

ABPA HOLDINGS LIMITED

(Company Number 07847153)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

ABPA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

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Strategic report

The directors present the strategic report of ABPA Holdings Limited for the year ended 31 December 2024.

This strategic report covers the group activities, strategy, performance and operations of ABPA Holdings Limited, (the “company”) and its subsidiaries (the “group”). The company is an intermediate holding company within the group of companies owned by ABP (Jersey) Limited (“ABPJ”).

1. Principal activities

The principal activity of the company is as an investment holding company.

The principal activities of the group comprise the ownership, operation and development of port facilities and the provision of related services in the United Kingdom (“UK”). The group’s principal operating subsidiary is Associated British Ports (“ABP”).

The group owns 21 general cargo ports around the UK and provides facilities (principally land, quays, storage sheds and warehouses, cargo handling equipment and access to open water) and services (including stevedoring, warehousing and bagging) to users of its ports in the form of contracts with customers and rental income from investment properties.

2. Development and performance of the business

2.1 Health and Safety

Health and safety (H&S) remains a core value of the group, and management are fully committed to providing safe workplaces and effectively managing risks. Over the last year the group has continued to develop and build H&S capability and consistency, and a risk review has been completed to identify and agree group’s strategic 5-year H&S objectives.

This focus on identifying existing and emerging risks and driving risk reduction strategies forms the basis for the next 5-year plan. This is supported by continuing to embed H&S leadership at every level across the business supported by continuous improvement of safety communications, training, engagement and consultation.

Although the group has had safety management systems in place for many years, we constantly strive to improve. Work on the review and enhancement of existing safety standards and procedures has continued; the alignment of our safety management systems with ISO 45001 and implementation of digital H&S systems are key deliverables for 2025 and beyond.

ABP continues to utilise a range of metrics to measure, report on and improve H&S performance. Performance for 2024 against the company’s primary H&S metric is detailed below:

	Target	2024	2023	Change from 2023
Number of accidents resulting in lost working time (lost time incidents)	<9	5	5	0%

Strategic report (continued)

Development and performance of the business (continued)

2.1 Health and Safety (continued)

Overall ABP's safety performance remains strong compared to the wider port and comparable industry sectors, but despite the organisation-wide emphasis on H&S the number of lost time incidents (LTIs) in 2024 remained static against prior year. Slip, trip and fall, and manual handling incidents remain the leading cause of injuries. This trend reflects industry wide experience, although the severity of LTIs remains low.

Moving forwards ABP is additionally implementing a serious injury and fatality (SIF) potential programme to ensure that incidents and events which have low frequency or likelihood but high potential consequences are effectively identified and addressed.

The H&S function report regularly to the Executive, Harbour Authority and Safety Board and major risk group on safety performance, emerging risks and H&S developments.

The Marine Accident Investigation Branch ("MAIB") investigation into the fatal incident involving the ABP pilot in the Humber in January 2023 is ongoing. The draft report from the MAIB is expected in Spring 2025. ABP remain committed to learning from the incident investigation once issued and, in the interim, have been active in enhancing medical checks for our pilots.

ABP's employment engagement continues to rate H&S as the highest scoring area within the survey, but the H&S, Communications and Academy teams are continuing to work in partnership to develop and deliver further initiatives, engagement events and training courses.

The company's Beyond Zero programme, focused on behavioural safety and everyone going home safe and well at the end of every shift, has continued, maintaining 100% attendance (barring absences such as maternity leave). In addition to online training events through the second half of 2024 the Beyond Zero training has included safety conversations held within the workplace to support and reinforce the Beyond Zero messaging.

The company continues to maintain a secure environment for ABP and its port users to carry out their business, ensuring that people and assets are protected. Breaches of security and illegal activities are not tolerated anywhere on ABP ports, and the company works closely with local Police and other agencies to deter, delay, detect and respond to security threats.

Strategic report (continued)

2. Development and performance of the business (continued)

2.2 Financial performance and KPIs

The following KPIs are considered by the Board of Associated British Ports Holdings Limited (“ABPH”), that has responsibility for approving the group’s overall business strategy, to provide a good representation of the performance of the business:

- Tonnage and unitised volumes indicate the level of cargo throughput at the group’s ports which is a key driver of revenue;
- Passenger volumes is an indication of the level of cruise activities at the group’s ports. Passenger numbers will have an impact on associated revenue;
- Revenue, consolidated EBITDA as defined by lending covenants, operating profit, Profit/(loss) before net gain/loss on derivatives at fair value through profit and loss and foreign exchange and profit before tax indicate the financial performance of the business;
- Capital expenditure indicates the level of investment the company undertakes to maintain and increase the scope of operations and obtain future economic benefits. The delivery of capital projects is tracked as they may have significant impacts on financial performance;
- Total assets reflect the group’s overall financial position, providing insights into its ability to generate revenue and manage its resources effectively; and
- Covenant ratios are calculated on a 12-month rolling basis at each year end and include Interest Cover Ratio (Ratio of Adjusted Consolidated EBITDA to Net Interest Payable) and Leverage Ratio (Ratio of Consolidated Net Borrowing to Consolidated EBITDA).

Alternative performance measures (“APMs”) included above are used to assess the underlying performance of the business and are defined as follows:

- “Consolidated EBITDA”, is defined as earnings before interest, tax, depreciation and amortisation and after excluding certain items calculated in accordance with the definitions set out in the Master Definitions Agreement under the group’s lending covenants. A reconciliation from consolidated EBITDA to statutory performance measures is included on page 4;
- “Profit or loss before net gain/loss on derivatives at fair value through profit and loss and foreign exchange” is defined as profit before tax and movements on financial instruments and foreign exchange.

The use of APMs compared to statutory IFRS measures may give rise to limitations, such as a lack of comparability across companies, and are not a substitute for IFRS measures of profit.

These performance measures are used by the ABPH Board to monitor the performance of the group. They are included in regular finance reports to the ABPH Board. Performance against each of these KPIs is as follows:

- Bulk cargo tonnage handled by the group’s ports decreased by 9.7% to 43.8m tonnes in 2024 (2023: 48.5m tonnes), driven by a reduction in volumes across the ports, mainly due to coal and steel production. This is in line with the UK’s move towards cleaner energy. Unitised cargo remained broadly flat at 3.1m units (2023: 3.1m units), reflecting stable trading conditions in the trade vehicles sector and for containers.
- Passenger volumes increased by 5.8% to 3,819.4k (2023: 3,609.5k), reflecting strong occupancy levels and out-of-season cruise volumes, plus increased ferry activities.
- Group revenue increased by 7.4% to £783.5m (2023: £729.5m), despite lower volumes, primarily driven by indexed contract uplifts, increased cruise & ferry passenger numbers, pilotage & conservancy, and increased property rental.

Strategic report (continued)**2. Development and performance of the business (continued)****2.2 Financial performance and KPIs (continued)**

Reconciliation of Operating Profit to Consolidated EBITDA

	2024 £m	2023 £m
Consolidated EBITDA	432.0	389.2
Amortisation	(15.2)	(13.5)
Depreciation	(104.8)	(102.1)
Increase in fair value of investment properties	233.8	92.8
Net unrealised foreign exchange loss	(0.3)	-
Net unrealised loss on fuel derivatives	(0.1)	(2.4)
Profit on disposal of property, plant and equipment, investment property and property and land held for sale	0.2	9.0
Operating profit	545.6	373.0
Net finance costs	(521.2)	(491.1)
Profit/(loss) before net gain/loss on derivatives at fair value through profit and loss and foreign exchange	24.4	(118.1)
Net gain/(loss) on derivatives at fair value through profit and loss and foreign exchange	105.9	(2.5)
Profit/(loss) before tax	130.3	(120.6)

- Operating profit increased by 46.3% to £545.6m (2023: £373.0m). The fair value of the group's investment property portfolio increased by £233.8m in 2024 (2023: increase of £92.8m).
- Profit before net gain/loss on derivatives at fair value through profit and loss and foreign exchange costs increased by 120.6% to £24.4m (2023: loss of £118.1m). Higher interest rates on debt increased finance costs to £533.7m (2023: £499.6m) with finance income increasing to £12.5m (2023: £8.5m).
- Net gains of £105.9m (2023: losses of £2.5m) relate to fair value adjustments of derivative financial instruments and foreign exchange differences.
- Net cash outflow from operating activities is £39.4m (2023: inflow of £56.7m) which includes loan interest payments of £428.8m (2023: £310.3m).
- Net cash outflow from investing activities is £219.1m (2023: £198.2m), including £229.9m (2023: £215.6m) of capital expenditure.
- As at 31 December 2024, the group had net liabilities of £1,533.2m (2023: £1,585.5m). This includes external senior borrowings of £2,729.3m (2023: £2,515.2m) and subordinated long term loans, due to its immediate parent undertaking, ABP Midco UK Limited, of £4,063.3m (2023: £3,957.4m);
- Historic Covenanted Financial Ratios:

At 31 December	Default Trigger	2024	2023
Ratio of Adjusted Consolidated EBITDA to Net Interest Payable	<1.75	2.48x	2.55x
Ratio of Consolidated Net Borrowings to Consolidated EBITDA	>7.50	6.26x	6.26x

Strategic report (continued)**2. Development and performance of the business (continued)****2.3 Sustainability**

Progress against the group's primary sustainability performance indicator is detailed below:

	Target	2024 ⁴	Restated 2023 ³	Reported 2023	Change from 2023
ABP Direct tCO ₂ e emissions (tonnes) – market-based ¹	< prior year	28,987	32,631	38,257	-11%
ABP Direct tCO ₂ e emissions (tonnes) – location-based ²	< prior year	37,008	39,492	40,399	-6%

¹ Scope 1 & Scope 2 GHG emissions (market-based): Defined as the total GHG emissions from ABP's direct operations and Scope 2 GHG emissions which includes the benefit of Renewable Energy Guarantees of Origin (REGO) certificates. From Q1 2019 ABP has included Renewable Energy Guarantees of Origin (REGO) certificates under the market-based method for its grid electricity from the supplier. Under the market-based method, Scope 2 GHG emissions for these kWh are zero. Recently, ABP has undertaken correction towards 2021-2024 market-based GHG emissions.

² Scope 1 & Scope 2 GHG emissions (location-based): Defined as the total GHG emissions from ABP's direct operations and Scope 2 GHG emissions calculated assuming all the grid electricity the organisation purchased consists of the UK grid average mix of sources (i.e. not accountable for the REGO purchased).

³ 2023 figures were restated following 2024 sustainability data audit which identified third party emission in the group figures.

⁴ 2024 figures include total energy usage by the organization, however these values are subject to a non-material change following external review by auditors and any restatements.

Following continued third party limited-assurance review of its key sustainability KPIs, there have been adjustments to the reported values in previous years (2021-2023), based on the audit findings. The sustainability KPIs that were reviewed are:

- Total GHG emissions (tCO₂e)
 - Total Scope 1 GHG emissions (tCO₂e)
 - Total Scope 2 GHG emissions (tCO₂e) location & market based
- Total Energy Consumed (Fuel, grid electricity and renewable electricity) (GWh)
- Water withdrawal (million litres)
- Waste Generated & Waste Recycled (metric tonnes)

In 2024 the group's reported carbon emissions (market-based) decreased by 11% on an absolute basis compared to 2023 and the group's reported carbon emissions (location-based) decreased by 6%..

Following external audits the group's Environmental Management System continues to be certified to ISO 14001 and the ABP Energy Management System successfully retained certification to ISO 50001.

The information below is reported in accordance with requirements under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. All figures reported are for the period of 1 January to 31 December and relate to the emissions of the ultimate group, (ABP (Jersey) Limited and all subsidiaries) in the United Kingdom and offshore areas.

Energy use and sources of Green House Gas ("GHG") Emissions

Total energy use	Energy used (GWh) ¹	CO ₂ e emissions (tCO ₂ e) ²	Intensity (tCO ₂ e/ GWh)
2024	176.3	37,008	210
2023 ³	193.6	39,492	204

¹ Calculated based on the group's consumption of purchased grid electricity, private wire connections, on-site renewable energy generation, and fuel (operation, marine & road transport).

² ABP Direct GHG emissions – (location based) method

³ 2023 energy and GHG emissions figures restated following external review during 2024 sustainability data audit.

Strategic report (continued)**2. Development and performance of the business (continued)****2.3 Sustainability (continued)****GHG Emissions by scope**

	GHG emissions (tCO₂e)	Group Revenue (£m)	Intensity (tCO₂e/£m)
2024			
Scope 1 ¹	26,801	783.5	34.2
Scope 2 ²	10,207	783.5	13.0
Total	37,008	783.5	47.2
2023³			
Scope 1 ¹	30,148	729.5	41.3
Scope 2 ²	9,344	729.5	12.8
Total	39,492	729.5	54.1

¹ Calculated based on the group's consumption of gas and fuels for operations and transport

² Calculated based on the group's consumption of grid-electricity, private wire connections and renewable electricity purchased (location-based). This method excludes Renewable Energy Guarantees of Origin (REGO) certificates consideration. Under the market-based method, Scope 2 GHG emissions for these REGO backed kWh are zero.

³ 2023 figures restated following external audit during 2024.

Methodology

Energy data is gathered via billing statements and meter data. ABP GHG emissions are calculated based on the GHG Protocol methodology via the system called GreenstonePlus or Cority. The system has inbuilt GHG emission factors and fuel conversion factors based on the Department for Environment, Food & Rural Affairs (DEFRA), UK and other relevant entities. On a year-on-year basis the system updates the emission & conversion factors based on DEFRA annual updates. In line with GHG protocol, Scope 1 GHG emissions include emissions derived from the fuel consumption and F-gases usage, whereas Scope 2 GHG emissions account for electricity/energy purchased. Scope 3 is any energy sold onto third parties.

Energy Efficiency and Emissions Reduction Action Taken

As part of its drive to improve energy efficiency and successfully maintain ISO 50001 certification of ABP's energy management system, ABP continued to identify and implement energy efficiency and emission reducing projects across the business in 2024 reducing scope 1 and 2 emissions.

ABP has renewable energy generation at 18 of its 21 ports, in the period covered by the report. In terms of total energy generation at ABP locations, 2024 recorded 20.5 GWh of renewable energy generation. This is approximately 25% less than year 2023 reflecting the volatility in renewable energy.

ABP has committed to invest in the delivery of additional fuel-efficient pilot boats, electric cranes and reach stackers and other equipment over the course of the next five years to continue to reduce scope 1 emissions. In Q4 2024, ABP piloted usage of biofuel within its marine vessels.

The group maintains a sustainability strategy, further detail can be found in Section 4 'Non-Financial and Sustainability Information Statement'.

Strategic report (continued)**2. Development and performance of the business (continued)****2.4 People****Employee figures**

During 2024, the monthly average number of people employed by group was 2,454 (2023: 2,460).

The table below sets out the staff turnover rate as a percentage of headcount for the year ended 31 December:

	Target	2024 % of total	2023 % of total	pp change from 2023
Annual leavers as a percentage of headcount	5-10%	13.3%	15.8%	-2.5%

The average headcount has remained relatively stable during the year due to a focused and carefully managed workforce plan.

Annual leavers as a percentage of headcount decreased by 2.5% to 13.3% in 2024, although it remains above the targeted range. Of these, 8.8% (2023: 9.7%) were voluntary leavers, while the remaining 4.5% (2023: 6.1%) left for other reasons such as ill health, TUPE transfers, redundancy, end of fixed-term contracts, or dismissal.

The percentage of women in our workforce increased to 17% in 2024 (2023: 16%). Additionally, 30% of our Executive Team are female. The Gender Pay Gap 2024 results confirm that our mean pay gap has improved from -4% to -2%, and the median pay gap has improved from -6% to -5%. This improvement is attributed to an increase of 22 women and a decrease of 10 men in the business, along with a 2% increase in the proportion of women paid in the Upper Middle quartile. Key observations from our quartile results compared to 2023 include a 2% increase in the proportion of women in the Upper Middle quartile, rising to 16%, and a 1% increase in the proportion of women in the Lower Middle quartile, rising to 15%.

It is important to note that in future years, the pay gap may fluctuate up or down depending on the make-up of the workforce at various levels and the payments made.

People Strategy

To enable and underpin delivery of our business strategy, a group wide people strategy was developed and agreed in 2020. The strategy has 5 strategic themes: A healthy and safe place to work; getting the basics right; growing and retaining a highly skilled workforce; strong managers and leaders at every level; and creating a diverse and inclusive workplace. In 2024 we continued to make good progress in each area of the strategy.

A Healthy and Safe Place to Work

We continued to support the well-being of colleagues during 2024 with initiatives that focused on their physical, mental, and financial well-being. Our internal Health & Safety training team, working as part of the ABP Academy, developed and delivered a new version of the Beyond Zero safety training in 2024, which all employees are required to complete. This was delivered virtually to everyone in ABP and followed up by in-person safety conversations for our frontline colleagues at their place of work. The team also began delivering the internally developed Incident Investigation training course, designed to support employees involved in investigating incidents. Additionally, we continued to focus on behavioural safety in 2024, with 225 colleagues attending our immersive safety training programme called Thrive.

Strategic report (continued)

2. Development and performance of the business (continued)

2.4 People (continued)

The ABP Academy was nominated for the Port Skills and Safety (“PSS”) ‘Best Members Collaboration Award’ for the delivery of the Managing Safely in Ports course externally at Portsmouth International Port. The Academy is working with PSS to develop more opportunities to deliver external courses for PSS in 2025 and beyond.

Mental health continued to be a focus area in 2024, with the Southampton Region supporting Andy’s Man Club as their chosen charity for the year. The charity provides a safe space for men to discuss their feelings and challenges. In total, colleagues in the region raised over £15,000 to support the charity throughout the year. In addition, we continued to provide training on mental health, with “Managing Mental Health and Well-being Conversations” as part of our people management learning modules. We also increased the number of Mental Health First Aiders, with a further 33 employees trained this year, bringing the total number of trained Mental Health First Aiders to almost 100 across the business.

We continue to provide a range of benefits and programmes aimed at keeping our colleagues fit and well. We offer a free flu vaccination programme every year before the winter flu season and free health MOTs at key locations across the group, offering a series of health assessments such as cholesterol and blood pressure and providing early information on potential health issues. We offer all employees the opportunity to take part in our private medical plan, which includes access to dental treatment.

As a safety-critical organization, it is part of our contract with employees that we will randomly test a sample of employees every month for the presence of drugs and/or alcohol. We also conduct tests when there has been an incident at our ports or when an employee is suspected of being impaired. While we use external providers for much of the testing, in 2024, we implemented ‘in-house’ drug and alcohol testing in the Humber and Wales and Short Sea Ports regions. This additional step in the existing post-incident testing regime aims to improve efficiency and reduce operational downtime.

Our Bullying and Harassment policy was updated this year to reflect the new positive duty to prevent sexual harassment in the workplace. The updated policy outlines ABP’s zero-tolerance approach to all forms of harassment, including sexual harassment, and clearly defines the expected standards of conduct and behaviour at ABP. It provides examples of what constitutes sexual harassment and harmful behaviours, as well as other types of harassment and bullying. The policy also details the process for raising concerns informally or formally and lists sources of support. To ensure all employees and managers are aware of what sexual harassment is, how to identify it, and how to take action to prevent it, the policy is supported by a new mandatory online learning module.

Getting the basics right

We continually strive to keep our employment policies and practices up to date. In 2024, we reviewed and updated several employment policies, procedures, and processes to simplify them and make our colleagues' working lives easier. In support of our sustainability agenda, we switched to fully online payslips, eliminating the need to print and send them by post. Colleagues can now access their own HR records online, and we continue to look for more opportunities to move to online solutions where possible.

We provide all employees with a total reward statement every year, helping them understand the total value of their remuneration package, including any benefits they take up. This also provides an opportunity for ABP to showcase other benefits that may be relevant and valuable to them, potentially saving them money or supporting their lifestyle, health, and well-being.

Strategic report (continued)

2. Development and performance of the business (continued)

2.4 People (continued)

Growing and Retaining a Highly Skilled Workforce

We continue to attract and nurture new talent at ABP through our Early Career programmes. In 2024, we welcomed 9 graduates into various functions across the group. Our goal is to provide meaningful career paths for our graduates, and we are pleased to report that all 6 graduates from the 2022 cohort have transitioned into permanent roles. Additionally, we onboarded 21 new apprentices in September 2024, and all those who completed their programmes have moved into full-time positions with ABP. Both our apprentices and graduates contribute to building a robust, long-term talent pipeline. We also engaged with local schools and colleges, giving talks to students about the diverse career opportunities within the ports industry and the roles available at ABP.

For our existing colleagues, we conducted over 2,000 training courses throughout the year to ensure our workforce remains skilled and competent. This included induction training for all new starters, with 30 sessions held (at least every 2 weeks) covering 279 colleagues. Additionally, nearly 5,000 e-learning modules were completed.

We are committed to the professional development of our employees. In 2024, we continued to support 25 colleagues in obtaining professional qualifications, providing financial assistance or paid/unpaid time off for study. We also supported 27 new apprentice qualifications. Furthermore, we achieved Finance accreditations for ACCA, CIMA, and AICPA, aiding our Finance colleagues in obtaining and maintaining their professional credentials.

Strong Managers and Leaders at Every Level

We continued to deliver a variety of modules to our people managers under our “Lead my Team” development programme, including giving and receiving feedback, introduction to coaching, and effective performance conversations. We were delighted to achieve the Institute of Leadership and Management (“ILM”) accreditation for this programme during the year. This accreditation means that the sessions meet ILM standards, and certificates can now be provided to attendees. We continue to add more modules to the programme to ensure that our people managers are well-trained and supported in leading their teams effectively.

The Academy team coached 130 employees using the PRINT psychometric tool, focusing specifically on effective teamworking development sessions. Additionally, internally developed and delivered presentation skills training was attended by 29 participants from our project, procurement, and graduate teams.

Diverse and Inclusive Workforce

Our Diversity & Inclusion Network (“D&I”) employee network groups (disability and mental health, faith, religion, ethnicity and everyone, gender, and LGBTQ+) have continued to raise awareness of important issues affecting colleagues at work. The ABP Pride (LGBTQ+) network hosted brunches during Pride Month to educate colleagues on matters related to the LGBTQ+ community. Other key network campaigns in 2024 included ABP Gen’s (gender network) International Women’s Day and International Men’s campaigns, and the Ability (disability and mental health) network’s campaign during Mental Health Awareness Week. Our D&I networks continued to be a forum for colleagues to share ideas on how we can make ABP a more inclusive place to work. Colleagues are now able to add pronouns in their email signatures and employee profiles.

Strategic report (continued)

2. Development and performance of the business (continued)

2.4 People (continued)

National Inclusion Week 2024 was once again a milestone event in the year to promote diversity and inclusion in the workplace. This year, former rugby player and LGBTQ+ advocate Gareth Thomas CBE hosted a powerful talk on authenticity. Training sessions on being an inclusive colleague and an introduction to D&I were also held.

Our Ability (disability and mental health) network ran a first-of-its-kind campaign and training session during Invisible Disabilities Week on neurodiversity. This educated colleagues on different types of neurodiversity and how to support others. ABP participated in the global Positively Purple movement again this year on the International Day of Persons with Disabilities. Five port buildings were illuminated in purple to celebrate the economic contributions of people with disabilities.

ABP is committed to providing fair recruitment processes to encourage more candidates from diverse backgrounds to apply. Since making improvements to our application process in 2023, the number of applicants from non-white ethnic backgrounds has risen by 15%. We have also seen an increase in female applicants for front-line roles.

This year, we were delighted to be shortlisted in the D&I categories for the Multimodal, Mersey Maritime, British Recruitment, and British Ports Association awards. This recognition shows the progress we are making in increasing diversity and inclusion within the maritime industry.

3. Risks and uncertainties

ABP's policy with respect to risk management is to direct resources to ensure that ABP, as far as possible, aligns its exposure to risk with defined risk appetite thresholds that are based on preventing harm to colleagues, and other port users, and preventing adverse financial impacts.

The principal risks facing the group, based on the residual risk to the business, are recorded in the group's risk and control register. The top risks are grouped based on their potential to impact on health and safety or the group's financial results.

The group's principal safety risks relate to the potential for a major incident, either on a tenanted site or an ABP controlled site, as a result of the high-risk operations carried out across the ports and the potential for fatalities, or serious injuries, to colleagues, or other port users, as a result of either their actions or a workplace transport incident.

- **Tenant Loses Control of Operation:** ABP's predominantly landlord-tenant operating model means that a high proportion of activities carried out across our ports are done so outside of ABP's direct control. These activities may include heavy industrial operations and the handling of dangerous cargoes such as ammonium nitrate. Consequently, there is a risk that a tenant, operating independently, experiences a fire or explosion on their site that results in harm to colleagues, or other port users, and prolonged business interruption at a port. ABP has in place processes to ensure only tenants who can operate safely are onboarded and to assure ourselves of a tenant's compliance to their statutory and contractual obligations. Even with these control checks in place, ABP acknowledges that this will remain a significant risk to the business given the potential for a catastrophic health and safety outcome and the limited control ABP has at tenanted sites.

Strategic report (continued)

3. Risks and uncertainties (continued)

- **Fire/Explosion:** With ABP's increasing involvement in operations, there is a risk of a fire or explosion on an ABP controlled site. Robust, proactive controls are in place which help to prevent this risk from materialising. These include fire and Dangerous Substances and Explosive Atmospheres Regulations ("DSEAR") risk assessments to identify potential hazards, cargo care measures and essential maintenance of plant and equipment. ABP colleagues are also trained to respond to an incident should it arise. Fire and Control of Major Accident Hazards ("COMAH") regulations awareness training are complemented by regular drilling of emergency plans, which involve local resilience forums and other key stakeholders. Undertaking 'lessons learned' and sharing best practice across the group will continue to help to further improve ABP's controls, whilst audits are undertaken to verify the effectiveness of current controls.
- **Workplace Transport Incident:** There is a risk that ABP are not able to keep staff and other port users (including the general public) safe when moving around the port estate. Moving plant, heavy goods vehicles and cars present a risk to those on the port premises. There are controls in place at the ports which help to mitigate the risk, including segregation of plant and people, the use of speed cameras, safe systems of work, training and telematics in ABP company vehicles. Additional actions being progressed to further reduce this risk include improvements to road conditions, road markings and signage.
- **Public Injured on Port Estate:** There is a risk that members of the public entering the port estate may be fatally injured. This is a particular concern given the number of sites that can be easily accessed. At some ports there are specific challenges relating to dilapidated buildings and structures being accessed by the public and members of the public attempting to swim within the port estate. Controls are in place, including fencing, security staff and CCTV, to help prevent public access to high risk areas of ports. A number of control improvements were made in 2024.

The group's principal financial risks relate to the loss of business from a major customer and multiple customers or tenant failures leading to an adverse impact on the group's EBITDA. In response to these risks, ABP has reviewed the risk status of top customers and proactively engages with them to find commercial solutions and retain their business. ABP monitors all its customers and maintains close relationships with key customers.

Further significant financial risks relate to the potential for major development projects, to deliver business growth, being delayed or cancelled due to customer financial constraints, market conditions, increases in construction costs or difficulties in obtaining the necessary development approvals. ABP follows a strong approach to governance to ensure only sound project business cases are progressed, that customer requirements are well understood, that appropriate procurement strategies are followed and that project plans fully take account of consenting and approval requirements.

The group's principal technological risk remains that of cyber-attack. There is a risk that ABP's corporate computer systems could be compromised by the use of an e-mail or web based cyber-attack which results in employees being unable to operate connected devices and software because of the disruption caused by the attack, containment of the attack and the subsequent system restoration. Preventative controls are in place to detect and block attacks, along with training to raise staff awareness such as simulated phishing emails. Data back-ups are routinely undertaken. Penetration testing is undertaken to identify vulnerabilities, so that weaknesses can be addressed. Incident response plans are tested and Business Continuity Plans are in place covering critical business activities.

Strategic report (continued)

3. Risks and uncertainties (continued)

Emerging risks that could impact ABP's business beyond the current five-year plan, have been identified and categorised as follows.

- **Environment:** Predicted long term changes to our climate and weather patterns, beyond those already being experienced, not only have the potential to directly further impact our operations but may also result in increasingly restrictive environmental legislation. The global drive towards decarbonisation also poses challenges for ABP and our customers in the timeframe considered. In response to these challenges ABP launched its Sustainability Strategy in February 2023. ABP has undertaken flood risk assessments across all its ports, with further work having been completed in 2024, and these are being used as part of the critical asset management processes. The flood risk assessments will be developed into long-term strategic flood risk plans for high risk port locations. These will support flood risk consideration when ABP develop new, or replace existing, port infrastructure.
- **Power Supply Capacity:** Electrical power demand from customers at some of ABP's ports is expected to increase significantly in the coming years as customers seek to reduce their use of fossil fuels and achieve environmental targets. ABP is working with customers and Distribution Network Operators to help ensure customer power requirements can be met.
- **Public Policy and Regulation:** ABP recognises that both the maritime industry and key sectors of ABP's business are susceptible to changes in public policy, regulatory requirements, and government support.
- **Technology, Innovation and Competition:** ABP endeavours to keep pace with technological change to remain competitive and to keep port users and assets safe and secure. ABP also acknowledges that as our economy becomes more technology-focussed, competition for certain skills will intensify.

Financial risk management

Treasury matters throughout the group are controlled centrally and carried out in compliance with policies approved by the Board of Associated British Ports Holdings Limited ("ABPH"), an intermediate subsidiary of the company. The Board of ABPH monitors treasury matters and approves significant decisions. The treasury function's purpose is to identify and mitigate, where appropriate, financial risks inherent in the group's business operations and capital structure. The group's main financial risks are access to liquidity, interest rates, foreign exchange, capital and credit risk as described below. The group aims to manage these risks to an acceptable level.

The group does not use financial instruments for speculative purposes.

Liquidity risk

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 2024, the group had access to £285m of committed and undrawn borrowing facilities and to £65.2m of cash and cash equivalents. Debt maturities are spread over a range of dates, ensuring the group is not exposed to a material refinancing in any one year (see note 1 on going concern and note 16 on financial risk management). In addition, the ABPAH group has in place £202m of debt service reserve liquidity facilities in the forms of guarantees and undrawn bank facilities which are structured to meet at least 12 months of interest costs in the event cash is not available. These are renewed annually, commitments are for up to 5 years at each renewal date.

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.

Strategic report (continued)

3. Risks and uncertainties (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Risks arising from changes in interest rates are managed by maintaining a balance between fixed and floating rate debt. The group uses derivative instruments, such as interest rate swaps to hedge against changes in interest rates and to adjust the balance between fixed and floating rate debt. Consequently, as at 31 December 2024, with the exception of loans from the immediate parent company, 90% of the group's external borrowing exposure was fixed.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. As at 31 December 2024, the group had debt in foreign currency comprising USD 516.5m in private placements and JPY 10.0bn in private placements and is therefore exposed to foreign exchange risk on these arrangements. This foreign currency exposure is fully hedged through cross currency swaps.

The group principally invoices its customers and settles its expenses in sterling. Accordingly, currency exposure arising from transactions being settled in other currencies tends to arise infrequently but where foreign currency exposure does arise, it is managed through forward currency contracts.

Capital risk

The group's financing arrangements are set out in notes 15 and 16, to the financial statements. The group keeps its funding structure under review with the objective of maximising shareholder value and ensuring that it has the resources and the capacity to meet its operational requirements and to facilitate the execution of its strategy. The group's external loan covenants impose certain restrictions on the group relating to capital which are regularly monitored by management. The group was in compliance with these covenants during 2023 and 2024.

Credit risk

In common with other companies, the group is exposed to credit-related losses in the event of non-performance by counterparties to financial transactions. The group mitigates this risk by ensuring that its counterparties do not represent excessive credit risk prior to entering into new agreements. Ongoing exposure to counterparties is also reviewed on a regular basis. The group's credit risk policies are discussed further in note 16 to the financial statements.

Credit risk principally arises from cash and cash equivalents, derivative financial instruments and accounts receivable. The group has no material concentrations of credit risk. The group's exposure to credit related losses, in the event of non-performance by counterparties to financial instruments, is mitigated by limiting exposure to any one party or instrument and ensuring transactions are only with counterparties within defined credit risk parameters.

Investment activity is reviewed on a regular basis and cash and cash equivalents are placed with approved counterparties, whose credit ratings are in accordance with internal treasury policies.

The group monitors the credit rating of all financial counterparties and ensures no positions are entered into with counterparties with credit ratings that are below assigned limits.

Strategic report (continued)

4. Non-Financial and Sustainability Information Statement

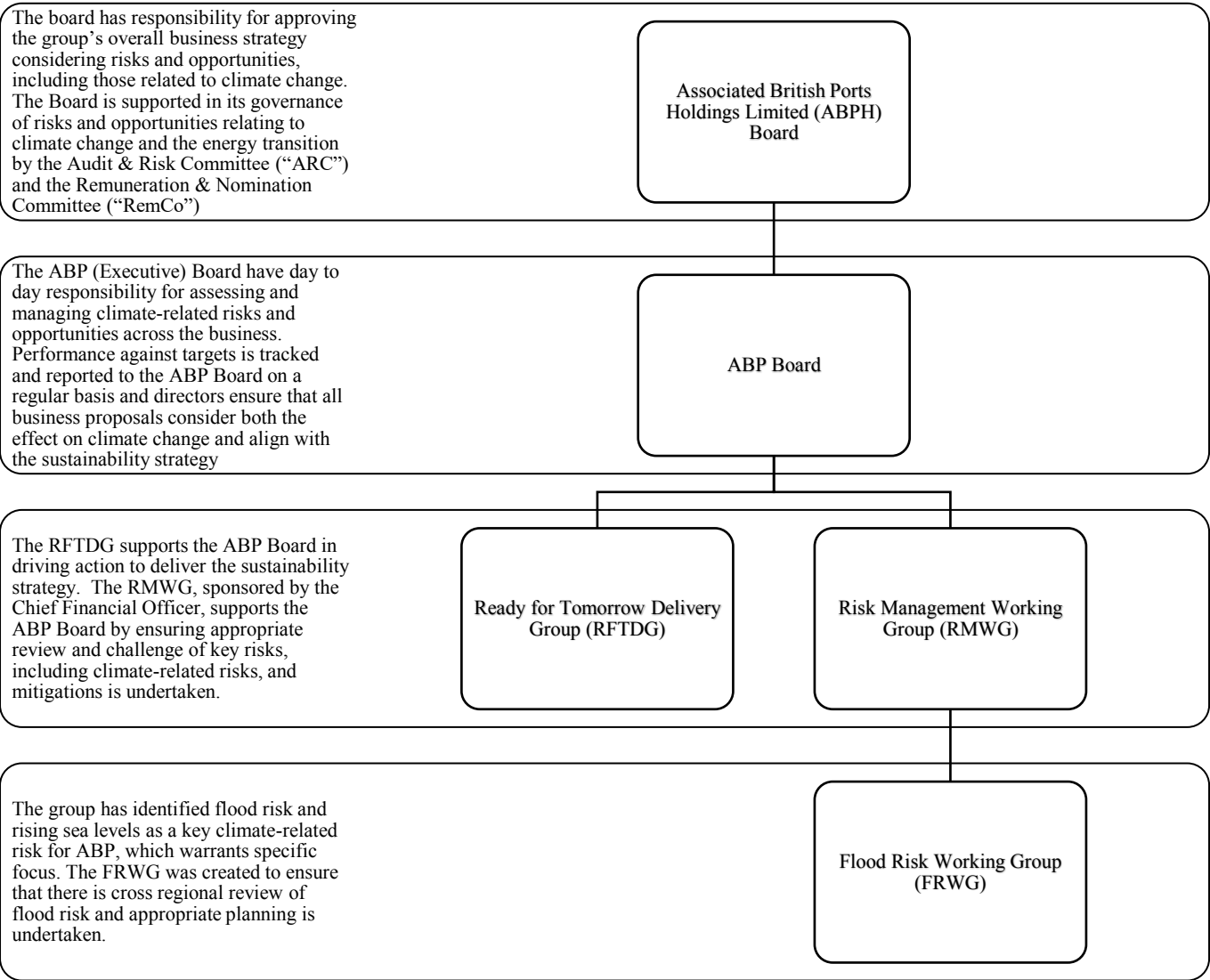
ABP recognises that climate change poses significant risks to our business, including physical impacts like flooding and changes in our customer base due to evolving technology, regulation, market demand, and geo-political events. We are committed to achieving net zero emissions from our operations by 2040 and supporting our customers’ decarbonisation goals.

We have already invested over £60 million in green technology and have approximately 33 MW of operational wind and solar energy capacity across our ports. Strategically, we are aiding the UK’s decarbonisation by supporting initiatives such as floating offshore wind and steel decarbonisation at Port Talbot, and green hydrogen and carbon capture in the Humber.

In 2023, we launched our first sustainability strategy, outlining plans to invest an additional £2 billion in green infrastructure over the next two decades. This investment will help us decarbonise our operations and support our customers through the energy transition. More details are provided in this disclosure.

Governance

The following section outlines the governance bodies/structure within the group for the oversight and management of climate-related risks and opportunities. The hierarchy represents the reporting and feedback lines within the organisation.



Strategic report (continued)

4. Non-Financial and Sustainability Information Statement (continued)

Risk Management

ABP has in place a Risk Management Policy which is reviewed, modified as necessary and approved annually by the ABP Board and the ABPH Board. The purpose of the Risk Management Policy is to:

- confirm and communicate ABP's commitment to risk management as a means of directing resources to ensure that ABP aligns exposure to risks with its defined risk appetite thresholds as far as possible, and in particular for those risks with the potential to harm people or the environment, contravene applicable legal/regulatory requirements and/or reduce business value; and
- define the high-level governance, roles and responsibilities and risk management methodology associated with this commitment.

The Risk Management Policy includes a risk scoring guide which sets out the risk impact and likelihood thresholds, and associated scores, for the categories of risks.

ABP applies a rigorous risk management process, which includes:

- maintaining details of business risks, controls and actions within the corporate risk register;
- the identification and assessment of new and emerging risks, via risk workshops and other forums;
- risks, controls and actions are reviewed and refreshed on at least a quarterly basis by Risk Owners, with support from Risk Coordinators and Senior Risk Leads;
- quarterly Regional and Functional leadership team risk reviews are completed and the corporate risk register updated accordingly;
- following the Regional and Functional quarterly leadership risk reviews, the RMWG meet quarterly to review and, where necessary challenge, the top risks identified via the Regional and Functional quarterly leadership risk reviews. The RMWG also considers any new or emerging risks and ensures these are developed and analysed and that actions are agreed to address these risks;
- on a regular basis the Group Head of Risk and Assurance reports to the ABP Board the top risks across the Group for their consideration; and
- annually the Group Head of Risk and Assurance reports to the ARC setting out the top risks across the Group. These risks are also reported to the ABPH Board.

Climate change related risks are considered as part of the risk management processes described above and where necessary specific projects to further assess these risks are undertaken, with specialist third-party support as required.

Strategic report (continued)

4. Non-Financial and Sustainability Information Statement (continued)

Climate-related Risks and Opportunities

ABP has the potential to be impacted by both physical and transition risks and opportunities which could possibly cause a material impact on the value of ABP and its assets:

Physical risks are those arising from climatic events and long-term shifts in climate patterns. These include the increased frequency and severity of extreme weather events as well as rising sea levels, leading to more frequent flooding. We consider that by far the greatest physical risk to ABP and its operations is that of flooding from the sea, with long-term sea-level rise increasing the height of extreme water levels during storm events. Other physical risks (such as increases in temperature or changes in rainfall patterns) are found to cause neither a significant material impact on the value of our assets nor greatly impede operations so are not mentioned further here.

Transition risks and opportunities are those arising from the changes in technology, markets, policy, regulation, and consumer sentiment which will result from our transition to net zero. Our business is sensitive to our customers' markets, with changes in the type and volume of commodities passing through our ports impacting revenue.

Both categories are intricately linked and inter-dependent, with overlap especially apparent between markets and government policy.

As the future is highly uncertain and difficult to predict and to fully assess ABP's resilience to climate-related downside risks (as well as opportunities that may emerge) ABP has developed two key scenarios which enable the implications of different climate impacts to be explored.

These are:

- Divergent Net Zero ("DNZ") – where the UK achieves its 2050 net zero target. However, significant and abrupt changes in policy, high carbon prices, and sudden changes to investment practices, along with greater socio-economic effects occur; and
- Hot House World ("HHW") – this scenario considers a future in which net zero targets are relaxed, with energy security and growth prioritised over policies controlling CO2 emissions.

The scenarios are not intended to be projections or predictions but instead represent plausible versions of the future on which to base our analyses.

The climate scenarios and impact assessment methodologies have been developed to understand risk in the short term (to 2028), medium term (to 2050) and long term (to 2100). The risk assessment considers the magnitude of impact in terms of estimated financial impact or opportunity using a five-point scale ranging from immaterial (less than £3m EBITDA and/or <£15m one off cash payment) through to catastrophic or transformational (where estimates are greater than £70m EBITDA and/or >£600m one off cash payment). It also considers the associated probability of the impact occurring, again using a five-point scale ranging from a remote chance (less than 5%) through to almost certain (greater than 95%). The risk assessment calculates the level of risk by multiplying the impact and probability scores with low being up to 5; medium 6-14 and high being 15-25.

Both the physical and transition risks and opportunities have been analysed over the short (to 2028), medium (to 2050) and long term (to 2100). It should be noted that the most pronounced transitional risks and opportunities will emerge over short to medium timescales, whilst flood risk will be greatest over longer timescales.

Strategic report (continued)**4. Non-Financial and Sustainability Information Statement (continued)**

Physical Risks Analysis

Flood Risk

Relevance to ABP	<p>Flooding from the sea is the most significant physical risk facing ABP’s business with potential to damage assets and infrastructure, interrupt trade and limit development of low-lying areas of the port estate.</p> <p>The risk of flooding at each of ABP’s ports is not the same, either in time or space, some ports are currently well defended or have high land elevations relative to the height of extreme surge water levels meaning they are not expected to be at risk for several decades, whilst others are at greater risk even in the short term. It should be recognised that even if flooding were to occur, it does not necessarily imply physical damage/financial loss will occur. It is the exposure of critical assets within each port estate to flooding that defines the level of risk.</p>															
Time Horizon/Materiality (unmitigated)	<p>Risk Assessment</p> <table><tr><td></td><td>Short Term</td><td>Medium Term</td><td>Long Term</td></tr><tr><td>Divergent Net Zero</td><td>Low</td><td>Low</td><td>Medium</td></tr><tr><td>Hot House World</td><td>Low</td><td>Medium</td><td>High</td></tr></table>					Short Term	Medium Term	Long Term	Divergent Net Zero	Low	Low	Medium	Hot House World	Low	Medium	High
	Short Term	Medium Term	Long Term													
Divergent Net Zero	Low	Low	Medium													
Hot House World	Low	Medium	High													
Potential Financial Impacts	<p>Direct impacts – damage to both ABP and customer assets/infrastructure, as well as loss of earnings. Scale of impact will depend on storm surge magnitude and port preparedness.</p> <p>Indirect impacts – cost of insurance, increase in credit risk (if ABP is not able to demonstrate preparedness), constraints on development (due to planning policy in flood risk areas)</p>															
ABP Risk Mitigations	<p>In recent years, ABP has commissioned several investigations to enhance understanding of flood risk at each port location. These have considered present day and future time horizons (out to 2115). A strategic group-wide approach to the determination and management of flood risk is currently being implemented, building upon these investigation studies. This will help determine overall infrastructure and operational resilience and will ensure that flood risk management and climate change risk is integrated into existing asset management and decision-making processes. In 2024 a report was commissioned to enhance understanding of flood risk by producing spatial (GIS) information on our coastal flood defence assets. These maps will allow ABP to target upgrades to its flood defence infrastructure. They will also allow ABP to continue to improve its flood defence infrastructure through its capital programme.</p>															

Strategic report (continued)**4. Non-Financial and Sustainability Information Statement (continued)**

Transition Risks Analysis

Market Transition – Risks

Relevance to ABP	ABP's financial position is intimately linked to the strength of the markets our customers operate within and the nature of their operations. Many of ABP's main customers and primary market sectors have the potential to be impacted by climate and environment-related statutory policy decisions over the coming decades. Some of our ports derive a considerable proportion of revenue from customers in the energy sector. The level of risk is therefore expected to be greatest in the DNZ scenario which sees stringent carbon reduction measures implemented over coming decades.			
Time Horizon/Materiality (unmitigated)	Risk Assessment			
		Short Term	Medium Term	Long Term
	Divergent Net Zero	Low	High	High
	Hot House World	Low	Low	Low
Potential Financial Impacts	The transition to lower carbon energy could see key customers leave a port or downscale their operations. This could significantly impact property rental income as well as revenue from handling, ships dues and pilotage if revenue is not replaced by clean energy sectors. The impact would not be equally felt across all ports but would be dependent on the nature of the trade and degree of exposure to climate-related market changes.			
ABP Risk Mitigations	Risks will be managed by a programme of investment focused on infrastructure and facilities supporting customers to decarbonise their operations and customers within the clean energy sectors. This will diversify revenue streams and offset expected long-term declines in traditional fossil-fuel based energy sources such as coal, oil and petroleum.			

Market Transition Opportunities

<p>New, long-term opportunities in green technologies and renewable energy are emerging which are heavily reliant on port infrastructure and many of our ports are in optimum geographic locations to benefit from these opportunities. The greatest potential opportunities are expected under the DNZ scenario which sees stringent carbon reduction measures implemented over the coming decades, driving growth in renewable energy as well as carbon capture and storage. These opportunities are expected to be more pronounced over the medium to long term, although major opportunities also arise over shorter timescales.</p> <p>The transition to lower carbon energy could also see several entirely new customers using ABP's ports, including at locations which are currently underutilised, and which have significant capacity for growth. Major increases could result in property rental income, handling, ship dues and pilotage. The financial impacts would not be equal across all ports, as some would be better located for certain opportunities than others.</p>
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Strategic report (continued)**4. Non-Financial and Sustainability Information Statement (continued)*****Policy & Legal Transition – Risks***

Relevance to ABP	Government has the potential to directly influence the costs of ABP's future developments and operations as well as the value of some assets. There is a risk that shipping emissions will be included in updates to carbon levies as well as rises in the price of carbon emissions. This will increase the cost of running diesel vessels, with investment in alternative vessel technology by both ABP vessels and our customers. In addition, policy may result in more stringent regulations regarding development in flood risk areas and energy performance standards for buildings. Policy may also impact ABP through the viability/profitability of customers' businesses.			
Time Horizon/Materiality (unmitigated)	Risk Assessment			
		Short Term	Medium Term	Long Term
	Divergent Net Zero	Medium	Medium	Low
	Hot House World	Medium	Low	Low
Potential Financial Impacts	Potential impacts include increased operating costs (e.g. higher tax burden, compliance costs and increased insurance premiums), asset impairment and early retirement of existing assets, increased development/capex costs to achieve compliance with policy, and increased cost of capital if ABP is unable to provide sufficient reassurance to markets as to the adequacy of measures to manage climate-related financial risks.			
ABP Risk Mitigations	ABP continues to invest in green technology and has 33MWp (2023: 32MWp) of wind and solar energy capacity across 18 of our 21 ports and plans to invest further capital to decarbonise infrastructure and equipment between 2025 and 2040 to continue to reduce scope 1 and 2 emissions. ABP continues to prepare for known changes in planning regulations in flood prone areas and for new Minimum Energy Efficiency Standards. We also monitor for changes in law and regulation on an ongoing basis, so appropriate planning can be undertaken.			

Policy & Legal Transition Opportunities

The decarbonisation of the shipping industry poses potential opportunities for ABP. As the industry moves to reduce carbon intensity, new bunkering opportunities associated with the use of green fuels, such as hydrogen may arise. Changes to policy and regulation may also see market changes which could result in new business/customers for ABP (see Market Transition Risks/Opportunities above).

ABP has installed shore power facilities in the port of Southampton. Shore power-enabled ships can now plug in at the port's Horizon Cruise Terminal and Mayflower Cruise Terminal, for zero emissions at berth. Opportunities for further shore power deployment across ABP's ports are being kept under review but are dependent on local grid infrastructure capacity (see further below for Technology Transition Risk).

Government decarbonisation plans are also developing. This may provide significant opportunities for ABP and its customers to develop opportunities that would be powered by entirely renewable energy sources.

Strategic report (continued)

4. Non-Financial and Sustainability Information Statement (continued)

Technology Transition – Risks

Relevance to ABP	Technology drives (and is influenced by) market change and therefore also directly impacts ABP through the viability/profitability of its customers' businesses. Electricity grid infrastructure is heavily constrained in areas around the UK with the network not having capacity to transport the electricity required or produced from a new connection. Grid constraints could limit the green energy generated on ABP's port estates and exported to the national grid, and limit the opportunities to sell services, such as shore side power, to customers. Continued electricity grid constraints could also impact the future development of offshore wind opportunities.															
Time Horizon/Materiality (unmitigated)	Risk Assessment <table><tr><td></td><td>Short Term</td><td>Medium Term</td><td>Long Term</td></tr><tr><td>Divergent Net Zero</td><td>Low</td><td>Low</td><td>Low</td></tr><tr><td>Hot House World</td><td>Low</td><td>Low</td><td>Low</td></tr></table>					Short Term	Medium Term	Long Term	Divergent Net Zero	Low	Low	Low	Hot House World	Low	Low	Low
	Short Term	Medium Term	Long Term													
Divergent Net Zero	Low	Low	Low													
Hot House World	Low	Low	Low													
Potential Financial Impacts	Lost future revenue generation opportunities.															
ABP Risk Mitigations	ABP continues to engage with Distribution Network Operators (DNOs) to understand grid restriction and timescales to reduce system constraints. For new renewable energy projects, formal grid connection requests to the local DNO are submitted to identify any limitations. If there are limitations, ABP engages in detailed discussions to identify solutions that may be available. ABP is reviewing the potential to request additional import capacity (from the DNO) for ports that anticipate future electricity demand being materially Higher.															

Technology Transition – Opportunities

Both ABP and its customers have an increasing demand for clean energy in the short/medium term, making on port based generation of energy increasingly attractive. Next generation renewable energy generation (tidal, wave, small nuclear, etc) will start to become more financially viable in the medium term and battery technology costs are expected to reduce, making storage solutions widely viable and offering opportunities for expansion of on-port energy generation. The sale of clean energy to customers, who are increasingly seeking to reduce their carbon footprint, has the potential to deliver significant future income. As ABP is a major user of energy, significant cost reductions can be achieved through minimising the amount of energy that is purchased from the grid and investment in batteries for energy storage has the potential to further manage energy costs. ABP will continue to explore the potential for new renewable/decarbonised energy projects and will actively engage with customers to improve our understanding of their short- and medium-term energy requirements so we are well positioned to respond to potential future demand. Investment in automation, such as Terminal Operating Systems which streamline the flow of goods and bring efficiencies to ABP and its customers, also offer opportunities to reduce carbon emissions.

Strategic report (continued)

4. Non-Financial and Sustainability Information Statement (continued)

Reputational Risks

Relevance to ABP	Several of ABP’s ports handle carbon intensive commodities (especially oil and petroleum products) and raw materials for carbon intensive industries (such as iron ore and coal for steel making). These industries have their own decarbonisation agendas. There is a risk that divergent approaches to decarbonisation could have an adverse impact on the delivery of ABPs sustainability strategy.			
Time Horizon/Materiality (unmitigated)	Risk Assessment			
		Short Term	Medium Term	Long Term
	Divergent Net Zero	Low	Low	Low
	Hot House World	Low	Low	Low
Potential Financial Impacts	<ul style="list-style-type: none">Operational disruption/direct loss of earnings due to protestsLoss of customers/new business due to actual or perceived risk of disruptionReduced revenue from negative impacts on workforce management and planning (e.g. employee attraction and retention)			
ABP Risk Mitigations	ABP will continue to demonstrate leadership across sustainability by implementing the commitments set out in its sustainability strategy ‘Ready for Tomorrow’ and will continue to work on climate transition plans with customers in hard-to-abate industries such as steel manufacturing, cement and oil refining. In addition, we will continue to invest in high growth green industries like floating offshore wind and hydrogen/ammonia which can play a key part in decarbonising the economy. We will also maintain dialogue with regulators, developers and non-governmental organisations to understand and mitigate the impacts of development and operations on the marine environment.			

Strategic report (continued)**4. Non-Financial and Sustainability Information Statement (continued)****Targets and Metrics**

A series of targets have been identified to assist ABP in managing climate-related risks and to realise climate-related opportunities. These will build upon our existing metrics and targets to help guide the implementation of our sustainability strategy. These are set out below, together with the KPIs identified to assess progress. Targets and the associated timeframes envisaged before the target is met (or implemented) will be developed by the end of 2025 as data is collected and understood in the context of the overall strategic goals.

Risks and impacts requiring management	Target	Relevance to future ABP operations	Key performance indicator(s) (KPIs)	Time frame before target met/ implemented
1: Physical risk: flooding - Damage to assets - Increased development costs - Interruption to operations	Development of long-term strategic flood risk plans for high-risk port locations identified in the 2021 ABP port flood risk assessment: this to be done in four stages: 1. Enhance understanding of risk 2. Define the potential consequence of flooding 3. Develop Flood Resilience Plans for each port 4. Implement and integrate the plans into business planning and operations	This will improve understanding of long-term vulnerability to sea level rise, identifying where and when investment in improved flood defence infrastructure may be required at each port. It will also help improve long term resilience through future land use planning, enabling (for instance) cargoes sensitive to flooding to be stored in less flood prone areas	Number of high-risk ports with long term strategic flood risk plans A report covering stage 1 of the development was completed in 2024	Short term flood risk mitigation plans to be developed by 2028
2a: Transitional risk: markets - Reliance on customers operating in carbon-intensive sectors	Our strategy includes an indicative £1.4bn cumulative investment in infrastructure and facilities supporting customers involved in the energy transition. Specific interim targets to be developed.	This investment will capture new market opportunities, diversifying existing revenue streams and reducing reliance on carbon intensive markets/ commodities.	Capex spent on energy transition projects completed (£m/year)	Medium term (met by 2040)

Strategic report (continued)**4. Non-Financial and Sustainability Information Statement (continued)****Targets and Metrics (continued)**

Risks and impacts requiring management	Target	Relevance to future ABP operations	Key performance indicator(s) (KPIs)	Time frame before target met/implemented
2b: Transitional risk: markets – Increased stakeholder concern regarding carbon intensity/ environmental sustainability of ABP customer operations	Achievement of net zero by scope 1 and 2 by 2040 as set out in the Sustainability Strategy	<p>Our reputation for environmental responsibility is important, both to our customers and to our staff: our customers have increasingly strict climate and wider sustainability requirements for their supply chain, and these must be met to ensure we retain (or secure) their business.</p> <p>ABP's Sustainability Strategy articulates the strategy for creating a positive impact on the environment and the wider support we are providing to our customers to achieve their own decarbonisation ambitions.</p>	<p>Tracking of sustainability implementation to be based on progress against net zero target by 2040 (Scope 1 and 2)</p> <p>See section 2.3 for emission data</p>	Short to Medium term (first implementation milestone to be assessed by 2030)

Strategic report (continued)**4. Non-Financial and Sustainability Information Statement (continued)****Targets and Metrics (continued)**

Risks and impacts requiring management	Target	Relevance to future ABP operations	Key performance indicator(s) (KPIs)	Time frame before target met/implemented
3: Transitional risk: policy - Carbon taxation driving higher energy costs for operations, reducing profitability	10% energy intensity improvement across our business	Higher carbon taxes have the potential to erode profitability. The measures/ targets identified will reduce this tax burden whilst also achieving wider environmental benefits.	(MWh per £ of revenue)	Short term (met by 2030)
	Additional 40 MWp of installed wind & solar energy (above 2022 baseline)		Cumulative (MWp) installed above 2022	Short term (met by 2030)
	Net Zero Scope 1 & 2 greenhouse gas emissions		(tCO ₂ e)/ year) See section 2.3	Medium term (met by 2040)
4: Transitional risk: technology - Costs to transition to lower emissions technology	Our strategy includes an indicative £600m investment to decarbonise ABP infrastructure and equipment. Investment will result in emission reductions* from the 2021 baseline of: -37% by 2030 -64% by 2035 -90% by 2040	ABP has a large amount of infrastructure and equipment across its 21 ports: replacing this with zero-carbon alternatives will be capital intensive. We have set out a strategic plan for achieving an orderly transition that minimises the risk of write-offs and early retirement of existing assets.	Capex supporting Sustainability strategy (£m/ year)	Medium term (met by 2040)

Strategic report (continued)

5. Section 172 (1) Statement

The company is a wholly-owned indirect subsidiary of ABP (Jersey) Limited (“ABPJ”) and an intermediate holding company within the group. The directors recognise the importance of stakeholder engagement in delivering the long-term and sustainable success of the company, and when making decisions the directors have regard to the potential consequences over the short, medium, and long term, and their responsibilities and duties to the company’s shareholder and other stakeholders.

To support directors and assist them in complying with their duties, board papers include details on engagement with stakeholders so that the impact on, and views of, key stakeholders can be considered as part of the decision-making process. During the year, board templates and guidance for report authors were updated to include more focus on stakeholder engagement.

A key stakeholder for the company, other than the shareholder, is the group’s lenders (see below) but the directors are mindful of the interests of the wider stakeholders for the group and the reputation of the business when taking decisions.

The key stakeholders relevant to the group are employees, customers, local and national government, suppliers, the communities in which ABP operates, the environment and the group’s lenders. The following section outlines how the group engages with, and has regard to, each of the key stakeholder groups.

Given the nature of the company and the group’s governance structure (see the Corporate Governance Statement in section 6 of the directors’ report), the company has a few matters that are considered by the Board. References to the Board in the section below are to the Board of Associated British Ports Holdings Limited.

5.1 Employees

The group’s employees are fundamental to our success, and we cannot deliver our strategy and continue to grow without a safe, engaged, skilled and well-trained workforce. We obtain feedback and views from our employees on a regular basis which enables us to continuously improve and develop, particularly in relation to our health and safety processes and practices. See our ‘Health and Safety’ and ‘People’ sections respectively for further information.

What matters to our employees

- | | |
|--|--|
| • A safe and healthy working environment | • Recognition and fair reward |
| • Diversity, equality and inclusion | • Communication |
| • Growth and development opportunities | • Correct tools and equipment to perform their roles safely and well |
| • Training and upskilling | |

How ABP measures

- | | |
|---|--|
| • Lost time incidents and sickness absence rates | • Employee turnover |
| • Gender pay gap and diversity of employees | • Employee engagement survey responses |
| • Internal hire rates (including promotions) | • ‘Spot-Its’ and safety conversations |
| • Attendees on development programmes and training attendance | • Whistleblowing reports |

Strategic report (continued)**5. Section 172 (1) Statement (continued)****5.1 Employees (continued)****How ABP engages**

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| <ul style="list-style-type: none"> • Weekly ‘Pulse’ newsletter on updates from around the business • Direct engagement with trade unions. • Regular employee ‘Town Halls’ • Issuing safety alerts and giving ‘toolbox’ talks • CEO business briefings at port locations and virtually • Bi-annual Senior Leadership Team conference | <ul style="list-style-type: none"> • Actioning and reviewing near misses, incidents or concerns identified through the ‘Spot-It!’ portal • Anonymous employee engagement survey with associated action plans • Sharing regular information on financial and economic factors affecting the performance of the group |
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How the Board complements the engagement

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- | | |
|--|---|
| <ul style="list-style-type: none"> • Visits to ports by Board members with direct engagement with the local workforce • Updates provided to the Board on engagement survey results and actions being taken | <ul style="list-style-type: none"> • Oversight of whistleblowing reports by the Board’s Audit and Risk Committee |
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Actions and Decisions

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- | | |
|---|--|
| <ul style="list-style-type: none"> • Splitting Beyond Zero (BZ) training into two parts: online training for all staff and face-to-face training for all front-line staff for 2024. • Development of new Life Saving Rules (LSR) in 2024 for launch in 2025 to support our safety culture | <ul style="list-style-type: none"> • Mandatory online BZ training for all employees and greater involvement of safety reps in our port locations to follow up on specific safety issues • Action plans to address outcomes from employee engagement survey |
|---|--|

5.2 Customers

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

What matters to our customers

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- | | |
|--|---|
| <ul style="list-style-type: none"> • Building long term sustainable partnerships of mutual value • Availability of infrastructure and resources to support customer operations | <ul style="list-style-type: none"> • Clear communication regarding port-based activities • Sustainability and de-carbonisation of port operations |
|--|---|

How ABP measures

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- | | |
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| <ul style="list-style-type: none"> • Direct customer feedback through day-to-day activities and joint projects • Net promoter, customer satisfaction, and customer effort scores | <ul style="list-style-type: none"> • Annual customer engagement survey feedback • Performance surveys conducted |
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Strategic report (continued)

5. Section 172 (1) Statement (continued)

5.2 Customers (continued)

How ABP engages

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|--|---|
| <ul style="list-style-type: none"> • Regular dialogue with our customers to understand current and future challenges • Port user groups to provide a forum for feedback and discussion on key topics • Bi-annual update to customers • Customers presenting at the senior leadership conference every year on their business and how ABP supports it | <ul style="list-style-type: none"> • Publication of the Annual Review • Attending industry events alongside customers and partners • Hosting customer events • Regular quarterly meetings and account management reviews with major customers |
|--|---|

How the Board complements the engagement

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| <ul style="list-style-type: none"> • Meeting with key customer representatives • Considering feedback from customers, including when discussing new projects and opportunities | <ul style="list-style-type: none"> • Consideration of update from management on customer engagement survey responses and action plans |
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Actions and Decisions

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| <ul style="list-style-type: none"> • Instigation of customer engagement plans • Investment in onsite roof-based solar • Investment in new infrastructure and equipment to support customer activities, including for Tata Steel, Viterro, Scottish Power Renewables and Thomas Bell | <ul style="list-style-type: none"> • Customers engaged with ABP's 'Ready for Tomorrow' sustainability strategy • Customers engaged with the development of ABP's new strategy |
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5.3 Local Authorities and National Government

ABP has a unique position as the UK's largest port operator. It is an essential part of the supply chain for key industries throughout the UK, a key enabler of infrastructure for the energy transition and a catalyst for jobs and prosperity in coastal communities. Government policy in respect of matters such as trade, the environment and industrial strategy impact the way that businesses operate. Accordingly, engagement with government bodies at local, regional and national levels helps ABP to understand topical issues and to work with both government and our customers on areas of shared interest.

What matters to Local Authorities and National Government

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|---|--|
| <ul style="list-style-type: none"> • Employment opportunities, prosperity and economic growth • Support for the Government's Missions, such as economic growth and creating a clean energy superpower | <ul style="list-style-type: none"> • Long term sustainability for future generations • Enabling the controlled flow of people and goods into/out of the UK • Effective support of supply chains and supply chain resilience for local businesses and industry/agriculture |
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Strategic report (continued)

5. Section 172 (1) Statement (continued)

5.3 Local Authorities and National Government (continued)

How ABP measures

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|---|--|
| <ul style="list-style-type: none"> • Using our strong relationships with local authorities to ensure solutions are achieved that deliver tangible benefits to all stakeholders • Ability to deliver core business objectives with consent and support of relevant government bodies | <ul style="list-style-type: none"> • Engagement with UK and local government to understand and positively input into relevant policy through both formal processes (e.g. consultations, local plan formation) and ongoing dialogue • Feedback from discussions on projects, consultations and applications for grant funding |
|---|--|

How ABP engages

- | | |
|--|---|
| <ul style="list-style-type: none"> • Directly with UK government departments, including the Department for Transport, the Department for Energy Security & Net Zero, Devolved Administrations and local government bodies relevant to ABP's ports • Membership of trade associations and business groups that engage with government on policy issues e.g. the UK Major Ports Group and Renewable UK | <ul style="list-style-type: none"> • With executive agencies of the government including the Marine Maritime Organisation and the Environment Agency • Through regular dialogue with Local Authorities and local collective bodies and fora • Providing thought leadership on key topics where ABP has a distinctive, authoritative perspective • Hosting and attending engagement events, regionally and centrally |
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How the Board complements the engagement

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| <ul style="list-style-type: none"> • Directors meeting with government representatives • Liaising with the Executive Team on key priorities and aligning Government engagement, where appropriate • Coordinating with specialists within Shareholder organisations on topics of mutual benefit | <ul style="list-style-type: none"> • Consideration of engagement and views of local and national government when reviewing project proposals, e.g. for the Future Port Talbot and the Immingham Green Energy Terminal projects. • Receiving regular updates on government engagement |
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Actions and Decisions

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|--|---|
| <ul style="list-style-type: none"> • Working closely with government bodies on key industry issues, including in relation to the green energy transition, industrial strategy and economic growth • Taking into account feedback from civil society stakeholders as ABP formulates business strategies and project proposals | <ul style="list-style-type: none"> • Attendance at civil society conferences and fora, sponsoring roundtable discussions and webinars and speaking at events on relevant policy issues where ABP has a qualified perspective • Working with stakeholders and independently to secure a positive investment environment for UK ports and associated industries |
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Strategic report (continued)

5. Section 172 (1) Statement (continued)

5.4 Suppliers

ABP relies on its suppliers to provide products and services that enable us to deliver our strategy. We seek to engage the best supply chain partners to sustainably deliver value and performance for the business and we regularly work with local and small businesses in our port communities.

We recognise that strong relationships, regular communication and engagement with our suppliers are key to delivering our projects in a timely and cost-efficient manner and ensuring that specifications are aligned with the needs of the business and our customers.

What matters to suppliers

- | | |
|--|---|
| <ul style="list-style-type: none"> • Clear and transparent communication of requirements and expectations • Timely decision making | <ul style="list-style-type: none"> • Smooth onboarding of new suppliers • Payment in accordance with agreed terms |
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How ABP measures

- | | |
|--|---|
| <ul style="list-style-type: none"> • By successful outcomes, such as delivery of equipment on time and on budget • By seeking regular supplier feedback in respect of payment processes and the use of supplier portal | <ul style="list-style-type: none"> • Absence of disputes/unresolved issues • Monitoring of payment period for invoices, and delays in the process (e.g. due to failure to match an invoice with a purchase order) • By developing key performance criterion with stakeholders for suppliers to deliver these responsibilities contractually. |
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How ABP engages

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| <ul style="list-style-type: none"> • Through the use of a supplier portal to enable organisations to register and tender for contracts, complete due diligence and correspond directly with ABP • | <ul style="list-style-type: none"> • Through regular dialogue and close collaboration with suppliers and contractors to ensure projects are delivered on time and in budget |
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How the Board complements the engagement

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| <ul style="list-style-type: none"> • Receiving reports on project progress updates and any supplier issues • Regular review of credit risk reports | <ul style="list-style-type: none"> • Review by the Audit and Risk Committee of whistleblowing reports, which would include any concerns or suspicions of malpractice raised by suppliers |
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Actions and Decisions

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| <ul style="list-style-type: none"> • Launch of supplier engagement days for new projects, goods, and services to boost participation from key supply chain areas, including local SMEs. Early engagement fosters collaboration, innovation, and stronger partnerships while addressing challenges early, e.g. a supplier engagement day was held for local contractors and suppliers to learn more about ABP's plans to develop our port at Port Talbot through the Future Port Talbot programme. | <ul style="list-style-type: none"> • Following feedback from the relationship management questionnaire, earlier contractor engagement and more focus on publicising ABP pipeline opportunities within various categories |
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Strategic report (continued)

5. Section 172 (1) Statement (continued)

5.5 Communities

ABP recognises the importance of local communities to its continued success and the impact its decisions can have on those communities across its port estate. We seek to develop relationships based on mutual trust and respect and to understand the issues that matter locally.

What matters to local communities

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| <ul style="list-style-type: none"> • Job creation and contribution to regional economy • Being a good neighbour and supporting the local community | <ul style="list-style-type: none"> • Acceptable levels of noise and air pollution • Company's commitment to sustainability • Consultation with local community, in particular when significant projects are planned |
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How ABP measures

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|---|---|
| <ul style="list-style-type: none"> • Ensuring a regular cadence of community / civil society engagement touch points • Monitoring air quality and greenhouse gas emissions • Tracking social and environmental feedback • Donations to charities and local/national community organisations | <ul style="list-style-type: none"> • By measuring the group's wider economic impact, principally through: <ul style="list-style-type: none"> - the value of trade handled at our ports - jobs supported in regions where we operate - the value of our contribution to the economy measured in Gross Value Added ("GVA") |
|---|---|

How ABP engages

- | | |
|--|--|
| <ul style="list-style-type: none"> • Proactive communications to local communities around developments and changes to business practices • Seeking feedback from communities and residents on significant project proposals • Port and heritage open days | <ul style="list-style-type: none"> • Through sponsorship of and fundraising by ABP and its employees for a number of charities and community organisations • Through regular engagement with community representatives (e.g. councillors, MPs) and local residents |
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How the Board complements the engagement

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| <ul style="list-style-type: none"> • Through allocation of budget to support community and charity projects • Investment in sites to mitigate the effect of habitat loss | <ul style="list-style-type: none"> • Through consideration of local community impacts when project proposals are being reviewed by the Board for approval • Overseeing the group's sustainability strategy • Receiving regular updates on community engagement |
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Actions and Decisions

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| <ul style="list-style-type: none"> • Sponsorship of a variety of national and regional charities located in the communities where ABP's ports operate (e.g. Ty Hafan, St. Elizabeth's Hospice, Sea Rangers, Andy's Man Club) against a company-wide consistent set of evaluation criteria • Programme of port open days and visits | <ul style="list-style-type: none"> • Proactive communication and engagement programmes with communities around major projects such as Future Port Talbot, Southampton and Cromarty Firth (e.g. surveys and focus groups) • Cross ABP programme of sponsorship of mass participation running events in Southampton, Newport, Cardiff, Ipswich and the Humber, attracting over 50,000 runners |
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Strategic report (continued)**5. Section 172 (1) Statement (continued)****5.6 Environment**

ABP is committed to developing its business to meet the needs of its customers in a sustainable way, with due regard for both its operations and the environment. Engaging with stakeholders is key to supporting our planning and licence applications and ensuring we are able to meet legislative requirements. When planning projects, the group also works with stakeholders to ensure sustainability and mitigate or reduce the impact of its projects on the environment where possible.

What matters in respect of the Environment

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|---|--|
| <ul style="list-style-type: none"> • Commitment to Net Zero greenhouse gas emissions (“GHG”) by 2040 • Promotion of biodiversity/protection of wildlife | <ul style="list-style-type: none"> • Better air quality and pollution control • Noise control/reduction • Effective waste management practices, minimizing environmental impact by improved recycling and waste diversion from landfill • Less water consumption within ABP operations |
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How ABP measures

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- | | |
|---|--|
| <ul style="list-style-type: none"> • Ambient air quality monitoring • Tracking waste generation and disposal • Tracking water consumption within ABP & customer operations | <ul style="list-style-type: none"> • Monitoring energy utilisation within operations • Forecasting and monitoring of GHG emissions • ISO 14001 environmental management system (EMS) and ISO 50001 Energy Management system (EnMS) certification across all ports and terminals • Undertaking biodiversity related assessment and development work |
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How ABP engages

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- | | |
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| <ul style="list-style-type: none"> • Engaging with key environmental stakeholders, the Environment Agency, the Department for Environment, Food & Rural Affairs and the Marine Management Organisation in respect of major projects and initiatives | <ul style="list-style-type: none"> • Attendance at local port user groups to understand the key issues faced by port users and give feedback on how any environmental issues or concerns are being addressed. • Member of the Zero Carbon Humber initiative and a signatory to the Green City Charter in Southampton |
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How the Board complements the engagement

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| <ul style="list-style-type: none"> • Investment in a number of renewable energy projects and energy efficiency initiatives which align with the group’s sustainability strategy • Oversight of implementation and progress of the ABP sustainability strategy with a target of reaching net zero GHG emissions by 2040 | <ul style="list-style-type: none"> • Consideration of the environmental impact as a key aspect of the decision-making process, particularly in all major project decisions • Development and oversight of the ABP strategy which includes energy generation and storage as a key strategic direction |
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Strategic report (continued)

5. Section 172 (1) Statement (continued)

5.6 Environment

Actions and Decisions

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| <ul style="list-style-type: none"> • Approval of ABP's new strategy with the addition of a new mission of 'Enabling the Energy Transition' • Ongoing consideration of the Future Port Talbot project which would support the offshore energy sector • Launch of ABP's sustainability strategy with a target of reaching net zero GHG emissions by 2040 | <ul style="list-style-type: none"> • Energy reduction programme undertaken, with a focus on increasing energy efficiency including roll out of smart meters throughout the port estate. • Purchase of low GHG emission plant and equipment pursuant to ABP's sustainability strategy • Pilot project rollout and low carbon fuel usage within ABP operations • Independent assurance of sustainability KPIs annual reporting as per ISAE 3000 (Revised) (International Standard on Assurance Engagements 3000) methodology |
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5.7 Lenders

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

What matters to our lenders

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|---|--|
| <ul style="list-style-type: none"> • Debt service and covenant compliance • Clear and transparent communication • Regular updates on performance • Access to management | <ul style="list-style-type: none"> • Credit ratings of ABP Finance Plc and ABP Acquisitions UK Limited • Insight into the drivers of performance and business growth |
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How ABP measures

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| <ul style="list-style-type: none"> • Through positive relationships with lenders and an understanding of the main drivers behind investing in ABP | <ul style="list-style-type: none"> • Loan covenant compliance monitoring • Reporting by rating agencies |
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How ABP engages

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| <ul style="list-style-type: none"> • By providing regular information on the group's performance, major investments and other forward-looking data to lenders | <ul style="list-style-type: none"> • By directly engaging with lenders through an annual update as well as regular calls and meetings as required |
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How the Board complements the engagement

- By agreeing the strategy for the long-term capital requirements and the financing methods available.

Actions and Decisions

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| <ul style="list-style-type: none"> • Continuing to manage ABP's debt portfolio in line with the Board agreed strategy | <ul style="list-style-type: none"> • New long-term debt issuances; in 2024 the group raised £551m of new Private Placement debt • 2025 Financing Strategy agreed |
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Strategic report (continued)

6. Outlook

The group's ports continue to operate with minimal disruption due to the resilience and hard work of all our frontline and marine colleagues. The group's robust financial performance has continued in 2024 following a strong 2023. Revenues have benefited from indexation and volume guarantees in long-term contracts across a diverse sector portfolio. Higher revenues, along with the group's disciplined cost management, have resulted in strong year-on-year EBITDA growth.

Strong performance in key sectors of Cruise in Southampton and biomass in the Humber is expected to be maintained into 2025. Solent Gateway Limited continues to grow through increased activity supported by the ongoing investment programme following the acquisition in 2023.

In January 2024 Tata Steel announced the closure of the blast furnaces in Port Talbot. This took place by September 2024. They are to be replaced by electric arc furnaces in a significant change to the industry in the UK. As a result, we have experienced a phased reduction in steel production raw material volumes through Port Talbot during the year. The group will continue to engage with Tata as to the future commercial relationship during and post the construction of the new furnaces.

The UK government's Border Target Operating Model began a phased implementation in 2024 introducing new border controls to be applied to 'low risk' consignments and utilising purpose-built border control posts. These checks began in April 2024, and are expected to cause minimal disruption going forward.

The group's latest business plan forecasts strong growth from 2025 to 2029, continuing the improvement in the group's financial position. This growth is to be achieved through commercial strategy, strong cost management and investment in new facilities. The group's diverse customer and service base, along with the strong financial position, provides the resilience to challenges of the current macroeconomic environment.

The group plans to deliver on its investment programme to progress the group's strategic objectives with a particular focus on growth areas that support the UK's clean energy transition. The investments not only benefit the UK's plans for a low-carbon economy but will provide significant growth and benefits to local regions including the provision of jobs for supply chains and local businesses. Supported by a refreshed strategy and to reflect the changing environment, in addition to 'Keeping Britain Trading', the group has added 'Enabling the Energy Transition' to newly create twin missions.

The group plans to continue making significant investment in infrastructure, equipment and people to ensure our ports are well placed to provide reliable and efficient customer service and deliver on our twin missions.

The group acknowledges the recent implementation of US global tariffs. While the trade and financial impacts remain uncertain, management recognises the potential for impact on the group's activities. The group remains committed to monitoring developments closely over the coming period and ensure that it is well positioned to respond effectively as the situation evolves.

On behalf of the Board



MS Atwal
Director
3 April 2025

Directors' report

The directors present their report and the audited group and company financial statements for the year ended 31 December 2024.

1. Registered office

The company is domiciled and registered in England and its registered office is 25 Bedford Street, London, WC2E 9ES.

2. Ownership

The group's ultimate parent company, ABP (Jersey) Limited ("ABPJ"), which is registered in Jersey, is owned (directly or through intermediaries, as set out in note 29 to the financial statements) by Canada Pension Plan Investment Board (incorporated in Canada), 9348654 Canada Inc. (incorporated in Canada), OMERS Administration Corporation (incorporated in Canada), GIC (Ventures) Pte Limited (incorporated in Singapore), Kuwait Investment Authority (incorporated in Kuwait) and Federated Hermes Diversified Infrastructure Fund LP (incorporated in Scotland), Hermes Infrastructure Fund I LP (incorporated in Guernsey) and Hermes Infrastructure (Alaska) LP (incorporated in Guernsey), acting by their manager Hermes GPE LLP (incorporated in the UK).

3. Directors

The Board comprises 10 non-executive directors who have been appointed as representatives of the group's shareholders, together with the Chair (PMG Nolan (until 25 September 2024) and JJM Lewis (from 25 September 2024), the Chief Executive Officer (HL Pedersen) and the Chief Financial Officer (MM Wyatt (until 1 October 2024) and MS Atwal (from 1 October 2024)). Appointments to the Board are governed by a Shareholders' Deed. The following table lists the directors of the company during the year and up to the date of these financial statements, and states the group shareholders that the non-executive directors represent:

Director	Role/Shareholder group represented	
Executive		
Pedersen, HL	Chief Executive Officer	
Wyatt, MM	Chief Financial Officer	(resigned 01 October 2024)
Atwal MS	Chief Financial Officer	(appointed 01 October 2024)
Non-executive		
Nolan, PMG	Chair	(resigned 25 September 2024)
Lewis, JJM	Chair	(appointed 25 September 2024)
Ang, ES	GIC (Ventures) Pte Limited	(appointed 25 September 2024)
Barr, RN	Omers Administration Corporation	
Bryce, JA	Canada Pension Plan Investment Board	
Burganov, K ¹	GIC (Ventures) Pte Limited	
Butcher PG ²	Canada Pension Plan Investment Board	(resigned 21 March 2024)
Castelein, AS	Canada Pension Plan Investment Board and Hermes Infrastructure	
Lupo, L	Omers Administration Corporation	
Machiels, EPM	Omers Administration Corporation	
Noergaard, B	Canada Pension Plan Investment Board	
Petrak, GS	Kuwait Investment Authority	
Quinlan, AJ	GIC (Ventures) Pte Limited	(resigned 21 June 2024)
Rosati, V	Canada Pension Plan Investment Board	(appointed 21 March 2024)

1. Also alternate to AJ Quinlan (until 21 June 2024).

2. Also alternate to JA Bryce and B Noergaard until resignation on 21 March 2024.

Directors' report (continued)**3. Directors (continued)**

Director	Role/Shareholder group represented	
Non-executive (continued)		
Bolton, T	(alternate to AS Castelein)	(appointed 20 March 2025)
Onarheim, HO	(alternate to RN Barr, EPM Machiels, and L Lupo)	
Paris, J-FM	(alternate to GS Pestrak)	
Pugh, SN	(alternate to AS Castelein)	(resigned 10 February 2025)
Phillip, RJ	(alternate to K Burganov and ES Ang from 25 September 2024)	
Williams, CI	(alternate to PG Butcher)	(appointment as alternate to PG Butcher ceased on resignation of PG Butcher on 21 March 2024)

4. Directors' indemnities

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.

5. Dividends

No dividends were paid during the year (2023: £nil). The directors do not recommend the payment of a final dividend (2023: £nil).

6. Corporate Governance Statement

The group recognises the importance of robust governance in meeting its strategic objectives and delivering shareholder value. The group has voluntarily adopted the Wates Corporate Governance Principles for Large Private Companies ('Wates Principles') as its corporate governance code. Details of how the group has applied the Wates Principles throughout the year and the group's governance framework, which follows best practice and is considered suitable for its ownership, size, structure and complexity of operations, are explained below.

Management and oversight of the ABPJ group, including principal and strategic decisions which affect the group, are undertaken by the Board of Associated British Ports Holdings Limited ("ABPH"), an indirect subsidiary of ABPJ and the parent company of the operating group, which includes Associated British Ports, the group's principal operating subsidiary. Further information on the principal and strategic decisions taken in 2024 can be found within the annual report and financial statements of ABPH.

Directors' report (continued)**6. Corporate Governance Statement (continued)**

In this Corporate Governance Statement, references to the Board are to the Board of ABPH, unless otherwise stated. The group's governance practices and rules are set out in a number of key documents, including: a Shareholders' Deed between the group and its shareholders (as set out in note 29) which details certain reserved matters; Board Committees' terms of reference; the group risk management framework; and various group policies which inform the business on how to conduct its activities in line with our risk appetite and values.

6.1 Principle One – Purpose and Leadership

The group's ports are an integral part of supply chains within multiple sectors of the UK economy and the Board has set a well-developed and defined purpose for the group: to serve our customers and our communities in pursuit of the ambitious missions of "Keeping Britain Trading" and "Enabling the Energy Transition". ABP's purpose and twin missions are underpinned by our strong commitment to providing a safe and healthy environment for our people and port users. Our core health and safety values are embodied in our Beyond Zero vision and behaviours and are further supported by a culture of continuous safety improvement and learning. Further details of our strategy are included from page 1.

The group proactively works to identify and control hazards and reduce health and safety risks through the reporting of incidents, near misses and safety observations on the Group's Spot-It system. Safety conversations are both encouraged and recorded, providing further opportunity to identify health and safety trends and opportunities for improvements. Both Spot-Its and safety conversations are also used to recognise positive safety behaviours and good practice. Health and safety performance is regularly reported to and reviewed by the Board and Executive team and communicated to the business through CEO and regional briefings.

6.2 Principle Two – Board Composition

The Board of ABPH comprises an independent Chair, the CEO, the Chief Financial Officer ("CFO"), and ten Non-Executive Directors ("NEDs"), who are nominated by the group's shareholders. The appointment of the Chair, the CEO and the CFO are made by the Board on the recommendation of the group Remuneration and Nomination Committee ("RemCo"). A list of directors and their alternates can be found in section 3. During the year, a new Chair, two new NEDs and the CFO were appointed to the Board.

The Board benefits from directors with a broad range of skills, backgrounds and knowledge, who have held roles in a number of different sectors and industries. Biographies of the Directors, which detail their backgrounds and experience, can be found on the group's website at www.abports.co.uk.

The group recognises the benefits of diversity on the Board and throughout the organisation and has continued to support efforts to increase diversity across the Maritime Industry, remaining a signatory of the Women in Maritime and Mental Health in Maritime pledges, as well as being a Diversity in Maritime Charter organisation.

There is a clear division between the roles of the Chair and CEO. The Chair is responsible for overseeing the working and effectiveness of the Board and for setting the Board's agenda. The CEO has responsibility for strategy implementation, putting into effect decisions and policies made by the Board and for the day-to-day management of the group.

Directors' report (continued)

6. Corporate Governance Statement (continued)

6.2 Principle Two – Board Composition (continued)

On appointment, directors receive a thorough tailored induction programme which can include port visits, meetings with members of senior management, and meetings with the group's auditors. In addition, directors receive training on their duties and other key legislation/regulation, as required. During the year, two Board meetings were held at different ports, so directors have the opportunity to tour locations and meet local staff. Customer visits and meetings are also organised from time to time to enable the Board to engage with this key stakeholder group.

6.3 Principle Three – Director Responsibilities

The Board is responsible for the governance framework within which the group operates. It sets the strategy and direction of the group, reviews performance, ensures that appropriate controls and standards are applied and that the group has adequate funding. Each director has a clear understanding of their accountability and responsibilities.

The Board has five scheduled meetings a year, with ad hoc meetings held as necessary, to ensure matters are considered and progressed in a timely manner. To enable the Board to discharge its duties effectively, directors receive a monthly update on the group's business and financial performance. The group's finance function is staffed by appropriately qualified individuals who ensure the integrity of financial information provided to the Board. The group is externally audited by PricewaterhouseCoopers LLP (who were appointed during the year), with internal audit services provided by appropriate internal and external specialists to assess financial and other internal controls and health and safety processes.

Procedures are in place to deal with any director conflicts of interest. Where actual or potential conflicts are identified appropriate safeguards are put in place, which may include excluding directors from discussion and papers in respect of certain matters.

The Board has a schedule of matters reserved for its consideration and certain matters require the approval of the group's shareholders. The Company Secretary maintains an annual calendar to ensure that matters, including strategy, business planning, operational deep dives, treasury, risk and governance are considered by the Board at appropriate times in the business cycle. Papers for Board meetings are circulated a week in advance to ensure sufficient time for directors' review and consideration.

The Board undertakes regular Board effectiveness evaluations to obtain directors' views on how the Board is operating and areas for future focus. Action plans are then put in place accordingly and progress monitored. Due to the change of Chair during the year, a Board evaluation did not take place. The next Board evaluation is due to take place during 2025.

Board Committees

The Board has delegated certain matters to the Audit and Risk Committee ("ARC") and RemCo, which consider specific items and recommend matters to the Board for approval. The Chairs of both committees regularly report on discussions at committee meetings to the Board as a whole.

Both committees have their own terms of reference and their membership is comprised entirely of NEDs who are able to provide appropriate challenge and are independent of management. A review of the committees' terms of reference and effectiveness is undertaken annually.

Directors' report (continued)

6. Corporate Governance Statement (continued)

6.4 Principle Four – Opportunity and Risk

The Board is committed to the long-term sustainable growth of the group and to seeking opportunities whilst ensuring effective oversight and mitigation of risk. Longer term and strategic initiatives to create value are identified through the strategic review, annual five-year planning exercises and the Port Master Planning process. This also enables the business to determine the level of long-term infrastructure investment that may be required to secure and achieve growth.

Other opportunities may be identified by the Executive Team and senior management during regular business updates, discussions with customers and potential customers, and day to day activities. Examples of strategic opportunities identified are included in the Strategic Report.

The Board recognises the importance of effective risk management to preserve value. The group's risk appetite is a matter reserved for the Board and, at least annually, the Board reviews a report on risk management within the group, including top risks and emerging risks, and the risk management policy. Processes are in place within the group to ensure that inherent and emerging risks are identified in a timely manner and are then appropriately managed (see also Risk Management in section 1 of the strategic report). The group maintains risk registers covering key operational and strategic risks and reports are provided to the ARC, as part of their oversight of risk management and controls. ABP has a Fraud Risk Management Framework which is regularly reviewed.

Proposals for Board approval, including for material capital expenditure, are always required to detail risk considerations and mitigation. Further information on the company's principal and financial risks can be found in the Strategic Report.

6.5 Principle Five – Remuneration

The group is committed to executive remuneration structures which are aligned to our culture and values and promote the long-term sustainable success of the business and the interests of the group's stakeholders. The group's policy is to provide appropriate and fair levels of remuneration and incentives at a level which attracts and retains high-quality directors, senior management and employees.

The remuneration of members of the Executive Team, including the CEO and CFO is determined by the Board, on the recommendation of the RemCo. In line with its terms of reference, the RemCo seeks to provide responsible incentives that encourage enhanced performance and reward individual contributions to the long-term strategic goals of the group. When considering the remuneration of the Chair, CEO and CFO, and annual salary increases, the RemCo takes into account the pay and conditions of employees across the group. No individual is present during discussion of their own remuneration.

The group annually approves and publishes on its website the ABP Gender Pay Gap Report, which details the progress made to reduce the pay gap between men and women.

6.6 Principle Six – Stakeholder Relationships and Engagement

The group recognises the impact its decisions can have on its internal and external stakeholders and understands the importance of engagement with stakeholders to achieving its long-term strategy. Further information on the group's stakeholders and engagement methods can be found in the Strategic Report, together with details of our external impact on the operating environment.

Directors' report (continued)

7. Auditors appointment

Following a tender for the audit for the financial year ended 31 December 2024, Ernst & Young LLP resigned as the company's auditors on completion of the audit of the annual report and financial statements for the financial year ended 31 December 2023. PricewaterhouseCoopers LLP was appointed as the group's auditors in accordance with s.485 of the Companies Act 2006.

8. Going concern

The directors confirm that, in their opinion, the group has sufficient financial resources and facilities available to continue to trade for the foreseeable future and until at least 30 June 2026. ABP (Jersey) Limited ("ABPJ"), the company's ultimate parent undertaking, has confirmed that it will continue to support the company to enable it to meet its liabilities as they fall due until 30 June 2026. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. For further details see note 1 of the financial statements.

9. 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 instead of the directors' report:

- Financial risk management objectives and policies and details of the group's exposure to liquidity, interest rate, foreign exchange, credit and capital risk and other risk disclosures;
- Employee involvement and engagement and how the directors have had regard to employee interests and the need to foster business relationships with stakeholders;
- Policy regarding employment of disabled persons;
- Carbon emission and energy use reporting, including intensity metrics and steps taken to increase energy efficiency; and
- Likely future developments in the business.

By Order of the Board



ABP Secretariat Services Limited
Secretary
3 April 2025

Company number: 07847153

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK Adopted International Accounting Standards ("IAS") and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IAS have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the group's financial statements published on a subsidiary company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information

By Order of the Board



ABP Secretariat Services Limited
Secretary
3 April 2025

Independent auditors' report to the members of ABPA Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- ABPA Holdings Limited's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit and the group's and parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Group and Parent company balance sheets as at 31 December 2024; the Group income statement, the Group statement of comprehensive income, the Group and Parent company statements of cash flows and the Group and Parent company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

ABPA Holdings Limited is an intermediate parent company in the group of companies headed by ABP (Jersey) Limited ('ABPJ'). ABPA Holdings Limited is the parent entity of the group of companies within the ABPJ group that are party to the group's senior lending facilities. Consolidated financial statements are prepared as a requirement of those facility agreements.

Independent auditors' report to the members of ABPA Holdings Limited (continued)

Overview

Audit scope

- The group headed by ABPA Holdings Limited is made up of 16 statutory entities (excluding dormant entities), with each one determined to be a reporting unit. The group financial statements are a consolidation of these reporting units.
- Of the 16 reporting units, we identified two which, in our view, required an audit of their complete financial information, together with consolidation adjustments.
- Reporting units over which we performed full scope audit procedures and the consolidation adjustments accounted for 96% of the group's reported revenues, 97% of the group's profit before interest, tax, depreciation, amortisation and fair value movements on investment property and derivative financial instruments and 99% of total assets (all calculated on an absolute values basis).
- Audit procedures were also performed over certain financial statement line items within three further reporting units.

Key audit matters

- Assumptions used to assess the carrying value of goodwill and non-current assets (group)
- Assumptions in determining the fair value of investment property (group)
- Recoverability of amounts due from subsidiary undertaking (parent)

Materiality

- Overall group materiality: £31,900,000 based on 0.5% of total assets.
- Overall parent company materiality: £152,499,000 based on 3% of total assets.
- Performance materiality: £15,950,000 (group) and £76,250,000 (parent company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Independent auditors' report to the members of ABPA Holdings Limited (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Assumptions used to assess the carrying value of goodwill and non-current assets (group)</i></p> <p>Refer to page 57 (Significant estimates, judgements and assumptions) and note 8 to the financial statements. The group balance sheet includes £1,083.8m of goodwill and £5,065.9m of other non-current assets. Whether applying IAS 36 or IFRS 13, the recoverable amount of goodwill and non-current assets is determined based on management's estimation of business value, which can be highly judgmental. Management have utilised the 'market approach' afforded by IFRS 13, for which reasonable changes in either the market multiple or sustainable earnings assumptions, or both, can result in materially different valuations. Given the inherent subjectivity and the significant carrying amounts of goodwill and non-current assets, we have identified this area as a key audit matter.</p>	<p>In auditing the appropriateness of the assumptions used to assess the carrying value of goodwill and non-current assets, we performed the following procedures:</p> <ul style="list-style-type: none"> • We obtained management's enterprise valuation, derived using the IFRS 13 market approach and tested the mathematical accuracy. • We agreed the EBITDA used in the valuation to FY24 actuals and assessed the appropriateness of the figure used by reference to quality of earnings and future forecasts. • We engaged our internal Valuation experts to assist our audit of the market multiple applied by management, who supported us in considering recent comparable market transactions to derive a reasonable range for a market multiple. • We agreed the financial statement line items and values included in deriving the carrying value of the CGU were in accordance with the requirements of the standard. • We performed sensitivity analysis over the drivers of EBITDA to assess the impact on headroom of a reasonable downside in the group's trading performance. <p>We have also reviewed the financial statement disclosures related to the estimation of recoverable amount, including the key assumptions and judgments made by management.</p> <p>We found, based on the results of our testing, that the assumptions used to assess the carrying value of goodwill and non-current assets were appropriate.</p>
<p><i>Assumptions in determining the fair value of investment property (group)</i></p> <p>Refer to page 57 (Significant estimates, judgements and assumptions) and note 11 to the financial statements. The group balance sheet includes investment property held at fair value of £3,025.5m. The fair value of investment properties is primarily determined using discounted cash flow models, where assumptions over yield and income play a key role. Yield assumptions reflect the expected rate of return on investment properties and are influenced by market conditions, property-specific factors, and broader economic indicators. Other assumptions include future income generation and value per acre. Given the size of the investment property portfolio, the specialised nature of many of the group's properties and the judgment involved in determining appropriate yields we considered this area to be a key audit matter.</p>	<p>In auditing the appropriateness of the assumptions used in determining the fair value of investment property, we performed the following procedures:</p> <ul style="list-style-type: none"> • We target tested a sample of investment properties, selected using risk/value-based criteria which covered £2.1bn (71%) of the investment property balance. We also performed further risk-based sample testing over the 'tail' of remaining properties. • We engaged our internal valuation experts to assist our audit of the yield assumptions used in the valuation of the investment properties in our sample, as well as other key inputs such as market value per acre and other purchasers' costs. • We agreed other key inputs in the valuations to support including contracts, lease calculations and rent review documents. • We visited four sites (Cardiff, Newport, Southampton and Immingham) to inspect a sample of investment properties. <p>We have also reviewed the disclosures in the financial statements to assess whether they provide a transparent and comprehensive explanation of the key assumptions and judgments related to the determination of fair value for investment properties and are in accordance with the accounting framework.</p> <p>We found, based on the results of our testing, that the assumptions applied in determining the fair value of investment property were appropriate.</p>

Independent auditors' report to the members of ABPA Holdings Limited (continued)

<p><i>Recoverability of amounts due from subsidiary undertaking (parent)</i></p> <p>Refer to page 118 (Material accounting policies) and note 5 to the parent company financial statements. The parent company has gross amounts due from a subsidiary undertaking of £4,084.5m. Given the magnitude of this balance and the management judgement (over credit risk) and estimation involved in determining the value of any credit loss provision we have considered the impairment of these assets as a key audit matter.</p>	<p>In assessing the recoverability of amounts due from the subsidiary undertaking we have:</p> <ul style="list-style-type: none"> • Performed a reconciliation of the amounts due from the subsidiary undertaking and ensured this agrees with the counterparty. • Evaluated management's assessment of the recoverability of amounts due from the subsidiary undertaking including assessing credit risk by reference to credit rating agency reports over the group and the probability of default and loss given default determined by management. • Considered the ability of the subsidiary undertakings owned by the counterparty to generate cash flows sufficient to enable the counterparty to settle the amount due in line with the contractual terms of the balance. • We also assessed the adequacy of the disclosure provided in note 5 of the parent company financial statements in relation to this balance, in line with the accounting framework. <p>We found no exceptions as a result of our testing and consider the recoverability of amounts due from subsidiary undertaking to be appropriate.</p>
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How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The group is made up of 12 trading entities and 4 holding or financing entities (not including dormant entities), with each entity representing a reporting unit. The group financial statements are a consolidation of these reporting units. The primary trading entity is Associated British Ports, which operates 21 ports around the UK, each allocated to one of three divisions, Humber, Southampton and Wales and Short Sea. The group's accounting and financial reporting process is structured around a group finance function at its head office in London and a shared service function in Hull, which are together responsible for all of the group's reporting units.

Of the 16 reporting units, we identified two which, in our view, required an audit of their complete financial information, together with consolidation adjustments.

The reporting units over which we performed full scope audit procedures and the consolidation adjustments accounted for 96% of the group's reported revenues, 97% of the group's profit before interest, tax, depreciation, amortisation and fair value movements on investment property and derivative financial instruments and 99% of total assets (all calculated on an absolute values basis).

We identified a further three reporting units for which audit procedures were required over cash and cash equivalents, borrowings and finance costs to obtain our desired coverage levels.

All of the audit procedures have been performed by the group engagement team. In addition, the group audit team performed analytical review procedures over a number of smaller reporting units. This included an analysis of year on year movements, at a level of disaggregation to enable a focus on higher risk balances and unusual movements. This gave us the evidence we needed for our opinion on the financial statements as a whole.

Independent auditors' report to the members of ABPA Holdings Limited (continued)***The impact of climate risk on our audit***

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and parent company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. In particular we considered the nature and useful economic lives of the group's property, plant and equipment ('PPE') and the physical climate risks to PPE and investment property given the group's coastal presence. Our procedures did not identify any material impact as a result of climate risk on the group's and parent company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - parent company
<i>Overall materiality</i>	£31,900,000.	£152,499,000.
<i>How we determined it</i>	0.5% of total assets	3% of total assets
<i>Rationale for benchmark applied</i>	We have chosen this as our benchmark as it is a key performance measure disclosed to users of the financial statements. This figure takes prominence in the Annual Report and is a measure of the income generating capacity of the group. In addition, a number of key performance indicators of the group are driven by income statement items, specifically 'Consolidated EBITDA' as defined in the Strategic Report. We therefore applied a lower specific materiality of £5,400,000 for testing income statement line items and working capital and provisions balances impacting Consolidated EBITDA.	We have used an asset based measure for the parent company, which is a generally accepted auditing benchmark. Where applicable, we have performed our testing to a lower, group allocated, materiality for individual balances that contribute to the consolidated group results.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £21,000,000 and £24,000,000.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 50% of overall materiality, amounting to £15,950,000 for the group financial statements and £76,250,000 for the parent company financial statements.

Independent auditors' report to the members of ABPA Holdings Limited (continued)

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the lower end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £1,500,000 (group audit) and £1,500,000 (parent company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and the Directors' report

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 year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Independent auditors' report to the members of ABPA Holdings Limited (continued)

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK health and safety and employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in key accounting estimates to improve the group's reported performance for the period.

Independent auditors' report to the members of ABPA Holdings Limited (continued)

Audit procedures performed by the engagement team included:

- Discussions with management, in house legal team and those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Understanding and evaluation of management's controls designed to prevent and detect irregularities;
- Review of board minutes throughout the year and post year end;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Specifically, we tested journal entries which increased the group result for the period with unusual offset entries, and we tested a risk based sample of journal entries impacting revenue with unusual offset entries to detect any potentially fraudulent revenue being recognised; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of ABPA Holdings Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
3 April 2025

Group income statement for the year ended 31 December 2024

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

	Note	2024 £m	2023* £m
Revenue	2	783.5	729.5
Cost of sales		(319.8)	(308.1)
Gross profit		463.7	421.4
Administrative expenses		(164.0)	(146.4)
Other income		12.1	5.2
Increase in fair value of investment properties	11	233.8	92.8
Operating profit	3	545.6	373.0
Finance costs	6	(533.7)	(499.6)
Finance income	6	12.5	8.5
Profit/(loss) before net gain/loss on derivatives at fair value through profit and loss and foreign exchange		24.4	(118.1)
Net gain/(loss) on derivatives at fair value through profit and loss and foreign exchange	6	105.9	(2.5)
Profit/(loss) before taxation		130.3	(120.6)
Taxation charge	7	(106.1)	(40.2)
Profit/(loss) for the year attributable to equity shareholder		24.2	(160.8)

* In the prior year further line items were included to analyse operating profit. The comparatives have been amended to conform with the current year presentation. No amounts have been restated.

Group statement of comprehensive income for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Profit/(loss) for the year attributable to equity shareholder		24.2	(160.8)
<i>Other comprehensive income/(expense) not to be reclassified to profit and loss in subsequent periods:</i>			
Surplus arising on revaluation of investment property	11	14.9	7.7
Deferred tax on revaluation of investment property	7, 20	7.7	(0.5)
Actuarial gain/(loss) relating to net retirement benefit liability/asset	14	7.4	(14.7)
Deferred tax associated with actuarial gain/loss relating to net retirement benefit liability/asset	7, 20	(1.9)	3.3
Other comprehensive income/(expense) for the year, net of tax		28.1	(4.2)
Total comprehensive income/(expense) for the year, net of tax, attributable to equity shareholder		52.3	(165.0)

Group balance sheet as at 31 December 2024

	Note	2024 £m	2023 £m
ASSETS			
Non-current assets			
Goodwill	8	1,083.8	1,083.8
Intangible assets	9	95.8	96.7
Property, plant and equipment	10	1,870.9	1,810.6
Investment property	11	3,025.5	2,713.1
Retirement benefit assets	14	28.2	19.5
Derivative financial instruments	16	44.8	38.9
Trade and other receivables	12	0.7	2.8
Total non-current assets		6,149.7	5,765.4
Current assets			
Derivative financial instruments	16	2.4	41.6
Trade and other receivables	12	155.4	133.2
Inventories	13	8.1	-
Cash and cash equivalents	22	65.2	71.8
Total current assets		231.1	246.6
TOTAL ASSETS		6,380.8	6,012.0
LIABILITIES			
Current liabilities			
Borrowings	15	(65.5)	(282.1)
Derivative financial instruments	16	(20.9)	(14.8)
Trade and other payables	17	(149.0)	(114.9)
Deferred income	18	(54.2)	(46.0)
Provisions	19	(28.2)	(39.2)
Total current liabilities		(317.8)	(497.0)
Non-current liabilities			
Borrowings	15	(6,796.5)	(6,251.0)
Derivative financial instruments	16	(181.2)	(285.9)
Retirement benefit liabilities	14	(23.4)	(33.6)
Trade and other payables	17	(18.8)	(46.5)
Deferred income	18	(118.5)	(107.5)
Provisions	19	(25.2)	(15.9)
Deferred tax liabilities	20	(432.6)	(360.1)
Total non-current liabilities		(7,596.2)	(7,100.5)
TOTAL LIABILITIES		(7,914.0)	(7,597.5)
NET LIABILITIES		(1,533.2)	(1,585.5)
SHAREHOLDER'S DEFICIT			
Share capital	21	-	-
Revaluation reserve		1,501.7	1,242.8
Other reserves		1,000.0	1,000.0
Accumulated losses		(4,034.9)	(3,828.3)
TOTAL SHAREHOLDER'S DEFICIT		(1,533.2)	(1,585.5)

The financial statements on pages 50-114 were approved by the Board and signed on its behalf on 3 April 2025 by:



MS Atwal
Director

Group statement of cash flows for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Cash generated by operations	22	409.2	384.5
Interest paid		(429.0)	(310.3)
Interest received		11.6	12.5
Lease interest paid		(2.2)	(2.0)
Income tax paid		(26.0)	(28.0)
Payment of transaction costs on issue of borrowings*		(3.0)	-
Net cash (outflow)/inflow from operating activities		(39.4)	56.7
Cash flows from investing activities			
Net proceeds from sale of property, plant and equipment		2.1	1.8
Net proceeds from sale of investment property		2.2	6.1
Government grants received		6.5	1.5
Purchase of intangible assets		(11.2)	(10.6)
Purchase of property, plant and equipment		(158.8)	(108.1)
Purchase of investment property		(59.9)	(96.9)
Cash acquired on business combination under common control		-	8.0
Net cash outflow from investing activities		(219.1)	(198.2)
Cash flows from financing activities			
New borrowings		645.0	646.5
Repayment of borrowings		(429.8)	(477.0)
Settlement of derivatives		39.8	-
Payment of transaction costs on issue of borrowings*		-	(2.7)
Payment of principal portion of lease liabilities		(3.1)	(3.9)
Net cash inflow from financing activities		251.9	162.9
Change in cash and cash equivalents during the year		(6.6)	21.4
Cash and cash equivalents at 1 January		71.8	50.4
Cash and cash equivalents at 31 December	22	65.2	71.8

*For the current year the payment of transaction costs on issue of borrowings has been reclassified to operating activities from financing activities to be consistent with the classification of other finance costs as arising from operating activities. The prior year amount is considered immaterial for adjustment.

Group statement of changes in equity**For the year ended 31 December 2024**

	Share capital £m	Revaluation reserve £m	Other reserve £m	Accumulated losses £m	Total £m
At 1 January 2024	-	1,242.8	1,000.0	(3,828.3)	(1,585.5)
Profit for the year*	-	-	-	24.2	24.2
Other comprehensive income	-	14.9	-	13.2	28.1
Total comprehensive income	-	14.9	-	37.4	52.3
Transfer of the increase in fair value of investment properties*	-	244.0	-	(244.0)	-
At 31 December 2024	-	1,501.7	1,000.0	(4,034.9)	(1,533.2)

	Share capital £m	Revaluation reserve (as restated*) £m	Other reserve £m	Accumulated losses (as restated*) £m	Total £m
At 1 January 2023	-	1,140.2	1,000.0	(3,560.7)	(1,420.5)
Loss for the year*	-	-	-	(160.8)	(160.8)
Other comprehensive income/(expense)	-	7.7	-	(11.9)	(4.2)
Total comprehensive income/(expense)	-	7.7	-	(172.7)	(165.0)
Transfer of the increase in fair value of investment properties*	-	94.9	-	(94.9)	-
At 31 December 2023	-	1,242.8	1,000.0	(3,828.3)	(1,585.5)

*Transfers between accumulated losses and revaluation reserve for the revaluation of investment property recorded in the income statement have been shown separately below total comprehensive income/(expense). In the prior year the increase in fair value of investment properties of £94.9m was shown in the Revaluation reserve directly in the 'Loss for the year' line, with a loss for the year of £255.7m shown in Accumulated losses in the same line. Revaluation of investment property below costs remains in the accumulated losses.

The other reserves represent amounts forgiven by the parent undertaking for no consideration where the group de-recognised the amounts forgiven by the parent undertaking and recognised an equivalent amount in other reserves.

Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation

The consolidated financial statements have been prepared on a going concern basis and on the historical cost basis, except for investment property and derivative financial instruments which have been measured at fair value.

The consolidated financial statements are presented in sterling and all values are rounded to the nearest tenth of a million (£m) except where otherwise indicated. Where current presentation has been changed to aid understanding of the financial statements the comparatives have been reclassified to follow the new presentation.

Statement of compliance

These consolidated financial statements have been prepared in accordance with UK Adopted International Accounting Standards (“IAS”) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and all its subsidiary undertakings (fully consolidated). Subsidiaries are those entities over which the group has control. The group controls an entity when it has power over it, is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. The group considers all relevant facts and circumstances when determining whether control exists and makes a reassessment whenever those facts and circumstances change.

During the year, the group’s subsidiary undertakings, except for Associated British Ports, have elected to change the basis of preparation from IAS to Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”). This has had no material impact on the information presented. In preparing these financial statements, the group’s subsidiary undertakings apply the recognition, measurement and disclosure requirements of IAS but make amendments where necessary in order to comply with the Companies Act 2006, and to take advantage of FRS 101 disclosure exemptions where permitted under the group’s debt covenants.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group’s accounting policies. All intra-group balances and transactions are eliminated in full.

The results of subsidiary undertakings acquired are included from the date of acquisition (being the date control is obtained), using the acquisition method of accounting.

Notes to the financial statements

1. Accounting policies (continued)

1.1 Basis of preparation (continued)

Going concern basis

The directors confirm that, in their opinion, the group has sufficient financial resources and facilities available to continue to trade for the foreseeable future and until at least 30 June 2026. ABP (Jersey) Limited (“ABPJ”), the company’s ultimate parent undertaking, has confirmed that it will continue to support the company to enable it to meet its liabilities as they fall due until 30 June 2026. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

In arriving at their decision, the Directors have considered:

- The groups 2024 performance, which demonstrates the ongoing ability to deliver growth through existing and new business.
- The group’s latest business plan forecasts strong growth from 2025 to 2029, continuing the improvement in the group’s financial position. This growth is to be achieved through commercial strategy, strong cost management and investment in new facilities. The plan was developed taking in consideration the impact of the current macroeconomic environment.
- Management modelled scenarios. These include a severe but plausible downside scenario, where volumes in key markets fall up to 30%, which represents a market downturn and or loss of a major customer. This would result in the erosion of headroom against the leverage covenant within the going concern period. Should this occur, the group has the option of pursuing mitigating measures that are under its own control to cut costs and preserve cash. These include reductions in variable costs to match reduced activity, delaying or holding back its capital programme, reassessing amounts distributed to shareholders and, if the downside period persists, structurally reviewing costs for further savings.
- That debt maturities are spread over a range of dates, limiting the groups exposure to a material refinancing in any one year.
- The group’s track record of its ability to refinance debt and generate cash flows. During the going concern period the group is due to repay £60m of private placement debt. Since 31 December 2024 £152m has been raised in new debt.
- That the group has access to £285m of committed and undrawn borrowing facilities and £202m of debt service reserve liquidity facilities to cover annual interest costs.
- The group’s net liability position of £1.5bn that includes £4.1bn loan and interest due to its immediate parent. Given the letter of support from the ultimate parent undertaking ABPJ this net liability position is not considered to impact the going concern of the group.

New standards and amendments adopted

No new standards effective for the first time for the annual reporting period commencing 1 January 2024 have a material impact on the consolidated financial statements of the group.

Notes to the financial statements

1. Accounting policies (continued)

New standards, amendments and interpretations issued but not yet effective

The IASB and IFRIC have issued a number of standards, amendments and interpretations:

- IAS 21 on lack of exchangeability of currency is effective from 1 January 2025 and is not expected to have a material impact on the consolidated financial statements of the group;
- IFRS7 and IFRS9 on the classification and measurement of financial instruments; IFRS18 on the presentation and disclosure in financial statements; IFRS19 subsidiaries without public accountability and the Annual Improvements volume 11 all have an effective date of implementation for accounting periods beginning after the start of the group's current financial year. The impact of these new standards will be analysed during the current accounting period ending 31 December 2025.

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

1.2 Significant estimates, judgements and assumptions

The preparation of the consolidated 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 management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

Estimates

Critical accounting estimates are those estimates that carry a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year. We also make other key accounting estimates when preparing the financial statements, which, while not meeting the definition of a critical estimate, involve a higher degree of complexity and can reasonably be expected to be of relevance to a user of the financial statements.

Critical accounting estimates

- The fair value of investment property – this depends on inputs used in the valuation of investment property, the critical estimate is the yield. The yield input and its impact on the estimate are set out in note 11.
- Pension liabilities – those assumptions used in arriving at the defined benefit pension scheme assets and liabilities under IAS 19. The key assumptions and their possible impact are disclosed in note 14.

Other key accounting estimate

- Goodwill - the fair value less cost of disposal ('FVLCTS') of the group is estimated in order to assess the carrying value of goodwill. The key inputs used in the FVLCTS calculation are EBITDA, that drives estimated sustainable earnings, and a market multiple. There is no reasonable change in either assumption that would result in an impairment of goodwill.

Notes to the financial statements

1. Accounting policies (continued)

1.2 Significant estimates, judgements and assumptions (continued)

Judgements

In the process of applying the group's accounting policies, management have made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

- Investment property – management makes judgements on whether an asset is classified as investment property using the criteria set out in the accounting policy in note 1.3.
- Deferred taxation of investment property – assessing the expected realisation of the value of investment property through sale or use requires judgements to be made based on past experience and the current tax environment. Management have made a judgement that the non-land element of investment properties will be recovered through use.

Climate impact on financial disclosures

The group has developed a sustainability strategy as set out in the strategic report. As part of this strategy assets are intended to be replaced with more sustainable alternatives at the end of their existing useful lives.

In developing our strategy and business plans for the business, management has thoroughly considered the impacts of climate change. Our strategy includes implementing sustainable practices, investing in green technologies, and enhancing our infrastructure to withstand the risks posed by extreme weather events. All major capital projects have to consider these risks, principally flood risk. Management believes our investment plans adequately provide for these risks.

The group's business plan contains financial forecasts that factor in the sustainability strategy and the impact of climate change on the financial statements, including as part of impairment reviews over assets.

1.3 Material accounting policies

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

Revenue recognition

Revenue comprises the amounts receivable in respect of contracts with customers and rental income from investment properties.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the performance obligations under the contract have been satisfied. The allocation of the transaction price to the performance obligations depends on the type of service being provided.

- Call revenue is related directly to the visit of a vessel to the port and includes fees for pilotage, conservancy, environmental charges, dues for accessing the port, and mooring fees. Each service is a performance obligation and revenue is recognised once provision of the service is complete. All call related performance obligations are completed once a vessel has docked at the port.

Notes to the financial statements

1. Accounting policies (continued)

1.3 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

- Traffic revenue is related to the volumes of cargo crossing the quay and primarily consists of consolidated rate charges covering multiple services including cargo dues, passenger dues, carriage and the loading and unloading of cargo from vessels. Each service is an individual performance obligation. Revenue is allocated to each service based on the estimated standalone selling price of that service, usually based on a tariff rate. Revenue is recognised once provision of the service is complete.
- Cargo operations revenue relates to the handling, processing and storage of cargo before or after it has been loaded to a vessel. Each process or service is a performance obligation and usually has an identifiable selling price. Revenue is recognised when the process or service is complete. Storage revenue is recognised over the period that the cargo is stored.
- Shortfall revenue relates to contracts with customers that have minimum volume guarantees which, if not achieved by the customer result in additional revenue to the group to cover the shortfall in volumes. These shortfall revenues, are assessed both over the life of the contract as well as each reporting period end, and subsequently recognised over the remaining term of the contract when it is highly probable a significant reversal will not occur.
- Fixed revenue does not vary with the number of vessel visits, volumes of cargo or any other measure of customer activity, and primarily consists of fixed payments to compensate the group for investments in capital infrastructure for specific customers. Fixed revenue is largely recognised over time, spread over the term of the underlying contract.
- Utilities revenue relates to the supply of electricity and other services to tenants. Revenue is recognised as utilities are supplied.
- Dredging revenue relates to dredging services both for specific customers at our own ports and by ABP's dredging operations working in non-ABP locations. Revenue is recognised when the dredging work is completed.
- Other revenue consists of individual services provided to customers, primarily sales of environmental consultancy services and provision of marina facilities. Each service is a performance obligation and revenue is recognised at a point in time when the performance obligation is complete or, where appropriate, over time as the service is provided. Where revenue is recognised over time the transaction price is allocated based on the time spent on the performance obligation in the period of recognition against the time the performance obligation will take to complete.

If a customer pays consideration before the performance obligations under the contract are completed, a contract liability is recognised at the earlier of the date payment is made or is due. Contract liabilities are recognised as revenue when the performance obligations are complete.

Agent versus principal relationships

When a third party is involved in providing goods or services to the group's customers, management determines whether the group is a principal or an agent in these transactions by evaluating the nature of the promise to the customer. The group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. If the group's role is only to arrange for a third party to provide the goods or services then the group is an agent and will record revenue at the net amount that it retains for its agency services.

Notes to the financial statements

1. Accounting policies (continued)

1.3 Material accounting policies (continued)

Revenue recognition (continued)

Lease income from investment properties

Lease income from operating leases is recognised over the lease term on a straight line basis. Variable lease income is recognised as lease income in the period in which it is earned.

Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (“CGU”) to which the goodwill relates. The recoverable amount is determined as the higher of the fair value less cost of disposal and the value in use of the CGU. Where the recoverable amount of the CGU is less than its carrying amount an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Intangible assets

Intangible assets with finite useful lives are reviewed for indications of impairment at least annually, either individually or at each cash-generating unit level, as appropriate. When circumstances indicate that the carrying value may be impaired an impairment review is carried out in the same manner as goodwill.

Investment property

Property (including land held for development and property held by the group as a right of use asset under a lease) is classified as investment property if:

- it is not occupied by the group or used by the group for the provision of operational port services that are material in nature (e.g. stevedoring);
- it is a defined area (land, buildings, jetties and other fixed structures) and one or more users pay an amount, whether rent or commercial revenue for use of that area for a period of one or more years; and
- any “ancillary services” provided by the group at the property are insignificant to the arrangements as a whole. Ancillary services are judged to be significant when they take place within the property, the value of the services exceeds one quarter of the estimated rental value of the property and they are provided under a non-cancellable contract.

All completed investment property is measured at fair value. Investment property in the course of construction is measured at cost (including borrowing costs and other appropriate net outgoings) until such time as it is possible to determine fair value, consistent with the criteria in measuring completed investment property, with the exception of underlying land, which is included at carrying value before construction commenced.

Notes to the financial statements

1. Accounting policies (continued)

1.3 Material accounting policies (continued)

Investment property (continued)

Valuations are conducted annually by qualified valuers employed by the group utilising external valuers when appropriate. The valuations are reviewed by independent, RICS qualified, external valuers at least once every five years. Surpluses or deficits arising on the revaluation of investment property are recognised in the income statement and then transferred from accumulated losses to the revaluation reserve.

Transfers of property from property, plant and equipment to investment property are at carrying value. After transfer investment property is carried at fair value. Initial revaluation gains are recognised in other comprehensive income. Losses, to the extent that they reverse any revaluation gain previously recognised in the revaluation reserve, are recognised in other comprehensive income. All other losses are recognised in the income statement.

Transfers of investment properties to property, plant and equipment or land held for sale are made at fair value at the date of change in use or classification.

Unrealised increases in the fair value of investment property are recorded in the revaluation reserve. Decreases in the fair value of investment property are recognised in the revaluation reserve to the extent that they reverse increases previously recognised.

Property, plant and equipment

Property, plant and equipment is measured at cost, subject to depreciation and impairment and includes assets held by the group as right of use asset under leases.

Depreciation is provided on a straight-line basis spread over the expected useful lives of the various types of assets and having taken account of the estimated residual values. Estimated residual values are reviewed and updated annually.

Estimated useful lives extend up to a maximum of:

- 50 years for buildings, dock structures, quays and dredging;
- 30 years for floating craft; and
- 30 years for plant and equipment.

Freehold land is not depreciated.

Retirement benefits

In respect of defined benefit plans, obligations are measured at their discounted present value using the projected unit credit method, while plan assets are recorded at fair value. The operating and financing costs of such defined benefit plans are recognised as staff costs in the income statement; operating costs are spread systematically over the expected service lives of employees and financing costs are recognised in the periods in which they arise. Actuarial gains and losses and the effect of the asset ceilings are recognised immediately in the statement of other comprehensive income. Curtailment gains and losses arising as a consequence of either significant amendments to the terms of defined benefit plans, or significant reductions in the number of employees covered by the plans, are recognised in the income statement when the curtailment occurs.

Notes to the financial statements

1. Accounting policies (continued)

1.3 Material accounting policies (continued)

Retirement benefits (continued)

The net retirement benefit liability or asset recognised in the consolidated balance sheet represents the actual deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The group participates in a number of multi-employer defined benefit pension schemes. Where the group is able to determine its share of the assets and liabilities on a consistent and reliable basis it accounts for these schemes as defined benefit schemes; where it is unable, it accounts for these schemes as defined contribution schemes. Further information on these schemes is contained within note 14.

Payments to defined contribution schemes are charged as an expense as they fall due.

Financial instruments

The group 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.

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

At each reporting date, the group performs an impairment analysis for all trade and other receivables to measure the allowance for ECLs. Movements in the provision for expected credit losses of receivables are recorded within administrative expenses.

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

Borrowings are recognised initially at fair value, net of transaction costs (being incremental costs that are directly attributable to the inception of 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.

Derivative financial instruments utilised by the group comprise interest rate swaps, basis rate swaps, cross currency interest rate swaps, fuel swaps and caps and forward foreign exchange contracts. All derivative financial instruments are initially recorded in the balance sheet at fair value and are measured at fair value thereafter.

The group's derivatives are not designated as hedges, therefore fair value gains and losses are taken to the income statement following the same classification as the underlying transaction.

Financial assets and financial liabilities are offset and the net amount is reported in the group balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

Notes to the financial statements

1. Accounting policies (continued)

1.4 Other accounting policies

Finance income

Interest income is calculated and recorded using the effective interest method. Interest income is included in finance income in the income statement and interest received within operating activities on the cash flow statement.

Finance costs

Finance costs consist of interest and other costs that the group incurs in connection with the borrowing of funds. Interest expense is calculated and recorded using the effective interest method. Finance costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets, including qualifying assets within investment properties measured at fair value. All other finance costs are expensed in the period in which they occur. Interest paid is recorded within operating activities on the cashflow statement.

Leases

Group as lessor

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income. Variable lease income is recognised as lease income in the period in which it is earned.

Group as lessee

Lease liabilities are recognised at the commencement date of the lease. Lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The present value of the lease payments are calculated using the group's incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, finance expense is recognised over the lease term to reflect the accretion of interest and this increases the amount of lease liabilities. The lease liabilities are reduced by the capital and interest payments made.

The group's lease liabilities are included in borrowings (note 15).

Variable lease payments are recognised as expenses in the period in which they fall due.

Notes to the financial statements

1. Accounting policies (continued)

1.4 Other accounting policies (continued)

Leases (continued)

Group as lessee (continued)

The group applies the short term lease recognition exemption to its leases with a lease term of 12 months or less and also applies the lease of low value assets recognition exemption to leases that are considered of low value. Lease payments on short term leases and leases of low value assets are recognised as expenses on a straight-line basis over the lease term.

Right of use assets are recognised at the commencement date of the lease, which is the date the underlying asset is available to use. Right of use assets are initially measured at cost. The cost of the right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received.

Right of use operating assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The recognised right of use operating assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease term. Right of use operating assets are included within property, plant and equipment and are subject to impairment.

Right of use assets that meet the definition of investment property are classified as investment property and subsequently measured at fair value.

Intangible assets

Purchased intangible assets are recognised at fair value on the date of acquisition if they relate to a business combination or otherwise are recognised at cost.

Amortisation is provided on a straight-line basis spread over the expected useful lives of the various types of asset and having taken account of the estimated residual values. Estimated residual values are reviewed and updated annually.

Estimated useful lives extend up to a maximum of:

- 30 years for customer relationships;
- 15 years for software; and
- 30 years for other intangible assets.

Software as a service is recognised in operating costs unless it meets the criteria for capitalisation under IAS 38.

Development costs incurred on internal projects are only capitalised when the project has been demonstrated to be viable i.e. technically feasible and expected to generate economic benefits.

Notes to the financial statements

1. Accounting policies (continued)

1.4 Other accounting policies (continued)

Cash and cash equivalents

The group defines cash and cash equivalents as short-term highly liquid investments readily convertible into known amounts of cash. They are normally represented by bank deposits with an original maturity of less than three months and without significant penalties on early access/redemption less bank overdrafts that are repayable on demand. Accounts holding amounts identified for repaying deposits over which the group has control are included in cash and cash equivalents.

Government grants

Government grants relate to assets, for example amounts in respect of major infrastructure projects, and are recognised in the Income Statement on a systematic and rational basis over the expected useful life of the asset to which the grant relates. Grants received, but not immediately recognised in the Income Statement, are included in deferred income in the Balance Sheet. Cash received relating to assets is shown in the cashflow statement under investing activities.

Provisions

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

When some or all of a provision is to be reimbursed, principally insurance related, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement

Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When a business combination involves an entity under common control within the ABP Jersey Group the pooling of interests method is applied. The assets and liabilities are transferred from the acquired company to the acquirer at book values. No new goodwill or other intangible asset is recognised.

Notes to the financial statements

1. Accounting policies (continued)

1.4 Other accounting policies (continued)

Goodwill

Goodwill arising on a business combination, representing the excess of the cost of acquisition over the fair value of the identifiable assets less liabilities and contingent liabilities acquired, is capitalised in the year in which it arises and is thereafter subject to impairment reviews annually and when there are indications that the carrying value may not be recoverable.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials and other direct costs and is determined on the first-in, first out (“FIFO”) basis. Net realisable value is calculated on an item-by-item basis but, if this is impracticable, groups of similar items are valued together.

The carrying value of inventories is subject to regular review and obsolete or devalued items are written off or written down in value, respectively. An appropriate inventory obsolescence provision is recognised against the risk of obsolescence and inventory loss.

Taxation

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

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

Deferred tax assets or liabilities are measured at the tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to facilitate the realisation of such assets.

Foreign currencies

Transactions in currencies, other than an entities’ functional currency, are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognised in the profit and loss in the period in which they arise.

Notes to the financial statements**2. Revenue**

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

	2024	2023
	£m	£m
Call	126.9	113.4
Traffic	281.7	263.0
Cargo operations	62.4	54.7
Shortfall	27.2	27.7
Utilities	32.7	34.8
Dredging	12.4	8.9
Fixed	26.2	25.2
Other	37.5	31.3
Total revenue from contracts with customers	607.0	559.0
Lease income from investment properties	176.5	170.5
Revenue	783.5	729.5

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in accrued income. Amounts billed in advance but not yet earned are recorded and presented as part of deferred income. Invoiced revenue should be received in accordance with the terms agreed within the revenue contract typically within 60 days. Contracts do not contain significant financing components. Included in revenue from contracts with customers is £101.7m (2023: £98.1m) recognised over time.

Revenue from contracts with customers

The transaction price allocated to performance obligations that are unsatisfied or partially satisfied as at 31 December:

	2024	2023
	£m	£m
Not later than one year	4.9	4.9
More than one year	0.3	0.3
	5.2	5.2

3. Operating profit

Operating profit is stated after charging/(crediting):

	2024	2023
	£m	£m
Depreciation included in cost of sales	97.6	92.4
Depreciation included in administrative expenses	7.2	9.7
Amortisation included in cost of sales	0.9	0.9
Amortisation included in administrative expenses	14.3	12.7
Profit on disposal of property, plant and equipment, investment property, property and land held for sale and right of use assets	(0.2)	(9.0)
Expenses relating to short term and low value asset leases	2.5	2.5
Repairs and maintenance expenditure on investment property and property, plant and equipment	25.4	27.4
Third party labour and sub-contractor haulage	40.8	37.4
Utilities and fuel	45.9	51.9
Expected credit losses of trade and other receivables	2.3	(1.4)

Notes to the financial statements**4. Audit fees**

Remuneration received by PricewaterhouseCoopers LLP (2023: Ernst & Young LLP) is detailed below.

	2024	2023
	£'000	£'000
Fees payable to the group's auditors for the audit of the company's annual financial statements	167	449
Fees payable to the group's auditors in respect of:		
Audit of the financial statements of the group companies	595	514
Other audit related services	66	16

In addition to the above services, Ernst & Young LLP acted as auditors to the group's main defined benefits pension scheme – The Associated British Ports Group Pension Scheme. The appointment of auditors to the group's pension schemes and the fees paid in respect of those audits are agreed by the trustees of each scheme, who act independently from the management of the group. The aggregate fees paid to the group's auditors for audit services to the pension schemes during the year were £nil (2023: £16,000). During the year an additional £272k was charged by Ernst & Young LLP in relation to the audit for the year ended 31 December 2023.

5. Directors and employees

Staff costs are analysed as follows:

	2024	2023*
	£m	£m
Wages and salaries	152.7	148.1
Social security costs	17.8	16.7
Pension costs (note 14)	9.9	9.7
Total staff costs	180.4	174.5

*Comparatives have been updated to conform with the current presentation of employee pension contributions being included as part of wages and salaries.

The monthly average number of people employed during the year is analysed by departmental group as follows:

	2024	2023
Operations and Marine	1,532	1,561
Engineering	317	314
Administrative functions	605	585
Total average headcount	2,454	2,460

Notes to the financial statements**5. Directors and employees (continued)**

Directors' emoluments are analysed as follows:

	2024	2023
	£m	£m
Short-term employee benefits	3.2	3.2
Amounts due for long-term incentive plan	11.3	-
Post-employment benefits	0.1	0.1
Termination benefits	0.1	-
Total directors' emoluments	14.7	3.3

Emoluments comprise amounts paid to the directors of the company who served during the year, by the company and its subsidiary undertakings.

Key management compensation is analysed as follows:

	2024	2023
	£m	£m
Short-term employee benefits	6.8	6.4
Amounts due for long-term incentive plan	29.8	-
Post-employment benefits	0.4	0.9
Termination benefits	0.1	-
Total key management compensation	37.1	7.3

Key management comprises the directors of the company and of the group's principal subsidiary undertakings, Associated British Ports Holdings Limited and Associated British Ports, who served during the year.

Five (2023: three) directors of the company are eligible to join the defined contribution section of the Associated British Ports Group Pension Scheme. At 31 December 2024, one (2023: no) director is a member of the defined contribution scheme and three (2023: two) directors received an allowance for contributions towards pension schemes unconnected with the group.

	2024	2023
	£m	£m
Highest paid director		
Short-term employee benefits	1.8	1.6
Amounts due for long-term incentive plan	7.0	-
Post-employment benefits	0.1	0.1
Total emoluments to highest paid director	8.9	1.7

For further disclosure of amounts paid to the shareholders for the directors of the group see note 23.

Notes to the financial statements**6. Finance costs/(income)**

	2024 £m	2023 £m
Interest on term and revolving facilities	11.0	12.2
Interest on private placement notes	108.2	84.9
Interest on public loan notes	38.0	41.3
Interest on amounts due to parent undertaking	354.4	337.1
Interest on lease liabilities	2.2	2.0
Amortisation of borrowing costs and discount on issue	2.2	2.3
Net interest charge on net defined benefit liabilities (note 14)	0.4	-
Other finance costs	3.2	3.6
Less: interest capitalised on non-current assets under construction	(6.6)	(3.0)
Interest cost on derivatives at fair value through profit and loss	20.7	19.2
Finance costs	533.7	499.6
Net interest income on net defined benefit liabilities (note 14)	-	(0.2)
Finance income on financial assets held at amortised cost	(6.9)	(6.8)
Interest income on derivatives at fair value through profit and loss	(5.6)	(1.5)
Finance income	(12.5)	(8.5)
Foreign exchange gains	(0.3)	(55.2)
Net (gain)/loss on derivatives at fair value through profit and loss	(105.6)	57.7
Net (gain)/loss on derivatives at fair value through profit and loss and foreign exchange	(105.9)	2.5
Net finance costs	415.3	493.6

7. Taxation

Taxation charge for the year is analysed as follows:

	2024 £m	2023 £m
Current year tax	28.0	11.9
Prior year adjustments	(0.2)	(5.4)
Current tax	27.8	6.5
Current year deferred tax (note 20)	79.0	24.7
Rate change adjustments	-	3.8
Prior year adjustments	(0.7)	5.2
Deferred tax (note 20)	78.3	33.7
Total tax charge for the year	106.1	40.2

The deferred tax charge (2023: charge) results from the fair value movements on swaps disregarded for tax purposes, fair value movements on investment property, pensions and movements resulting from qualifying additions to capital allowances pools.

Notes to the financial statements**7. Taxation (continued)**

Tax on items (charged)/credited to other comprehensive income/expense is analysed as follows:

	2024	2023
	£m	£m
Deferred tax associated with actuarial gain/loss relating to net retirement benefit liabilities	(1.9)	3.3
Deferred tax on revaluation of investment property	7.7	(0.5)

The taxation charge for the year is higher than (2023: higher than) the standard rate of taxation in the UK of 25.0% (2023: 23.5%). The differences are explained below:

	2024	2023
	£m	£m
Profit/(loss) before taxation	130.3	(120.6)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)	32.6	(28.4)
Effects of:		
Related party interest not deductible for tax	73.3	65.0
Depreciation - Non qualifying assets	1.6	-
Other non-qualifying expenses	(0.5)	-
Rate change adjustments to deferred tax	-	3.8
Tax in respect of prior years	(0.9)	(0.2)
Total tax charge for the year	106.1	40.2

Tax in respect of prior years relates predominantly to revised allocation of capital expenditure in the filed corporation tax returns.

The Organisation for Economic Co-operation and Developments (OECD) released Pillar Two model rules in December 2021 introducing a global minimum tax rate of 15% to address the tax concerns about uneven profit distribution and tax contributions of large multinational corporations. In December 2022, the OECD released transitional safe harbour rules as a short-term measure to minimise the compliance burden for lower risk jurisdictions. The Pillar Two top-up tax rules were substantially enacted in the UK in 2023 with application from 1 January 2024. The Group does not expect to be subject to the top-up tax.

The UK corporation tax rate change from 19% to 25% with effect from 1 April 2023 was substantively enacted on 24 May 2021 and the above result is taxed at an effective rate of 25% (2023: 23.5%). Deferred tax has been measured at 25%, being the rate expected to apply when the temporary differences that give rise to the deferred tax reverse.

Notes to the financial statements

8. Goodwill

The goodwill was not allocated to individual cash-generating units (“CGU”) but to a group of CGUs representing the port and transport operations of Associated British Ports Holdings and its subsidiaries. Impairment testing is therefore carried out on this port and transport group of CGUs.

	2024	2023
	£m	£m
Cost and net book value		
At 1 January	1,083.8	1,051.9
Acquisition of subsidiary	-	31.9
At 31 December	1,083.8	1,083.8

In accordance with IAS 36, for the year ended 31 December 2024, tests for impairment are based on the calculation of a fair value less costs to sell (“FVLCTS”) which has been used to establish the recoverable amount of the CGU. The FVLCTS valuation has been calculated by assessing the enterprise value of the CGU using a market-based EBITDA multiple. This multiple has been applied on estimated sustainable earnings of the CGU.

Estimated sustainable earnings has been determined using the group’s five-year financial planning process and includes expectations based on a market participant view of maintainable performance of the business. The five-year plan is developed annually and approved by the board. The plan inputs to a financial model that is produced to allow for forecasts based on longer term economic assumptions. The plan considers assumptions for cost inflation and macro-economic conditions, based on government published forecasts, and business unit level assumptions on commercial agreements and new business prospects.

The sustainable earnings input is a level 3 measurement; level 3 measurements are inputs which are normally unobservable to market participants. The sustainable earnings figures used in this calculation include key assumptions regarding sustainable revenues and costs for the business.

For the year ended 31 December 2023 the recoverable amount of the group of CGUs to which goodwill is allocated was measured on a value in use (“ViU”) basis. The methodology to determine recoverable amount in the current year has changed to FVLCTS as this is expected to exceed the valuation under ViU because uncommitted capital projects and resulting improved operating performance are not considered within a ViU valuation in line with the requirements of IAS 36.

Notes to the financial statements

9. Intangible assets

2024	Customer relationships £m	Software £m	Other £m	Total £m
Cost				
At 1 January	286.5	153.4	29.2	469.1
Additions	-	1.8	15.4	17.2
Transfers (to)/from property, plant and equipment	-	(0.1)	0.6	0.5
Transfers to investment property	-	-	(0.1)	(0.1)
Disposals/write offs	-	(3.5)	(1.1)	(4.6)
At 31 December	286.5	151.6	44.0	482.1
Accumulated amortisation				
At 1 January	(255.6)	(108.8)	(8.0)	(372.4)
Charge for the year	(2.2)	(10.0)	(3.0)	(15.2)
Disposals/write offs	-	0.4	0.9	1.3
At 31 December	(257.8)	(118.4)	(10.1)	(386.3)
Net book value				
At 1 January	30.9	44.6	21.2	96.7
At 31 December	28.7	33.2	33.9	95.8

Notes to the financial statements

9. Intangible assets (continued)

	Customer relationships £m	Software £m	Other £m	Total £m
2023				
Cost				
At 1 January	283.4	154.1	14.4	451.9
Acquisition of subsidiary	3.1	-	13.9	17.0
Additions	-	8.7	3.0	11.7
Transfers within intangible assets	-	0.2	(0.2)	-
Disposals	-	(9.6)	(1.9)	(11.5)
At 31 December	286.5	153.4	29.2	469.1
Accumulated amortisation				
At 1 January	(253.3)	(110.1)	(6.8)	(370.2)
Charge for the year	(2.3)	(8.4)	(2.9)	(13.6)
Transfers within intangible assets	-	0.2	(0.2)	-
Disposals	-	9.5	1.9	11.4
At 31 December	(255.6)	(108.8)	(8.0)	(372.4)
Net book value				
At 1 January	30.1	44.0	7.6	81.7
At 31 December	30.9	44.6	21.2	96.7

The value of customer relationships is assessed for indications of impairment at least annually by considering the magnitude and incidence of any customer losses and the impact of any other changes in contractual and commercial relationships.

Amortisation assumptions are reassessed annually. The remaining customer relationships have a remaining expected useful life of between 10 and 24 years. During 2024 there were no indications of impairment and they continue to be amortised to the end of their expected remaining life.

Software comprise IT software acquisition including the group's ERP system and subsequent development costs with a net book value of £20.8m (2023: £27.0m unaudited) and a remaining useful life of 4 years.

Other intangible assets include planning permission with a net book value of £12.8m (2023: £13.4m) and a remaining useful life of 22 years, redevelopment masterplans and development costs related to strategic assets and projects with a net book value of £21.1m (2023: £7.8m).

Notes to the financial statements

10. Property, plant and equipment

2024	Operational land £m	Buildings £m	Dock structures, quays and dredging £m	Floating craft £m	Plant and equipment £m	Assets in the course of construction £m	Total £m
Cost							
At 1 January	756.5	349.7	888.0	83.0	590.9	196.2	2,864.3
Additions	1.8	0.9	23.7	4.3	8.2	138.8	177.7
Transfers to inventories	-	-	-	-	(3.5)	(0.4)	(3.9)
Transfers to intangible assets	-	-	-	-	-	(0.5)	(0.5)
Transfers within property, plant and equipment	-	46.3	29.0	3.8	28.1	(107.2)	-
Transfers to investment property	(4.8)	(3.8)	(0.1)	-	-	(0.2)	(8.9)
Disposals and write off	-	0.4	(1.2)	(1.4)	(7.2)	-	(9.4)
At 31 December	753.5	393.5	939.4	89.7	616.5	226.7	3,019.3
Accumulated Depreciation							
At 1 January	(1.5)	(164.2)	(497.2)	(59.1)	(331.7)	-	(1,053.7)
Charge for the year	(1.1)	(17.6)	(40.1)	(7.0)	(39.0)	-	(104.8)
Transfers within property, plant and equipment	-	-	(0.1)	-	0.1	-	-
Transfers to investment property	-	2.2	0.1	-	-	-	2.3
Disposals and write off	-	(0.4)	1.1	1.2	5.9	-	7.8
At 31 December	(2.6)	(180.0)	(536.2)	(64.9)	(364.7)	-	(1,148.4)
Net book value							
At 1 January	755.0	185.5	390.8	23.9	259.2	196.2	1,810.6
At 31 December	750.9	213.5	403.2	24.8	251.8	226.7	1,870.9

Notes to the financial statements

10. Property, plant and equipment (continued)

	Operational land	Buildings	Dock structures, quays and dredging	Floating craft	Plant and equipment	Assets in the course of construction	Total
2023	£m	£m	£m	£m	£m	£m	£m
Cost							
At 1 January	749.0	343.3	854.3	77.2	550.1	179.1	2,753.0
Acquisition of subsidiary	24.6	-	1.1	-	-	-	25.7
Additions	0.7	2.0	7.3	2.3	16.8	99.9	129.0
Transfers within property, plant and equipment	1.4	10.0	30.1	3.6	36.3	(81.4)	-
Transfers to investment property	(19.2)	(5.0)	(4.7)	-	-	(1.4)	(30.3)
Disposals and write off	-	(0.6)	(0.1)	(0.1)	(12.3)	-	(13.1)
At 31 December	756.5	349.7	888.0	83.0	590.9	196.2	2,864.3
Accumulated Depreciation							
At 1 January	(0.6)	(152.5)	(456.0)	(52.9)	(305.1)	-	(967.1)
Charge for the year	(0.9)	(14.8)	(41.9)	(6.3)	(38.2)	-	(102.1)
Transfers within property, plant and equipment	-	(0.1)	-	-	0.1	-	-
Transfers to investment property	-	2.6	0.6	-	-	-	3.2
Disposals and write off	-	0.6	0.1	0.1	11.5	-	12.3
At 31 December	(1.5)	(164.2)	(497.2)	(59.1)	(331.7)	-	(1,053.7)
Net book value							
At 1 January	748.4	190.8	398.3	24.3	245.0	179.1	1,785.9
At 31 December	755.0	185.5	390.8	23.9	259.2	196.2	1,810.6

The amount of borrowing costs capitalised within property, plant and equipment during the year ended 31 December 2024 was £3.4m (2023: £1.6m). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 6.6% (2023: 6.4%).

Notes to the financial statements

10. Property, plant and equipment (continued)

The tables above include recognised right of use assets detailed below:

	Operational land £m	Buildings £m	Floating craft £m	Plant and equipment £m	Total £m
2024					
Cost					
At 1 January	27.0	4.3	1.3	8.8	41.4
Additions	1.8	-	1.2	1.7	4.7
At 31 December	28.8	4.3	2.5	10.5	46.1

Accumulated Depreciation

At 1 January	(1.5)	(3.0)	(1.3)	(7.6)	(13.4)
Charge for the year	(1.1)	(0.5)	(1.2)	(1.0)	(3.8)
At 31 December	(2.6)	(3.5)	(2.5)	(8.6)	(17.2)

Net book value

At 1 January	25.5	1.3	-	1.2	28.0
At 31 December	26.2	0.8	-	1.9	28.9

	Operational land £m	Buildings £m	Floating craft £m	Plant and equipment £m	Total £m
2023					
Cost					
At 1 January	2.4	4.3	1.3	7.7	15.7
Acquisition of subsidiary	24.6	-	-	-	24.6
Additions	-	-	-	1.4	1.4
Disposals	-	-	-	(0.3)	(0.3)
At 31 December	27.0	4.3	1.3	8.8	41.4

Accumulated Depreciation

At 1 January	(0.6)	(2.3)	(0.5)	(7.2)	(10.6)
Charge for the year	(0.9)	(0.7)	(0.8)	(0.7)	(3.1)
Disposals	-	-	-	0.3	0.3
At 31 December	(1.5)	(3.0)	(1.3)	(7.6)	(13.4)

Net book value

At 1 January	1.8	2.0	0.8	0.5	5.1
At 31 December	25.5	1.3	-	1.2	28.0

Notes to the financial statements**10. Property, plant and equipment (continued)**

The group as the lessee leases various operational land, buildings and plant and equipment under non-cancellable lease agreements. The lease terms vary and range from 1 to 999 years for operational land, 10 to 27 years for buildings and 2 to 16 years for plant and equipment. These leases have various escalation clauses and renewal rights and there are no financial restrictions placed upon the lessee by entering into these leases.

11. Investment property

	Port-related investment properties £m	Other investment properties £m	Land at ports held for development £m	Total £m
2024				
At valuation				
At 1 January	2,272.7	324.0	116.4	2,713.1
Additions	46.9	2.9	9.4	59.2
Disposal	(0.4)	-	(1.8)	(2.2)
Transfers within investment property	1.5	0.6	(2.1)	-
Transfers from intangible assets	0.1	-	-	0.1
Transfers from property, plant and equipment	2.4	4.2	-	6.6
	2,323.2	331.7	121.9	2,776.8
Surplus on revaluation	11.3	3.6	-	14.9
Increase in fair value of investment properties	196.6	24.8	12.4	233.8
At 31 December	2,531.1	360.1	134.3	3,025.5
	Port-related investment properties £m	Other investment properties £m	Land at ports held for development £m	Total £m
2023				
At valuation				
At 1 January	2,085.6	343.6	57.1	2,486.3
Additions	41.9	0.6	59.3	101.8
Disposal	(0.9)	(0.5)	(1.2)	(2.6)
Transfers within investment property	(1.9)	0.5	1.4	-
Transfers from property, plant and equipment	28.2	(0.8)	(0.3)	27.1
	2,152.9	343.4	116.3	2,612.6
Surplus on revaluation	7.4	0.3	-	7.7
Increase/(decrease) in fair value of investment properties	112.4	(19.7)	0.1	92.8
At 31 December	2,272.7	324.0	116.4	2,713.1

Notes to the financial statements

11. Investment property (continued)

During the year £14.9m (2023: £7.7m) was credited directly to the revaluation reserve reflecting the increase to fair value of the properties transferred from property, plant and equipment and right of use assets to investment property (previously recorded at cost). An increase of £233.8m (2023: increase of £92.8m) in the fair value of investment properties was recognised directly in the income statement.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposals.

The amount of borrowing costs capitalised within investment property during the year ended 31 December 2024 was £3.2m (2023: £1.4m). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 6.6% (2023: 6.4%).

Other investment properties are all tenanted (or available to be tenanted) investment properties other than those identified as being port-related. This category includes areas of bare land which local management is marketing in its existing state to obtain non-port related tenancies and anticipate letting within one year.

Basis of valuation

Investment properties fair value has been estimated on the basis of market value in accordance with the Appraisal and Valuation Standards issued by The Royal Institution of Chartered Surveyors (“RICS”), which is consistent with fair value as defined by IFRS 13. Investment property valuations are conducted annually by the group’s internal valuation team, utilising external valuers when appropriate. The group’s internal valuation team comprises regionally based Chartered Surveyors, including RICS Registered Valuers. The valuation of investment property is reviewed by external valuers at least once every five years. The five yearly review was last undertaken in 2023 by independent valuers, Savills (UK) Limited, Chartered Surveyors regulated by RICS.

The investment property valuations are reviewed by the regional and group finance teams and discussions are held with the internal valuation team to determine whether changes in the valuation from the prior year are reasonable. Discussions are then held with the Chief Financial Officer before presenting the results to the group’s independent auditors.

The highest and best use for all investment property is considered by management to be the current use, except where a property is in the process of being developed when its future intended use is considered to be its highest and best use.

The valuation of investment property has been categorised as a Level 3 fair value measurement under IFRS 13, being a recurring fair value measurement using significant unobservable inputs.

The valuations adopt conventional investment valuation methodology by assessing the income from the investment assets and then capitalising against an investment yield. Income from investment assets typically falls into two parts, a core rental for the asset or other income, in some cases both. The other income is derived, for example, by reference to the volume of goods or equivalent brought across the dock. The valuations also take into account the wider port operating costs by an adjustment to the yield. Deductions have been made to reflect stamp duty and the other costs that would be incurred by a purchaser of the asset, namely legal and surveyors’ fees.

Notes to the financial statements**11. Investment property (continued)****Significant inputs, including estimates and judgments*****Estimated Rental Value (“ERV”) – Core rental***

The ERV for the core rental income stream is the valuer’s professional opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property. The valuers will refer to historic data, comparable properties and their knowledge of the relevant specialist sector to assess the likely ERV for vacant properties and future reversion.

Estimated Rental Value (“ERV”) – Other income

Other income from investment assets are either entirely variable or subject to a minimum guaranteed amount with the excess being variable. In order to assess the likely sustainable variable income stream the valuers refer to historic data and their knowledge of the relevant specialist sector.

Yields

Yields are set reflecting the investment assets specific prospects and associated risks. The valuers consider the prevailing market yields and adjust for the nature of the assets, the potential variability or sustainability of income and the impact of the wider port operating costs.

Purchasing costs

Costs that are assumed to be incurred by a purchaser are 1.75% of the gross valuation plus Stamp Duty Land Tax at the relevant rate.

Sensitivity

Yields are the most significant of the unobservable inputs used in the fair value measurement of the group’s principal investment properties. The table below summarises the inputs used:

	Port-related investment properties	Other investment properties	Total
2024			
Yield – average %	11.2	11.9	11.4
Yield – range %	5.0 – 25.0	5.0 – 17.5	5.0 – 25.0
	Port-related investment properties	Other investment properties	Total
2023			
Yield – average %	11.3	9.5	10.8
Yield – range %	5.0 – 33.3	5.0 – 24.0	5.0 – 33.3

A decrease in the average yield of 0.5% would result in an increase in the aggregate valuation of £138.8m (2023: £131.7m) and an increase in the average yield of 0.5% would result in a decrease in the aggregate valuation of £127.1m (2023: £120.0m).

Notes to the financial statements**11. Investment property (continued)****Lease income**

Lease income, excluding other income, generated from the group's investment property portfolio amounted to £176.5m (2023: £170.5m) and related operating expenses amounted to £2.0m (2023: £3.5m). Direct operating expenses relating to vacant property are considered to be immaterial

12. Trade and other receivables

Trade and other receivables are analysed as follows:

	2024	2023
	£m	£m
Non-current		
Accrued income	0.1	1.5
Prepayments	-	0.7
Other receivables	0.6	0.6
Total non-current trade and other receivables	0.7	2.8
Current		
Trade receivables	94.4	76.9
Prepayments	12.1	8.9
Accrued income	33.1	30.3
Other receivables	24.7	24.4
Provision for expected credit losses	(8.9)	(7.3)
Total current trade and other receivables	155.4	133.2

Other receivables mainly comprise costs incurred relating to damage to property that is recoverable from third parties, including insurers, costs incurred where compensation, at least equal to the costs, is expected to be obtained and recoverable VAT.

Movements in the group's loss allowance measured at an amount equal to the lifetime expected credit losses are as follows:

	2024	2023
	£m	£m
At 1 January	(7.3)	(9.3)
Provision for the expected credit losses	(5.7)	(4.7)
Expected credit losses reversed	3.4	6.1
Receivables written off as uncollectable	0.7	0.6
At 31 December	(8.9)	(7.3)

The provision for expected credit losses relates to trade receivables and accrued income.

As at 31 December 2024 the group held trade receivables that were past due but not impaired, as set out in the table below. These relate to a number of independent customers for whom there is no recent history of default and where terms and amounts have not been renegotiated in the last year.

Notes to the financial statements**12. Trade and other receivables**

The ageing of these trade receivables is analysed as follows:

	2024 £m	2023 £m
Up to 3 months	-	0.6
3 to 6 months	0.5	-
Over 6 months	0.3	-
Total past due but not impaired receivables	0.8	0.6

With the exception of part of the interest receivable on derivatives which is denominated in USD and JPY there are no significant receivables of the group that are denominated in foreign currencies. The group does not hold any collateral as security.

13. Inventories

	2024 £m	2023 £m
Consumable spares	8.1	-

At 31 December 2024 £3.9m consumable spares were transferred from property plant and equipment and £4.2m of consumable spares was transferred from other receivables.

14. Pension commitments

The group participates in several pension schemes. They are accounted for as follows:

Defined Benefit:

- The Associated British Ports Group Pension Scheme (“ABPGPS”)
- The Pilots National Pension Fund (“PNPF”)
- Unfunded retirement benefit arrangements in respect of former employees

Defined Contribution:

- The Legal & General Worksave Mastertrust (“MyPension Plan”)
- The Ensign Retirement Plan (“ERP”)
- The Merchant Navy Officers Pension Fund (“MNOFP”)
- The Civil Service Pension
- The People’s Pension

Except for unfunded retirement benefit arrangements, the assets of the group’s pension arrangements are held in trust funds independent of the group.

All the schemes operate under the UK regulatory framework. The primary regulatory authority overseeing these pension schemes is The Pensions Regulator.

Notes to the financial statements**14. Pension commitments (continued)****Summary*****Income statement***

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

	2024 £m	2023 £m
ABPGPS and unfunded retirement benefit arrangements	0.7	0.9
Industry wide schemes	0.4	1.2
Defined contribution arrangements	14.9	13.3
Net pension charge recognised within operating profit	16.0	15.4
Net interest charge/(credit) on net defined benefit assets/liabilities	0.4	(0.2)
Net pension charge recognised in profit/(loss) before taxation	16.4	15.2

Pension charge includes £6.1m (2023: £5.7m) of employee contributions.

Balance sheet

The retirement benefit assets and obligations as at 31 December were:

	2024 £m	2023 £m
Net retirement benefit assets total	28.2	19.5
Net retirement benefit obligations total	(23.4)	(33.6)
Net retirement benefit asset/(liability)	4.8	(14.1)

Analysed by scheme:

ABPGPS – net funded pension assets	28.2	19.5
ABPGPS – net unfunded pension liability	(1.6)	(1.7)
	26.6	17.8
PNPF	(21.8)	(31.9)
Net retirement benefit asset/(liability)	4.8	(14.1)

During the year the ABPGPS scheme recorded an actuarial gain due changes in the financial assumptions and member experience, partially offset by negative returns on the scheme's assets. As a result the scheme's surplus has increased to £26.6m (2023: £17.8m surplus).

The Pilots National Pension Fund scheme recorded an actuarial gain during the year due to changes in financial assumptions and a gain arising from experience, partially offset by negative returns on the scheme's assets. As a result the scheme's deficit decreased to £21.8m (2023: £31.9m deficit).

Schemes accounted for on a defined benefit basis***ABPGPS and unfunded retirement benefit arrangements***

The ABPGPS is a final salary defined benefit scheme closed to new members but has continued accrual.

The last triennial valuation of the ABPGPS as at 31 December 2023 was finalised in October 2024. The deficit recovery plan from the prior valuation remained in place with contributions due in 2025 contingent on their being a technical provisions deficit as at 30 June 2025.

Notes to the financial statements**14. Pension commitments (continued)****Schemes accounted for on a defined benefit basis (continued)**

There are no deficit repair contributions currently required after 2025. An updated Schedule of Contributions was also agreed as part of the triennial valuation. The current Recovery Plan and Schedule of Contributions require the group to make deficit reduction contributions of £3.5m per annum until 31 December 2025 and employer contributions at the rate of 42.3%.

The valuation of the liabilities as at 31 December 2024 has been derived by projecting forward the position as at 31 December 2023. This exercise was performed by an independent actuary, Willis Towers Watson. The present value of the defined benefit obligations and the related current service cost were measured using the Projected Unit Credit method.

The present value of pension liabilities has been determined by discounting pension commitments (including an allowance for salary growth) using a high-quality corporate bond yield.

The liability associated with the unfunded retirement benefit arrangement has also been determined by the actuary, Willis Towers Watson, using the same assumptions as those used for the ABPGPS.

The benefits provided under the Scheme are uncertain to the extent that the impact of Guaranteed Minimum Pensions (GMP) equalisation has not yet been fully reflected in Scheme benefits. An allowance has been included in the liabilities to reflect the expected value of these additional benefits, in line with what was calculated at the previous year end. It has been estimated by the actuary, Willis Towers Watson, that the financial effect of equalising benefits due to the GMPs in the ABPGPS was approximately a 0.1% increase of the funded defined benefit obligation.

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years. There are no asset ceiling issues arising under IFRIC 14 as the group would be able to derive economic benefit from the existing IAS 19 surplus either through a reduction in future contributions or through a refund of the surplus if the Scheme is run on until all members have left. At that point, on the winding-up of ABPGPS, there would be no benefits to be increased using the surplus. The group has the unconditional right to a refund of any surplus assets on the winding up of ABPGPS.

The surplus is recognised gross of tax as it is anticipated that the recovery will be by way of reduced contributions over the life of the ABPGPS. Deferred tax on the difference between the amounts recognized and payments made is included within deferred tax through the income statement or other comprehensive income to follow the recognition in the changes in value.

The Pilots National Pension Fund (“PNPF”)

The PNPF (“The Fund”) is a centralised final salary multi-employer defined benefit pension scheme for non-associated employers. It provides benefits for employed and self-employed maritime Pilots and other marine or non-marine workers upon retirement and also on death before or after retirement. The Fund is administered by a separate Trustee Company which is legally separate from the group. The Trustee Directors are required by law to act in the interests of all relevant beneficiaries and are responsible for the Fund's investment policy and day-to-day administration.

The Defined Benefit Section of the Fund was closed to new entrants on 31 December 2020. From 1 January 2021, new entrants join the Cash Balance Section of the Fund. The defined benefit obligation includes allowance for both the Defined Benefit Section and Cash Balance Section.

Notes to the financial statements**14. Pension commitments (continued)****Schemes accounted for on a defined benefit basis (continued)**

The last actuarial valuation of the Fund was completed as at 31 December 2022 and showed a higher than anticipated deficit under an existing Recovery Plan, requiring an increase in the deficit contributions payable by Participating Bodies. A new Recovery Plan reflecting an additional deficit repair contribution payable in 2029 was put in place. The new contribution in 2029, as well as the assets and defined benefit obligations, reflect the group's share of the liabilities in the Fund at the most recent valuation. Under the Recovery Plan the group paid contributions of £7.5 million in 2024, and will pay future contributions increasing at 3.4% p.a. thereafter until 31 December 2028. The group may also pay contributions in respect of the future accrual of benefits by active Pilots and/or other marine or non-marine workers. The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years.

The Trustee of the PNPF has the power to determine how any excess of the Fund's assets over its liabilities that is not required shall be used. This could include reductions in contributions or refunds to participating bodies. As at the 31 December 2024 there is no expectation that any surplus will arise in the future because of the contributions promised by the group and therefore no provisions of IFRIC 14 impact the balance sheet.

Under the terms of the PNPF scheme rules and the trustee powers the group is exposed to actuarial risks associated with the current and former employees of other participating entities. As such, the group's share of the liabilities of the scheme is sensitive to changes in the overall membership composition of the scheme and the experience in rates of retirement, mortality, cash commutations, augmentations and increase in salaries.

The PNPF scheme consists of a number of Participating Bodies which are all UK Competent Harbour authorities. ABP has the largest share of historic liabilities although no longer has any active employees in the main section. All Participating Bodies are mutually liable for the entire PNPF obligations. The allocation of liabilities between Participating Bodies is determined by the PNPF Scheme Actuary at each scheme triennial valuation. If a Participating Body were to withdraw from the PNPF, a section 75 debt would be due based on the Participating Body's share of the ECHA statutory employer liabilities as at the most recent triennial valuation. ABP's share of this liability is calculated at 43.59% as at the 2022 valuation; which is then applied to the Fund's deficit on a solvency basis and then adjusted for historic voluntary contributions paid into the Fund by ABP.

Other risks associated with the group's share of the net liabilities of the scheme include potential challenges from participating bodies to the allocation of liabilities in relation to self-employed members to sponsoring employers and the impact of participating bodies leaving the scheme (e.g. under Section 75 of the Pensions Act).

Notes to the financial statements**14. Pension commitments (continued)****Schemes accounted for on a defined benefit basis (continued)****Assumptions**

The major financial assumptions used by the actuary as at 31 December were as follows:

	ABPGPS		PNPF	
	2024	2023	2024	2023
	%	%	%	%
Inflation CPI	2.75	2.60	2.40	2.20
Inflation RPI	3.15	3.05	3.10	3.00
Rate of increase in pensionable salaries	2.00	2.00	2.40	2.20
Rate of increase for pensions in payment ¹	2.95	2.90	3.00	2.90
Rate of increase for pensions in payment ²	2.30	2.25	3.70	3.60
Rate of increase for pensions in payment ³	2.75	2.60	2.40	2.20
Discount rate	5.50	4.65	5.40	4.50

1 ABPGPS - (earned before 1 April 2007) (RPI capped at 5% p.a.); PNPF - (maximum 5%; minimum 0%)

2 ABPGPS - (earned on or after 1 April 2007) (RPI capped at 3% p.a.); PNPF - (maximum 5%; minimum 3%)

3 ABPGPS - (earned before 1 April 2007) (CPI uncapped); PNPF - (in deferment in excess of Guaranteed Minimum Pension)

Assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescales covered, may not necessarily be borne out. The most significant assumption is the discount rate.

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions as at 31 December were as follows:

	ABPGPS		PNPF	
	2024	2023	2024	2023
	Years	Years	Years	Years
Male life expectancy retiring at age 60 in 15 years	26.0	26.0	27.6	27.6
Female life expectancy retiring at age 60 in 15 years	28.4	28.5	30.3	30.3

Sensitivities

The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period assuming all other assumptions are held constant:

	ABPGPS		PNPF	
	2024	2023	2024	2023
	£m	£m	£m	£m
Impact on net liabilities of:				
Decrease in discount factor by 0.5%	18.0	23.0	4.0	5.0
Increase in inflation rate by 0.5%	12.6	15.8	2.0	2.0
Increase in rate of mortality of a 60 year old by 1 year	12.4	13.8	6.0	3.5
Increase in allocated share of the PNPF liability by 5%	-	-	4.5	5.0

Notes to the financial statements

14. Pension commitments (continued)

Schemes accounted for on a defined benefit basis (continued)

Balance sheet

Changes in fair value of scheme assets were as follows:

	ABPGPS		PNPF	
	2024	2023	2024	2023
	£m	£m	£m	£m
Fair value of scheme assets at 1 January	411.8	419.0	70.0	73.5
Amounts recognised in income statement:				
Interest income	18.6	20.0	3.1	3.6
Actuarial (loss)/gain in OCI:				
Return on assets, excluding amounts in net interest	(36.3)	(4.7)	(5.5)	(5.1)
Contributions by employees	0.1	0.1	0.1	-
Contributions by employer	6.6	6.3	7.5	7.3
Benefits paid	(26.8)	(27.9)	(8.5)	(9.0)
Administrative expenses paid	(1.6)	(1.0)	(0.3)	(0.3)
Fair value of scheme assets at 31 December	372.4	411.8	66.4	70.0

Changes in fair value of scheme obligations were as follows:

	ABPGPS		PNPF	
	2024	2023	2024	2023
	£m	£m	£m	£m
Fair value of scheme obligations at 1 January	(393.9)	(405.3)	(101.9)	(98.5)
Amounts recognised in income statement:				
Current and past service costs	(0.8)	(0.9)	(0.1)	-
Interest cost	(17.7)	(18.8)	(4.4)	(4.6)
Administrative expenses	(1.6)	(1.0)	-	-
Actuarial gain/(loss) in OCI:				
Actuarial gain/(loss) from changes in demographic assumptions	1.7	9.0	0.2	(1.7)
Actuarial gain/(loss) from changes in financial assumptions	28.0	(5.4)	8.1	(3.2)
Experience (loss)/gain	10.0	(0.5)	1.2	(3.2)
Contributions by employees	(0.1)	(0.1)	(0.1)	-
Benefits paid directly by the company	0.2	0.2	-	-
Benefits paid	26.8	27.9	8.5	9.0
Administrative expenses paid	1.6	1.0	0.3	0.3
Fair value of scheme obligations at 31 December	(345.8)	(393.9)	(88.2)	(101.9)

The current service cost represented 22.0% (2023: 17.0%) for the ABPGPS and unfunded retirement benefit arrangements, of the applicable pensionable payroll.

As at 31 December 2024, the cumulative actuarial result recognised in the group's other comprehensive income amounted to a loss of £104.5m (2023: loss of £107.9m) for the ABPGPS and unfunded retirement benefit arrangements and a gain of £11.8m (2023: gain of £7.8m) for the PNPF.

Notes to the financial statements

14. Pension commitments (continued)

Schemes accounted for on a defined benefit basis (continued)

Returns on assets and interest on liabilities are determined by reference to the actuarial assumptions adopted at the beginning of each financial period. The actual return on assets for 2024 was a loss of £17.7m (2023: gain of £15.3m) for the ABPGPS and unfunded retirement benefit arrangements and a loss of £2.4m (2023: loss of £1.5m) for the PNPf. The fair value of scheme assets is analysed as follows:

	ABPGPS		PNPF	
	2024	2023	2024	2023
	£m	£m	£m	£m
Investments quoted in active markets:				
Government investments	294.1	366.7	-	-
Fixed investment and liquidity funds	31.0	21.5	-	-
Derivatives	(1.5)	(3.3)	0.9	0.7
Repurchase agreements	(159.4)	(172.0)	-	-
Pooled Investment Vehicles (PIV) - Bonds	77.1	24.7	-	-
Investment funds	17.5	40.0	30.4	27.9
Liquidity funds	-	-	8.8	13.3
LDI	-	-	11.1	13.7
Long term credit	-	-	13.9	14.4
Unquoted investments:				
Property PIVs and liquidity funds	63.3	73.3	-	-
PIVs	40.2	50.2	-	-
Cash and cash equivalents	10.1	10.7	1.3	-
Fair value of scheme assets at 31 December	372.4	411.8	66.4	70.0

Historical record – ABPGPS and unfunded retirement benefit arrangements

	2024	2023	2022	2021	2020
	£m	£m	£m	£m	£m
Amounts for the current and previous years are as follows:					
Fair value of scheme assets	372.4	411.8	419.0	642.9	640.2
Present value of funded scheme obligations	(344.2)	(392.2)	(403.7)	(580.1)	(635.8)
Present value of unfunded obligations	(1.6)	(1.7)	(1.6)	(2.0)	(2.3)
Net assets recognised in the balance sheet*	26.6	17.9	13.7	60.8	2.1
Actuarial gain/(loss) due to changes in assumptions	29.7	3.6	184.1	32.0	(56.9)
Experience gain/(loss) on scheme obligations	10.0	(0.5)	(25.1)	6.7	(1.0)
Experience (loss)/gain on scheme assets	(36.3)	(4.7)	(212.4)	16.1	36.2
Actuarial gain/(loss) relating to net retirement benefit assets/liabilities recognised in other comprehensive income	3.4	(1.6)	(53.4)	54.8	(21.7)

*Unfunded liability recognised in retirement benefit liabilities in the group balance sheet

Notes to the financial statements

14. Pension commitments (continued)

Schemes accounted for on a defined benefit basis (continued)

Historical record – PNPF

	2024	2023	2022	2021	2020
	£m	£m	£m	£m	£m
Amounts for the current and previous years are as follows:					
Fair value of scheme assets	66.4	70.0	73.5	101.0	101.8
Present value of funded scheme obligations	(88.2)	(101.9)	(98.5)	(140.1)	(152.1)
Net liabilities recognised in the balance sheet	(21.8)	(31.9)	(25.0)	(39.1)	(50.3)
Actuarial gain/(loss) due to changes in assumptions	8.3	(4.8)	38.6	6.7	(9.4)
Experience gain/(loss) on scheme obligations	1.2	(3.2)	(4.0)	(2.1)	23.8
Experience (loss)/gain on scheme assets	(5.5)	(5.1)	(26.4)	1.0	(10.8)
Actuarial gain/(loss) relating to net retirement benefit assets/liabilities recognised in other comprehensive income/(expense)	4.0	(13.1)	8.2	5.6	3.6

Schemes accounted for on a defined contribution basis

The Merchant Navy Officers Pension Fund (“MNOPF”)

The MNOPF is a multi-employer arrangement operated across the shipping industry. It operates with no segregation of the assets and liabilities relating to different employers and the trustees allocating a ‘share’ of funding deficits to employers. The MNOPF has secured approximately £2.0bn of liabilities in respect of pensioner members with Pension Insurance Corporation through two transactions in 2020 and 2022. The assets of the MNOPF were approximately £3.3bn at 31 March 2021, including the value of this ‘buy-in’ policy. The buy-in transactions remove the financial and demographic risks associated with the insured pensioner members. The last actuarial valuation as at 31 March 2021 was a technical provision surplus of 102% and on the same basis as at 31 March 2023 was 99%. The MNOPF closed to future benefit accrual on 31 March 2016. ABP has approximately a 0.1% share of the MNOPF deficit based on the liabilities in respect of former employees and a share of the orphan liabilities. There are no new recovery plans in place following the latest valuation.

Notes to the financial statements

14. Pension commitments (continued)

Schemes accounted for on a defined contribution basis (continued)

In 2024 and 2023 the group had no contributions to this scheme and expects no contributions to be payable in 2025.

The group recognises that this pension scheme should be accounted for as a defined benefit scheme under IAS 19, however given the group's immaterial exposure, the lack of availability of data and the limited influence the group has over the affairs of this scheme, the group intends to continue to account for it as a defined contribution scheme.

The Legal & General Worksave Mastertrust ("MyPension Plan")

This is the group's primary pension arrangement for new and current employees, is a qualifying arrangement to meet auto enrolment legislation, and has approved mastertrust status from the Pensions Regulator.

In 2024 the group expensed as defined contribution pension costs a total of £14.6m (2023: £12.8m) of contributions to this plan.

The Ensign Retirement Plan ("ERP")

The ERP was an industry-wide Mastertrust pension arrangement available to employers and employees who may, or may not, be associated with the maritime industry. The plan fell under independent trustee governance but was partly funded by the Trustee of the MNOPF and sat alongside the defined benefit arrangement within the framework of the MNOPF. The ERP had approved Mastertrust status from the Pensions Regulator and is a defined contribution pension arrangement. The group had enrolled apprentices into the plan. Contributions to the Ensign Mastertrust ceased as at 31 March 2023 and it was subsequently wound up in September 2023 after the assets held for members were transferred to the SMART Pension Mastertrust. As this was a defined contribution arrangement, we have no further connection to the Plan.

In 2024 the group had no defined contribution pension costs (2023: £9,260) of contributions to this plan.

The defined contribution pension cost represents the actual contributions payable by the group to the Legal & General and Ensign Mastertrusts. At 31 December 2024, there were no amounts outstanding as being due to these arrangements from the group (2023: £nil).

The Civil Service pension

The Civil Service pension arrangements, comprise the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme (Alpha). Both are unfunded, Defined Benefit (DB), contributory, public service occupational pension scheme made under the Superannuation Act 1972. PCSPS and Alpha are unfunded schemes and the cash required to meet the payment of pension benefits is paid from public funds provided by Parliament. Members contribute on a 'pay-as-you-go' basis. These contributions (and those made by employers) are credited to the Exchequer under arrangements governed by the aforementioned Acts. The group pays current service contributions as determined by the scheme. The contributions due from employers and employees to fund future service liabilities are set by the Actuary at a four-yearly Scheme valuation. During the year, the group made contributions of £0.1m (2023: £0.1m) to this scheme in relation to its current active members.

Notes to the financial statements

14. Pension commitments (continued)

Schemes accounted for on a defined contribution basis (continued)

The Peoples Pension

The Peoples Pension is a defined contribution scheme, with approved mastertrust status from the pension regulator to meet auto enrolment legislation requirements. During the year, the company made contributions of £0.1m (2023: £0.1m) to this scheme in relation to its current active members

Section 37 certification

On 16 June 2023, in the case *Virgin Media v NTL Pension Trustees II Limited (and others)*, the High Court ruled on the correct interpretation of historic legislation governing the amendment of contracted-out DB schemes. The court found that section 37 of the PSA93 (“section 37”) renders invalid and void any amendment to the scheme’s rules which related to section 9(2B) rights, in so far as it was introduced without the required written actuarial confirmation that the scheme would continue to satisfy the relevant statutory standard after the amendment was made.

The decision is relevant for schemes which were contracted out on a DB basis from 6 April 1997 which includes the ABP Group Pension Scheme and PNPf.

The ABP Group Pension Scheme Trustees and Associated British Ports have reviewed all relevant Deeds of Amendment and confirmed that Section 37 Confirmation from the Scheme Actuary was in place at the time the amendment was made. Given this confirmation the group considers that no adjustment is required.

The group understands that the PNPf Trustee has commenced a review to establish what impact, if any, the Virgin Media judgment has on the PNPf. The PNPf Trustee has informed the group that it has no reason to believe there is a compliance issue in relation to the requirements of Section 37 of the Pension Schemes Act 1993 when amending the PNPf Rules.

Taking this information into account, and that the PNPf Trustees have in place policies and procedures to ensure compliance with laws and regulations and that the requirements under the act were well known, the group considers the current actuarial estimates to represent the best estimate available of the liabilities.

Notes to the financial statements**15. Borrowings**

Borrowings are analysed as follows:

	2024 £m	2023 £m
Current		
Private placement notes	30.0	180.7
Term and revolving facilities	-	74.0
Interest due on term and revolving facilities	1.3	1.1
Interest due on private placement notes	23.7	18.8
Interest due on public loan notes	2.1	2.1
Interest due on derivatives	2.6	0.4
Interest on amounts due to parent undertaking	3.3	3.4
Lease liabilities	2.5	1.6
Total current borrowings	65.5	282.1
Non-current		
Term and revolving facilities	190.7	175.5
Private placement notes	1,910.0	1,486.8
Public loan notes	598.6	598.2
Amounts due to parent undertaking	4,060.0	3,954.0
Lease liabilities	37.2	36.5
Total non-current borrowings	6,796.5	6,251.0

Total external borrowings (excluding accrued interest and leases liabilities) are as follows:

Term and revolving facilities			2024	2023
Facility type	Due date	Rate per annum	£m	£m
GBP floating rate note	2029	6m compounded SONIA plus margin	80.0	80.0
EIB loan	2024	3m compounded SONIA plus margin	-	74.0
Nat West Markets PLC Syndicated 2026 Loan		Variable SONIA plus margin	115.0	100.0
Deferred borrowing costs			(4.3)	(4.5)
Term and revolving facilities			190.7	249.5

Notes to the financial statements

15. Borrowings (continued)

Private placement notes			2024	2023
Facility type	Due date	Rate per annum	£m	£m
GBP private placement	2029-2033	Compounded SONIA plus margin	200.0	200.0
GBP private placement	2030	Compounded SONIA plus margin	105.0	130.0
GBP private placement	2033	Compounded SONIA plus margin	80.0	80.0
GBP private placement	2028-2030	Compounded SONIA plus margin	50.0	50.0
GBP private placement	2028-2032	Compounded SONIA plus margin	83.3	83.3
GBP private placement	2028-2037	Compounded SONIA plus margin	40.0	40.0
GBP private placement	2035	Compounded SONIA plus margin	50.0	-
GBP private placement	2030	3.61%	120.0	120.0
GBP private placement	2035	3.92%	100.0	100.0
GBP private placement	2029	4.38%	50.0	50.0
GBP private placement	2025	3.43%	30.0	30.0
GBP private placement	2029	4.38%	15.0	15.0
GBP private placement	2034	5.97%	150.0	150.0
GBP private placement	2040	5.40%	100.0	100.0
GBP private placement	2047	6.52%	50.0	50.0
GBP private placement	2043	6.51%	56.7	56.7
GBP private placement	2039	5.47%	75.0	-
GBP private placement	2039	5.69%	129.6	-
USD private placement	2024	4.62%	-	121.7
USD private placement	2024	4.41%	-	68.7
USD private placement	2024	4.11%	-	58.9
USD private placement	2032	5.68%	15.9	15.7
USD private placement	2032	5.36%	98.8	97.4
USD private placement	2032	5.43%	101.2	-
USD private placement	2034	5.30%	125.9	-
USD private placement	2029	4.41%	69.7	-
JPY private placement	2032	1.00%	50.8	55.5
Deferred borrowing costs			(6.9)	(5.4)
Private placement notes			1,940.0	1,667.5

Public loan notes			2024	2023
Facility type	Due date	Rate per annum	£m	£m
GBP note	2026	6.25%	480.2	480.2
GBP note	2033	3m compounded SONIA plus margin	70.0	70.0
GBP note	2042	5.25%	50.0	50.0
Deferred borrowing costs			(1.6)	(2.0)
Public loan notes			598.6	598.2

At the 31 December all USD and JPY loans have been retranslated using the exchange rates at that date.

Notes to the financial statements**15. Borrowings (continued)**

Amounts due to parent undertaking represent two loans from ABP Midco UK Limited, the group's immediate parent undertaking. More detail on the group's related party borrowings is set out in note 23.

Interest on the loan amount due to parent undertaking due in 2027, accruing interest at 9.0% per annum, accrues annually in arrears and can be settled in cash at any time or deferred until maturity of the facility.

Interest on the amounts due to parent undertaking due in 2028, accruing interest at 4.23% per annum plus compounded SONIA, is accrued and payable in cash semi-annually in May and November. In line with the terms of the borrowing agreement the group is permitted, at its discretion, to defer payment until a subsequent interest payment date or the final redemption date. Interest of £255.2 m (2023: £96.3m) was paid in 2024. The total outstanding interest accrued as at 31 December 2024 was £3.3m (2023: £3.4m).

Interest on all other borrowings is settled in cash and has been included in the table in the relevant category based on cash payment each year

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

The group, through its wholly owned subsidiary undertaking, ABP Acquisitions UK Limited ("ABPA"), has borrowing agreements which restrict the amounts that can be paid by certain subsidiaries in respect of the redemption, purchase or retirement of share capital or share premium, payments of dividends or interest in respect of shares, payments of management, advisory or other fees at arm's length, or any repayment of subordinated debt. Were the companies to make payments in excess of these limits it would be in breach of its financing covenants. The companies subject to these restrictions are ABPA Holdings Limited, ABPA, ABP Finance Plc which has issued publicly listed debt on the Irish Stock Exchange, ABPH, ABP and any other material subsidiaries as defined in the agreement.

The carrying amounts of lease liabilities and the movements during the year are set out below:

	2024	2023
	£m	£m
At 1 January	38.1	7.3
Acquisition of subsidiary	-	33.3
Additions	4.7	1.4
Interest expense	2.2	2.0
Payments	(5.3)	(5.9)
At 31 December	39.7	38.1

Lease liabilities are secured on the related leased assets. Disclosure of the financial risks related to these financial instruments is disclosed in note 16. Expenses relating to short term and low value asset leases are disclosed in note 3. Future variable lease payments are disclosed in note 26.

Notes to the financial statements**16. Financial instruments****Treasury operations**

Treasury matters throughout the group are controlled centrally and carried out in compliance with policies approved by the Board of Associated British Ports Holdings Limited (“ABPH”), the group’s intermediate subsidiary undertaking. The Board of ABPH monitors treasury matters and approves significant decisions. The treasury function’s purpose is to assess the Group’s ongoing capital requirements, raise funding on a timely basis and identify, mitigate and hedge financial risks inherent in the group’s business operations and capital structure.

The group does not use financial instruments for speculative purposes.

Financial risk management

The group’s main financial risks are liquidity, market, credit and capital risk. The group aims to manage these risks to an acceptable level.

Liquidity risk

Liquidity risk is managed in accordance with the Treasury Policy by the wider group, owned by the group’s ultimate parent undertaking, ABP (Jersey) Limited. This ensures that cash and committed borrowing facilities are maintained at levels that provide a reasonable headroom in excess of the forecast requirements of all entities within the group. Management monitors rolling forecasts of the group’s liquidity reserve (comprised of committed undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows.

Market risk

Some of the group’s borrowings have been financed through floating rate and foreign currency debt and are therefore subject to interest rate and foreign exchange risk.

The table below illustrates the movement on profit and equity of changes in interest rates and foreign currency exchange rates on the fair value of derivatives:

	2024		2023	
	Profit/(loss) before tax	Equity	Profit/(loss) before tax	Equity
	£m	£m	£m	£m
Financial liabilities				
Interest rate sensitivities				
1% increase in interest rates - GBP	129.2	129.2	174.2	174.2
1% decrease in interest rates - GBP	(151.6)	(151.6)	(202.0)	(202.0)
1% increase in interest rates - USD	(25.1)	(25.1)	(8.2)	(8.2)
1% decrease in interest rates - USD	27.1	27.1	8.9	8.9
1% increase in interest rates - JPY	(3.7)	(3.7)	(4.2)	(4.2)
1% decrease in interest rates - JPY	4.0	4.0	4.7	4.7
Foreign exchange rate sensitivities				
10% increase in Sterling to USD	(2.8)	(2.8)	2.8	2.8
10% decrease in Sterling to USD	3.4	3.4	(3.4)	(3.4)
10% increase in Sterling to JPY	-	-	(0.2)	(0.2)
10% decrease in Sterling to JPY	-	-	0.2	0.2

Notes to the financial statements

16. Financial instruments (continued)

Financial risk management (continued)

Interest rate risk

Risks arising from changes in interest rates are managed by maintaining an appropriate balance between fixed and floating rate debt. The group also uses derivative instruments such as interest rate swaps when appropriate to hedge against changes in interest rates and to adjust the balance between fixed and floating rate debt. At 31 December 2024 the group's hedge ratio for external third party debt was 90% (2023: 91%). Interest rate exposure in relation to all of the group's borrowings is therefore predominantly fixed.

Foreign exchange risk

The group principally invoices its customers and settles its expenses in sterling. Accordingly, currency exposure arising from transactions being settled in other currencies tends to arise infrequently. Where such exceptions are significant, any related exposure is managed through forward currency contracts.

The group has undertaken financing in foreign currency and is therefore exposed to foreign exchange risk. This exposure is managed through cross currency interest rate swaps.

Credit risk

Credit risk with banks and financial institutions is managed by the wider group. The group monitors the credit risk of banking counterparts, tracking credit default swap rates and credit ratings of actual and potential counterparties. Cash deposits of the group at the year-end were all with counterparties with a credit rating of A3 or better and the weighted average maturity of deposits was 1 day from 31 December 2024.

Customer credit risk is managed locally in line with a group policy which is designed to ensure that the group's exposure to concentration of credit is appropriately managed through implementation of credit checks, using external credit rating agencies, and limits. Based on the quality and diversity of its customer base and institutions with which cash is deposited, management considers the group's exposure to concentration of credit risk not to be material.

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 group ensures that the allowance for expected credit losses is at least 0.5% (2023: at least 0.5%) of the amount of trade receivables and accrued income held on the balance sheet at the reporting date. Expected credit losses for other financial assets is considered immaterial.

Management considers the group's exposure to credit risk to be minimal. The maximum exposure to credit risk at 31 December 2024 is the carrying amount of each class of receivable. The maximum exposure to credit risk at the reporting date for derivative instruments is their fair value.

Capital risk

The group finances itself with a mixture of senior debt facilities, subordinated debt and lease liabilities set out in note 15. The group also has committed but unutilised facilities totalling £487.0m (2023: £410.0m). The group keeps its funding structure under review to maximise shareholder value and to facilitate the execution of its strategy.

Notes to the financial statements**16. Financial instruments (continued)****Financial risk management (continued)**

The group's external loan covenants impose certain restrictions on the group relating to capital which are regularly monitored by management. The group was in compliance with these covenants during 2024 and 2023.

As part of the security package for borrowing facilities of the wider group, owned by the group's ultimate parent undertaking, certain group companies have granted a guarantee and fixed and floating charges over their respective assets including over real property owned by them and shares in subsidiary undertakings (excluding Associated British Ports ("ABP") and its subsidiary undertakings) and various other assets including Associated British Ports Holdings Limited's rights in relation to its principal subsidiary undertaking, ABP. No guarantees or security have been granted by ABP or its subsidiary undertakings in respect of such borrowing facilities. Financial guarantee contracts are initially recognised at fair value and subsequently measured at the higher of the amount calculated under the group's expected credit loss model and any amount initially recognised. Based on this model the carrying amount of these guarantees is considered immaterial. The gross guaranteed amounts of fixed, term and revolving borrowings of £2,141.9m (2023: £1,926.9m) and their maturities covered by the guarantee are set out in note 15.

Contractual maturity of financial liabilities

The table below analyses the group's financial liabilities and related accrued interest and gross settled derivative financial instruments and the associated interest receivable/payable, based on undiscounted contractual payments:

	Borrowings (excluding lease liabilities) £m	Lease liabilities £m	Derivative financial instruments * £m	Trade and other payables £m	Total £m
2024					
Not later than one year	350.8	4.6	12.9	143.8	512.1
More than one year but not more than two years	680.2	3.4	17.2	6.0	706.8
More than two years but not more than five years	5,436.9	8.4	57.0	-	5,502.3
More than five years	2,441.9	103.7	124.5	12.9	2,683.0
Total payments	8,909.8	120.1	211.6	162.7	9,404.2

	Borrowings (excluding lease liabilities) £m	Lease liabilities £m	Derivative financial instruments * £m	Trade and other payables £m	Total £m
2023					
Not later than one year	544.0	3.8	7.9	110.3	666.0
More than one year but not more than two years	190.3	3.7	24.2	-	218.2
More than two years but not more than five years	5,947.8	7.5	85.4	34.4	6,075.1
More than five years	1,774.8	122.6	270.5	12.1	2,180.0
Total payments	8,456.9	137.6	388.0	156.8	9,139.3

* Interest on derivatives is included within derivative financial instruments and not borrowings. These balances also include financial assets on net settled derivative financial instruments.

Notes to the financial statements**16. Financial instruments (continued)****Financial risk management (continued)**

The table below analyses the group's derivative financial instruments and interest receivable/payable on derivatives, which will be settled on a gross basis, into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Interest on the USD cross currency interest rate swaps pay floating and receive floating was payable semi-annually and receivable quarterly. Interest on the USD cross currency interest rate swaps pay floating and receive fixed is payable semi-annually and receivable semi-annually. Interest on the EUR cross currency interest rate swaps pay floating and receive fixed is payable semi-annually and receivable annually. Interest on the JPY cross currency interest rate swaps pay floating and receive fixed is payable semi-annually and receivable semi-annually.

The amounts disclosed in the table are the contractual undiscounted cash flows:

	2024		2023	
	Total Outflows £m	Total Inflows £m	Total Outflows £m	Total Inflows £m
Gross settled derivatives				
Cross currency interest rate swaps				
Not later than one year	(28.8)	22.0	(161.0)	195.1
More than one year but not more than two years	(26.5)	22.1	(11.6)	9.7
More than two years but not more than five years	(126.7)	135.9	(32.3)	29.1
More than five years	(473.3)	450.0	(263.7)	275.4
Total cross currency interest rate swaps	(655.3)	630.0	(468.6)	509.3

The group leases a marina over a 999 year lease term which expires in March 2987. The group as the intermediate lessor subleases the marina to a third party under a finance lease arrangement over the same term as the head lease. The sublease also provides the group with a contribution from the subtenants over the same period as the head lease based on the number of berths at the marina.

The maturity analysis of the group's minimum lease payments receivable under finance leases was as follows:

	2024 £m	2023 £m
Future minimum lease payments receivable under finance leases		
More than three years but not more than four years	0.1	0.1
More than four years but not more than five years	0.1	0.1
More than five years	42.2	42.2
	42.4	42.4
Less: unearned finance income	(41.8)	(41.8)
Net investment in the finance leases	0.6	0.6

Notes to the financial statements**16. Financial instruments (continued)****Financial risk management (continued)**

The group had the following committed but undrawn floating rate borrowing facilities available at 31 December in respect of which all conditions precedent had been met:

	2024	2023
	£m	£m
Undrawn borrowing facilities		
Expiring in:		
More than one year but not more than two years	235.0	250.0
More than two years but not more than five years	252.0	160.0
Undrawn borrowing facilities	487.0	410.0

Fair value of financial instruments

Below is a comparison, by class, of the carrying amounts (book value) and fair value of the group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair value:

	2024		2023	
	Book value	Fair value	Book value	Fair value
	£m	£m	£m	£m
Fixed rate public loan notes	(530.2)	(532.0)	(530.2)	(534.5)
Fixed rate private placement notes	(1,338.6)	(1,285.8)	(1,089.6)	(1,058.5)

The terms of the fixed rate notes are set out in note 15.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

- The fair value of fixed rate public loan notes has been based on the market price, corresponding to Level 1 in the fair value hierarchy;
- The fair value of fixed rate private placement notes has been based on the market observable yield to maturity of the reference bond plus the current spread applicable to the note and equates to Level 2 in the fair value hierarchy;
- The fair value of fixed rate amounts due to parent undertaking has been based on a cash flow projection with reference to observed market returns and accords to Level 2 in the fair value hierarchy. As the fixed rate at 31 December 2024 and 2023 approximates market rate, the book value approximates fair value;

Notes to the financial statements**16. Financial instruments (continued)****Financial risk management (continued)**

- 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 fair value of foreign exchange contracts is based on market price, corresponding to Level 1 in the fair value hierarchy.

During the year to 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Derivative financial instruments

The group uses derivatives to manage its exposure to various fixed rate, floating rate and foreign currency borrowings and transactions, as well as fuel prices. As the group does not designate any of its derivatives as hedges, the fair value changes are recognised in the income statement in accordance with the group's accounting policy set out in note 1. The terms and fair value of derivative financial assets and liabilities held by the group at the balance sheet date were:

At fair value through profit and loss	Expiry date	Notional	Net amounts of financial assets	Net amounts of financial liabilities
2024		£m/litres	£m	£m
Interest rate swaps - pay fixed, receive floating	2033-2051	1,801.0	30.4	(117.2)
Interest rate swaps - pay floating, receive fixed	2034-2040	567.3	0.4	(60.4)
Cross currency interest rate swaps - pay floating, receive fixed (GBP/USD)	2029-2032	393.9	16.4	(7.5)
Cross currency interest rate swaps - pay floating, receive fixed (GBP/JPY)	2032	63.6	-	(16.1)
Fuel swaps and caps	2025-2026	18.0m litres	-	(0.9)
Fair value of derivative financial instruments			47.2	(202.1)
Derivatives not offset in the balance sheet*			(30.8)	30.8
Net amount			16.4	(171.3)

*Right to offset under master netting arrangements.

Notes to the financial statements

16. Financial instruments (continued)

Derivative financial instruments (continued)

At fair value through profit and loss 2023	Expiry date	Notional £m/litres	Net amounts of financial assets £m	Net amounts of financial liabilities £m
Interest rate swaps - pay fixed, receive floating	2036-2051	1,650.0	16.7	(252.4)
Interest rate swaps - pay floating, receive fixed	2036-2040	335.8	9.1	(32.6)
Cross currency interest rate swaps - pay floating, receive fixed (GBP/USD)	2023-2032	285.8	54.5	(3.9)
Cross currency interest rate swaps - pay floating, receive fixed (GBP/JPY)	2032	63.6	-	(11.1)
Fuel swaps and caps	2024-2025	18.0m litres	0.2	(0.7)
Fair value of derivative financial instruments			80.5	(300.7)
Derivatives not offset in the balance sheet*			(29.9)	29.9
Net amount			50.6	(270.8)

*Right to offset under master netting arrangements.

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

	2024 £m	2023 £m
Current assets	2.4	41.6
Non-current assets	44.8	38.9
Total derivative assets	47.2	80.5
Current liabilities	(20.9)	(14.8)
Non-current liabilities	(181.2)	(285.9)
Total derivative liabilities	(202.1)	(300.7)

The floating rate on the cross currency interest rate swaps is linked to SONIA (2023: SONIA). The effective fixed interest rate receivable by the group on the cross currency interest rate swaps notional amount matches the fixed rates set out in note 15.

Notes to the financial statements**17. Trade and other payables**

	2024	2023
	£m	£m
Current		
Trade payables	40.8	32.5
Accruals	95.9	68.0
Other creditors	7.2	9.8
Taxation	5.1	4.6
Total current trade and other payables	149.0	114.9
Non-current		
Accruals	6.0	34.0
Other creditors	12.8	12.5
Total non-current trade and other payables	18.8	46.5

All trade and other payables are non-interest bearing.

Other creditors is made up of non-recurring non-trade payables, and includes rent related security deposits of £12.9m (2023: £12.1m) along with amounts due for 3rd party insurance and damages liabilities.

Disclosure of the financial risks related to these financial instruments is disclosed in note 16.

18. Deferred income

	Contract Liability £m	Deferred Property Income £m	Government capital grants £m	Total £m
At 1 January 2023	15.7	85.8	46.2	147.7
Credited to income statement during the year	(9.3)	(46.9)	(4.2)	(60.4)
Amounts received in advance and deferred	2.8	61.9	1.5	66.2
At 31 December 2023	9.2	100.8	43.5	153.5
Credited to income statement during the year	(6.0)	(41.5)	(6.1)	(53.6)
Amounts received in advance and deferred	7.5	58.8	6.5	72.8
At 31 December 2024	10.7	118.1	43.9	172.7

Government capital grants relate to amounts provided for the construction of port related assets for which there are no unfulfilled conditions or associated contingencies.

Notes to the financial statements

18. Deferred income (continued)

Deferred income is analysed between non-current and current as follows:

	2024 £m	2023 £m
Current	54.2	46.0
Non-current	118.5	107.5
Total deferred income	172.7	153.5

The non-current deferred income principally relates to deferred income received in advance for investment properties which will be spread over the terms of the leases

19. Provisions

	Property £m	Insurance		Other £m	Total £m
		Retrospective employer liabilities £m	General third party liabilities £m		
2024					
At 1 January	32.5	8.1	10.9	3.6	55.1
Charged to income statement during the year	3.1	-	2.8	5.3	11.2
Credited to income statement during the year	(3.8)	-	(2.0)	(1.1)	(6.9)
Utilised in the year	(1.5)	-	(2.7)	(2.1)	(6.3)
Unwind of discounting	-	0.3	-	-	0.3
At 31 December	30.3	8.4	9.0	5.7	53.4
Expected utilisation within one year	13.2	0.3	9.0	5.7	28.2

	Property £m	Insurance		Other £m	Total £m
		Retrospective employer liabilities £m	General third party liabilities £m		
2023					
At 1 January	25.9	9.0	14.8	7.8	57.5
Charged to income statement during the year	6.7	-	2.4	2.3	11.4
Credited to income statement during the year	-	(1.5)	(0.1)	(4.9)	(6.5)
Utilised in the year	(0.1)	-	(6.2)	(1.6)	(7.9)
Unwind of discounting	-	0.6	-	-	0.6
At 31 December	32.5	8.1	10.9	3.6	55.1
Expected utilisation within one year	24.5	0.2	10.9	3.6	39.2

Notes to the financial statements**19. Provisions (continued)**

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

	2024	2023
	£m	£m
Current	28.2	39.2
Non-current	25.2	15.9
Total provisions	53.4	55.1

Property

Property provisions that will be utilised as the work is performed, the timing of which is uncertain, include:

- £6.2m (2023: £6.0m) in respect of a Grade II listed building where ABP has a constructive obligation to maintain the building and recognises the need to carry out essential works in the event that the third party with the legal obligation to undertake the works fails to do so.
- £18.3m (2023: £21.3m) in respect of land at various ports which has been identified as contaminated as a result of previous use. The land was occupied by tenants who have not met their obligations so remediation has fallen to ABP as the owners of the land. The provisions are in respect of remediation needed to ensure that ABP remains in compliance with environmental regulations and represents the current expectation of remediation costs based on surveys of the land.
- £4.5m (2023: £2.8m) relating to the demolition of a structure posing a potential hazard to navigation based on the best estimate of costs that will be incurred.

Insurance

The group provides for various matters relating primarily to property, employer's liabilities and general third party liabilities associated with its business and carries a provision in respect of employer's liability in relation to certain industrial diseases.

The group's exposure in relation to retrospective industrial diseases was last subject to a full review and an updated model constructed by an independent actuary in 2022. Potential liabilities have been projected forward until 2074 using information on incidence type, number of claims, life expectancy of claimants, value of claims and the group's share of the exposure. Cash flows, where appropriate, have been projected and discounted on a pre-tax basis using a discount rate, based on investment-grade fixed income market index for GBP-denominated bonds, of 6.3% (2023: 5.5%). The actuarial assessment identified a reasonable discounted estimate of the reserves to be in the range of £5.6m to £9.7m (2023: £7.0m to £11.7m). An increase in the discount rate of 1% would result in a range of £5.1m to £8.9m, and a decrease of 1% would result in a range of £6.1m to £10.6m. In the light of uncertainty associated with asbestos related claims, the group provides in the middle of the range.

The remaining parts of the provision are reviewed by the group's internal insurance department and updated in line with insurance claims expectations. The group has an amount within trade and other receivables of £5.2m (2023: £7.2m) expected to be recoverable from insurers relating to these provisions.

Other

Other provisions relate primarily to claims for uninsured damages to customer property and will be utilised as formal claims are agreed the timing of which is uncertain.

Notes to the financial statements

20. Deferred tax

The movement on deferred tax is shown below:

	2023	Adjustments in respect of previous periods (credited)/ charged to income statement	(Credited)/ charged to income statement	(Credited)/ charged to OCI	2024
	£m	£m	£m	£m	£m
Accelerated tax depreciation	130.3	(0.1)	(0.8)	-	129.4
Revaluation of operational land and investment properties	343.3	-	57.9	(7.7)	393.5
Capital losses	(61.9)	(0.7)	(0.2)	-	(62.8)
Retirement benefit obligations	(3.7)	-	3.0	1.9	1.2
Derivative financial instruments	(50.2)	0.1	22.7	-	(27.4)
Other	2.3	-	(3.6)	-	(1.3)
Net deferred tax liability	360.1	(0.7)	79.0	(5.8)	432.6

	2022	Adjustments in respect of previous periods charged to income statement	(Credited)/ charged to income statement	Charged/ (credited) to OCI	Acquisition of subsidiary undertaking	2023
	£m	£m	£m	£m	£m	£m
Accelerated tax depreciation	119.6	4.4	6.3	-	-	130.3
Revaluation of operational land and investment properties	320.3	-	22.5	0.5	-	343.3
Capital losses	(63.2)	0.4	0.9	-	-	(61.9)
Retirement benefit obligations	(3.0)	-	2.6	(3.3)	-	(3.7)
Derivative financial instruments	(46.1)	0.4	(4.5)	-	-	(50.2)
Other	(2.0)	-	0.8	-	3.5	2.3
Net deferred tax liability	325.6	5.2	28.6	(2.8)	3.5	360.1

It is not possible to quantify the amount of deferred tax expected to be settled or realised within the next 12 months.

The group has unrecognised deferred tax assets of £78.5m (2023: £78.5m) in relation to capital losses of £314.1m (2023: £314.1m) that relate to operational assets excluding land. These losses have no expiry date and are only available for offset against gains from future sales of land and buildings, which cannot be projected with sufficient certainty, from the port estates.

The group has unrecognised deferred tax assets of £88.0m (2023: £78.2m) in relation to corporate interest restrictions of £351.0m (2023: £312.0m) relating to blocked interest on related party debt.

Notes to the financial statements**21. Share capital**

	2024	2023
	£m	£m
Issued and fully paid		
1,000 (2023: 1,000) ordinary shares of £1.00 each	-	-

The ordinary shares rank equally in regards to voting rights, the distribution of dividends and the repayment of capital.

22. Cash flow reconciliations

Reconciliation of profit before taxation to cash generated by operations:

	2024	2023
	£m	£m
Profit/(loss) before taxation	130.3	(120.6)
Finance costs	533.7	499.6
Net unrealised (gain)/loss on derivatives at fair value through profit and loss	(105.6)	57.7
Finance income	(12.5)	(8.5)
Net unrealised foreign exchange gain	(0.3)	(55.2)
Net unrealised loss on operating derivatives	-	2.4
Depreciation of property, plant and equipment and right of use assets	104.8	102.1
Amortisation of intangible assets	15.2	13.6
Gain on write off of intangibles and disposal of property, plant and equipment, investment property, property and land held for sale and right of use assets	(0.2)	(9.0)
Decrease in provisions	(2.0)	(2.9)
Increase in fair value of investment properties	(233.8)	(92.8)
Defined benefit pension charge through profit and loss	1.1	2.1
Pension contributions paid	(13.0)	(13.9)
Operating cash flows before movements in working capital	417.7	374.6
(Increase)/decrease in trade and other receivables	(21.4)	7.3
Increase in trade and other payables	12.9	2.6
Cash generated by operations	409.2	384.5

Notes to the financial statements

22. Cash flow reconciliations (continued)

The table below shows the cash and non-cash changes in liabilities and related assets arising from financing activities:

	At 1 January (liability)/ asset £m	Cash flows £m	Foreign exchange (loss)/gain £m	Fair value decrease £m	Other changes £m	At 31 December liability £m
2024						
Cross currency interest rate swaps	39.5	(39.8)	(1.1)	(5.8)	-	(7.2)
Current external borrowings	(254.7)	139.3	0.4	-	85.0	(30.0)
Non-current external borrowings	(2,260.5)	(354.5)	0.7	-	(85.0)	(2,699.3)
Interest on external borrowings	(22.0)	152.1	-	-	(157.2)	(27.1)
Non-current amounts due to parent undertaking	(1,138.8)	-	-	-	-	(1,138.8)
Interest on amounts due to parent undertaking	(2,818.6)	255.2	-	-	(361.1)	(2,924.5)
Lease liabilities	(38.1)	5.3	-	-	(6.9)	(39.7)
Total	(6,493.2)	157.6	-	(5.8)	(525.2)	(6,866.6)

	At 1 January (liability)/ asset £m	Acquisition of Subsidiary £m	Cash flows £m	Foreign exchange (loss)/gain £m	Fair value increase £m	Other changes £m	At 31 December (liability)/ asset £m
2023							
Cross currency interest rate swaps	84.3	-	-	(55.2)	10.4	-	39.5
Current external borrowings	(328.4)	-	299.9	31.5	-	(257.7)	(254.7)
Non-current external borrowings	(2,073.0)	-	(466.7)	23.7	-	255.5	(2,260.5)
Interest on external borrowings	(17.0)	-	133.4	-	-	(138.4)	(22.0)
Non-current amounts due to parent undertaking	(1,138.8)	-	-	-	-	-	(1,138.8)
Interest on amounts due to parent undertaking	(2,605.6)	-	146.2	-	-	(359.2)	(2,818.6)
Lease liabilities	(7.3)	(33.3)	3.9	-	-	(1.4)	(38.1)
Total	(6,085.8)	(33.3)	116.7	-	10.4	(501.2)	(6,493.2)

Other changes relate to interest charged and non-cash movements, primarily rolled up interest, reclassification of balances between non-current and current and the amortisation of deferred borrowing costs.

Notes to the financial statements**22. Cash flow reconciliations (continued)**

Cash and cash equivalents comprises:

	2024	2023
	£m	£m
Cash	8.3	18.6
Deposits	44.6	42.2
Rent deposit accounts	12.3	11.0
Cash and cash equivalents at 31 December	65.2	71.8

23. Related party transactions**Transactions with the Trustee of the Associated British Ports Group pension Scheme**

The group has multiple pension arrangements, predominantly defined contribution, and also operates a defined benefit scheme managed by the Trustee of the Associated British Ports Group Pension Scheme (“ABPGPS”) (see note 14). During the year, the group charged ABPGPS £0.3m (2023: £0.2m) in respect of administrative services. At 31 December 2024, £nil (2023: £nil) remained owing to the group by ABPGPS in respect of these charges.

Transactions with key management personnel

Details of compensation of key management personnel are set out in note 5.

Twelve (2023: twelve) of the directors of Associated British Ports Holdings Limited, an intermediate subsidiary undertaking of the company, were representatives of the shareholders of the ultimate parent undertaking, ABP (Jersey) Limited.

Each shareholder is entitled to receive fees for the services of these directors and the fees earned during the year were as follows:

	2024	2023
	£	£
OMERS Infrastructure (on behalf of Borealis ABP Holdings B.V. and Borealis Ark Holdings B.V.)	105,000	105,000
Cheyne Walk Investment Pte Limited	70,000	70,000
Wren House Infrastructure GP LLP (acting in its capacity as general partner of Wren House Infrastructure LP) 1	35,000	35,000
CPP Investment Board Private Holdings (6) Inc. (on behalf of itself and 9348654 Canada Inc.)1	140,000	140,000

Further details of the shareholders’ share ownership are set out in note 28.

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

Name	Relationship
ABP Midco UK Limited	Immediate parent undertaking

Notes to the financial statements**23. Related party transactions (continued)**

The group has the following borrowings with the related party:

Entity/item	Due date	Interest rate per annum	2024 £m	2023 £m
ABP Midco UK Limited	2028	4.23% per annum plus SONIA compound	(416.0)	(416.0)
ABP Midco UK Limited	2027	9.0%	(722.8)	(722.8)
Accrued interest			(2,924.5)	(2,818.6)
			(4,063.3)	(3,957.4)

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

	2024 £m	2023 £m
ABP Midco UK Limited		
Intercompany borrowing at start of the year	(3,957.4)	(3,744.4)
Interest charged	(354.4)	(337.1)
Interest payment	255.2	154.7
Acquisition of subsidiary	-	(45.1)
Non-cash (increase)/decrease in borrowing	(6.7)	14.5
Intercompany borrowing at end of the year	(4,063.3)	(3,957.4)

Non cash (increase)/decrease in borrowings represents group tax relief from parent undertaking and expenses passed.

24. Financial commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2024 £m	2023 £m
Property, plant and equipment	55.7	38.7
Investment property	10.5	6.2
Intangible assets	1.7	0.7

25. Contingent liabilities

The group makes contributions to two industry-wide defined benefit pension schemes, which have various funding levels. The group's ability to control these schemes is limited and therefore the impact on the group's future cash flows and cost base from these schemes is uncertain. Further details on these schemes are set out in note 14. In the event of the funding position of these schemes deteriorating ABP could have a resulting liability. It is not possible to quantify the possible liability.

The group provides for insurance and certain potential liabilities retained by the group are covered by letters of credit totalling £1.4m (2023: £1.3m). The group is not required to secure any cash reserves against these letters of credit.

Notes to the financial statements**25. Contingent liabilities (continued)**

The company has agreed that the following subsidiaries of the company may take advantage of the exemption provided under s479A of the Companies Act 2006, in respect of the requirement for audit. Furthermore, the company has given guarantees for the financial year ending 31 December 2024 in accordance with section 479C to the following subsidiary undertakings to enable them to take advantage of the exemption from audit:

UK Dredging Management Limited	Company No. 00077980
ABP Security Limited	Company No. 08866705
Grosvenor Waterside Investments Limited	Company No. 01706433
ABP Property Development Company Limited	Company No. 01521927
Millbay Development Company Limited	Company No. 02163980

26. Leases**Group as lessor**

The group's lease income is set out in note 2.

The nature of the group's finance lease activities and the maturity analysis of the group's future minimum lease payments receivable under finance leases are set out in note 16.

Operating lease receivables

The group leases various areas of land, buildings and other operational assets across its port facilities to its customers. The lease terms vary depending on the nature of the property and are unique to each property. The length of lease for properties contributing to the lease income receivable below ranges from less than one year to 119 years. Where renewal rights exist these rights are either contractual or statutory in nature.

Maturity analysis of future minimum lease income receivable under non-cancellable operating leases is as follows:

	2024	2023*
	£m	£m
Not later than one year	137.5	126.5
More than one year but not more than two years	119.2	112.9
More than two years but not more than three years	105.2	101.6
More than three years but not more than four years	98.9	90.5
More than four years but not more than five years	90.0	85.0
More than five years	1,166.4	1,070.7
Total	1,717.2	1,587.2

*Comparator for the maturity analysis of future minimum lease income receivable under non-cancellable operating leases has been updated to conform with current presentation reflecting corrected lease dates.

Notes to the financial statements

26. Leases (continued)

Group as lessee

Expenses relating to short term leases, leases of low value assets and variable lease expense are set out in note 3.

The nature of the group's leasing activities, the carrying amounts of right of use assets recognised and the movements during the year are set out in note 10.

Right of use assets that meet the definition of investment property are included in note 11.

The carrying amounts of lease liabilities and the movements during the year are set out in note 15. The maturity analysis of lease liabilities is set out in note 16.

During the year the group had total cash outflows for leases of £5.3m (2023: £5.9m).

The group has a lease contract for land and property that contains variable payments dependent on the financial performance of a subsidiary undertaking, that holds the lease, and is payable at intervals over the lifetime of the lease. There are two separate triggers for variable lease payments, one based on profit the other based on turnover.

Under this agreement contingent rental payments are payable when the subsidiary is profitable. Under the terms of the agreement, the timing of the payment of the contingent rent depends upon the level of profit before tax generated, any underpayment of contingent rent compared to the annual payment set out in the agreement is considered a shortfall which may become payable in future years.

In addition, the agreement includes additional variable lease payments if the subsidiary exceeds turnover targets within a contract year which to date have not been met.

Notes to the financial statements**27. Subsidiary undertakings**

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

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

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

² Registered address is St Martins House, Le Bordage, St Peter Port, Guernsey, GY1 4EA.

Notes to the financial statements**27. Subsidiary undertakings (continued)**

	% held by Group
Subsidiary undertakings: Dormant (continued)	
Grosvenor Buchanan Properties Limited ¹ (domiciled in Scotland)	100
Grosvenor Waterside (Cardiff Bay) Limited	100
Grosvenor Waterside (Holdings) Limited	100
Grosvenor Waterside Asset Management Limited	100
Grosvenor Waterside Developments Limited	100
Grosvenor Waterside Group Limited	100
Humber Pilotage (C.H.A.) Limited	100
Immingham Bulk Terminal Limited	100
Ipswich Port Limited	100
Marine Environmental Research Limited	100
Northern Cargo Services Limited	100
RPM Industrial Site Services Limited	100
Slater's Transport Limited	100
Southampton Free Trade Zone Limited	100
Southampton Port Security Authority Limited	(see below) ²
The Teignmouth Quay Company Limited	100
Whitby Port Services Limited	100

¹ Registered address is Associated British Ports, Port Office, Ayr, Ayrshire, KA8 8AH.

² This company is a subsidiary undertaking limited by guarantee.

28. Ultimate parent undertaking and controlling parties

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

The ultimate parent undertaking and controlling party is ABP (Jersey) Limited ("ABPJ"), a limited liability company registered in Jersey. ABPJ produces consolidated financial statements that comply with IFRS and are available from its registered office at 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG. The consolidated financial statements of ABPJ are the largest group in which the company is included. The company's consolidated financial statements are the smallest group in which the company is included.

Notes to the financial statements**28. Ultimate parent undertaking and controlling parties (continued)**

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

	% of A Ordinary shares	% of B Ordinary shares	% of Preference shares
2024			
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
CPP Investment Board Private Holdings (6) Inc. (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
Wren House Infrastructure LP (controlled by Kuwait Investment Authority)	10.00	10.00	10.00
Anchorage Ports LLP (owned by Federated Hermes Diversified Infrastructure Fund LP, Hermes Infrastructure Fund I LP and Hermes Infrastructure (Alaska) LP)	6.12	6.12	6.12
	100.00	100.00	100.00

	% of A Ordinary shares	% of B Ordinary shares	% of Preference shares
2023			
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
CPP Investment Board Private Holdings (6) Inc. (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
Wren House Infrastructure LP (controlled by Kuwait Investment Authority)	10.00	10.00	10.00
Anchorage Ports LLP (owned by Federated Hermes Diversified Infrastructure Fund LP, Hermes Infrastructure Fund I LP and Hermes Infrastructure (Alaska) LP)	6.12	6.12	6.12
	100.00	100.00	100.00

Notes to the financial statements**Parent company balance sheet as at 31 December 2024**

	Note	2024 £m	2023 £m
ASSETS			
Non-current assets			
Investments	4	1,000.1	1,000.1
Trade and other receivables	5	4,079.9	3,972.6
Total non-current assets		5,080.0	4,972.7
Current assets			
Trade and other receivables	5	3.3	3.4
Total current assets		3.3	3.4
TOTAL ASSETS		5,083.3	4,976.1
LIABILITIES			
Current liabilities			
Borrowings	6	(3.3)	(3.4)
Trade and other payables		(0.2)	(0.5)
Total current liabilities		(3.5)	(3.9)
Non-current liabilities			
Borrowings	6	(4,060.0)	(3,954.0)
Total non-current liabilities		(4,060.0)	(3,954.0)
TOTAL LIABILITIES		(4,063.5)	(3,957.9)
NET ASSETS		1,019.8	1,018.2
SHAREHOLDER'S EQUITY			
Share capital	7	-	-
Other reserve		1,000.0	1,000.0
Retained earnings		19.8	18.2
TOTAL SHAREHOLDER'S EQUITY		1,019.8	1,018.2

Company result

The company has not presented its own income statement as permitted by s408 of the Companies Act 2006. The company made a profit of £1.6m (2023: profit of £2.0m) attributable to equity shareholder during the year. The company did not pay any dividends during the current or prior year.

The financial statements on pages 115 to 121 were approved by the Board and signed on its behalf on 3 April 2025 by:

MS Atwal
Director

Parent company statement of cash flows for the year ended 31 December 2024

The company had no cash flows during the years ended 31 December 2024 and 2023 and was not directly involved in the transactions impacting group receivables and borrowings. Consequently, no statement of cash flows is presented.

Parent company statement of changes in equity for the year ended 31 December 2024

	Share capital £m	Other reserve £m	Retained earnings £m	Total £m
At 1 January 2023	-	1,000.0	16.2	1,016.2
Profit for the year	-	-	2.0	2.0
At 31 December 2023	-	1,000.0	18.2	1,018.2
Profit for the year	-	-	1.6	1.6
At 31 December 2024	-	1,000.0	19.8	1,019.8

The other reserve represents amounts forgiven by the parent undertaking for no consideration where the company de-recognised the amounts forgiven by the parent undertaking and recognised an equivalent amount in other reserve.

Notes to the parent company financial statements

1. Accounting policies

1.1 Basis of preparation

During the year, the Company has elected to change the basis of preparation from UK adopted International Accounting Standards (“IAS”) to Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”), which had no material impact on the information presented.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of IAS but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

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

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 30 and 31 of IAS 8, ‘Accounting policies, changes in accounting estimates and errors’ (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- IFRS 7, ‘Financial instruments: Disclosures’
- The requirements in IAS 24, ‘Related party disclosures’, to disclose related party transactions entered into between two or more members of a group.
- IAS 1 Paragraphs 134–136– Information on an entity's objectives, policies and processes for managing capital (qualitative and quantitative).
- IAS 1 Paragraphs 38A–38B – Detail in respect of minimum comparative information.
- IAS 1 Paragraphs 38C–38D – Additional comparative information.
- Paragraphs 91 to 99 of IFRS 13, ‘Fair value measurement’ (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

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

The directors confirm that, in their opinion, the group has sufficient financial resources and facilities available to continue to trade until at least 30 June 2026. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. In making this assessment the directors have considered the company's net assets.

On 3 April 2024, the company's ultimate parent undertaking, ABP (Jersey) Limited, has confirmed that it will continue to support the company to enable it to meet its liabilities as they fall due to 30 June 2026.

The company's future viability is ultimately dependent upon the performance of the wider trading group owned by the company and group management's decisions on the flow of capital see note 1 to the consolidated financial statements.

Notes to the parent company financial statements

1. Accounting policies (continued)

1.2 Changes in accounting policies

New standards and amendments adopted

There were no new accounting standards, amendments and interpretations effective for the first time for the annual reporting period commencing 1 January 2024 that had a material impact on the company.

1.3 Significant 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.

In the process of applying the company's accounting policies, the directors did not identify any estimates that poses a significant risk of material adjustment in the next 12 months. No significant judgements have been noted in the preparation of the company's financial statements.

1.4 Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out in note 1 to the consolidated financial statements with the addition of the following:

Investments

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

On forgiveness of amounts due from subsidiary undertaking with no consideration the company derecognises the carrying value of amounts due from subsidiary undertaking on the balance sheet and recognises an equivalent amount as an additional cost of investment in subsidiaries

Financial instruments

The group 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.

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

At each reporting date, the group performs an impairment analysis for all trade and other receivables to measure the allowance for ECLs. Movements in the provision for expected credit losses of receivables are recorded within administrative expenses.

Notes to the parent company financial statements**1. Accounting policies (continued)****1.4 Material accounting policies (continued)**

Borrowings are recognised initially at fair value, net of transaction costs (being incremental costs that are directly attributable to the inception of 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.

The company has neither financial assets or liabilities measured at fair value through profit or loss nor those measured at fair value through other comprehensive income.

2. Directors and employees

Details of directors emoluments are provided in note 5 to the consolidated financial statements.

The company had no employees during the year (2023: nil).

3. Taxation

Taxation charge/(credit) for the year is analysed as follows:

	2024 £m	2023 £m
Current tax	-	(0.1)
Taxation	-	(0.1)

The taxation charge of £nil (2023: credit of £0.1m) for the year is lower (2023: lower) than the standard rate of taxation in the UK of 25% (2023: 23.5%). The differences are explained below:

	2024 £m	2023 £m
Profit before taxation	1.6	1.9
Profit before taxation multiplied by standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)	0.4	0.4
Effects of:		
Expenses not chargeable for tax – related party debt	(0.4)	(0.5)
Total tax credit for the company	-	(0.1)

4. Investments

	2024 £m	2023 £m
Interest in subsidiary undertakings		
At 1 January	1,000.1	1,000.1
At 31 December	1,000.1	1,000.1

Details of subsidiary undertakings are provided in note 27 of the consolidated financial statements. The company has direct investments in ABP Acquisitions UK Limited and ABP Finance Plc. Following an assessment of the financial position and performance of the company's investments no impairment triggers were identified as at the balance sheet date (2023: no triggers).

Notes to the parent company financial statements**5. Trade and other receivables**

Trade and other receivables are analysed as follows:

	2024 £m	2023 £m
Non-current		
Amounts due from subsidiary undertaking	4,081.2	3,973.9
Provision for expected credit losses	(1.3)	(1.3)
Total non-current group receivables	4,079.9	3,972.6
Current		
Accrued interest on amounts due from subsidiary undertaking	3.3	3.4
Total current group receivables	3.3	3.4

Amounts due from subsidiary undertaking represents loans to the company's immediate, wholly owned subsidiary undertaking, ABP Acquisitions UK Limited ("ABPA"), and interest accrued thereon. Amounts are not overdue for repayment. The company's loss allowance measured at an amount equal to the expected 12 month credit losses has been assessed and remains at £1.3m (2023: £1.3m).

The company does not hold any collateral as security. The company's receivables are denominated in sterling.

6. Borrowings

	2024 £m	2023 £m
Current		
Interest on amounts due to parent undertaking	3.3	3.4
Total current borrowings	3.3	3.4
Non-current		
Amounts due to parent undertaking	1,138.8	1,138.8
Interest on amounts due to parent undertaking	2,921.2	2,815.2
Total non-current borrowings	4,060.0	3,954.0

Amounts due to parent undertaking represent two loans from ABP Midco UK Limited ("ABPMC"), the company's immediate parent undertaking. Terms of the loans are included in note 15 of the group financial statements.

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

Notes to the parent company financial statements**7. Share capital**

	2024	2023
	£m	£m
Issued and fully paid		
1,000 (2023: 1,000) ordinary shares of £1.00 each	-	-

8. Cash flow reconciliations

Reconciliation of profit before taxation to cash generated by operations:

	2024	2023
	£m	£m
Profit before taxation	1.6	1.9
Provision for expected credit losses	-	(0.3)
Finance costs	354.4	337.1
Finance income	(356.1)	(338.7)
Operating cash flows before movements in working capital	(0.1)	-
Decrease in trade and other payables	0.1	-
Cash generated by operations	-	-

9. Contingent liabilities

Details of the contingent liabilities of the group of which the company is a member are provided in note 25 of the consolidated financial statements.

The company has granted a guarantee and fixed and floating charges over its assets as detailed in note 16 of the consolidated financial statements.

10. Ultimate parent undertaking and controlling parties

Details of the ultimate parent undertaking and controlling parties are disclosed in note 28 to the consolidated financial statements.