ABP MEZZANINE HOLDCO UK LIMITED

(Company Number 05920216)

ANNUAL REPORT AND ACCOUNTS 2020

ABP MEZZANINE HOLDCO UK LIMITED

ANNUAL REPORT AND ACCOUNTS 2020

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Strategic report

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

Principal activity and strategy

The principal activity and strategy of ABP Mezzanine Holdco UK Limited ("the company") (number 05920216) is to source and provide debt financing required to support the activities of its fellow group undertakings in the group headed by its immediate parent undertaking, ABP (Jersey) Limited ("ABPJ"). The ABPJ group's principal operating subsidiary undertaking is Associated British Ports ("ABP").

The company continues to hold unsecured subordinated loan notes listed on The International Stock Exchange (the "loan notes" or "shareholder loans"). The shareholder loans are held by the shareholders of the company's immediate parent undertaking, ABPJ. These borrowings are matched by an equivalent receivable from ABP Bonds UK Limited ("ABPB"), a fellow subsidiary undertaking of ABPJ.

Performance

The loss for the year was £0.5m (2019: £0.6m). The company recognised finance costs of £23.3m (2019: £24.1m) on its shareholder loans, offset by finance income of £23.2m (2019: £24.0) on loans receivable from its fellow group undertaking, ABPB.

In 2020 £nil (2019: £nil) non-cash interest was received from ABPB and £nil (2019: £nil) non-cash interest was paid to the shareholders.

The primary driver of performance is the ability of the wider group's main trading group headed by, ABPA Holdings Limited (note 13), to generate cash flows, as indicated by the following:

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

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

Position at the end of the year

At 31 December 2020, the company had net liabilities of £1.3m (2019: net liabilities of £0.8m). ABPJ has confirmed that it will continue to finance the company to enable it to meet its liabilities as they fall due.

Principal risks and uncertainties

The company has limited risk because it interacts only with fellow group undertakings and the shareholders of ABPJ as part of the financing structure of the group owned by ABPJ. The nature of the interactions is set out in notes 4, 6, 7, 9 and 12 to the accounts. Within the interactions the principal risks are the timing of interest receipts and payments and repayment of principal at the end of the loan terms. Agreements are structured so that the company should not be exposed to these risks at any time other than ultimately by the ability of the underlying trading group to pay its debts. Further details on financial risk management are set out below and in note 8.

Financial risk management

The company's main financial risks are liquidity, credit and capital risks. Treasury matters for the company are controlled centrally by the group as set out in note 8.

Strategic report (continued)

Liquidity risk
Liquidity risk is managed by the wider group 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.

Credit risk
The company is exposed to credit related losses in the event of non-performance by counterparties to financial transactions. The company mitigates this risk by only transacting with related parties with priority of payments provided under intra-group borrowing arrangements. As such the exposure to credit risk is considered to be minimal.

Capital risk
The company keeps its funding structure under review in order to fulfil its principal activity of sourcing and providing debt financing to support the activities of its fellow group undertakings.

The company currently finances its business with loan notes listed on The International Stock Exchange held by its immediate parent undertaking's shareholders.

The company holds a limited number of long term loan balances with a fellow group undertaking and the shareholders of its immediate parent undertaking, ABPJ. These balances were created as part of the acquisition of Associated British Ports Holdings Limited ("ABPH") and subsequent refinancing of the ABPJ group. The company's main transactions each year, which are controlled in conjunction with the rest of the group, relate to interest accrual, receipt and payment.

Ultimate realisation of principal balances due in December 2028 depends on the performance of the ABPA Holdings Limited ("ABPAH") underlying trading group and the ability of the UK-wide ports and transport operations to generate cash flows.

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

Section 172 Statement
The Board recognises the importance of stakeholder engagement in delivering the long-term and sustainable success of the company. When making decisions the directors have regard to the likely long-term impact of those decisions and also their responsibilities and duties to stakeholders relevant to the company's operations. Directors receive training on their duties as part of their induction, which is refreshed on an ongoing basis as necessary. As a key stakeholder, the following section outlines how the company engages with, and has regard to, its lenders.

Lenders
The company raises debt through loan note issuances. The Board recognises the importance of providing lenders with information to ensure they are kept up to date on the development, growth and strategy of the business and continue to recognise the benefits of lending to the company.

Strategic report (continued)

Lenders are provided with regular information on the company and the group of companies owned by APBA Holdings Limited (the "group"), including the annual report and accounts and bi-annual group investor reports, which outline the performance of the group, major investments and certain forward looking financial information. This engagement enables the company to continue to develop positive relationships with lenders and understand the main drivers behind investing in the company. In addition, ongoing engagement allows the company and group to plan its long-term capital requirements and the financing methods available.

Future outlook

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

By Order of the Board

MM Wyatt
Director

24 May 2021

Directors' report

The directors present their report and the audited accounts of the company (number 05920216) for the year ended 31 December 2020.

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

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

Directors
The directors of the company during the year and up to the date of these accounts were as follows:

Pedersen, HL	
Wyatt, MM	
Kennedy, SR	(alternate to HL Pedersen and MM Wyatt)

Directors' indemnities
The company's immediate parent undertaking, ABP (Jersey) Limited ("ABPJ"), 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.

Going Concern
The directors have carried out a review, including consideration of appropriate forecasts and sensitivities, which indicates that the company will have adequate resources to continue to trade for the foreseeable future. Further information on the going concern basis of accounting is set out in note 1 to the accounts.

Matters disclosed in the strategic report
The directors consider the following matters of strategic importance and have chosen to disclose these 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;
- An indication of likely future developments in the business; and
- How the directors have engaged with those in a business relationship with the company.

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.

Directors' report (continued)

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

Angela Morgan

ABP Secretariat Services Limited
Secretary
25 Bedford Street
London, WC2E 9ES
24 May 2021

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

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

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

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IASs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether International Accounting Standards in conformity with the requirements of the Companies Act 2006, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABP MEZZANINE HOLDCO UK LIMITED

Opinion

We have audited the financial statements of ABP Mezzanine Holdco UK Limited (the 'company') for the year ended 31 December 2020 which comprise the Income statement, the Balance sheet, the Statement of cash flows, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the group's financial close process, we confirmed our understanding of management's Going Concern assessment process and also engaged with management early to ensure all key factors were considered in their assessment.
- We obtained management's going concern assessment, including the cash forecast and covenant calculation for the going concern period. We obtained a letter of support from the group from the date of approval of the company's balance sheet until 30 June 2022. The group has modelled a number of adverse scenarios in their cash forecasts and covenant calculations in order to incorporate unexpected changes to the forecasted liquidity of the group.
- We have tested the factors and assumptions included in each modelled scenario for the cash forecast and covenant calculation and we have tested the impact of Covid-19 included in each forecasted scenario. We considered the appropriateness of the methods used to calculate the cash forecasts and covenant calculations and determined through inspection and testing of the methodology and calculations that the methods utilised were appropriately sophisticated to be able to make an assessment for the entity.
- We considered the mitigating factors included in the cash forecasts and covenant calculations that are within control of the group. This includes review of the group's non-operating cash outflows and evaluating the group's ability to control these outflows as mitigating actions if required. We also agreed credit facilities available to the group.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABP MEZZANINE HOLDCO UK LIMITED (continued)

We considered the mitigating factors included in the cash forecasts and covenant calculations that are within control of the group. This includes review of the group's non-operating cash outflows and evaluating the group's ability to control these outflows as mitigating actions if required. We also agreed credit facilities available to the group. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern from the date of approval of the balance sheet until 30 June 2022.

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

Overview of our audit approach

Key audit matters	• Recoverability of amounts due from group undertakings.
Materiality	• Overall materiality of £4.4m which represents 0.5% of gross assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole and in our opinion thereon, we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Recoverability of amounts due from group undertakings The company has amounts of £531.3m (2019: £508.1m) due from group undertakings. The principal and interest on which is the source from which the company meets its financing obligations. The primary driver of recoverability of these amounts is the ability of the wider Associated British Ports group to generate cash flows.	• We obtained the group's five-year earnings forecast and longer-term growth assumptions. • We considered management's estimate of the value of the group indicated by those forecast earnings. We considered sensitivities, in particular the discount rate and long-term growth rates. • Management performed additional forecasting and stress testing of covenants for going concern purposes in response to the Covid-19 pandemic. We obtained an understanding of the process followed by group management to make its going concern assessment and assessment of the impact of Covid-19.	We concluded that the wider group is reasonably forecast to be sufficiently cash generative to support the recoverability of the amounts due from group undertakings.

<table>
<tr>
<td>Please refer to going concern note 1 in the basis of preparation, that discuss the impact of Covid-19 on the group and of its ability continue to generate cashflows to support the recoverability of amounts due to the company and of its going concern.</td>
<td>

Challenged management on the appropriateness of the key assumptions underlying the forecasts, being discount rates and growth rates, in the context of our knowledge of the business, historic performance and the position of the business at the year end and considered their reasonableness in the context of other supporting evidence gained from our audit work. We have benchmarked assumptions incorporated in the financial model to available external market data from reliable sources.
Reviewed corporate level cash flows including management’s ability to access future financing to maintain healthy liquidity. Evaluated the appropriateness of management’s stress test scenarios and their impact on the cashflow/liquidity position
Performed our own scenario analysis using a number of alternative assumptions to assess the reasonableness of management’s assessment.
Performed testing on the historical accuracy of management’s forecasts
Obtained a parental letter of support confirming that the group will provide support from the date of approval of the balance sheet until 30 June 2022.
Reviewed performance of the group in the period since the group accounts were signed to ensure the key assumptions and judgements remained valid.

We have also obtained management’s assessment of the expected credit losses of the amounts due from group undertakings and have performed the following procedures to audit the expected credit loss calculations:-

Obtained an understanding of the methodology used by management;
Tested the data inputs of the model used in applying the methodology adopted and assessed for reasonableness;
Tested the completeness of the receivable balance applied to the model by reconciling the receivable balance to the value in the model;
Reviewed the key assumptions in the model applied to determine probability of default and loss given default.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABP MEZZANINE HOLDCO UK LIMITED (continued)

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £4.4 million (2019: £4.4 million), which is 0.5% (2019: 0.5%) of gross assets.

During the course of our audit, we reassessed initial materiality and concluded it was still appropriate.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 50% (2019: 75%) of our planning materiality, namely £2.2m (2019: £3.3m). We have set performance materiality at this percentage due to the expected level of misstatements, both corrected and uncorrected.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.2m (2019: £0.2m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABP MEZZANINE HOLDCO UK LIMITED (continued)

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement are set out on page 6 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 ABP MEZZANINE HOLDCO UK 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.

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

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

Our approach was as follows:

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

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

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ABP MEZZANINE HOLDCO UK LIMITED (continued)

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.

Ernst & Young LLP

Lloyd Brown
for and on behalf of Ernst & Young LLP,
London
27 May 2021

Income statement for the year ended 31 December

	Note	2020 £m	2019 £m
Administrative expenses	2	**-**	-
Finance costs	4	**(23.3)**	(24.1)
Finance income	4	**23.2**	24.0
(Loss)/profit before taxation		**(0.1)**	(0.1)
Taxation charge	5	**(0.4)**	(0.5)
Loss for the year		**(0.5)**	(0.6)

All results are derived from continuing operations in the United Kingdom. The company’s activities comprise a single operating segment in accordance with the principles in IFRS 8.

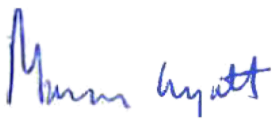
Statement of comprehensive income for the year ended 31 December

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

Balance sheet as at 31 December

	Note	2020 £m	2019 £m
Assets			
Non-current assets			
Group receivables	6	**529.5**	506.1
		529.5	506.1
Current assets			
Group receivables	6	**1.8**	2.0
Cash and cash equivalents		**-**	-
		1.8	2.0
Total assets		**531.3**	508.1
Liabilities			
Current liabilities			
Borrowings	7	**(1.8)**	(2.0)
Group payables	9	**(1.3)**	(0.8)
		(3.1)	(2.8)
Non-current liabilities			
Borrowings	7	**(529.5)**	(506.1)
		(529.5)	(506.1)
Total liabilities		**(532.6)**	(508.9)
Net liabilities		**(1.3)**	(0.8)
Shareholder's deficit			
Share capital	10	**-**	-
Accumulated losses		**(1.3)**	(0.8)
Total shareholder's deficit		**(1.3)**	(0.8)

The financial statements were approved by the Board on 24 May 2021 and signed on its behalf by:



MM Wyatt
Director

Statement of cash flows for the year ended 31 December

	Note	2020 £m	2019 £m
Cash flows from operating activities			
Cash flows from operations	11	-	-
Net cash flow from operating activities		-	-
Change in cash and cash equivalents during the year		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

Statement of changes in equity for the year ended 31 December

	Share capital £m	(Accumulated losses)/retained earnings £m	Total £m
At 1 January 2019	-	(0.2)	(0.2)
Loss for the year	-	(0.6)	(0.6)
At 31 December 2019	-	**(0.8)**	**(0.8)**
Loss for the year	-	(0.5)	(0.5)
At 31 December 2020	-	**(1.3)**	**(1.3)**

Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation

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

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

Going concern basis
The company's future viability is ultimately dependent on the performance of the wider trading group owned by the company's fellow group undertaking, ABPA Holdings Limited ("ABPAH"), and group management's decisions on the flow of capital.

The directors have carried out a review, including consideration of appropriate forecasts and sensitivities, which indicates that the company will have adequate resources to continue to trade for the foreseeable future. The primary driver of performance is the ability of the ABPAH group to generate cash flows. For the year ended 31 December 2020 the ABPAH group had consolidated EBITDA, calculated in accordance with the group's credit facilities of £288.8m and cash generated by operations of £319.1m, and the group expects to maintain strong cashflow generation.

The directors have considered the company's net current liabilities of £1.3m, which includes interest accrued on shareholder loans, due within the next twelve months of £1.8m as set out in note 7. The company also has shareholder loans, including accrued interest of £529.5m due in 2028. There is no indication that the company will not be able to recover the sum due from its fellow group undertaking before it has to pay its debts due to the external noteholders of the company. The company's immediate parent undertaking ABP (Jersey) Limited has confirmed that it will continue to finance the company to enable it to pay its liabilities.

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

Notes to the financial statements

1. **Accounting policies** (continued)

1.1 **Basis of preparation** (continued)

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

Given the nature, maturity dates and counterparties of these liabilities (as set out in notes 7, 8 and 9), as well as the group's track record of its ability to refinance debt and generate cash flows, notwithstanding the impact of the Covid-19 pandemic, the directors are confident that the company has the ability to continue to meet its liabilities as they fall due for the period to 30 June 2022 and therefore the financial statements have been prepared on a going concern basis.

Statement of compliance
These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

1.2 **Changes in accounting policies**

New standards and amendments adopted
There were no new accounting standards, amendments and improvements effective for the first time for the annual reporting period commencing 1 January 2020 that had a material impact on the company.

New standards, amendments and interpretations issued but not yet effective
The IASB and IFRIC have issued a number of standards, amendments and interpretations with an effective date of implementation for accounting periods beginning after the start of the company's current financial year.

The directors do not anticipate that the adoption of these new standards, amendments and interpretations will have a material impact on the company's financial statements in the period of initial application.

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

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.

Notes to the financial statements

1.3 **Critical estimates, judgements and assumptions** (continued)

Estimates

The critical estimates in applying these policies relate to the calculation of Expected Credit Losses relating to group receivables, including sensitivities, as set out in note 6. The company is required to recognise expected credit losses (ECLs) based on unbiased forward-looking information for all group financial assets held at amortised cost. At the reporting date, an impairment allowance reflecting 12 months ECL is required for financial assets that either have not deteriorated significantly in credit quality since initial recognition or have low credit risk. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD).

The 12 month and lifetime ECLs are calculated by multiplying the respective PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument, respectively. Management estimate the PD by performing an analysis of default rates calculated by reputable external credit rating agencies and implied in credit default swap curves. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of priority of repayment at the time it is expected to be realised, the time value of money and counterparty's ability to settle its obligations immediately for financial assets that are repayable on demand. For uncollateralised financial assets, management have assumed standard market recovery rates. Management has undertaken an impairment analysis model to estimate the Expected Credit Losses (ECL) that are possible from default events over the next twelve months and concluded that the ECLs are immaterial and consequently no allowance for impairment has been recognised.

Judgements

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

Credit risk of financial assets

The company's main transactions each year, which are controlled in conjunction with the rest of the group, relate to interest accrual, receipt and payment. Ultimate realisation of principal balances depends on the performance of ABPA Holdings Limited's ("ABPAH") underlying trading group and the ability of the UK-wide ports and transport operations to generate cash flows. As such, management considers the overall Group performance to be an adequate indicator of credit quality of each group company. Therefore, when calculating Expected Credit Losses relating to group receivables, as described above, management have made the judgement that the probability of default of each group company is the same as for the group as a whole, given the close interdependencies between each group company. The other factors that are considered when assessing whether the credit risk of the group companies has deteriorated include, but are not limited to, the following:

- Evidence of working capital deficiencies or liquidity problems for the group.
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the group's ability to meet its debt obligations.
- An actual or expected significant adverse change in the operating results of the group.
- Significant changes, such as reductions, in financial support from a parent entity or an actual or expected significant change in the quality of credit enhancement, that are expected to reduce the group companies' economic incentive to make scheduled contractual payments.
- Changes in the group's external credit rating.

Notes to the financial statements

1.3 **Critical estimates, judgements and assumptions** (continued)

Credit risk of financial assets (continued)

For the year ended 31 December 2020 the ABPAH group had consolidated EBITDA, calculated in accordance with the group's credit facilities, as disclosed in the strategic report of £288.8m and cash generated by operations of £319.1m. The group's strategic plan indicates that a strong performance is forecast to continue in the future. Further attention is drawn to the company's and group's approach to risk and capital management which is set out in the company's strategic report. Therefore, management have made the judgement that the credit quality of the group, and the individual group companies, has not significantly deteriorated and group receivables continue to qualify as Stage 1 financial assets for which 12-month ECL has been estimated.

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

1.4 **Significant accounting policies**

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

Financial instruments

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

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

group 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 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.

Movements in the provision for expected credit losses of receivables are recorded within administrative expenses.

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  a) the company has transferred substantially all the risks and rewards of the asset; or
  b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1. **Accounting policies** (continued)

1.4 **Significant accounting policies** (continued)

Financial instruments (continued)
Borrowings are initially recognised at fair value, net of transaction costs (being incremental costs that are directly attributable to the inception of the borrowings) incurred and are subsequently held at amortised cost. Any difference between the amount initially recognised and the redemption amount is recognised in the income statement over the period of the loan, using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the company income statement. When the contractual cash flows are renegotiated or modified but do not result in the derecognition of the financial liability, the difference between the net present value of the modified contractual cash flows discounted at the financial liability's original effective interest rate and the present value of the existing financial liability is recognised in profit or loss.

1.5 **Other accounting policies**

Interest income
Interest income is calculated and recorded using the effective interest method. Interest income is included in finance income in the income statement.

Interest expense
Interest costs are expensed in the period in which they occur and consist of interest that the company incurs in connection with the borrowing of funds. Interest expense is calculated and recorded using the effective interest method.

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.

2. **Administrative expenses**

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

	2020 **£000**	**2019** **£000**
Fees payable to the company's auditor for the audit of the company's annual accounts	**15**	14

3. **Directors and employees**

The directors of ABP Mezzanine Holdco UK Limited were directors of a number of companies within the ABP (Jersey) Limited ("ABPJ") group. The directors believe that their services to the company are incidental to their role for other group companies and therefore consider that they receive no remuneration in respect of qualifying services to this company (2019: £nil).

The company had no employees during the year (2019: nil).

Notes to the financial statements

4. Finance costs/(income)

	2020 £m	2019 £m
Interest on amounts due to group undertakings	**0.1**	-
Interest on shareholder loans	**23.2**	24.0
Other finance costs	**-**	0.1
Finance costs	**23.3**	24.1
Interest on amounts due from group undertaking	**(23.2)**	(24.0)
Finance income	**(23.2)**	(24.0)
Net finance costs/(income) on financial assets and liabilities held at amortised cost	**0.1**	0.1

5. Taxation

Analysis of charge for the year	2020 £m	2019 £m
Current tax – current year	**0.4**	0.5
Taxation	**0.4**	0.5

Current taxation for the current year represents a charge for group relief surrendered by group undertakings, with amounts being added to amounts due to group undertaking. For further details see note 12.

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

	2020 £m	2019 £m
(Loss)/profit before taxation	**(0.1)**	(0.1)
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	**-**	-
Effects of:		
Items not deductible for tax- related party debt 100% disallowable	**0.4**	0.5
Total tax charge for the company	**0.4**	0.5
Effective tax rate	**-400.0%**	-500.0%
Total tax (credit)/charge for the group	**0.4**	0.5
Effects of permanent differences:		
Other non-qualifying	**(0.4)**	(0.5)
Tax charge for the group after removing permanent differences	**-**	-
Tax rate after permanent differences	**19.0%**	19.0%

Notes to the financial statements

6. Group receivables

	2020 £m	2019 £m
Non-current		
Amounts due from group undertaking	**416.0**	416.0
Accrued interest on amounts due from group undertaking	**113.5**	90.1
Total non-current group receivables	**529.5**	506.1
Current		
Accrued interest on amounts due from group undertaking	**1.8**	2.0
Total current group receivables	**1.8**	2.0

Non-current amounts due from group undertaking, along with its associated accrued interest, represent a loan to ABP Bonds UK Limited ("ABPB"). ABPB has equivalent receivables from its immediate subsidiary undertaking, ABP SubHoldings UK Limited ("ABPS"). Amounts have been included in current and non-current based on the expected realisation of the asset.

Further details of the amounts due from group undertaking are disclosed in note 12.

Group receivables are not overdue for repayment and are not considered to be impaired. Management has undertaken an impairment analysis model to estimate the Expected Credit Losses (ECL) that are possible from default events over the next twelve months and concluded that the ECLs are immaterial and consequently no allowance for impairment has been recognised.

The most sensitive input to the impairment analysis is the probability of default ("PD") based on industry averages, which for 2020 meant a marginal PD of 0.77% (2019: 0.34%). An increase in the PD of 1.58% pts would be required to produce a material estimate of the ECL.

Disclosure of the financial risks related to these financial instruments is set out in note 8.

The company's receivables are denominated in sterling.

Notes to the financial statements

7. Borrowings

	2020 £m	2019 £m
Current		
Interest due on shareholder loans	**1.8**	2.0
Total current borrowings	**1.8**	2.0
Non-current		
Shareholder loans	**416.0**	416.0
Interest due on shareholder loans	**113.5**	90.1
Total non-current borrowings	**529.5**	506.1

Shareholder loans relate to unsecured subordinated loan notes the company has issued and listed on The International Stock Exchange.

Interest on the shareholder loans is accrued and payable in cash semi-annually. Amounts of interest settled is dependent on amounts of interest income the company receives from its fellow group undertaking, ABP Bonds UK Limited ("ABPB"), which in turn is dependent on the lending agreements of that company's immediate subsidiary undertaking, ABP SubHoldings UK Limited and its subsidiary undertakings, ABPA Holdings Limited, ABP Finance Plc and ABP Acquisitions UK Limited. Should insufficient funds be available under the agreement the company is permitted to defer payment until a subsequent interest payment date or the final redemption date. Any repayment of interest or capital from ABPB will trigger a mandatory repayment to the lender. Interest charged in 2020 of £23.2m was deferred in line with the agreement. The total outstanding interest accrued as at 31 December 2020 was £115.3m (2019: £92.1m).

Disclosure of the financial risks related to these financial instruments is set out in note 8. More detail on the company's related party borrowings is set out in note 12.

There is no collateral held as security. The company's borrowings are denominated in sterling.

Notes to the financial statements

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.

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 non-current borrowings approximates to their carrying amounts as they bear interest at a rate linked to LIBOR;
- The fair value of non-current group receivables approximates to their carrying amounts as they bear interest at a rate linked to LIBOR; and
- The fair value of cash and cash equivalents, current group receivables, current group payables and current borrowings 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 Associated British Ports Holdings Limited ("ABPH"), a fellow group undertaking. The Board of ABPH 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, aims to manage these risks to an acceptable level.

Liquidity risk

Liquidity risk is managed by the wider group 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:

2020	**Borrowings £m**	**Group payables £m**	**Total £m**
Not later than one year	23.2	1.3	24.5
More than one year but not more than two years	25.5	-	25.5
More than two years but not more than five years	78.7	-	78.7
More than five years	564.1	-	564.1
Total payments	**691.5**	**1.3**	**692.8**

Notes to the financial statements

8. **Financial instruments** (continued)

Financial risk management (continued)

2019	**Borrowings £m**	**Group payables £m**	**Total £m**
Not later than one year	24.1	0.8	24.9
More than one year but not more than two years	23.9	-	23.9
More than two years but not more than five years	74.3	-	74.3
More than five years	585.7	-	585.7
Total payments	**708.0**	**0.8**	**708.8**

Borrowings disclosures in the tables above are based on contractual payments as they existed as at 31 December 2020 and 31 December 2019.

Credit risk
Given the counterparties of group receivables, as set out in note 6, and the priority of payments provided under the intra-group borrowing arrangements, the directors consider the company's exposure to credit risk to be minimal. An impairment analysis is performed at each reporting date to determine the expected credit losses. The analysis reflects the time value of money and reasonable and supportable information that is available at the reporting date about past events, current condition and forecasts of future economic conditions. Based on the impairment analysis the provision for loss allowance measured at an amount equal to the 12-month expected credit losses for the year ended 31 December 2020 was £nil (2019: £nil). The maximum exposure to credit risk at the reporting date for group receivables is the carrying value of each class of receivable.

Capital risk
The company keeps its funding structure under review in order to fulfil its principal activity of sourcing and providing debt financing to support the activities of its fellow group undertakings.

The company currently finances its business with loan notes listed on The International Stock Exchange held by its immediate parent undertaking's shareholders.

The company holds a limited number of long term loan balances with a fellow group undertaking and the shareholders of its immediate parent undertaking, ABP (Jersey) Limited ("ABPJ"). These balances were created as part of the acquisition of Associated British Ports Holdings Limited and subsequent refinancing of the ABPJ group. The company's main transactions each year, which are controlled in conjunction with the rest of the group, relate to interest accrual, receipt and payment.

Ultimate realisation of principal balances due in December 2028 depends on the performance of the ABPA Holdings Limited underlying trading group and the ability of the UK-wide ports and transport operations to generate cash flows.

Further attention is drawn to the company's and wider group's approach to risk and capital management, which is set out in the company's strategic report.

Notes to the financial statements

9. Group payables – current

	2020 £m	2019 £m
Amounts due to group undertaking	**1.3**	0.8
Total group payables - current	**1.3**	0.8

Amounts due to group undertaking are in respect of ABP Acquisitions UK Limited. The balance owed primarily relates to amounts charged for group tax relief and is repayable on demand. Further details on the amounts due to group undertaking are disclosed in note 12.

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. Share capital

	2020 £m	2019 £m
Issued and fully paid		
2 (2019: 2) ordinary shares of £0.01 each	**-**	-

11. Cash flows from operations

Reconciliation of profit before taxation to cash flows from operations:	2020 £m	2019 £m
Loss before taxation	**(0.1)**	(0.1)
Finance costs	**23.3**	24.1
Finance income	**(23.2)**	(24.0)
Operating cash flows before movements in working capital	**-**	-
Cash flows from operations	**-**	-

The tables below show the cash and non-cash changes in liabilities arising from financing activities:

2020	At 1 January liability £m	Cash flows £m	Non-cash changes £m	At 31 December liability £m
Non-current shareholder loans	(506.1)	-	(23.4)	(529.5)
Total	**(506.1)**	**-**	**(23.4)**	**(529.5)**

2019	At 1 January liability £m	Cash flows £m	Non-cash changes £m	At 31 December liability £m
Non-current shareholder loans	(482.1)	-	(24.0)	(506.1)
Total	**(482.1)**	**-**	**(24.0)**	**(506.1)**

Notes to the financial statements

12. Related party transactions

The company has £423.0m of subordinated unsecured loan notes issued and listed on The International Stock Exchange that are due 15 December 2028. The loan notes, which are denominated in amounts of £1 each, are held by the shareholders of ABP (Jersey) Limited, the company's immediate parent undertaking.

Total shareholder loans are as follows:

Facility Type	Due date	Interest rate per annum	2020 £m	2019 £m
Shareholder loans				
Unsecured loan notes	2028	3.95% per annum plus 6 month sterling LIBOR	**416.0**	416.0
Accrued interest			**115.3**	92.1
			531.3	508.1

Total	2020 £m	2019 £m
Capital amount of loan notes at start of year	**416.0**	416.0
Capital amount of loan notes at end of year	**416.0**	416.0
Interest accrued at start of year	**92.1**	68.1
Interest charged during year	**23.2**	24.0
Accrued interest at end of year	**115.3**	92.1

Details of the notes held by each related party and related transactions are shown below:

Borealis Finance Trust	2020 £m	2019 £m
Unsecured subordinated loan notes due 2028 at start of year	**91.9**	91.9
Unsecured subordinated loan notes due 2028 at end of year	**91.9**	91.9
Interest accrued at start of year	**20.3**	15.1
Interest charged during the year	**5.2**	5.2
Accrued interest at end of year	**25.5**	20.3

Borealis Ark Holdings B.V.	2020 £m	2019 £m
Unsecured subordinated loan notes due 2028 at start of year	**32.9**	32.9
Unsecured subordinated loan notes due 2028 at end of year	**32.9**	32.9
Interest accrued at start of year	**7.3**	5.4
Interest charged during the year	**1.8**	1.9
Accrued interest at end of year	**9.1**	7.3

Notes to the financial statements

12. Related party transactions (continued)

Canada Pension Plan Investment Board	**2020 £m**	**2019 £m**
Unsecured subordinated loan notes due 2028 at start of year	-	140.9
Transfer to CPPIB (Hong Kong) Limited	-	(140.9)
Unsecured subordinated loan notes due 2028 at end of year	-	-
Interest accrued at start of year	-	23.0
Interest charged during the year	-	5.1
Transfer to CPPIB (Hong Kong) Limited	-	(28.1)
Accrued interest at end of year	-	-

Cheyne Walk Investment Pte Limited	**2020 £m**	**2019 £m**
Unsecured subordinated loan notes due 2028 at start of year	**83.2**	83.2
Unsecured subordinated loan notes due 2028 at end of year	**83.2**	83.2
Interest accrued at start of year	**18.4**	13.6
Interest charged during the year	**4.7**	4.8
Accrued interest at end of year	**23.1**	18.4

CPPIB (Hong Kong) Limited	**2020 £m**	**2019 £m**
Unsecured subordinated loan notes due 2028 at start of year	**140.9**	-
Transfer from Canada Pension Plan Investment Board	**-**	140.9
Unsecured subordinated loan notes due 2028 at end of year	**140.9**	140.9
Interest accrued at start of year	**31.2**	-
Transfer from Canada Pension Plan Investment Board	**-**	28.1
Interest charged during the year	**7.8**	3.1
Accrued interest at end of year	**39.0**	31.2

Kuwait Investment Authority	**2020 £m**	**2019 £m**
Unsecured subordinated loan notes due 2028 at start of year	**41.6**	41.6
Unsecured subordinated loan notes due 2028 at end of year	**41.6**	41.6
Interest accrued at start of year	**9.2**	6.8
Interest charged during the year	**2.3**	2.4
Accrued interest at end of year	**11.5**	9.2

Anchorage Ports LLP	**2020 £m**	**2019 £m**
Unsecured subordinated loan notes due 2028 at start of year	**25.5**	25.5
Unsecured subordinated loan notes due 2028 at end of year	**25.5**	25.5
Interest accrued at start of year	**5.7**	4.2
Interest charged during the year	**1.4**	1.5
Accrued interest at end of year	**7.1**	5.7

Notes to the financial statements

12. **Related party transactions** (continued)

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

Name	Relationship
ABP Bonds UK Limited	Fellow group undertaking
ABP Acquisitions UK Limited	Fellow group undertaking

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

Name	Due date	Interest rate per annum	2020 £m	2019 £m
ABP Bonds UK Limited	2028	3.95% per annum plus 6 month sterling LIBOR	**416.0**	416.0
Interest accrued			**115.3**	92.1
Intercompany receivable at the end of the year			**531.3**	508.1

The following table shows the loan transactions that have been entered into by the company with ABP Bonds UK Limited ("ABPB"), together with period end balances, for the relevant financial year:

ABP Bonds UK Limited	**2020 £m**	**2019 £m**
Intercompany receivable at start of the year	**508.1**	484.1
Interest charged	**23.2**	24.0
Non-cash movement in intercompany receivable	**-**	-
Intercompany receivable at end of the year	**531.3**	508.1

The company also has current accounts with related parties. The following tables show the transactions that have been entered into by the company with related parties, together with period end balances, for the relevant financial year:

ABP Acquisitions UK Limited	**2020 £m**	**2019 £m**
Intercompany (payable)/receivable at start of the year	**(0.8)**	(0.3)
Intercompany restructuring	**0.8**	-
Decrease in receivable / increase in payable	**-**	(0.5)
Intercompany (payable)/receivable at end of the year	**-**	(0.8)

ABP Bonds UK Limited	**2020 £m**	**2019 £m**
Intercompany receivable at start of the year	**-**	0.1
Increase/(decrease) in receivable	**-**	(0.1)
Intercompany receivable at end of the year	**-**	-

Notes to the financial statements

13. Ultimate parent undertaking and controlling parties

ABP Mezzanine Holdco UK Limited is a private company limited by shares registered in England and Wales.

Its immediate and 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 International Financial Reporting Standards as adopted by the European Union and are available from its registered office at 44 Esplanade, St Helier, Jersey, JE4 9WG. The consolidated financial statements of ABPJ are the smallest and largest group in which the company is included.

The wider group's main trading group headed by ABPA Holdings Limited annual report and accounts can be obtained at its registered offices, 25 Bedford Street, London, WC2E 9ES.

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

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

Notes to the financial statements

13. **Ultimate parent undertaking and controlling parties** (continued)

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

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