Unaudited condensed group income statement for the six months ended 30 June

	Note	2020 £m	2019 £m
Revenue	2	**280.4**	306.0
Cost of sales		**(131.4)**	(135.8)
Gross profit		**149.0**	170.2
Administrative expenses		**(59.4)**	(60.5)
Other income		**1.8**	-
Operating profit		**91.4**	109.7
Analysed between:			
Underlying operating profit before the following items:		**102.3**	123.7
Depreciation and amortisation of fair value uplift of assets acquired in a business combination		**(7.3)**	(8.9)
Net unrealised (loss)/gain on fuel derivatives	9	**(1.8)**	0.6
Exceptional items		**(1.8)**	(5.7)
		91.4	109.7
Finance costs	3	**(255.4)**	(208.1)
Net unrealised (loss)/gain on derivatives at fair value through profit and loss	3	**(69.2)**	(63.1)
Finance income	3	**14.4**	13.0
Loss before taxation		**(218.8)**	(148.5)
Taxation credit	4	**12.9**	2.0
Loss for the period attributable to equity shareholder		**(205.9)**	(146.5)

The exceptional items primarily relate to restructuring costs incurred as part of Associated British Ports' change programme and an onerous lease provision for unused office space.

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

	2020 £m	2019 £m
Loss for the period attributable to equity shareholder	**(205.9)**	(146.5)
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	**3.0**	(16.5)
Deferred tax associated with the remeasurement gain/loss relating to net retirement benefit liabilities	**1.5**	2.1
Deferred tax on revaluation of investment property	**1.1**	-
Other comprehensive (expense)/income for the period, net of tax	**5.6**	(14.4)
Total comprehensive expense for the period, net of tax, attributable to equity shareholder	**(200.3)**	(160.9)

Unaudited condensed group balance sheet

	Note	At 30 June 2020 £m	At 31 December 2019 £m
Assets			
Non-current assets			
Goodwill	6	**1,051.9**	1,051.9
Intangible assets	6	**118.1**	122.1
Property, plant and equipment	6	**1,799.9**	1,805.1
Investment property	6	**2,055.8**	2,042.6
Right of use assets	6	**7.3**	8.3
Retirement benefit assets	5	**28.8**	21.3
Derivative financial instruments	9	**276.8**	181.3
Trade and other receivables	7	**6.5**	7.1
		5,345.1	5,239.7
Current assets			
Property and land held for sale		**0.6**	0.9
Derivative financial instruments	9	**15.0**	11.5
Trade and other receivables	7	**274.1**	288.2
Cash and cash equivalents	8	**253.7**	38.3
		543.4	338.9
Total assets		**5,888.5**	5,578.6
Liabilities			
Current liabilities			
Borrowings	8	**(21.6)**	(20.8)
Derivative financial instruments	9	**(40.1)**	(52.6)
Trade and other payables		**(60.4)**	(82.9)
Deferred income		**(36.7)**	(24.0)
Provisions		**(17.8)**	(15.5)
		(176.6)	(195.8)
Non-current liabilities			
Borrowings	8	**(5,911.0)**	(5,549.9)
Derivative financial instruments	9	**(1,120.4)**	(938.1)
Retirement benefit liabilities	5	**(60.8)**	(60.7)
Deferred income		**(65.0)**	(62.7)
Provisions		**(13.7)**	(13.8)
Deferred tax liabilities		**(60.7)**	(77.1)
Other non-current liabilities		**(0.5)**	(0.4)
		(7,232.1)	(6,702.7)
Total liabilities		**(7,408.7)**	(6,898.5)
Net liabilities		**(1,520.2)**	(1,319.9)
Shareholder's deficit			
Share capital		**-**	-
Revaluation reserve		**904.0**	904.0
Other reserve		**1,000.0**	1,000.0
Accumulated losses		**(3,424.2)**	(3,223.9)
Total shareholder's deficit		**(1,520.2)**	(1,319.9)

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

	Note	**2020 £m**	**2019 £m**
Cash flows from operating activities			
Cash generated by operations	11	**149.8**	130.9
Interest paid		**(82.6)**	(86.8)
Interest received		**8.0**	13.1
Lease interest paid		**(0.6)**	-
Income tax refund received/(paid)		**6.9**	(7.5)
Net cash inflow from operating activities		**81.5**	49.7
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**0.2**	-
Proceeds from sale of property and land held for sale		**2.9**	6.9
Purchase of intangible assets		**(6.6)**	(13.7)
Purchase of property, plant and equipment		**(43.7)**	(57.5)
Purchase of investment property		**(7.9)**	(17.6)
Net cash outflow from investing activities		**(55.1)**	(81.9)
Cash flows from financing activities			
Drawdown of borrowings		**190.0**	30.0
Payment of lease liabilities		**(1.0)**	(1.3)
Net cash inflow from financing activities		**189.0**	28.7
Change in cash and cash equivalents during the period		**215.4**	(3.5)
Cash and cash equivalents at 1 January		**38.3**	37.8
Cash and cash equivalents at 30 June	8	**253.7**	34.3

Unaudited condensed 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 2020	-	904.0	1,000.0	(3,223.9)	(1,319.9)
Loss for the period	-	-	-	(205.9)	(205.9)
Other comprehensive expense	-	-	-	5.6	5.6
Total comprehensive expense	-	-	-	(200.3)	(200.3)
At 30 June 2020	**-**	**904.0**	**1,000.0**	**(3,424.2)**	**(1,520.2)**

	Share capital £m	Revaluation reserve £m	Other reserve £m	Accumulated losses £m	Total £m
At 31 December 2018*	-	849.5	1,000.0	(2,854.7)	(1,005.2)
Impact of adopting IFRS 16*	-	-	-	0.2	0.2
At 1 January 2019	-	849.5	1,000.0	(2,854.5)	(1,005.0)
Loss for the period	-	-	-	(146.5)	(146.5)
Other comprehensive expense	-	-	-	(14.4)	(14.4)
Total comprehensive expense	-	-	-	(160.9)	(160.9)
At 30 June 2019	**-**	**849.5**	**1,000.0**	**(3,015.4)**	**(1,165.9)**

* At 1 January 2019, the group adopted IFRS 16 using the modified retrospective method. Under this method the 2018 comparative was not restated.

Unaudited notes to the interim condensed financial statements

1. Accounting policies

1.1 Basis of preparation

These interim condensed 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 2019 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 2019 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 condensed 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 2019.

Going concern basis
The directors have carried out a review, including consideration of appropriate forecasts and sensitivities which indicates 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 2020 the group generated cash from operations of £149.8m and the group's strategic plan forecasts this level of performance to continue in the future;
- As at 30 June 2020, the group had net liabilities of £1,520.2m. These include:
  - external senior long term borrowings of £2,499.2m that are not due until between 2021 and 2042;
  - subordinated long-term loans, including accrued interest, due to its immediate parent undertaking, ABP SubHoldings UK Limited, of £3,405.7m; and
  - long dated derivative financial instrument liabilities classified as non-current of £1,120.4m that are not expected to result in significant cash flows in the next twelve months.
- On 19 March 2020, the group's ultimate parent undertaking, ABP (Jersey) Limited, confirmed that it will continue to finance the group to enable it to meet its liabilities.

The group's business plan was developed before the spread of the Covid-19 virus. Management are monitoring the impact of the virus and do not expect it to adversely impact the going concern assumption based on the significant proportion of revenue that is contractually guaranteed. Most of the impact to date from reduced volumes through the ports has been offset by the group's ability to take effective mitigating actions to counter downside scenarios. The group has already instigated certain costs saving and capex reduction initiatives. Management have re-forecast the group's results and have modelled different scenarios including a severe downside scenario where headroom against the leverage covenant becomes limited within the going concern period, before further mitigating actions. If the actual results are significantly worse than forecast, the group has the option of pursuing further mitigating measures that are under its own control to cut costs and preserve cash. These include further reductions in variable staff and other variable costs to match reduced activity, delaying or freezing EBITDA enhancing capex projects and if the downside period persists then reviewing costs for further savings. As a result of the actions already taken to date and further contingency plans to react to a more adverse scenario, management have concluded that the group should generate sufficient cash and EBITDA to continue as a going concern and to avoid breaching its loan covenants.

Given the nature, maturity dates and counterparties of the Group's 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.

Unaudited notes to the interim condensed financial statements

1. **Accounting policies** (continued)

1.2 **Changes in accounting policies**

New standards, amendments and interpretations adopted
The interim condensed consolidated financial statements have been prepared in accordance with the accounting policies set out in the group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards, amendments and interpretations effective from 1 January 2020. Several standards, amendments and interpretations apply for the first time in 2020, but do not have a material impact on the interim condensed consolidated financial statements of the group.

New standards, amendments and interpretations issued but not yet effective
The group's annual consolidated financial statements for the year ended 31 December 2019 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. Eight new amendments to standards have subsequently been issued. The directors do not anticipate that the adoption of these new amendments 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, amendment or interpretation that has been issued but is not yet effective.

Changes to existing accounting policies
At 1 January 2020 the Group amended its accounting policy for the treatment of government grants related to assets. In previous periods grants related to assets were deducted from the cost of the related asset and subsequently credited to depreciation in the income statement in line with the related asset. From 1 January 2020 government grants related to assets will initially be recognised as deferred income and recognised in the income statement over the periods in which the related costs for which the grant is intended to compensate are recognised. As a result of this change £5.9m of depreciated grants were transferred from Property, plant and equipment in the balance sheet to deferred income and £0.2m which would previously have been recognised as reduced depreciation was recognised in the income statement as other income during the period. As the change does not materially affect the financial statements prior periods have not been restated.

2. **Revenue**

The disaggregation of the group's revenue is set out below:

	For the six months ended 30 June	
	2020	**2019#**
	£m	**£m**
Revenue		
Call	**46.4**	49.9
Traffic	**117.9**	131.8
Cargo operations	**17.3**	23.3
Shortfall	**6.4**	7.4
Utilities	**9.6**	9.1
Dredging	**6.5**	6.6
Fixed	**4.0**	2.9
Other	**8.2**	9.7
Total revenue from contracts with customers	**216.3**	240.7
Rental income from investment properties	**64.1**	65.3
Total revenue	**280.4**	306.0

The 2019 comparatives have been reanalysed to conform to current presentation

Unaudited notes to the interim condensed financial statements

3. Finance costs/(income)

	For the six months ended 30 June	
	2020	**2019**
	£m	**£m**
Interest on term and revolving facilities	**3.1**	2.7
Interest on private placement notes	**23.2**	23.3
Interest on public loan notes	**21.8**	22.3
Interest on amounts due to parent undertaking	**135.9**	124.9
Interest on lease liabilities	**0.4**	0.5
Foreign exchange losses	**36.0**	1.0
Amortisation of borrowing costs and discount on issue	**1.0**	1.0
Net interest charge on net defined benefit liabilities	**0.3**	0.2
Other finance costs	**1.3**	1.2
Less: interest capitalised on non-current assets under construction	**(1.2)**	(0.8)
Finance costs on financial assets and liabilities held at amortised cost	**221.8**	176.3
Interest cost on derivatives at fair value through profit and loss	**33.6**	31.8
Finance costs	**255.4**	208.1
Interest on amounts due from parent undertaking	**(5.4)**	(4.8)
Foreign exchange gains	**-**	(0.6)
Other finance income	**(0.3)**	(0.2)
Finance income on financial assets and liabilities held at amortised cost	**(5.7)**	(5.6)
Interest income on derivatives at fair value through profit and loss	**(8.7)**	(7.4)
Finance income	**(14.4)**	(13.0)
Net unrealised loss on derivatives at fair value through profit and loss	**69.2**	63.1
Net finance costs	**310.2**	258.2

4. 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 2020 was 19.0% (period ended 30 June 2019: 19.0%). The current tax charge for the six months ended 30 June 2020 amounted to £0.9m (period ended 30 June 2019: £10.0m). Taxable profits have decreased between periods due mainly to an increase in the fair value losses on derivatives which are disallowable and a bad debt provision; partially offset by a reduction in related party interest disallowances.

The deferred tax credit for the six months ended 30 June 2020 amounted to £13.8m (period ended 30 June 2019: credit of £12.0m). The current period credit is driven by the change in the fair value of derivatives, mitigated partially by the impact of a change in the rate expected on the realisation of the deferred tax.

Unaudited notes to the interim condensed financial statements

5. Pension commitments

Income statement

The total pension charge included in the group income statement was as follows:

	For the six months ended 30 June	
	2020	**2019**
	£m	**£m**
ABPGPS and unfunded retirement benefit arrangements	**1.2**	2.1
Industry wide schemes	**0.2**	0.1
Defined contribution arrangements	**4.6**	3.9
Net pension charge recognised within operating profit	**6.0**	6.1
Net interest charge on net defined benefit liabilities	**0.3**	0.7
Net pension charge recognised in loss before taxation	**6.3**	6.8

Balance sheet

The retirement benefit assets and obligations were:

	At 30 June 2020	**At 31 December 2019**
	£m	**£m**
ABPGPS – net funded pension assets	**28.8**	21.3
ABPGPS – net unfunded pension liability	**(2.2)**	(2.1)
	26.6	19.2
PNPF	**(58.6)**	(58.6)
Net retirement benefit liabilities	**(32.0)**	(39.4)
Net retirement benefit assets total	**28.8**	21.3
Net retirement benefit obligations total	**(60.8)**	(60.7)
Net retirement benefit liabilities	**(32.0)**	(39.4)

The valuation for the group's main defined benefits pension scheme was reviewed by the group's actuary at 30 June 2020. Based on this review, the scheme's net surplus was estimated as being £26.6m at 30 June 2020 (31 December 2019: £19.2m), representing an increase of £7.4m. At 30 June 2020 there have been no significant changes to the assumptions used at 31 December 2019.

The valuation for the PNPF was reviewed by the scheme's actuary at 30 June 2020. Based on this review, the group's share of the scheme's net deficit was estimated as being £58.6m (31 December 2019: £58.6m). At 30 June 2020 there have been no significant changes to the assumptions used at 31 December 2019.

Unaudited notes to the interim condensed financial statements

6. Movements in fixed assets

	Goodwill £m	Intangible assets £m	Property, plant and equipment £m	Investment property £m	Right of use assets £m
Six months ended 30 June 2020					
Net book value as at 1 January 2020	1,051.9	122.1	1,805.1	2,042.6	8.3
Additions	-	4.6	34.4	10.2	-
Disposals and write offs	-	-	-	(0.4)	-
Transfers between asset categories	-	-	(3.4)	3.4	-
Transferred to deferred income	-	-	5.9	-	-
Depreciation and amortisation	-	(8.6)	(42.1)	-	(1.0)
Net book value at 30 June 2020	**1,051.9**	**118.1**	**1,799.9**	**2,055.8**	**7.3**

	Goodwill £m	Intangible assets £m	Property, plant and Equipment £m	Investment property £m	Right of use assets £m
Year ended 31 December 2019					
Net book value at 31 December 2018[*]	1,051.9	194.4	1,754.8	1,957.5	-
Impact of adopting IFRS 16[*]	-	-	(1.3)	1.3	9.9
Net book value as at 1 January 2019	1,051.9	194.4	1,753.5	1,958.8	9.9
Additions	-	25.4	140.9	22.9	1.6
Transfers between asset categories	-	-	(6.1)	6.1	-
Transfers from/(to) property and land held for sale	-	-	-	(0.2)	-
Disposals and write offs	-	(3.9)	(0.1)	(0.1)	(1.0)
Depreciation and amortisation	-	(23.1)	(81.5)	-	(2.2)
Impairment	-	(70.7)	(1.6)	-	-
Surplus on revaluation	-	-	-	19.5	-
Increase in fair value of investment properties	-	-	-	35.6	-
Net book value at 31 December 2019	**1,051.9**	**122.1**	**1,805.1**	**2,042.6**	**8.3**

[*] At 1 January 2019, the group adopted IFRS 16 using the modified retrospective method. Under this method the 2018 comparative was not restated.

Intangible assets

During the six months ended 30 June 2020, the major amounts capitalised included: £2.1m of software relating mainly to the upgrade of the SAP system and £1.6m relating to the implementation of an IFRS16 solution (period ended 30 June 2019: £12.8m)

Property, plant and equipment

During the six months ended 30 June 2020, the major amounts capitalised included: : £4.8m relating to the new cruise terminal in Southampton, £5.1m for the redevelopment of the Immingham Container Terminal, £3.7m for the improvements for DRAX at the Immingham Renewable Fuels Terminal, £2.4m to buy out a leasehold interest in the Solent Mills in Southampton, £2.1m for the Hull solar array and £1.3m for a new bulk shed in Newport. Fixed assets additions are significantly reduced in 2020 due to the focus being on business critical spends only, as a result of Covid-19.

Unaudited notes to the interim condensed financial statements

6. **Movements in fixed assets** (continued)

Investment property
During the six months ended 30 June 2020, the major amounts capitalised included: £6.3m relating to the Import Services shed in Southampton and £1.1m relating to the HMS Cambria development in Cardiff.

During the six months ended 30 June 2020 and 30 June 2019 there was no change in fair value of investment properties recognised directly in the income statement.

Right of use assets
During the six months ended 30 June 2020, there were no material additions to right of use assets.

Leases exempted
During the six months ended 30 June 2020, the group recognised lease expense from short-term leases of £0.9m (period ended 30 June 2019: £1.6m**)** and leases of low value assets of £0.1m (period ended 30 June 2019: £0.2m).

7. **Trade and other receivables**

	At 30 June 2020 £m	**At 31 December 2019 £m**
Non-current		
Accrued income	**1.0**	1.3
Other receivables	**5.5**	5.8
Total non-current trade and other receivables	**6.5**	7.1
Current		
Gross trade receivables	**74.8**	80.7
Allowance for expected credit losses	**(14.1)**	(8.9)
Net trade receivables	**60.7**	71.8
Amounts due from parent undertakings	**163.2**	157.8
Amounts due from group undertaking	**0.8**	0.8
Prepayments	**10.0**	8.1
Accrued income	**21.6**	19.6
Other receivables	**11.0**	24.3
Interest receivable on derivatives	**6.8**	5.8
Total current trade and other receivables	**274.1**	288.2

During the six months ended 30 June 2020, the group recognised provision for expected credit losses measured at an amount equal to the lifetime expected credit losses on receivables arising from contracts with customers of £6.0m (period ended 30 June 2019: £5.7m).

Unaudited notes to the interim condensed financial statements

8. Net borrowings

	Due date at 30 June 2020	Rate per annum	At 30 June 2020 £m	At 31 December 2019 £m
Term and revolving facilities	2022-2029	1m-3m LIBOR/SONIA plus margin	**434.0**	244.0
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; 3m compounded SONIA plus margin	**134.6**	134.6
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
Net accumulated foreign exchange loss on external debt			**117.7**	81.7
Deferred borrowing costs			**(15.5)**	(15.7)
External debt			**2,499.2**	2,273.0
Interest payable on external debt and derivatives			**17.4**	16.4
Interest receivable on derivatives			**(6.8)**	(5.8)
Lease liabilities			**10.3**	11.5
Net cash			**(253.7)**	(38.3)
Net external debt			**2,266.4**	2,256.8
Amounts due to parent undertaking	2027-2028	9.00% ; 3.95% per annum plus 6 month sterling LIBOR	**1,138.8**	1,138.8
Interest on amounts due to parent undertaking			**2,266.9**	2,131.0
Net borrowings			**5,672.1**	5,526.6
Current borrowings			**21.6**	20.8
Non-current borrowings			**5,911.0**	5,549.9
Less: interest receivable on derivatives			**(6.8)**	(5.8)
Less: cash and cash equivalents			**(253.7)**	(38.3)
Net borrowings			**5,672.1**	5,526.6

During the six months ended 30 June 2020 external borrowings remained consistent with the prior year end with the exception of a net drawdown of term and revolving facilities of £190.0m and foreign currency loans which have been impacted by the volatility in the exchange rate. The drawdown on the revolving credit facility was retained as cash to improve group liquidity during the Covid-19 pandemic. The increase in net accumulated foreign exchange losses on external debt is due to the weakening of Sterling against the Euro and the US dollar.

In June 2019 the £65.0m floating rate public loan due in 2022 accruing interest at 3 month GBP LIBOR plus margin was restructured to 3 month compounded SONIA plus margin. This restructure was not a substantial modification and therefore no derecognition of the original financial instrument was required.

Amounts due to parent undertaking represent two loans from ABP SubHoldings UK Limited, 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.

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 undertaking, the Associated British Ports ownership rights).

Unaudited notes to the interim condensed financial statements

8. **Net borrowings** (continued)

The wholly owned immediate subsidiary undertaking of the company, ABP Acquisitions UK Limited ("ABPA"), has borrowing agreements which restrict the amounts that can be paid by certain subsidiary undertakings 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, ABPA, ABP Finance PLC, Associated British Ports Holdings Limited, Associated British Ports and any other material subsidiary undertakings as defined in the agreement.

Lease liabilities are secured on related leased assets.

9. **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 2020, the group's debt was 93% fixed in relation to interest rate movements. The exchange rate exposure in relation to all non-sterling borrowings is fully hedged. As the group does not designate any of its derivatives as hedges, the fair value changes are recognised in the income statement.

10. **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 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 public loan notes and fixed rate private placement notes represent principal only and exclude accrued interest and deferred borrowing costs:

	As at 30 June 2020		**As at 31 December 2019**	
	Book value £m	**Fair value £m**	**Book value £m**	**Fair value £m**
Financial liabilities				
At amortised cost				
Fixed rate public loan notes	**677.9**	**776.8**	669.6	804.6
Fixed rate private placement notes	**747.1**	**778.8**	723.4	764.6

The terms of the fixed rate notes are set out in note 8.

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

- 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 and implied volatilities, and 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 forward foreign exchange contracts are traded in an active market, hence their fair value is based on market price, corresponding to Level 1 in the fair value hierarchy.

Unaudited notes to the interim condensed financial statements

11. Cash generated by operations

	For the six months ended 30 June	
	2020	**2019**
Reconciliation of loss before taxation to cash generated by operations:	**£m**	**£m**
Loss before taxation	**(218.8)**	(148.5)
Finance costs	**255.4**	208.1
Net unrealised loss on derivatives at fair value through profit and loss	**69.2**	63.1
Finance income	**(14.4)**	(13.0)
Net unrealised loss/(gain) on operating derivatives	**1.5**	(0.6)
Depreciation of property, plant and equipment	**42.1**	39.9
Depreciation of right of use assets	**1.0**	1.2
Amortisation of intangible assets	**8.6**	12.3
(Gain)/loss on write off of intangibles and disposal of property, plant and equipment, investment property and property and land held for sale	**(2.4)**	(3.9)
Decrease in provisions	**2.1**	(2.5)
Difference between pension contributions paid and defined benefit pension /charge through the profit and loss	**(4.8)**	(5.2)
Operating cash flows before movements in working capital	**139.5**	150.9
Increase in trade and other receivables	**13.3**	(12.3)
Decrease in trade and other payables	**(3.0)**	(7.7)
Cash generated by operations	**149.8**	130.9

12. Capital commitments

	At 30 June 2020 £m	At 31 December 2019 £m
Group capital expenditure contracted but not provided for	**64.5**	62.0

13. Contingent liabilities

On 28 February 2019 there was a fatal injury to a crew member on the UKD Cherry Sand which occurred during a berthing operation at the Port of Rosyth (a non-ABP port). The Marine Advisory Investigation Bureau ("MAIB") and Marine Coastguard Agency ("MCA") has completed its investigation into the incident. As the incident took place in Scotland, the MCA will make a recommendation to the Crown Office and Procurator Fiscal Service and the Procurator Fiscal will ultimately decide whether or not to commence any legal action, though there is currently no indication that the incident will result in any legal action against the group.

Unaudited notes to the interim condensed financial statements

14. Events after the balance sheet date

Immingham Bulk Terminal Limited
On 1 August 2020, the operation of the Immingham Bulk Terminal ("IBT") was transferred from Immingham Bulk Terminal Limited, an intermediate subsidiary of ABPA Holdings Limited ("ABPAH"), to British Steel Limited, an unrelated third party. This transfer will see direct operation of IBT returning to British Steel, reducing ABP's revenue and direct operating costs, but also removing the requirement for ABP's capital investment programme.

Changes in ownership
On 10 August 2020 a restructuring within the Group owned by the ultimate parent undertaking of ABPAH, ABP (Jersey) Limited, changed the immediate parent undertaking of ABPAH from ABP Subholdings UK Limited ("ABPS") to ABP Midco UK Limited and ABPS became an intermediate parent undertaking.