


**ASSOCIATED BRITISH PORTS HOLDINGS LIMITED**

**(Company Number 01612178)**

**ANNUAL REPORT AND ACCOUNTS 2018**

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# ASSOCIATED BRITISH PORTS HOLDINGS LIMITED

## ANNUAL REPORT AND ACCOUNTS 2018

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## Strategic report

The directors present their strategic report for the year ended 31 December 2018.

### 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 to ship and cargo owners and other users of seaports 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.

### Important events of the year

The directors advise that no important events occurred in relation to the company during 2018.

### Performance

During the year the company made a profit of £95.2m (2017: £116.9m). 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:

|                                  | 2018  | 2017  |
|----------------------------------|-------|-------|
|                                  | £m    | £m    |
| <b>ABPA Holdings Limited</b>     |       |       |
| Consolidated EBITDA <sup>1</sup> | 331.5 | 314.5 |
| Cash generated by operations     | 314.4 | 335.7 |

<sup>1</sup> 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 (see reconciliation of operating profit to consolidated EBITDA in the strategic report of ABPAH, the company's intermediate parent undertaking)

### Position at the end of the year

As at 31 December 2018, the company had net assets of £1,801.6m (2017: £1,706.4m), which includes amounts due from parent and subsidiary undertakings of £1,690.8m (2017: £1,595.7m).

### 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 7, 9 and 13 to the accounts.

### 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 8 to the accounts.

**Strategic report** (continued)

***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 ABP (Jersey) Limited 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 can be found in the Annual Report and Accounts of ABPA Holdings Limited.

**Future outlook**

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

By Order of the Board



**GSM Bull**  
**Director**

13 March 2019

**Directors' report**

The directors present their report and the audited accounts of the company (number 01612178) for the year ended 31 December 2018.

**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, R            | (appointed 13 March 2019)                     |   |
| Bryce, JA          | (appointed 13 June 2018)                      |   |
| Bull, GSM          |   |   |
| Busslinger, PA     |   |   |
| Coghlan, JB        |   |   |
| Cooper, JN         | (resigned 29 June 2018)                       |   |
| Drissi Kaitouni, H |   |   |
| Hay, A             | (resigned 3 July 2018)                        |   |
| Hicks, SN          | (resigned 13 March 2019)                      |   |
| Hogg, CM           | (resigned 17 May 2018)                        |   |
| Kay, GPR           |   |   |
| Machiels, EPM      |   |   |
| Morea, JV          | (resigned 31 January 2019)                    |   |
| Newell, HM         | (appointed 13 March 2019)                     |   |
| Nolan, PMG         |   |   |
| Pedersen, HL       | (appointed 13 August 2018)                    |   |
| Rishton, J         |   |   |
| Bradbury, KE       | (alternate to PA Busslinger and EPM Machiels) | (resigned 27 November 2018)   |
| Butcher, PG        | (alternate to JA Bryce)                       | (appointed 13 June 2018)  |
| Butcher, PG        | (alternate to A Hay)                          | (appointment ceased on the resignation of A Hay on 3 July 2018)                                       |
| Butcher, PG        | (alternate to CM Hogg)                        | (appointment ceased on the resignation of CM Hogg on 17 May 2018)                                     |
| Hofbauer, PF       | (alternate to JB Coghlan)                     |   |
| Newell, HM         | (alternate to SN Hicks)                       | (appointed 25 January 2019 and appointment ceased on the resignation of SN Hicks on 13 March 2019)    |
| Pesttrak, GS       | (alternate to H Drissi Kaitouni)              | (appointed 24 January 2018)   |
| Yashnikov, D       | (alternate to PA Busslinger and EPM Machiels) | (appointed 27 November 2018)  |
| Yashnikov, D       | (alternate to JV Morea)                       | (appointed 27 November 2018 and appointment ceased on the resignation of JV Morea on 31 January 2019) |
| Yashnikov, D       | (alternate to R Barr)                         | (appointed 13 March 2019)   |

On 7 February 2019 Marina Wyatt joined Associated British Ports as the Chief Financial Officer of the trading group to replace Sebastian Bull and has been appointed to the Board with effect from 14 March 2019. Sebastian Bull has tendered his resignation from the Board with effect from 14 March 2019.

**Directors' report** (continued)

**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.

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.

**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
- Indication of likely future developments in the business.

**Dividends**

The directors do not recommend the payment of a final dividend (2017: £nil).

**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



**AC Garner**  
**Secretary**  
**25 Bedford Street**  
**London, WC2E 9ES**  
**13 March 2019**

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy, at any time, the financial position of the company 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.

## **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 for the year ended 31 December 2018 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 below. 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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.



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

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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 5, 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.

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

**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.

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.



Matthew Williams (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
15 March 2019

**Income statement for the year ended 31 December**

|  | Note | 2018<br>£m   | 2017<br>£m   |
|--|------|--------------|--------------|
| Administrative expenses                            | 2    | (0.3)        | (1.9)        |
| <b>Operating loss</b>                              |      | <b>(0.3)</b> | <b>(1.9)</b> |
| Finance income                                     | 4    | 120.8        | 141.7        |
| Impairment of investment in subsidiary undertaking | 6    | -            | (3.7)        |
| <b>Profit before taxation</b>                      |      | <b>120.5</b> | <b>136.1</b> |
| Taxation charge                                    | 5    | (25.3)       | (19.2)       |
| <b>Profit for the year</b>                         |      | <b>95.2</b>  | <b>116.9</b> |

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 | 2018<br>£m     | 2017<br>£m     |
|-----------------------------------|------|----------------|----------------|
| <b>Assets</b>                     |      |                |                |
| <b>Non-current assets</b>         |      |                |                |
| Investments                       | 6    | 146.5          | 146.5          |
| Group and other receivables       | 7    | 656.7          | 769.3          |
|                                   |      | <b>803.2</b>   | <b>915.8</b>   |
| <b>Current assets</b>             |      |                |                |
| Group and other receivables       | 7    | 1,037.3        | 828.9          |
|                                   |      | <b>1,037.3</b> | <b>828.9</b>   |
| <b>Total assets</b>               |      | <b>1,840.5</b> | <b>1,744.7</b> |
| <b>Liabilities</b>                |      |                |                |
| <b>Current liabilities</b>        |      |                |                |
| Group and other payables          | 9    | (30.3)         | (30.8)         |
| Provisions                        | 10   | (7.7)          | (7.5)          |
|                                   |      | <b>(38.0)</b>  | <b>(38.3)</b>  |
| <b>Non-current liabilities</b>    |      |                |                |
| Other non-current liabilities     |      | (0.9)          | -              |
|                                   |      | <b>(0.9)</b>   | <b>-</b>       |
| <b>Total liabilities</b>          |      | <b>(38.9)</b>  | <b>(38.3)</b>  |
| <b>Net assets</b>                 |      | <b>1,801.6</b> | <b>1,706.4</b> |
| <b>Shareholder's equity</b>       |      |                |                |
| Share capital                     | 11   | 77.5           | 77.5           |
| Share premium account             |      | 130.6          | 130.6          |
| Capital redemption reserve        |      | 25.5           | 25.5           |
| Retained earnings                 |      | 1,568.0        | 1,472.8        |
| <b>Total shareholder's equity</b> |      | <b>1,801.6</b> | <b>1,706.4</b> |

The financial statements were approved by the Board on 13 March 2019 and signed on its behalf by:



**GSM Bull**  
**Director**

## Statement of cash flows for the year ended 31 December

|  | Note | 2018<br>£m     | 2017<br>£m    |
|--|------|----------------|---------------|
| <b>Cash flows from operating activities</b>                |      |                |               |
| Cash absorbed by operations                                | 12   | (164.2)        | (123.3)       |
| Interest received  |      | 49.0           | 45.0          |
| <b>Net cash outflow from operating activities</b>          |      | <b>(115.2)</b> | <b>(78.3)</b> |
| <b>Cash flows from financing activities</b>                |      |                |               |
| Proceeds from repayment of loans                           |      | 115.2          | 38.3          |
| Dividends received   |      | -              | 40.0          |
| <b>Net cash inflow from financing activities</b>           |      | <b>115.2</b>   | <b>78.3</b>   |
| <b>Change in cash and cash equivalents during the year</b> |      |                |               |
| Cash and cash equivalents at 1 January                     |      | -              | -             |
| <b>Cash and cash equivalents at 31 December</b>            |      | <b>-</b>       | <b>-</b>      |

## Statement of changes in equity for the year ended 31 December

|                            | Share<br>capital<br>£m | Share<br>premium<br>account<br>£m | Capital<br>redemption<br>reserve<br>£m | Retained<br>earnings<br>£m | Total<br>£m    |
|----------------------------|------------------------|-----------------------------------|--|----------------------------|----------------|
| At 1 January 2017          | 77.5                   | 130.6                             | 25.5                                   | 1,355.9                    | 1,589.5        |
| Profit for the year        | -                      | -                                 | -                                      | 116.9                      | 116.9          |
| Other comprehensive income | -                      | -                                 | -                                      | -                          | -              |
| Total comprehensive income | -                      | -                                 | -                                      | 116.9                      | 116.9          |
| <b>At 31 December 2017</b> | <b>77.5</b>            | <b>130.6</b>                      | <b>25.5</b>                            | <b>1,472.8</b>             | <b>1,706.4</b> |
| Profit for the year        | -                      | -                                 | -                                      | 95.2                       | 95.2           |
| Other comprehensive income | -                      | -                                 | -                                      | -                          | -              |
| Total comprehensive income | -                      | -                                 | -                                      | 95.2                       | 95.2           |
| <b>At 31 December 2018</b> | <b>77.5</b>            | <b>130.6</b>                      | <b>25.5</b>                            | <b>1,568.0</b>             | <b>1,801.6</b> |

**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.

#### *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 Financial Reporting Standards (“IFRSs”) as adopted by the European Union and applied in accordance with the Companies Act 2006.

#### 1.2 Changes in accounting policies

##### *New standards and amendments adopted*

In preparing these financial statements the company has implemented the following new standard effective for the first time for the annual reporting period commencing 1 January 2018:

##### *IFRS 9 Financial instruments*

IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* and is effective for annual periods beginning on or after 1 January 2018. The standard brings together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory.

IFRS 9 has changed the accounting for impairment losses for financial assets by replacing IAS 39’s incurred loss approach with a forward-looking expected credit loss (“ECL”) approach. IFRS 9 requires entities to recognise an allowance for ECLs for contract assets and all debt instruments not held at fair value through profit or loss.

The company adopted the new standard on 1 January 2018 using the full retrospective approach. The company performed a detailed impact assessment of IFRS 9 and the adoption of the standard did not have a material impact on its financial statements other than extending disclosure requirements, refer to notes 1.4 and 8.

## Notes to the financial statements

### 1. Accounting policies (continued)

#### 1.2 Changes in accounting policies (continued)

##### *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.

#### 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.

The directors believe that there are no areas of the company's accounting policies involving a high degree of 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.

##### **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 to sell 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 pre-tax 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.

## Notes to the financial statements

### 1. Accounting policies (continued)

#### 1.4 Significant accounting policies (continued)

##### Impairment of non-financial assets (continued)

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.

#### 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.

##### Cash and cash equivalents

The company defines these as short-term highly liquid investments readily convertible into known amounts of cash. They are normally represented by bank deposits with an original maturity of less than three months less borrowings that are repayable on demand.

##### 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.



**Notes to the financial statements**1. **Accounting policies** (continued)1.5 **Other accounting policies** (continued)**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”).

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 debtors 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.

**Provisions**

Provisions are recognised when the company has an obligation in respect of a past event, it is more likely than not that a payment (or a non-cash settlement) will be required to settle the obligation and where the amount can reliably be estimated. 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. **Administrative expenses**

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

|  | 2018<br>£'000 | 2017<br>£'000 |
|--|---------------|---------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | 4             | 4             |

## Notes to the financial statements

## 3. Directors and employees

Staff costs are analysed as follows:

|                          | 2018       | 2017       |
|--------------------------|------------|------------|
|                          | £m         | £m         |
| <b>Staff costs</b>       |            |            |
| Wages and salaries       | 2.2        | 1.5        |
| Social security costs    | 0.3        | 0.2        |
| <b>Total staff costs</b> | <b>2.5</b> | <b>1.7</b> |

The monthly average number of people employed during the year was two (2017: two).

Directors' emoluments are analysed as follows:

|  | 2018       | 2017       |
|--|------------|------------|
|  | £m         | £m         |
| <b>Emoluments paid to directors of the company</b> |            |            |
| Short-term employee benefits                       | 3.0        | 2.0        |
| Post-employment benefits                           | 0.1        | 0.1        |
| Other long term benefits                           | 0.8        | 0.9        |
| <b>Total directors' emoluments</b>                 | <b>3.9</b> | <b>3.0</b> |

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:

|  | 2018       | 2017       |
|--|------------|------------|
|  | £m         | £m         |
| <b>Key management compensation</b>       |            |            |
| Short-term employee benefits             | 3.0        | 2.0        |
| Post-employment benefits                 | 0.1        | 0.1        |
| Other long term benefits                 | 0.8        | 0.9        |
| <b>Total key management compensation</b> | <b>3.9</b> | <b>3.0</b> |

Key management comprises the directors of the company.

Four (2017: four) directors of the company are eligible to join the defined contribution section of the Associated British Ports Group Pension Scheme. At 31 December 2018, no (2017: one) director is a member of the defined contribution scheme and three (2017: two) directors received an allowance for contributions towards pension schemes unconnected with the group.

|                                    | 2018       | 2017       |
|------------------------------------|------------|------------|
|                                    | £m         | £m         |
| <b>Highest paid director</b>       |            |            |
| Short-term employee benefits       | 1.0        | 0.9        |
| Post-employment benefits           | -          | 0.1        |
| Other long term benefits           | 0.5        | 0.5        |
| <b>Total highest paid director</b> | <b>1.5</b> | <b>1.5</b> |

For further disclosure of amounts paid to the shareholders for the directors of the company, refer to note 13.

## Notes to the financial statements

## 4. Finance income

|   | 2018         | 2017         |
|---|--------------|--------------|
|   | £m           | £m           |
| Interest on amounts due from parent undertaking     | 67.8         | 49.0         |
| Interest on amounts due from subsidiary undertaking | 53.0         | 52.7         |
| Dividend income                                     | -            | 40.0         |
| <b>Finance income</b>                               | <b>120.8</b> | <b>141.7</b> |

## 5. Taxation

|  | 2018        | 2017        |
|--|-------------|-------------|
|  | £m          | £m          |
| <b>Analysis of charge for the year</b> |             |             |
| Current tax                            | 25.3        | 19.2        |
| <b>Taxation</b>                        | <b>25.3</b> | <b>19.2</b> |

Current taxation for the current and prior year represents a charge for group relief surrendered by group undertakings, with amounts being deducted from amounts due from related parties. For further details see note 13.

The taxation charge (2017: charge) for the year is higher (2017: lower) than the standard rate of taxation in the UK of 19.00% (2017: 19.25%). The differences are explained below:

|  | 2018         | 2017         |
|--|--------------|--------------|
|  | £m           | £m           |
| <b>Profit before taxation</b>  | <b>120.5</b> | <b>136.1</b> |
| Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%) | 22.9         | 26.2         |
| Effects of:  |              |              |
| Items not chargeable to tax  | -            | (7.7)        |
| Items not deductible for tax   | 2.4          | 0.7          |
| <b>Total tax charge for the company</b>  | <b>25.3</b>  | <b>19.2</b>  |

The items not chargeable to tax in the prior year related to dividend income from the company's immediate subsidiary undertaking, Associated British Ports.

## 6. Investments

Details of subsidiary undertakings are provided in note 15.

|                       | <b>Interest in subsidiary undertakings</b> |              |
|-----------------------|--|--------------|
|                       | 2018                                       | 2017         |
|                       | £m   | £m           |
| At 1 January          | 146.5                                      | 150.2        |
| Impairment            | -  | (3.7)        |
| <b>At 31 December</b> | <b>146.5</b>                               | <b>146.5</b> |

**Notes to the financial statements****6. Investments (continued)**

During 2017 the company reviewed the carrying value of a number of dormant subsidiary undertakings. The directors concluded that the intercompany balances supporting the value of a subsidiary undertaking were not fully recoverable. Accordingly the company impaired the value of the investment in that subsidiary undertaking.

**7. Group and other receivables**

|  | <b>2018</b>    | <b>2017</b>  |
|--|----------------|--------------|
|  | <b>£m</b>      | <b>£m</b>    |
| <b>Non-current</b>                                   |                |              |
| Amounts due from subsidiary undertakings             | 656.7          | 769.3        |
| <b>Total non-current group and other receivables</b> | <b>656.7</b>   | <b>769.3</b> |
| <b>Current</b>                                       |                |              |
| Amounts due from parent undertaking                  | 1,029.6        | 821.9        |
| Amounts due from subsidiary undertaking              | 4.5            | 4.5          |
| Other receivables                                    | 3.2            | 2.5          |
| <b>Total current group and other receivables</b>     | <b>1,037.3</b> | <b>828.9</b> |

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. For further details see note 13.

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 repayment and are not considered to be impaired.

Disclosure of the financial risks related to these financial instruments is set out in note 8. The company does not hold any collateral as security. The company's receivables are denominated in sterling.

**8. 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.

**Notes to the financial statements****8. Financial instruments (continued)****Fair value of financial instruments (continued)**

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 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:

|  | <b>2018</b> | <b>2017</b> |
|--|-------------|-------------|
|  | <b>£m</b>   | <b>£m</b>   |
| Not later than one year                        | <b>30.3</b> | 30.8        |
| More than one year but not more than two years | <b>0.9</b>  | -           |
| <b>Total payments</b>                          | <b>31.2</b> | 30.8        |

The company did not have direct access to any undrawn borrowing facilities at 31 December 2018 (2017: £nil). The company can access committed undrawn borrowings through its immediate parent undertaking, ABP Acquisitions UK Limited as set out in the table below:

|  | <b>2018</b>  | <b>2017</b> |
|--|--------------|-------------|
|  | <b>£m</b>    | <b>£m</b>   |
| Expiring in:                                     |              |             |
| More than one year but not more than two years   | <b>300.0</b> | 300.0       |
| More than two years but not more than five years | <b>100.0</b> | 100.0       |
| <b>Undrawn borrowing facilities</b>              | <b>400.0</b> | 400.0       |

**Notes to the financial statements****8. Financial instruments (continued)****Financial risk management (continued)***Credit risk*

Credit risk with banks and financial institutions is managed by the wider group. The group monitors the credit risk of banking counterparties, tracking credit default swap rates and credit ratings of actual and potential counterparties. Cash deposits at the year end were all with counterparties with a credit rating of A3 or better.

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 2018 was £nil (2017: £nil).

Given the counterparties of group and other receivables, as set out in note 7, and the security provided under intra-group borrowing arrangements, the directors consider the company's exposure to credit risk to be minimal. The maximum exposure to credit risk at the reporting date for group and other receivables is the carrying value of each class of receivable.

*Capital risk*

The company finances itself with retained earnings of £1,568.0m (2017: £1,472.8m). The company's immediate parent undertaking, ABP Acquisitions UK Limited, also has committed but undrawn facilities totalling £400.0m (2017: £400.0m). 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.

**9. Group and other payables – current**

|   | 2018        | 2017        |
|---|-------------|-------------|
|   | £m          | £m          |
| Amounts due to subsidiary undertakings          | 29.6        | 29.6        |
| Accruals  | 0.7         | 1.2         |
| <b>Total group and other payables - current</b> | <b>30.3</b> | <b>30.8</b> |

Disclosure of the financial risks related to these financial instruments is set out in note 8. The company's payables are denominated in sterling.

**10. Provisions**

|                                      | 2018       | 2017       |
|--------------------------------------|------------|------------|
|                                      | £m         | £m         |
| At 1 January                         | 7.5        | 4.2        |
| Charged during the year              | 0.3        | 4.3        |
| Utilised in the year                 | (0.1)      | (1.0)      |
| <b>At 31 December</b>                | <b>7.7</b> | <b>7.5</b> |
| Expected utilisation within one year | 7.7        | 7.5        |

**Notes to the financial statements****10. Provisions** (continued)

Provisions are analysed between non-current and current as follows:

|                         | 2018<br>£m | 2017<br>£m |
|-------------------------|------------|------------|
| Current                 | 7.7        | 7.5        |
| Non-current             | -          | -          |
| <b>Total provisions</b> | <b>7.7</b> | <b>7.5</b> |

The provision relates 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.

**11. Share capital**

|   | 2018<br>£m | 2017<br>£m |
|---|------------|------------|
| <b>Issued and fully paid</b>                                  |            |            |
| 310,010,453 (2017: 310,010,453) ordinary shares of £0.25 each | 77.5       | 77.5       |

**12. Cash absorbed by operations**

|  | 2018<br>£m     | 2017<br>£m     |
|--|----------------|----------------|
| Reconciliation of profit before taxation to cash absorbed by operations: |                |                |
| Profit before taxation   | 120.5          | 136.1          |
| Dividend income  | -              | (40.0)         |
| Finance income   | (120.8)        | (101.7)        |
| Impairment of investment in subsidiary undertaking                       | -              | 3.7            |
| Increase in provisions   | 1.6            | 3.3            |
| <b>Operating cash flows before movements in working capital</b>          | <b>1.3</b>     | <b>1.4</b>     |
| Increase in group and other receivables                                  | (165.8)        | (129.5)        |
| Increase in group and other payables                                     | 0.3            | 4.8            |
| <b>Cash absorbed by operations</b>                                       | <b>(164.2)</b> | <b>(123.3)</b> |

**13. Related party transactions**

During the year 11 (2017: 11) 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 may request that the fees are paid directly to a director. The fees earned during the year were as follows:

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| OMERS Infrastructure (on behalf of Borealis ABP Holdings B.V. and Borealis Ark Holdings B.V.) | 105,000   | 105,000   |
| Cheyne Walk Investment Pte Limited  | 70,000    | 70,000    |
| Kuwait Investment Authority   | 35,000    | 35,000    |
| Canada Pension Plan Investment Board (on behalf of itself and 9348654 Canada Inc.)            | 140,000   | 140,000   |

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

## Notes to the financial statements

## 13. Related party transactions (continued)

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    |
| 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 | 2018<br>£m | 2017<br>£m |
|--------------------------|----------|----------------|------------|------------|
| Associated British Ports | 2020     | 7.6%           | 615.4      | 728.0      |

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                       | 2018<br>£m | 2017<br>£m |
|--|------------|------------|
| Intercompany receivable at start of the year   | 728.0      | 759.8      |
| Decrease in receivable                         | (1.4)      | (1.2)      |
| Interest charged – 7.6% per annum (2017: 7.0%) | 53.0       | 52.7       |
| Interest received                              | (49.0)     | (45.0)     |
| Dividend receivable                            | -          | 40.0       |
| Dividend received                              | -          | (40.0)     |
| Net cash received                              | (115.2)    | (38.3)     |
| Intercompany receivable at end of the year     | 615.4      | 728.0      |

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

|   | 2018<br>£m     | 2017<br>£m   |
|---|----------------|--------------|
| ABP Acquisitions UK Limited             | 1,029.6        | 821.9        |
| American Port Services Holdings Limited | 4.5            | 4.5          |
| 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)        |
| <b>Total current balances</b>           | <b>1,004.5</b> | <b>796.8</b> |
| ABP (Aldwych) Limited                   | 0.2            | 0.2          |
| ABP Nominees Limited                    | 41.1           | 41.1         |
| <b>Total non-current balances</b>       | <b>41.3</b>    | <b>41.3</b>  |



**Notes to the financial statements****13. Related party transactions** (continued)

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:

| <b>ABP Acquisitions UK Limited</b>                | <b>2018</b>    | <b>2017</b>  |
|---|----------------|--------------|
|   | <b>£m</b>      | <b>£m</b>    |
| Intercompany receivable at start of the year      | 821.9          | 668.4        |
| Increase in receivable                            | 139.9          | 104.5        |
| Interest charged – 7.6% per annum (2017: 7.0%)    | 67.8           | 49.0         |
| <b>Intercompany receivable at end of the year</b> | <b>1,029.6</b> | <b>821.9</b> |

**14. Contingent liabilities**

|  | <b>2018</b>    | <b>2017</b>    |
|--|----------------|----------------|
|  | <b>£m</b>      | <b>£m</b>      |
| Contingent liabilities under claims, indemnities and guarantees:                     |                |                |
| Guarantees in respect of group borrowings  | 2,274.1        | 2,246.3        |
| Guarantees in respect of undrawn group borrowings                                    | 565.0          | 555.0          |
| <b>Total cross guarantees by group companies</b>                                     | <b>2,839.1</b> | <b>2,801.3</b> |
| <b>Total borrowings and undrawn facilities of group of which company is a member</b> | <b>2,839.1</b> | <b>2,801.3</b> |

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 £1.1m (2017: £1.4m). The company is not required to secure any cash reserves against these letters of credit.

**15. 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.

|  | <b>% held by Company</b> |
|--|--------------------------|
| <b>Subsidiary undertakings: Ports and transport</b>            |                          |
| Associated British Ports                                       | (see below) <sup>1</sup> |
| ABP Security Limited   | 100                      |
| Immingham Bulk Terminal Limited (incorporated 1 November 2018) | 100                      |
| W.E. Dowds (Shipping) Limited (acquired 1 February 2018)       | 100                      |

<sup>1</sup>Under the Transport Act 1981, Associated British Ports Holdings Limited has powers over 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

## 15. Subsidiary undertakings (continued)

|  | <b>% held by Company</b> |
|--|--------------------------|
| <b>Subsidiary undertakings: Property</b>                                   |                          |
| RPM Industrial Site Services Limited                                       | 100                      |
| Millbay Development Company Limited  | 100                      |
| ABP Property Development Company Limited                                   | 100                      |
| Grosvenor Waterside Investments Limited                                    | 100                      |
| <b>Subsidiary undertakings: Group services</b>                             |                          |
| ABP Marine Environmental Research Limited                                  | 100                      |
| ABPH Marine (Guernsey) Limited <sup>1</sup> (domiciled in Guernsey)        | 100                      |
| UK Dredging Management Limited   | 100                      |
| W.E.D. (Services) Limited (acquired 1 February 2018)                       | 100                      |
| <b>Subsidiary undertakings: Dormant</b>                                    |                          |
| Aldwych Logistics Investments Limited                                      | 100                      |
| ABP Marchwood Limited  | 100                      |
| ABP Quest Trustees Limited   | 100                      |
| ABP (Aldwych) Limited  | 100                      |
| Amports Holdings Limited   | 100                      |
| American Port Services Holdings Limited                                    | 100                      |
| ABP Nominees Limited   | 100                      |
| ABP Safeguard Limited  | 100                      |
| Associated British Ports Investments Limited                               | 100                      |
| Colchester Dock Transit Company Limited                                    | 100                      |
| Grosvenor Waterside Group Limited  | 100                      |
| Grosvenor Waterside (Holdings) Limited                                     | 100                      |
| Grosvenor Waterside (Cardiff Bay) Limited                                  | 100                      |
| Ipswich Port Limited   | 100                      |
| Slater's Transport Limited   | 100                      |
| Whitby Port Services Limited   | 100                      |
| ABP Secretariat Services Limited   | 100                      |
| ABP (Pension Trustees) Limited   | 100                      |
| Exxtor Shipping Services Limited   | 100                      |
| Humber Pilotage (C.H.A.) Limited   | 100                      |
| Northern Cargo Services Limited  | 100                      |
| Southampton Free Trade Zone Limited  | 100                      |
| Grosvenor Waterside Developments Limited                                   | 100                      |
| Grosvenor Buchanan Properties Limited <sup>2</sup> (domiciled in Scotland) | 100                      |
| Grosvenor Waterside Asset Management Limited                               | 100                      |
| ABP Southampton Properties Limited   | 100                      |
| ABP (No. 1) Limited  | 100                      |
| ABP Connect Limited  | 100                      |
| Marine Environmental Research Limited                                      | 100                      |
| Amports Cargo Services Limited   | 100                      |
| Amports Vehicle Terminals Limited  | 100                      |
| Amports Contract Personnel Limited   | 100                      |
| Auto Shipping Limited  | 100                      |
| The Teignmouth Quay Company Limited  | 100                      |
| Southampton Port Security Authority Limited                                | (see below) <sup>3</sup> |

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

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

<sup>3</sup> This company is a subsidiary undertaking limited by guarantee.

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

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

|  | <b>% of A<br/>Ordinary<br/>shares</b> | <b>% of B<br/>Ordinary<br/>shares</b> | <b>% of<br/>Preference<br/>shares</b> |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| 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                                  |
| 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                                  |
|  | <b>100.00</b>                         | <b>100.00</b>                         | <b>100.00</b>                         |