

ASSOCIATED BRITISH PORTS HOLDINGS LIMITED

(Company Number 01612178)

ANNUAL REPORT AND ACCOUNTS 2020



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Strategic report

The directors present their strategic report for the year ended 31 December 2020.

1. Principal activity and strategy

The principal activity of the company is as an intermediate holding company within the group owned by the company's ultimate parent undertaking, ABP (Jersey) Limited ("ABPJ"). The principal activities of the group owned by the company comprise the ownership, operation and development of port facilities and the provision of related services in the United Kingdom ("UK"). The group also provides other transport facilities and related services including the Hams Hall rail freight terminal. The group's principal operating subsidiary undertaking is Associated British Ports, a direct subsidiary undertaking of the company. The group owns and operates 21 general cargo ports within the UK.

2. Important events of the year

The directors advise that no important events occurred in relation to the company during 2020.

3. Performance

During the year the company made a net profit of £90.1m (2019: £139.6m). The company's income is derived from interest on amounts due from parent and subsidiary undertakings. The primary driver of performance is the ability of the wider group's main trading group, ABPA Holdings Limited ("ABPAH"), to generate cash flows, as indicated by the following:

	2020	2019
	£m	£m
ABPA Holdings Limited		
Consolidated EBITDA ¹	288.8	315.4
Cash generated by operations	319.1	295.1

¹ Consolidated EBITDA (earnings before interest, tax, depreciation and amortisation) is calculated in accordance with the definitions set out in the group's credit facilities and after excluding certain items

4. Position at the end of the year

As at 31 December 2020, the company had net assets of £2,031.3 m (2019: £1,941.2m), which includes amounts due from parent and subsidiary undertakings of £1,922.6m (2019: £1,831.9m).

5. Principal risks and uncertainties

The company's main source of risk and uncertainty is the profitability of the underlying trading group ultimately owned by ABPJ and the ability of its UK-wide ports and transport operations to generate cash flows. Subject to the profitability of the underlying group, the company has limited risk because it predominantly interacts only with fellow group companies. The nature of the interactions is set out in notes 8, 10 and 14 to the accounts.

5.1 Financial risk management

The company's main financial risks are liquidity, credit and capital risk. Treasury matters for the company and the wider group owned by ABPJ are controlled centrally in accordance with policies approved by the Board of the company. The company's liquidity and capital risks, along with credit risk relating to cash, are managed by its immediate parent undertaking, ABP Acquisitions UK Limited. For further details of the company's financial risk management objectives and policies, see note 9 to the accounts.

5.2 Trading group risks and uncertainties

The company's future viability and risk management are ultimately dependent upon the performance of the wider trading group ultimately owned by ABPJ and the ability of its UK-wide ports and transport operations to generate cash flows. Further details of the risks and uncertainties relating to the wider trading group, including the impact of the Covid-19 virus, can be found in the Annual Report and Accounts of ABPAH.

Strategic report (continued)

6. Future outlook

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

7. Section 172 Statement

The company is a wholly owned indirect subsidiary of ABPJ. The Board recognises the importance of stakeholder engagement in delivering the long-term and sustainable success of the company. When making decisions, particularly of a strategic nature, the directors have regard to the likely long-term impact and also their responsibilities and duties to the company's sole shareholder and other stakeholders. The company's key stakeholders are employees, customers, local and national government, suppliers, the communities in which ABP operates, the environment and lenders.

To support the directors and assist them in complying with their duties, management is required to provide feedback on their engagement with relevant stakeholders when matters are put forward for Board consideration. Directors receive training on their duties as part of their induction, which is refreshed on an ongoing basis as necessary. The following section outlines how we engage with, and have regard to, each of our key stakeholder groups.

7.1 Employees

We actively engage with our workforce in a number of ways, including regional briefings and functional 'Town Halls' which enable employees to ask questions of senior management and give feedback. We have an ABP intranet and also engage directly with trade unions. Our employee communications include updates on activities and developments across the business and information in respect of financial and economic factors affecting the performance of the group.

During the Covid-19 pandemic in 2020, communication and engagement with employees was never more important. To ensure employees were supported and kept up to date with the changing local and national guidelines, regular guidance and 'Q&As' were circulated, alongside safety alerts and 'toolbox' talks. A specific intranet site for Covid-19 was also established as a central point for key information. Further information on the Board's response to Covid-19 can be found on page 5.

Employees are encouraged to use the 'Spot-It!' portal which provides a platform for any individual to notify near misses, incidents or concerns in respect of health, safety, environment, security and marine matters. These are then followed up and addressed to ensure that a safe working environment is maintained for our workforce. Annual employee engagement surveys are also carried out to obtain anonymous feedback from employees and to understand their views on ABP, their positivity about the future of their careers and areas that could be improved. Following the employee engagement survey at the end of 2019, the results were considered by the Board and communicated across the business.

7.2 Customers

The group's future success is dependent on the maintenance and development of its relations with current and potential customers. ABP works closely with its customers at port, regional and corporate level to understand their needs and develop facilities and services to meet their requirements.

Regular dialogue with customers enables ABP to understand their current and future challenges and plan how we can work in partnership with them to deliver solutions which drive increased value and optimise their supply chain solutions. This was especially important during 2020 with customers' operations impacted by Covid-19. ABP also undertakes customer engagement surveys to obtain feedback on how we are performing, the services we deliver and where we can better support customers.

Strategic Report (continued)

7. Section 172 Statement (continued)

7.3 Local Authorities and National Government

ABP has a unique position as the UK's largest port operator and is an essential part of the supply chain for key industries throughout the UK. Government policy in respect of matters such as trade and the environment impact the way that businesses operate and accordingly, engagement with local and national government helps ABP to understand topical issues and to work with both government and our customers on areas of shared interest.

ABP engaged closely with local and central government throughout 2020 to support the Government's preparations for the end of the Brexit transition period. As well as collaborating with the Department for Transport, Border Delivery Group, Cabinet Office and leading government departments, ABP held regular meetings with industry and political stakeholders in the UK and hosted a series of virtual Brexit preparedness events. Strong relationships with local authorities in the regions we operate in are also crucial to ABP, enabling effective planning and development

7.4 Suppliers

ABP relies on its suppliers to provide products and services that enable us to deliver our strategy. We seek to engage the best supply chain partners to sustainably deliver value and performance for the business and we regularly work with local and small businesses in our port communities. We recognise that strong relationships, regular communication and engagement with our suppliers are key to delivering our projects in a timely and cost-efficient manner and ensuring that specifications are aligned with the needs of the business and our customers.

To support our suppliers, ABP utilises a supplier portal to enable organisations to register and tender for contracts, complete due diligence and correspond directly with ABP. Our shared services team also seek regular feedback from suppliers in respect of payment processes as we look to continuously improve and strengthen relationships. Engagement with our suppliers was particularly important in 2020 due to the Covid-19 pandemic, enabling any potential disruption to projects and supply chains to be appropriately managed.

7.5 Communities

ABP recognises the importance of local communities to its continued success and the impact its decisions can have on those communities across its port estate. We seek to develop relationships based on mutual trust and respect and to understand the issues that matter locally. We do this through the facilitation of, and engagement with, port user groups, Local Enterprise Partnerships and local resident associations. These forums enable ABP to receive direct feedback from port users and local residents and to provide responses to matters or concerns raised, including actions being taken and improvements made.

In 2020, ABP continued its support for charities and local communities around the UK, with many previously face-to-face activities transitioning to a virtual format due to the pandemic. We continued our sponsorship of community events and awareness days including International Women's Day, the Freedom Festival, Mental Health Day and Purple Light Up for International Day for Persons with Disabilities. ABP supported several local and national charities, including Macmillan Cancer Support, Hull and East Yorkshire Children's University, Lincs & Notts Air Ambulance, Run4Wales and Southampton Sight.

Strategic Report (continued)

7. Section 172 Statement

7.6 Environment

ABP is committed to developing its business to meet the needs of its customers in a sustainable way, with due regard for both its operations and the environment. ABP has implemented a number of renewable energy schemes to date, with greenhouse gas emissions having decreased by 12.9% when compared with 2019 on an absolute basis. In 2020, 25.4% (2019 12.2%) of electricity used by the group is generated from our own wind and solar projects.

ABP proactively engages with key environmental stakeholders, including national agencies such as the Environment Agency ('EA'), the Department for Environment, Food & Rural Affairs and the Marine Management Organisation. When planning projects ABP also works with stakeholders to ensure sustainability and mitigate or reduce the impact of its projects on the environment where possible. Attendance at local port user groups also provide us with the opportunity to understand the key issues faced by port users and give direct feedback on steps taken to address any environmental issues or concerns.

7.7 Lenders

The group raises debt and undertakes related hedging with a number of counterparties. Sources of debt and facilities include public capital markets issuances, loans and private placements. We recognise the importance of providing these stakeholders with information to ensure they are kept up to date with the development, growth and strategy of the business and continue to recognise the benefits of investing in ABP.

Lenders are provided with regular information on the group, including the annual report and accounts, interim accounts and bi-annual investor reports, which outlines the performance of the group, major investments and certain forward looking financial information. In addition, the group directly engages with lenders through an annual update as well as regular calls and meetings as required. This engagement enables the group to continue to develop positive relationships with Lenders and understand the main drivers behind investing in ABP. In addition, ongoing engagement allows the group to plan its long-term capital requirements and the financing methods available.

8. Principal and Strategic Decisions

Outlined below are details of a number of principal and strategic decisions which have been taken by the Board during the year and how they have had regard to the interests of stakeholders.

8.1 Equipment Investment

Stakeholders, Issues and Factors Considered: Employees, Customers, The Environment, Climate Change

Investing in high quality and effective equipment and infrastructure is a key focus for ABP and directors recognise the positive impact that this can have on employee and customer experiences. During 2020 the Board approved a proposal to invest significant capital expenditure to purchase a number of pilot boats for the group.

When deciding to replace the ageing fleet at a group, rather than regional level, the directors considered the benefits for employees, customers and the environment from new 'state of the art' standardised vessels. The standardisation enables their use across different ports, with customers benefitting from increased reliability and availability. In addition, the new vessels have advanced safety features and provide more comfort in high sea states for employees. The Board also recognised that the proposed fleet would also be 25-30% more fuel efficient than the current models, reducing the financial impact of fuel and cutting carbon emissions.

Strategic Report (continued)

8. Principal and Strategic Decisions

8.3 Customer Investment

Stakeholders, Issues and Factors Considered: Customers, The Environment

Throughout the year, the Board has considered and approved a number of capital expenditure projects which support customers across the regions. One such example was the directors' approval of a project to build and develop a range of new facilities in line with a key long-term customer's specification. ABP's investment would enable them to relocate within the port to larger built to suit premises, to further grow and expand their existing operations. This was balanced by entering into a long-term customer contract to support ABP's longer term revenue stream.


The Board received in depth management proposals following negotiation with the customer and discussions with the local authority to ensure the scheme was within permitted development rights. In addition, the directors considered the capability for future renewable energy generation at the site within the design of the roof, with the potential to generate c.800k kWh per annum, subject to increased energy demand.

8.4 Response to Covid-19

Stakeholders, Issues and Factors Considered: Employees, Customers, Suppliers, Government

Following the Government's announcement in March 2020 of the national lockdown as a result of the Covid-19 pandemic, the Board held regular calls to receive updates and coordinate ABP's response. Directors recognise ABP's ports are key national infrastructure and its operations are important to the UK economy and a wide range of factors and stakeholders were considered when making decisions in response to the pandemic. The Board regularly reviewed information on ABP's trading and financial performance and conducted reforecast exercises to ascertain the impact of different scenarios materialising, including a severe downside scenario. This ensured that mitigating actions, such as cost reduction measures, could be taken on a timely basis. The Board was also supportive of the group's refinancing efforts to help to improve ABP's resilience.

By Order of the Board



MM Wyatt

Director

30 March 2021

Directors' report

The directors present their report and the audited accounts of the company (number 01612178) for the year ended 31 December 2020.

Registered office

The company's registered office is 25 Bedford Street, London, WC2E 9ES.

Directors

The directors who served during the year and to the date of this report were as follows:

Barr, RN		
Bryce, JA		
Bugeja, LE	(appointed 25 November 2020)	
Coghlan, JB	(resigned 31 May 2020)	
Drissi Kaitouni, H	(resigned 30 April 2020)	
Machiels, EPM		
Maheshwari, P		
Newell, HM		
Noergaard, B		
Nolan, PMG		
Pedersen, HL		
Pestak, GS	(appointed 25 November 2020)	
Quinlan, AJ		
Rishton, JF		
Sochocki, PL	(appointed 30 April 2020 and resigned 25 November 2020)	
Wall, RBP	(appointed 17 September 2020 and resigned 16 October 2020)	
Wyatt, MM		
Burganov, K	(alternate to HM Newell and AJ Quinlan)	(appointed 10 March 2021)
Butcher, PG	(alternate to JA Bryce and B Noergaard)	
Butcher, PG	(alternate to LE Bugeja)	(appointed 25 November 2020)
Butcher, PG	(alternate to RBP Wall)	(appointed 17 September 2020 and appointment ceased on resignation of RBP Wall on 16 October 2020)
Paris, J-FM	(alternate to GS Pestak)	(appointed 25 November 2020)
Pestak, GS	(alternate to H Drissi Kaitouni)	(appointment ceased on resignation of H Drissi Kaitouni on 30 April 2020)
Pestak, GS	(alternate to PL Sochocki)	(appointed 30 April 2020 and appointment ceased on resignation of PL Sochocki on 25 November 2020)
Yashnikov, D	(alternate to RN Barr, EPM Machiels and P Maheshwari)	

Directors' indemnities

ABP (Jersey) Limited maintains directors' and officers' liability insurance and pension fund trustees' liability insurance which give appropriate cover for any legal action brought against the directors and officers of the company. In addition, the Articles of Association of the company permit the directors and officers of the company to be indemnified in respect of liabilities incurred as a result of their office.

Directors' report (continued)

Directors' indemnities (continued)

Qualifying third party indemnity provisions (as defined by s.234 of the Companies Act 2006) for the benefit of directors and officers were in force for all directors and officers during the year and remain in force in relation to certain losses and liabilities which directors and officers may incur (or have incurred) in connection with their duties, powers or office.

Dividends

The directors do not recommend the payment of a final dividend (2019: £nil).

Future outlook

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

Matters disclosed in the strategic report

The directors have chosen to disclose the following matters in the strategic report:

- Financial risk management objectives and policies and details of the company's exposure to liquidity, interest rate, foreign exchange, credit and capital risk and other risk disclosures; and
- Engagement with suppliers, customers and others in a business relationship with the company and the principal and strategic decisions taken during the year.

Auditor re-appointment

In accordance with s.487 of the Companies Act 2006, the auditor is deemed to have been re-appointed and Ernst & Young LLP will therefore continue as auditor to the company.

Audit information

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

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

By Order of the Board



AM Morgan
Secretary
25 Bedford Street
London, WC2E 9ES
30 March 2021

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

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

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the company accounts in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, the directors must not approve accounts unless they are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the company. In preparing those accounts, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- in respect of the company financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006, 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 appropriate to presume that the company and/ or the group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy, at any time, the financial position of the company at that time, and to enable them to ensure that the company accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATED BRITISH PORTS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Associated British Ports Holdings Limited (the company) for the year ended 31 December 2020 which comprise Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period from the date of approval of the balance sheet until 30 June 2022 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained with the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATED BRITISH PORTS HOLDINGS LIMITED (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATED BRITISH PORTS HOLDINGS LIMITED (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

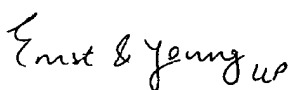
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006 and International Financial Reporting Standards).
- We understood how Associated British Ports Holdings Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit and Risk Committees and noted that there was no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility of fraud. We also considered performance targets and their influence on efforts made by management to manage Key Performance Indicators. Where this risk was considered higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of board minutes to identify any noncompliance with laws and regulations, a review of the reporting to the Audit and Risk Committee on compliance with regulations, enquiries of Legal Counsel and of Management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Lloyd Brown
for and on behalf of Ernst & Young LLP,
London
31 March 2021

Income statement for the year ended 31 December

	Note	2020 £m	2019 £m
Administrative expenses	2, 3	(10.7)	(2.9)
Operating loss		(10.7)	(2.9)
Finance income	5	125.3	167.4
Profit before taxation		114.6	164.5
Taxation charge	6	(24.5)	(24.9)
Profit for the year		90.1	139.6

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

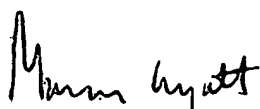
Statement of comprehensive income for the year ended 31 December

There was no other comprehensive income during the year or prior year. Total comprehensive income is represented by the profit for the year.

Balance sheet as at 31 December

	Note	2020 £m	2019 £m
Assets			
Non-current assets			
Investments	7	146.5	146.5
Group and other receivables	8	648.1	632.7
		794.6	779.2
Current assets			
Group and other receivables	8	1,277.1	1,201.7
		1,277.1	1,201.7
Total assets		2,071.7	1,980.9
Liabilities			
Current liabilities			
Group and other payables	10	(30.5)	(31.7)
Provisions	11	(9.3)	(8.0)
		(39.8)	(39.7)
Non-current liabilities			
Other non-current liabilities		(0.6)	-
		(0.6)	-
Total liabilities		(40.4)	(39.7)
Net assets		2,031.3	1,941.2
Shareholder's equity			
Share capital	12	77.5	77.5
Share premium account		130.6	130.6
Capital redemption reserve		25.5	25.5
Retained earnings		1,797.7	1,707.6
Total shareholder's equity		2,031.3	1,941.2

The financial statements were approved by the Board on 30 March 2021 and signed on its behalf by:



MM Wyatt
Director

Statement of cash flows for the year ended 31 December

	Note	2020 £m	2019 £m
Cash flows from operating activities			
Cash absorbed by operations	13	-	(113.1)
Interest received	14	24.6	38.0
Net cash outflow from operating activities		24.6	(75.1)
Cash flows from financing activities			
Proceeds from repayment of loans		24.9	25.1
New loans advanced		(49.5)	-
Dividends received		-	50.0
Net cash inflow from financing activities		(24.6)	75.1
Change in cash and cash equivalents during the year		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

Statement of changes in equity for the year ended 31 December

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Total £m
At 1 January 2019	77.5	130.6	25.5	1,568.0	1,801.6
Profit for the year	-	-	-	139.6	139.6
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
At 31 December 2019	77.5	130.6	25.5	1,707.6	1,941.2
Profit for the year	-	-	-	90.1	90.1
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	90.1	90.1
At 31 December 2020	77.5	130.6	25.5	1,797.7	2,031.3

Capital redemption reserve

The capital redemption reserve is a reserve to record the nominal value of shares repurchased.

Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost basis.

The financial statements are presented in sterling and all values are rounded to the nearest tenth of a million (£m) except where otherwise indicated. The financial statements provide comparative information in respect of the previous period.

Going concern basis

The directors have carried out a review, including consideration of appropriate forecasts and sensitivities, which indicates that the company will have adequate resources to continue to trade for the foreseeable future. In particular the directors have considered the following:

- The company has net current assets of £1,237.2m, including amounts due from subsidiary undertakings of £648.1m; and
- The company has net assets of £2,031.3m, including amounts due from parent undertakings of £1,268.6m.

The company's future viability is ultimately dependent upon the performance of the wider trading group owned by the company's immediate parent undertaking, ABPA Holdings Limited ("ABPAH"), and group management's decisions on the flow of capital as well as the funding of losses being incurred by the company.

The group's business plan was developed taking into consideration the developments of the Covid-19 pandemic and its impact on business performance. Management continues to monitor the impact of the virus and potential business impacts and do not expect it to adversely impact the going concern assumption, based on the significant proportion of revenue that is contractually guaranteed, limited impact from the pandemic on 2020 performance, and the company's ability to take effective mitigating actions to counter downside scenarios. The company has instigated cost control measures and cost saving initiatives and has established strict criteria for capital investment. Management will continue to forecast the company's results as new information becomes available and have modelled different scenarios, including a severe downside scenario, where headroom against the leverage covenant becomes limited within the going concern period, before mitigating actions are applied. If the actual results are significantly worse than forecast, the group has the option of pursuing further mitigating measures that are under its own control to cut costs and preserve cash. These include further reductions in variable staff and other variable costs to match reduced activity, delaying or holding back EBITDA enhancing capex projects and, if the downside period persists, structurally reviewing costs for further savings. As a result of the actions already taken to date and further contingency plans to react to a more adverse scenario, management have concluded that the group should generate sufficient cash and EBITDA to continue as a going concern and to avoid breaching its loan covenants.

Notes to the financial statements

1. Accounting policies (continued)

1.1 Basis of preparation (continued)

Going concern basis (continued)

Liquidity risk is principally managed by maintaining cash and borrowing facilities at a level that is forecast to provide reasonable headroom in excess of the expected future needs of the group. As at 31 December 2020, the group had access to £400.0m of committed and undrawn borrowing facilities, which are available for between two and four years. Debt maturities are spread over a range of dates, ensuring the group is not exposed to a material refinancing in any one year (see note 1 on going concern and note 9 on financial risk management). In addition, the group has in place £165.0m of debt service reserve liquidity facilities to cover annual interest costs. These are renewed annually and are drawn with a final maturity of 2042 if not renewed.

Given the nature, maturity dates and counterparties of these liabilities, as well as the group's track record of its ability to refinance debt and generate cash flows, notwithstanding the impact of the Covid-19 pandemic, the directors are confident that the group has the ability to continue to meet its liabilities as they fall due for the period to 30 June 2022 and therefore the financial statements have been prepared on a going concern basis.

Consolidation exemption

These separate financial statements contain information about Associated British Ports Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption available under s400 of the Companies Act 2006, from the requirement to prepare and deliver consolidated financial statements, as the results of the group are included in the consolidated financial statements of its intermediate parent undertaking, ABPA Holdings Limited, which are available from 25 Bedford Street, London, WC2E 9ES.

Statement of compliance

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

1.2 Changes in accounting policies

New standards and amendments adopted

None of the new standards effective for the first time for the annual reporting period commencing 1 January 2020 have a material impact on the consolidated financial statements of the company.

New standards, amendments and interpretations issued but not yet effective

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

The company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the financial statements

1. Accounting policies (continued)

1.3 Critical estimates, judgements and assumptions

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

Judgements

In the process of applying the company's accounting policies, the directors have made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

Recoverability of financial assets

Group receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Ultimate realisation of principal balances depends on the performance of ABPA Holdings Limited's ("ABPAH") underlying trading group and the ability of the UK-wide ports and transport operations to generate cash flows. For the year ended 31 December 2020 the ABPAH group had consolidated EBITDA, calculated in accordance with the group's credit facilities, as disclosed in the strategic report of £288.8m and cash generated by operations of £319.1m. The group's strategic plan indicates that a strong performance is forecast to continue in the future. Further attention is drawn to the company's and group's approach to risk and capital management which is set out in the company's strategic report.

The directors believe that there are no other areas of the company's accounting policies involving a high degree of judgement or complexity nor are there any areas where assumptions and estimates are significant to the financial statements.

1.4 Significant accounting policies

The directors consider the following to be the most important accounting policies in the context of the company's operations.

Financial instruments

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Group and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses ("ECLs").

Notes to the financial statements

1. Accounting policies (continued)

1.4 Significant accounting policies (continued)

Financial instruments (continued)

At each reporting date, the company performs an impairment analysis for all group and other receivables to measure the allowance for ECLs. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for default events that are possible within the next 12 months. For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is calculated for credit losses expected over the remaining life of the exposure, irrespective of the expected timing of the default. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

The provision for expected credit losses of receivables are recorded within administrative expenses.

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

Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use, and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount.

Notes to the financial statements

1. Accounting policies (continued)

1.5 Other accounting policies

Investments

Investments in subsidiaries are stated at cost. The company assesses at each reporting date whether there is any indication that the investment may be impaired.

Taxation

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

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

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

Deferred tax assets or liabilities are measured at the tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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

Provisions

Provisions are recognised when the company has an obligation in respect of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount. Provisions are discounted when the time value of money is considered material.

Dividends

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

2. Operating profit

Operating profit is stated after charging/(crediting):

	2020	2019
	£m	£m
<i>Expected credit losses of group and other receivables</i>	8.2	-

Notes to the financial statements**3. Administrative expenses**

Remuneration received by Ernst & Young LLP is detailed below and has been borne by a subsidiary undertaking.

	2020 £'000	2019 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	5	5

4. Directors and employees

Staff costs are analysed as follows:

	2020 £m	2019 £m
Staff costs		
Wages and salaries	1.8	2.0
Social security costs	0.3	0.4
Total staff costs	2.1	2.4

The monthly average number of people employed during the year was two (2019: two).

Directors' emoluments are analysed as follows:

	2020 £m	2019 £m
Emoluments paid to directors of the company		
Short-term employee benefits	3.3	3.3
Post-employment benefits	0.2	0.1
Total directors' emoluments	3.5	3.4

Emoluments comprise amounts paid to the directors of the company by the company, with one director being paid by an immediate subsidiary undertaking.

Key management compensation is analysed as follows:

	2020 £m	2019 £m
Key management compensation		
Short-term employee benefits	3.3	3.3
Post-employment benefits	0.2	0.1
Total key management compensation	3.5	3.4

Key management comprises the directors of the company.

Three (2019: four) directors of the company are eligible to join the Legal & General Workplace Mastertrust Pension Plan. At 31 December 2020, no (2019: no) director is a member of the Legal & General Workplace Mastertrust Pension Plan and two (2019: three) directors received an allowance for contributions towards their own pension arrangements unconnected with the group.

Notes to the financial statements

4. Directors and employees (continued)

	2020	2019
	£m	£m
Highest paid director		
Short-term employee benefits	1.3	1.5
Post-employment benefits	0.1	0.1
Total highest paid director	1.4	1.6

For further disclosure of amounts paid to the shareholders for the directors of the company, refer to note 14.

5. Finance income

	2020	2019
	£m	£m
Interest on amounts due from parent undertaking	83.8	76.3
Interest on amounts due from subsidiary undertaking	41.5	41.1
Dividend income	-	50.0
Finance income	125.3	167.4

6. Taxation

	2020	2019
	£m	£m
Analysis of charge for the year		
Current tax	24.5	24.9
Taxation	24.5	24.9

Current taxation for the current and prior year represents a charge for group relief surrendered to parent undertaking, with amounts being deducted from amounts due from related parties. For further details see note 14.

The taxation charge (2019: charge) for the year is higher (2019: lower) than the standard rate of taxation in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020	2019
	£m	£m
Profit before taxation	114.6	164.5
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	21.8	31.2
Effects of:		
Items not chargeable to tax	-	(6.3)
Items not deductible for tax	2.7	-
Total tax charge for the company	24.5	24.9

Notes to the financial statements

6. Taxation (continued)

Effective tax rate	21.4%	15.2%
Total tax charge for the company	24.5	24.9
Effects of permanent differences:		
Related party debt - disregarded	(2.7)	(3.2)
Dividend income	-	9.5
Tax charge for the company after removing permanent differences	21.8	31.2
Tax rate after permanent differences	19.0%	19.0%

The items not deductible for tax related mostly to related party debts.

7. Investments

Details of subsidiary undertakings are provided in note 16.

	Interest in subsidiary undertakings	
	2020	2019
	£m	£m
At 1 January	146.5	146.5
At 31 December	146.5	146.5

8. Group and other receivables

	2020	2019
	£m	£m
Non-current		
Amounts due from subsidiary undertakings	648.1	632.7
Total non-current group and other receivables	648.1	632.7
Current		
Amounts due from parent undertaking	1,268.6	1,194.7
Amounts due from subsidiary undertaking	5.9	4.5
Other receivables	2.6	2.5
Total current group and other receivables	1,277.1	1,201.7

Non-current amounts due from subsidiary undertakings primarily relate to a loan receivable from Associated British Ports, the company's immediate subsidiary undertaking. Current amounts due from parent undertaking relates to a balance with ABP Acquisitions UK Limited.

Amounts due from subsidiary and parent undertakings are not overdue for repayment and are not considered to be impaired. Management has undertaken an impairment analysis model to estimate the Expected Credit Losses (ECL) that are possible from default events over the next twelve months and have concluded that the ECLs are material and consequently an allowance for impairment of £8.2m has been recognised. For further details see note 14.

Other receivables comprise amounts due from external insurers for insurance claims which have been accepted by the insurers but not settled. These amounts are not overdue for payment and are not considered to be impaired.

Notes to the financial statements**8. Group and other receivables (continued)**

Disclosure of the financial risks related to these financial instruments is set out in note 9. The company does not hold any collateral as security. The company's receivables are denominated in sterling.

9. Financial instruments

The company's policies regarding financial instruments are set out in the accounting policies in note 1. Risk and numerical disclosure is set out below.

Fair value of financial instruments

The fair value of financial assets and liabilities are an estimate of the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of financial assets and financial liabilities in the financial statements approximate to their fair value. The following methods and assumptions were used to estimate the fair values:

- The fair value of amounts due from Associated British Ports and ABP Acquisitions UK Limited approximates to their carrying amounts as interest charged is linked to the group's weighted average cost of debt.
- The fair value of cash and cash equivalents, current group and other receivables and current group and other payables approximates to their carrying amounts due to the short-term maturities of these instruments.

Financial risk management

Treasury matters throughout the group of which the company is a member are controlled centrally and carried out in compliance with policies approved by the Board of the company. The Board of the company monitors treasury matters and approves significant decisions. The treasury function's purpose is to identify, mitigate and hedge financial risks inherent in the group's business operations and capital structure. The company's main financial risks are liquidity, credit and capital risk. The wider group owned by ABP (Jersey) Limited ("ABPJ"), aims to manage these risks to an acceptable level.

Liquidity risk

Liquidity risk is managed by the wider group, owned by ABPJ, maintaining borrowing facilities at a level that is forecast to provide reasonable headroom in excess of the future needs of the group. Management monitors rolling forecasts of the group's liquidity reserve (comprised of committed undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows.

The table below analyses the company's financial liabilities carried at amortised cost, based on undiscounted contractual payments:

	2020 £m	2019 £m
Not later than one year	30.5	31.7
More than one year but not more than two years	-	-
Total payments	30.5	31.7

Notes to the financial statements**9. Financial instruments (continued)****Financial risk management (continued)**

The company did not have direct access to any undrawn borrowing facilities at 31 December 2020 (2019: £nil). The company can access committed undrawn borrowings through its immediate parent undertaking, ABP Acquisitions UK Limited as set out in the table below:

	2020 £m	2019 £m
Expiring in:		
More than one year but not more than two years	-	-
More than two years but not more than five years	400.0	365.0
Undrawn borrowing facilities	400.0	365.0

Credit risk

Credit risk with banks and financial institutions is managed by the group. The group monitors the credit risk of banking counterparties, tracking credit default swap rates and credit ratings of actual and potential counterparties.

An impairment analysis is performed at each reporting date to determine the expected credit losses. The analysis reflects the time value of money and reasonable and supportable information that is available at the reporting date about past events, current condition and forecasts of future economic conditions. Based on the impairment analysis the provision for loss allowance measured at an amount equal to the 12-month expected credit losses for the year ended 31 December 2020 was £8.2m (2019: £nil).

Given the counterparties of group and other receivables, as set out in note 8, the directors consider the company's exposure to credit risk, other than amounts already provided for, to be minimal. The maximum exposure to credit risk at 31 December 2020 for group and other receivables is the carrying value of each class of receivable.

Capital risk

The company finances itself with retained earnings of £1,797.7m (2019: £1,707.6m). The company's immediate parent undertaking, ABP Acquisitions UK Limited, also has committed but undrawn facilities totalling £400.0m (2019: £365.0m). The company keeps its funding structure under review with a view to maximising shareholder value and to ensure that it has the resources and the capacity to meet its operational requirements and to facilitate the execution of its strategy.

10. Group and other payables – current

	2020 £m	2019 £m
Amounts due to subsidiary undertakings	29.6	29.6
Accruals	0.9	2.1
Total group and other payables - current	30.5	31.7

Disclosure of the financial risks related to these financial instruments is set out in note 9. The company's payables are denominated in sterling.

Notes to the financial statements**11. Provisions**

	2020 £m	2019 £m
At 1 January	8.0	7.7
Charged during the year	2.2	2.0
Utilised in the year	(0.9)	(1.7)
At 31 December	9.3	8.0
Expected utilisation within one year	9.3	8.0

Provisions are designated as current liabilities.

The provisions relate to liabilities for certain third party claims relating primarily to property, employer's liabilities and general third party liabilities that are made against other group undertakings that are accepted and settled when appropriate by the company.

12. Share capital

	2020 £m	2019 £m
Issued and fully paid		
310,010,453 (2019: 310,010,453) ordinary shares of £0.25 each	77.5	77.5

13. Cash absorbed by operations

	2020 £m	2019 £m
Reconciliation of profit before taxation to cash absorbed by operations:		
Profit before taxation	114.6	164.5
Dividend income	-	(50.0)
Finance income	(125.3)	(117.4)
Increase in provisions	1.3	0.3
Operating cash flows before movements in working capital	(9.4)	(2.6)
(Increase)/decrease in group and other receivables	10.0	(111.0)
Increase/(decrease) in group and other payables	(0.6)	0.5
Cash absorbed by operations	-	(113.1)

14. Related party transactions

During the year 14 (2019: 14) of the directors of the company were representatives of the shareholders of the ultimate parent undertaking, ABP (Jersey) Limited. Each shareholder is entitled to receive fees for the services of these directors and the fees earned during the year were as follows:

	2020 £	2019 £
OMERS Infrastructure (on behalf of Borealis ABP Holdings B.V. and Borealis Ark Holdings B.V.)	105,000	101,365
Cheyne Walk Investment Pte Limited	70,000	60,981
Kuwait Investment Authority	35,000	35,000
Canada Pension Plan Investment Board (on behalf of itself and 9348654 Canada Inc)	-	64,615
CPPIB (Hong Kong) Limited (on behalf of itself and 9348654 Canada Inc.) ¹	125,669	50,481

¹ all share classes held by Canada Pension Plan Investment Board were transferred to CPPIB (Hong Kong) Limited on 14 august 2019)

Notes to the financial statements**14. Related party transactions (continued)**

Further details of the shareholders' share ownership are set out in note 16.

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

Name	Relationship
ABP Acquisitions UK Limited	Immediate parent undertaking
Associated British Ports	Immediate subsidiary undertaking
Amports Holdings Limited	Immediate subsidiary undertaking
ABP (Aldwych) Limited	Immediate subsidiary undertaking
ABP Nominees Limited	Immediate subsidiary undertaking
Immingham Bulk Terminal Limited	Immediate subsidiary undertaking
American Port Services Holdings Limited	Immediate subsidiary undertaking
Amports Vehicle Terminals Limited	Intermediate subsidiary undertaking
Amports Contract Personnel Limited	Intermediate subsidiary undertaking
Amports Cargo Services Limited	Intermediate subsidiary undertaking

The company has the following loan receivable with the related party:

Entity	Due date	Rate per annum	2020 £m	2019 £m
Associated British Ports	2040	6.9%	606.8	591.4

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

Associated British Ports	2020 £m	2019 £m
Intercompany receivable at start of the year	591.4	615.4
Increase/(decrease) in receivable	23.4	(2.1)
Interest charged – 6.9% per annum (2019: 7.0%)	41.5	41.2
Interest received	(24.6)	(38.0)
Net cash received	(24.9)	(25.1)
Intercompany receivable at end of the year	606.8	591.4

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

	2020 £m	2019 £m
ABP Acquisitions UK Limited	1,268.6	1,194.7
American Port Services Holdings Limited	4.5	4.5
Immingham Bulk Terminal Limited	1.4	-
Amports Holdings Limited	(25.1)	(25.1)
Amports Vehicle Terminals Limited	(1.2)	(1.2)
Amports Contract Personnel Limited	(0.4)	(0.4)
Amports Cargo Services Limited	(2.9)	(2.9)
Total current balances	1,244.9	1,169.6

Notes to the financial statements

14. Related party transactions (continued)

	2020 £m	2019 £m
ABP (Aldwych) Limited	0.2	0.2
ABP Nominees Limited	41.1	41.1
Total non-current balances	41.3	41.3

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

ABP Acquisitions UK Limited	2020 £m	2019 £m
Intercompany receivable at start of the year	1,194.7	1,029.6
Increase/(decrease) in receivable	(1.7)	88.8
Interest charged – 6.9% per annum (2019: 7.0%)	83.8	76.3
Provision for expected credit losses	(8.2)	-
Intercompany receivable at end of the year	1,268.6	1,194.7

Immingham Bulk Terminal Limited	2020 £m	2019 £m
Intercompany receivable at start of the year	-	-
Increase in receivable	1.4	-
Intercompany receivable at end of the year	1.4	-

15. Contingent liabilities

	2020 £m	2019 £m
Contingent liabilities under claims, indemnities and guarantees:		
Guarantees in respect of group borrowings	2,245.5	2,288.7
Guarantees in respect of undrawn group borrowings	565.0	530.0
Total cross guarantees by group companies	2,810.5	2,818.7
Total borrowings and undrawn facilities of group of which company is a member	2,810.5	2,818.7

As part of the security package for borrowing facilities of the wider group, owned by the company's ultimate parent undertaking, certain wider group undertakings have granted a guarantee and fixed and floating charges over their respective assets including over real property owned by them and shares in subsidiary undertakings (excluding Associated British Ports ("ABP") and its subsidiary undertakings) and various other assets including the company's rights in relation to its principal subsidiary undertaking, ABP. No guarantees or security have been granted by ABP or its subsidiary undertakings in respect of such borrowing facilities.

The group self-insures and certain potential liabilities retained by the company are covered by letters of credit totalling £1.4m (2019: £1.1m). The company is not required to secure any cash reserves against these letters of credit.

Notes to the financial statements**16. Subsidiary undertakings**

All subsidiaries have a registered address of 25 Bedford Street, London, WC2E 9ES and operate in England and Wales, unless otherwise stated. The company's controlling interest in subsidiary undertakings is represented by ordinary shares (with the exception of ABP, the company's powers in respect of which are governed by the Transport Act 1981 and Southampton Port Security Authority Limited, which is limited by guarantee). All ordinary shares have voting rights in the same proportion to the shareholding.

	% held by Company
Subsidiary undertakings: Ports and transport	
ABP Security Limited	100
Associated British Ports	(see below) ¹
Immingham Bulk Terminal Limited	100
W.E. Dowds (Shipping) Limited	100
Subsidiary undertakings: Property	
ABP Property Development Company Limited	100
Grosvenor Waterside Investments Limited	100
Millbay Development Company Limited	100
Subsidiary undertakings: Group services	
ABP Marine Environmental Research Limited	100
ABPH Marine (Guernsey) Limited ¹ (domiciled in Guernsey)	100
UK Dredging Management Limited	100
W.E.D. (Services) Limited	100
Subsidiary undertakings: Dormant	
ABP (Aldwych) Limited	100
ABP (No. 1) Limited	100
ABP (Pension Trustees) Limited	100
ABP Connect Limited	100
ABP Marchwood Limited	100
ABP Nominees Limited	100
ABP Quest Trustees Limited	100
ABP Safeguard Limited	100
ABP Secretariat Services Limited	100
ABP Southampton Properties Limited	100
Aldwych Logistics Investments Limited	100
American Port Services Holdings Limited	100
Amports Cargo Services Limited	100
Amports Contract Personnel Limited	100
Amports Holdings Limited	100
Amports Vehicle Terminals Limited	100
Associated British Ports Investments Limited	100
Auto Shipping Limited	100
Colchester Dock Transit Company Limited	100
Exxtor Shipping Services Limited	100
Grosvenor Buchanan Properties Limited ² (domiciled in Scotland)	100
Grosvenor Waterside (Cardiff Bay) Limited	100
Grosvenor Waterside (Holdings) Limited	100
Grosvenor Waterside Asset Management Limited	100

¹Under the Transport Act 1981, Associated British Ports Holdings Limited, the company's intermediate subsidiary undertaking, has powers over Associated British Ports ("ABP") corresponding to the powers of a holding company over a wholly owned subsidiary undertaking. ABP's registered office is 25 Bedford Street, London, WC2E 9ES.

Notes to the financial statements**16. Subsidiary undertakings (continued)**

	% held by Company
Subsidiary undertakings: Dormant (continued)	
Grosvenor Waterside Group Limited	100
Grosvenor Waterside Developments Limited	100
Humber Pilotage (C.H.A.) Limited	100
Ipswich Port Limited	100
Marine Environmental Research Limited	100
Northern Cargo Services Limited	100
RPM Industrial Site Services Limited	100
Slater's Transport Limited	100
Southampton Free Trade Zone Limited	100
Southampton Port Security Authority Limited	(see below) ³
The Teignmouth Quay Company Limited	100
Whitby Port Services Limited	100

¹ Registered address is Frances House, Sir William Place, St. Peter Port, Guernsey, GY1 4HQ.

² Registered address is Associated British Ports, Port Office, Ayr, Ayrshire, KA8 8AH.

³ This company is a subsidiary undertaking limited by guarantee.

17. Ultimate parent undertaking and controlling parties

The company is a private company limited by shares registered in England and Wales. Its immediate parent undertaking is ABP Acquisitions UK Limited.

Its intermediate parent undertaking is ABPA Holdings Limited ("ABPAH"). ABPAH produces IFRS consolidated financial statements that are available from its registered office at 25 Bedford Street, London, WC2E 9ES. The consolidated financial statements of ABPAH are the smallest group in which the company is included.

The ultimate parent undertaking and controlling party is ABP (Jersey) Limited ("ABPJ"), a limited liability company registered in Jersey. ABPJ produces consolidated financial statements that comply with IFRS and are available from its registered office at 44 Esplanade, St Helier, Jersey, JE4 9WG. The consolidated financial statements of ABPJ are the largest group in which the company is included.

Notes to the financial statements

17. Ultimate parent undertaking and controlling parties (continued)

ABPJ is owned by a consortium of investors as shown below.

	% of A Ordinary shares	% of B Ordinary shares	% of Preference shares
2020			
Borealis ABP Holdings B.V. (owned by OMERS Administration Corporation)	22.10	22.10	22.09
Borealis Ark Holdings B.V. (owned by OMERS Administration Corporation)	7.90	7.90	7.91
CPPIB (Hong Kong) Limited (owned by Canada Pension Plan Investment Board)	30.00	33.88	33.88
9348654 Canada Inc.	3.88	-	-
Cheyne Walk Investment Pte Limited (owned by GIC (Ventures) Pte Limited)	20.00	20.00	20.00
Kuwait Investment Authority	10.00	10.00	10.00
Anchorage Ports LLP (owned by Hermes GPE Infrastructure Fund LP, Hermes Infrastructure (SAP I) LP and Hermes Infrastructure (Alaska) LP)	6.12	6.12	6.12
	100.00	100.00	100.00
	% of A Ordinary shares	% of B Ordinary shares	% of Preference shares
2019			
Borealis ABP Holdings B.V. (owned by OMERS Administration Corporation)	22.10	22.10	22.09
Borealis Ark Holdings B.V. (owned by OMERS Administration Corporation)	7.90	7.90	7.91
CPPIB (Hong Kong) Limited (owned by Canada Pension Plan Investment Board)	30.00	33.88	33.88
9348654 Canada Inc.	3.88	-	-
Cheyne Walk Investment Pte Limited (owned by GIC (Ventures) Pte Limited)	20.00	20.00	20.00
Kuwait Investment Authority	10.00	10.00	10.00
Anchorage Ports LLP (owned by Hermes GPE Infrastructure Fund LP, Hermes Infrastructure (SAP I) LP and Hermes Infrastructure (Alaska) LP)	6.12	6.12	6.12
	100.00	100.00	100.00

All share classes held by Canada Pension Plan Investment Board were transferred to CPPIB (Hong Kong) Limited, a Hong Kong registered wholly owned subsidiary of Canada Pension Plan Investment Board on 14 August 2019. This transaction did not impact the percentage holdings of any other shareholder.