Unaudited group income statement for the six months ended 30 June

	Note	2017 £m	2016 £m
Revenue		**268.8**	258.7
Cost of sales		**(107.1)**	(102.2)
Gross profit		**161.7**	156.5
Administrative expenses		**(50.3)**	(48.8)
Decrease in fair value of investment properties	5	**-**	(21.3)
Operating profit		**111.4**	86.4
Analysed between:			
Underlying operating profit before the following items:		**124.3**	128.6
Depreciation and amortisation of fair value uplift of assets acquired in a business combination		**(9.3)**	(19.2)
Decrease in fair value of investment properties	5	**-**	(21.3)
Net unrealised (loss)/gain on fuel derivatives	7	**(1.5)**	2.5
Exceptional items		**(2.1)**	(4.2)
		111.4	86.4
Finance costs	2	**(220.8)**	(318.7)
Net unrealised gain/(loss) on derivatives at fair value through profit and loss	2	**40.0**	(159.6)
Finance income	2	**36.8**	12.9
Loss before taxation		**(32.6)**	(379.0)
Taxation (charge)/credit	3	**(12.6)**	33.1
Loss for the period attributable to equity shareholder		**(45.2)**	(345.9)

The exceptional items relate to restructuring costs incurred in relation to the business transformation programme initiated as part of Associated British Ports' change programme.

Unaudited group statement of comprehensive income for the six months ended 30 June

	2017 £m	2016 £m
Loss for the period attributable to equity shareholder	**(45.2)**	(345.9)
Other comprehensive income/(expense):		
Other comprehensive income/(expense) not to be reclassified to profit and loss in subsequent periods:		
Remeasurement gain/(loss) relating to net retirement benefit liabilities	**5.1**	(70.1)
Deferred tax associated with remeasurement gain/loss relating to net retirement benefit liabilities	**(0.2)**	12.1
Other comprehensive income/(expense) for the period, net of tax	**4.9**	(58.0)
Total comprehensive expense for the period, net of tax, attributable to equity shareholder	**(40.3)**	(403.9)

Unaudited group balance sheet

	Note	At 30 June 2017 £m	At 31 December 2016 £m
Assets			
Non-current assets			
Goodwill		**1,045.9**	1,045.9
Intangible assets	5	**165.4**	158.0
Property, plant and equipment	5	**1,649.2**	1,626.8
Investment property	5	**1,904.5**	1,898.3
Derivative financial instruments	7	**176.1**	206.7
Trade and other receivables		**5.6**	5.9
		4,946.7	4,941.6
Current assets			
Property and land held for sale		**0.6**	0.6
Derivative financial instruments	7	**13.0**	14.3
Trade and other receivables		**240.0**	223.5
Other financial assets		**-**	15.0
Cash and cash equivalents	6	**88.3**	46.8
		341.9	300.2
Total assets		**5,288.6**	5,241.8
Liabilities			
Current liabilities			
Borrowings	6	**(16.7)**	(17.0)
Derivative financial instruments	7	**(57.5)**	(65.3)
Trade and other payables		**(89.0)**	(82.2)
Provisions		**(10.7)**	(8.8)
		(173.9)	(173.3)
Non-current liabilities			
Borrowings	6	**(4,957.4)**	(5,843.3)
Derivative financial instruments	7	**(839.8)**	(901.9)
Retirement benefit liabilities	4	**(107.7)**	(114.2)
Provisions		**(14.0)**	(15.6)
Deferred tax liabilities		**(63.1)**	(50.3)
Other non-current liabilities	9	**(64.9)**	(35.1)
		(6,046.9)	(6,960.4)
Total liabilities		**(6,220.8)**	(7,133.7)
Net liabilities		**(932.2)**	(1,891.9)
Shareholder’s deficit			
Share capital		**-**	-
Revaluation reserve		**753.9**	753.9
Other reserve	6	**1,000.0**	-
Accumulated losses		**(2,686.1)**	(2,645.8)
Total shareholder’s deficit		**(932.2)**	(1,891.9)

Unaudited group statement of cash flows for the six months ended 30 June

	Note	2017 £m	2016 £m
Cash flows from operating activities			
Cash generated by operations	10	**175.6**	138.0
Interest paid		**(88.7)**	(87.0)
Interest received		**15.1**	13.6
Net cash inflow from operating activities		**102.0**	64.6
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**0.5**	7.3
Purchase of intangible assets		**(11.1)**	(11.8)
Purchase of property, plant and equipment		**(57.0)**	(66.8)
Purchase of investment property		**(7.5)**	(30.6)
Withdrawal from money market deposits		**15.0**	-
Payments into money market deposits		**-**	(30.0)
Net cash outflow from investing activities		**(60.1)**	(131.9)
Cash flows from financing activities			
Repayment of borrowings		**-**	(15.0)
Repayment of obligations under finance leases		**(0.4)**	(0.3)
Net cash outflow from financing activities		**(0.4)**	(15.3)
Change in cash and cash equivalents during the period		**41.5**	(82.6)
Cash and cash equivalents at 1 January		**46.8**	133.8
Cash and cash equivalents at 30 June	6	**88.3**	51.2

Included within cash and cash equivalents is £1.6m (2016: £1.6m) of restricted cash relating to amounts a subsidiary undertaking, Associated British Ports, has deposited into an escrow account regarding a UK customs duty and Value Added Tax dispute with HMRC.

Unaudited group statement of changes in equity for the six months ended 30 June

	Share capital £m	Revaluation reserve £m	Other reserve £m	Accumulated losses £m	Total £m
At 1 January 2017	-	753.9	-	(2,645.8)	(1,891.9)
Loss for the period	-	-	-	(45.2)	(45.2)
Other comprehensive income	-	-	-	4.9	4.9
Total comprehensive expense	-	-	-	(40.3)	(40.3)
Waiver of intercompany loans	-	-	1,000.0	-	1,000.0
At 30 June 2017	**-**	**753.9**	**1,000.0**	**(2,686.1)**	**(932.2)**

	Share capital £m	Revaluation reserve £m	Other reserve £m	Accumulated losses £m	Total £m
At 1 January 2016	-	784.7	-	(2,183.2)	(1,398.5)
Loss for the period	-	(21.3)	-	(324.6)	(345.9)
Other comprehensive expense	-	-	-	(58.0)	(58.0)
Total comprehensive expense	-	(21.3)	-	(382.6)	(403.9)
At 30 June 2016	**-**	**763.4**	**-**	**(2,565.8)**	**(1,802.4)**

Unaudited notes to the interim financial statements

1. Accounting policies

1.1 Basis of preparation

These interim consolidated financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparative figures for the year ended 31 December 2016 are derived from the statutory accounts filed with the Registrar of Companies. The auditor's report on the statutory accounts for the year ended 31 December 2016 was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

The group prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applied in accordance with the Companies Act 2006. The interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. They do not include all the information and disclosures required in the group's annual consolidated financial statements and should be read in conjunction with the group's annual consolidated financial statements for the year ended 31 December 2016.

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

- For the six months period ended 30 June 2017 the group generated cash from operations of £175.6m and the group's five year plan forecasts this strong performance to continue in the future;
- As at 30 June 2017, the group has net current assets of £168.0m;
- As at 30 June 2017, the group has net liabilities of £932.2m, these include:
  - external long term borrowings of £2,241.6m due between 2021 and 2042;
  - subordinated loans, including accrued interest, due to its immediate parent undertaking, ABP SubHoldings UK Limited ("ABPS") of £2,713.9m; and
  - long dated derivative financial instrument liabilities classified as non-current of £839.8m that are not expected to result in significant cash flows in the next twelve months.
- The group's ultimate parent undertaking, ABP (Jersey) Limited, has confirmed that it will continue to finance the group to enable it to meet its liabilities.

In January 2017 ABPS waived £1.0bn of its intercompany loan, accruing interest at 12.0% per annum, to the company. Subsequently the maturity date of the remaining loan was extended from 2018 to 2027 and the interest rate was reduced from 12.0% to 9.0% per annum. The intercompany loan due in 2018, accruing interest at 10.0% per annum, is currently expected to be extended within a reasonable time of the maturity date. However, in the event that a new maturity date is not agreed, the final maturity date is automatically extended to 2038.

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, the directors are confident that the group has the ability to continue to meet its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

1.2 Changes in accounting policies

New standards, amendments and interpretations adopted
The interim consolidated financial statements have been prepared in accordance with the accounting policies set out in the group's consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards, amendments and interpretations effective as of 1 January 2017.

Unaudited notes to the interim financial statements

1. Accounting policies (continued)

1.2 Changes in accounting policies (continued)

The nature and the effect of these changes that have an impact on the group are disclosed below:

IAS 7 (Amendment) Disclosure initiative
The amendment requires entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment entities are not required to provide comparative information for preceding periods. The group is not required to provide additional disclosures in its interim consolidated financial statements but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

New standards, amendments and interpretations issued but not yet effective
The group's consolidated financial statements for the year ended 31 December 2016 disclose new standards, amendments and interpretations issued by the IASB and IFRIC with an effective date of implementation for accounting periods beginning after the start of the group's current financial year along with the anticipated impact on the group. One new standard and one interpretation have subsequently been issued.

The directors do not anticipate that the adoption of the subsequently issued standard and interpretation will have a material impact on the group's consolidated financial statements in the period of initial application.

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

2. Finance costs/(income)

	2017	**2016**
	£m	**£m**
Interest on term and revolving facilities	**2.1**	2.5
Interest on private placement notes	**22.3**	22.0
Interest on public loan notes	**21.5**	21.4
Interest on amounts due to parent undertaking	**132.6**	187.5
Foreign exchange losses	**3.5**	54.4
Amortisation of borrowing costs and discount on issue	**1.0**	1.0
Net interest charge on net defined benefit liabilities	**1.4**	0.3
Other finance costs	**1.7**	1.7
Less: interest capitalised on non-current assets under construction	**(1.7)**	(6.4)
Finance costs on financial assets and liabilities held at amortised cost	**184.4**	284.4
Interest cost on derivatives at fair value through profit and loss	**36.4**	34.3
Finance costs	**220.8**	318.7
Interest on amounts due from parent undertaking	**(4.1)**	(3.8)
Foreign exchange gains	**(22.9)**	(1.1)
Other finance income	**(0.2)**	(0.4)
Finance income on financial assets and liabilities held at amortised cost	**(27.2)**	(5.3)
Interest income on derivatives at fair value through profit and loss	**(9.6)**	(7.6)
Finance income	**(36.8)**	(12.9)
Net unrealised (gain)/loss on derivatives at fair value through profit and loss	**(40.0)**	159.6
Net finance costs	**144.0**	465.4

Unaudited notes to the interim financial statements

3. Taxation

The group is subject to UK corporation tax. The rate of taxation applicable to the group's taxable profits for the six months ended 30 June 2017 was 19.25% (period ended 30 June 2016: 20.00%). The current tax charge for the six months ended 30 June 2017 amounted to £nil (period ended 30 June 2016: £nil). The deferred tax charge for the six months ended 30 June 2017 amounted to £12.6m (period ended 30 June 2016: credit of £33.1m).

The current period tax charge compared to the prior period tax credit has been influenced by the change in the fair value of derivatives, improved performance generally and the introduction of interest restriction rules with effect from 1 April 2017 producing a taxable profit for the six months ended 30 June 2017 of £0.2m (period ended 30 June 2016: deductible loss of £56.4m) for the group.

4. Pension costs

Income statement

The total pension charge/(credit) included in the group income statement was as follows:

	2017 £m	**2016 £m**
ABPGPS and unfunded retirement benefit arrangements	**2.3**	2.3
Industry wide schemes	**0.1**	(0.3)
Defined contribution arrangements	**3.4**	3.1
Net pension charge recognised within operating profit	**5.8**	5.1
Net interest charge on net defined benefit liabilities	**1.4**	0.3
Net pension charge recognised in loss before tax	**7.2**	5.4

Balance sheet

The retirement benefit assets and obligations were:

	At 30 June 2017 £m	**At 31 December 2016 £m**
ABPGPS – net funded pension liability	**(30.2)**	(31.0)
ABPGPS – net unfunded pension liability	**(2.8)**	(2.8)
	(33.0)	(33.8)
PNPF	**(73.6)**	(79.2)
FRDWPF	**(1.1)**	(1.2)
Net retirement benefit liabilities	**(107.7)**	(114.2)

The valuation for the group's main defined benefits pension scheme was reviewed by the scheme's actuary at 30 June 2017. Based on this review, the scheme's net deficit was estimated as being £33.0m at 30 June 2017 (31 December 2016: net deficit of £33.8m), representing a decrease of £0.8m. As at 30 June 2017 there have been no significant changes to the assumptions used as at 31 December 2016.

The valuation for the PNPF was reviewed by the scheme's actuary at 30 June 2017. Based on this review, our share of the scheme's net deficit was estimated as being £73.6m (31 December 2016: £79.2m). The decrease in the deficit of £5.6m mainly relates to gains from changes in demographic assumptions and to the estimated return on assets.

Unaudited notes to the interim financial statements

5. Movements in intangible assets, property, plant and equipment and investment property

	Intangible assets £m	Property, plant and equipment £m	Investment property £m
Six months ended 30 June 2017			
Net book value as at 1 January 2017	158.0	1,626.8	1,898.3
Additions	15.4	57.7	6.2
Write offs and disposals	(0.1)	(0.6)	-
Depreciation and amortisation	(7.9)	(34.7)	-
Net book value at 30 June 2017	**165.4**	**1,649.2**	**1,904.5**

	Intangible assets £m	Property, plant and equipment £m	Investment property £m
Year ended 31 December 2016			
Net book value as at 1 January 2016	160.3	1,558.5	1,875.6
Additions	24.6	119.6	64.3
Transfers between asset categories	-	10.8	(10.8)
Disposals	-	(0.4)	-
Cessation of customer relationships	(6.8)	-	-
Depreciation and amortisation	(20.1)	(61.7)	-
Surplus on revaluation	-	-	6.1
Decrease in fair value of investment properties	-	-	(36.9)
Net book value at 31 December 2016	**158.0**	**1,626.8**	**1,898.3**

Intangible assets
During the six months ended 30 June 2017, the group capitalised a further £14.9m (period ended 30 June 2016: £11.9m) of Enterprise Resource Planning costs relating to the group's business transformation project.

During the six months ended 30 June 2017, £nil (period ended 30 June 2016: £6.9m) was charged to the income statement relating to cessation of customer relationships.

Property, plant and equipment
During the six months ended 30 June 2017, the major amounts capitalised included: £15.2m relating to the construction of the sixth and seventh Multi-Storey Car Park storage facility at Southampton; £10.8m relating to the purchase of cranes on the Humber; £1.7m relating to rail improvements; and £1.7m relating to cruise terminal improvements at Southampton.

Investment property
During the six months ended 30 June 2017, the group capitalised a further £2.3m relating to the development of the "Green Port Hull" Alexandra Dock site. The site was fully handed over to Siemens in January 2017. There has also been expenditure across the group on smaller investment properties, most notably the Dong expansion in Grimsby.

During the six months ended 30 June 2017, a change of £nil (period ended 30 June 2016: a decrease of £21.3m) in the fair value of investment properties was recognised directly in the income statement. The majority of the prior period decrease related to property occupied by Tata Steel.

Unaudited notes to the interim financial statements

6. Net borrowings

	Maturity at 30 June 2017	Rate per annum	At 30 June 2017 £m	At 31 December 2016 £m
Term and revolving facilities	2023-2029	1m - 3m LIBOR plus margin	**209.0**	209.0
Private placements – GBP floating rate	2024-2033	6m LIBOR plus margin	**460.0**	460.0
Private placements – GBP fixed rate	2023-2035	3.43% - 4.38%	**365.0**	365.0
Private placements – USD fixed rate	2022-2029	3.82% - 4.62%	**285.9**	285.9
Public loans – GBP floating rate	2022-2033	3m LIBOR plus margin	**135.0**	135.0
Public loans – USD floating rate	2021	3m USD LIBOR plus margin	**48.9**	48.9
Public loans – GBP fixed rate	2026-2042	5.25% - 6.25%	**550.0**	550.0
Public loans – EUR fixed rate	2023	3.22% - 3.50%	**118.6**	118.6
Accumulated foreign exchange loss on external debt			**88.5**	107.9
Deferred borrowing costs			**(19.3)**	(20.3)
External debt			**2,241.6**	2,260.0
Interest payable on external debt and derivatives			**16.4**	16.7
Interest receivable on derivatives			**(6.5)**	(6.8)
Obligations under finance leases			**2.2**	2.3
Net cash			**(88.3)**	(46.8)
Net external debt			**2,165.4**	2,225.4
Amounts due to parent undertaking	2018-2027	9.00% - 10.00%	**1,138.8**	1,478.2
Interest on amounts due to parent undertaking			**1,575.2**	2,103.2
Deferred borrowing costs			**(0.1)**	(0.1)
Net borrowings			**4,879.3**	5,806.7
Current borrowings			**16.7**	17.0
Non-current borrowings			**4,957.4**	5,843.3
Less: current receivables (interest receivable on derivatives)			**(6.5)**	(6.8)
Less: cash and cash equivalents			**(88.3)**	(46.8)
Net borrowings			**4,879.3**	5,806.7

During the six months ended 30 June 2017 external borrowings remained consistent with the prior year end with the exception of foreign currency loans which have been impacted by the volatility in the exchange rate. The decrease in accumulated foreign exchange losses is due to the strengthening of Sterling against the US dollar slightly offset by the weakening of Sterling against the Euro.

Amounts due to parent undertaking represent two loans from ABP SubHoldings UK Limited ("ABPS"), the group's immediate parent undertaking, which largely match borrowings from the shareholders of the group's ultimate parent undertaking held by the group's intermediate parent undertaking, ABP Bonds UK Limited, and fellow group undertaking, ABP Mezzanine Holdco UK Limited. In January 2017 ABPS waived £1.0bn of its intercompany loan, accruing interest at 12.0% per annum, to the company. This resulted in a non-cash decrease in amounts due to parent undertaking and interest on amounts due to parent undertaking totalling £1.0bn and the creation of a £1.0bn 'Other reserve' in equity. Subsequently the maturity date of the remaining loan was extended from 2018 to 2027 and the interest rate was reduced from 12.0% to 9.0% per annum. In all other regards the loan agreements remained the same. The intercompany loan due in 2018, accruing interest at 10.0% per annum, is currently expected to be extended in advance of the maturity date.

Borrowings of the group are secured over all of the group's investments (and in the case of Associated British Ports Holdings Limited, the group's wholly owned intermediate subsidiary, the Associated British Ports ownership rights).

Unaudited notes to the interim financial statements

6. Net borrowings (continued)

The wholly owned immediate subsidiary of the company, ABP Acquisitions UK Limited, has borrowing agreements which restrict the amounts that can be paid by certain subsidiaries in respect of the redemption, purchase or retirement of share capital or share premium, payments of dividends or interest in respect of shares, payments of management, advisory or other fees at arm's length, or any repayment of subordinated debt. Were the companies to make payments in excess of these limits it would be in breach of its financing covenants. The companies subject to these restrictions are ABPA Holdings Limited, ABP Acquisitions UK Limited, ABP Finance PLC, Associated British Ports Holdings Limited, Associated British Ports and any other material subsidiaries as defined in the agreement.

Obligations under finance leases are secured on related leased assets.

7. Derivative financial instruments

The group uses derivatives to manage its exposure to various fixed rate, floating rate and foreign currency borrowings and transactions and fuel prices. As at 30 June 2017, interest rate and exchange rate exposure in relation to all of the group's floating rate and non-sterling borrowings was fixed. As the group does not designate any of its derivatives as hedges, the fair value changes are recognised in the income statement.

8. Financial instruments

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 current transaction between willing parties, other than in a forced or liquidation sale.

Below is a comparison by class of the carrying amounts and fair value of the group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair value. Carrying amounts of the fixed rate notes represent principal only and exclude accrued interest and deferred borrowing costs. Carrying amounts of amounts due to parent undertaking represent principal and accrued interest and excludes deferred borrowing costs:

	As at 30 June 2017		As at 31 December 2016	
	Book value £m	Fair value £m	Book value £m	Fair value £m
Financial liabilities				
At amortised cost				
Fixed rate notes	**1,399.2**	**1,600.5**	1,415.5	1,616.2
Amounts due to parent undertaking	**2,714.0**	**2,721.8**	3,581.4	3,760.6

The terms of the fixed rate notes and amounts due to parent undertaking are set out in note 6.

Unaudited notes to the interim financial statements

8. Financial instruments (continued)

Fair value of financial instruments (continued)

The following methods and assumptions were used to estimate the fair values:

- The fair value of cash and cash equivalents, current trade and other receivables, current other financial assets and current trade and other payables approximates to their carrying amounts due to the short-term maturities of these instruments;
- Current accrued interest represents short-term borrowings whose fair value approximates to carrying value;
- The fair value of term and revolving facilities, floating rate private placement notes and floating rate public loan notes approximates to their carrying value as they bear interest at a rate linked to LIBOR and there have been no significant changes in credit risk since the issue of the instruments. A cash flow projection approach has been used with reference to observed market returns and accords to Level 2 in the fair value hierarchy;
- The fair value of fixed rate public loan notes has been based on the market price, corresponding to Level 1 in the fair value hierarchy;
- The fair value of fixed rate private placement notes has been based on the market observable yield to maturity of the reference bond plus the current spread applicable to the note and equates to Level 2 in the fair value hierarchy;
- The fair value of amounts due to parent undertaking has been based on a cash flow projection with reference to observed market returns and accords to Level 2 in the fair value hierarchy;
- The derivative financial instrument swaps are not traded in an active market, hence their fair value is determined by using discounted cash flow valuation techniques. These valuation techniques maximise the use of observable market data where available, including credit quality of counterparties, fuel prices, implied volatilities, foreign exchange spot and forward rates and interest rate curves, and rely as little as possible on entity specific estimates and accords to Level 2 in the fair value hierarchy; and
- The fair value of foreign exchange contracts is based on market price, corresponding to Level 1 in the fair value hierarchy.

9. Other non-current liabilities

	At 30 June 2017 £m	At 31 December 2016 £m
Other liabilities	**64.9**	35.1

The other non-current liabilities relate principally to rent and other income received in advance relating to an investment property which will be spread over the term of the lease.

Unaudited notes to the interim financial statements

10. Cash generated by operations

Reconciliation of loss before taxation to cash generated by operations:	**2017 £m**	**2016 £m**
Loss before taxation	**(32.6)**	(379.0)
Finance costs	**220.8**	318.7
Net unrealised (gain)/loss on derivatives at fair value through profit and loss	**(40.0)**	159.6
Finance income	**(36.8)**	(12.9)
Net unrealised loss/(gain) on operating derivatives	**2.0**	(3.2)
Depreciation of property, plant and equipment	**34.7**	29.3
Amortisation and cessation of intangible assets	**7.9**	17.7
Loss/(profit) on write off of intangibles and disposal of property, plant and equipment and investment property	**0.3**	(0.3)
Decrease in provisions	**-**	(0.9)
Decrease in fair value of investment properties	**-**	21.3
Difference between pension contributions paid and defined benefit pension credit/charge through the profit and loss	**(2.8)**	(3.8)
Operating cash flows before movements in working capital	**153.5**	146.5
Increase in trade and other receivables	**(12.7)**	(8.3)
Increase/(decrease) in trade and other payables	**34.8**	(0.2)
Cash generated by operations	**175.6**	138.0

11. Capital commitments

At 30 June 2017, the group had capital commitments of £36.8m (31 December 2016: £64.4m) principally relating to the Associated British Ports' change programme and its investments at Immingham Renewable Fuels Terminal, Hull Container Terminal and the Multi-Storey Car Park storage facility at Southampton.

12. Contingent liabilities

The Health and Safety Executive ("HSE") are investigating potential breaches of Health & Safety legislation that have occurred over the last two years. The group is fully supporting the HSE as they undertake their investigations. In August of this year, the HSE indicated that it would be bringing charges in relation to at least one of these breaches which might therefore result in a financial penalty, although details of the charges have not yet been provided and no legal action has yet commenced. Depending on the charges that are brought and the outcome of remaining investigations it is likely that uninsured financial penalties may be incurred by the group, however, at this stage it is too early to make a reliable assessment of the outcome of such prospective proceedings or remaining investigations.