are wholly owned by the group. There are no related party transactions with respect to directors of the business.

29. Ultimate parent Company and parent Company of larger group

The smallest Group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is The Peninsular and Oriental Steam Navigation Company, its ultimate United Kingdom parent undertaking, and U.K. controlling party, a Company incorporated by Royal Charter and therefore not registered, copies of whose accounts can be obtained from: The Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

The largest group of Companies for which consolidated financial statements are prepared and which are publicly available and in which the Company is consolidated is DP World Limited (formerly DP World PLC) a Company limited by shares incorporated in Dubai.

In the opinion of the Directors, the ultimate controlling parent undertaking as at 31 December 2024 was Port & Free Zone World FZE, which owns 100% of DP World Limited (formerly DP World PLC).

Port and Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation, which is the ultimate parent Company of the Company but which does not exert control over the Company.

Both Port & Free Zone World FZE and Dubai World Corporation have their registered offices at Jebel Ali Free Zone, P.O Box 17000, Dubai, United Arab Emirates.