ABP SUBHOLDINGS UK LIMITED

(Company Number 05839376)

ANNUAL REPORT AND ACCOUNTS 2020

ABP SUBHOLDINGS UK LIMITED

ANNUAL REPORT AND ACCOUNTS 2020

Contents

Strategic report

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

Principal activity and strategy

The principal activity of the company is as an intermediate investment holding company within the group owned by the company's ultimate parent undertaking, ABP (Jersey) Limited ("ABPJ").

Important events of the year

During the year the ABP group has taken action to enhance the group's liquidity and capital position by issuing new debt to third parties at the level above the senior debt ringfence above ABPA Holdings group. The new debt has been issued by a new entity ABP MidCo UK Limited ("Midco").

To facilitate completion of this transaction within the terms of the current financing documents, a new intermediate parent company ABP MidCo UK Holdings Limited ("MidcoH") has been interposed in the group structure as a wholly owned subsidiary of the company. Due to this restructure the company assigned its intercompany loan due from ABPA Holdings Limited ("ABPAH") to Midco in exchange for new intercompany loan notes issued by MidCo to MidCoH, and by MidCoH to the company.

During the year interest continued to be accrued on the intercompany loans and other smaller related party balances as set out in note 13. In 2020, £nil (2019: £nil) non-cash interest was received from ABPAH, £nil (2019: £nil) non-cash interest was received from MidcoH and £nil (2019: £nil) non-cash interest was paid to ABP Bonds UK Limited ("ABPB").

Performance

The loss for the year was £19.3m (2019: loss of £1.5m). The current year loss reflects the recognition of expected credit losses on intercompany loans of £17.5m (2019: £nil). The loss also reflects net finance costs of £2.3m associated with the company's payable to its intermediate subsidiary undertaking ABP Acquisitions UK Limited ("ABPA") and the net finance costs on borrowings from ABPB and finance income on loans to MidcoH following the intercompany restructure and a current tax credit of £0.5m.

The primary driver of performance is the ability of the wider group's main trading group, headed by ABPAH (note 15), to generate cash flows, as indicated by the following:

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

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

Position at the end of the year

At 31 December 2020, the company had net assets of £952.5m (2019: £971.8m), which includes an investment in subsidiary of £1.0bn. The company's ultimate parent undertaking, ABPJ, has confirmed that it will continue to finance the company to enable it to meet its liabilities as they fall due.

Strategic Report (continued)

Principal risks and uncertainties

The company has limited risk because it interacts only with fellow group companies and, indirectly, its ultimate parent company's shareholders as part of the financing structure of the group owned by ABPJ. The nature of the interactions is set out in notes 4, 7, 8, 10, and 13 to the accounts. Within the interactions the principal risks are timing of interest receipts and payments and repayment of principal at the end of the loan terms. Agreements are structured so that the company should not be exposed to these risks at any time other than ultimately by the ability of the underlying trading group to pay its debts. Further details on financial risk management are set out below and in note 9.

Financial risk management

The company's main financial risks are liquidity, credit and capital risk. Treasury matters for the company are controlled centrally by the group as set out in note 9.

Liquidity risk

Liquidity risk is managed by the wider group maintaining borrowing facilities at a level that is forecast to provide reasonable headroom in excess of the future needs of the group. Management monitors rolling forecasts of the group's liquidity reserve (comprised of undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows.

Credit risk

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

Capital risk

The company keeps its funding structure under review in order to fulfil its principal activity of financing the acquisition and subsequent funding of Associated British Ports Holdings Limited ("ABPH") by ABPA, an intermediate subsidiary undertaking of the company.

The company currently finances its business with loans from its immediate parent undertaking, ABPB. Details of these loan notes can be found in notes 8, 9 and 13.

Trading group risks and uncertainties

The company's future viability and risk management are ultimately dependent upon the performance of the wider trading group owned by ABPJ and the ability of its UK-wide ports and transport operations to generate cash flows. Further details of the risks and uncertainties relating to the wider trading group, including the impact of the Covid-19 virus, can be found in the Annual Report and Accounts of ABPAH.

Strategic Report (continued)

Section 172 statement

The Board recognises the importance of stakeholder engagement in delivering the long-term and sustainable success of the company. When making decisions the directors have regard to the likely long-term impact of those decisions and also their responsibilities and duties to stakeholders relevant to the company's operations. Directors receive training on their duties as part of their induction, which is refreshed on an ongoing basis as necessary.

Future outlook

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

By Order of the Board

MM Wyatt
Director

24 May 2021

Directors' report

The directors present their report and the audited accounts of the company (number 05839376) for the year ended 31 December 2020.

Registered office

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

Directors

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

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

Directors' indemnities

ABP (Jersey) Limited ("ABPJ"), maintains directors' and officers' liability insurance and pension fund trustees' liability insurance which give appropriate cover for any legal action brought against the directors and officers of the company. In addition, the Articles of Association of the company permit the directors and officers of the company to be indemnified in respect of liabilities incurred as a result of their office.

Qualifying third party indemnity provisions (as defined by s234 of the Companies Act 2006) for the benefit of directors and officers were in force for all directors and officers during the year and remain in force in relation to certain losses and liabilities which directors and officers may incur (or have incurred) in connection with their duties, powers or office.

Matters disclosed in the strategic report

The directors have chosen to disclose the following matters in the strategic report:

- Financial risk management objectives and policies and details of the company's exposure to liquidity, interest rate, foreign exchange, credit and capital risk and other risk disclosures; and
- Indication of likely future developments in the business and important events after the reporting period.

Dividends

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

Auditor re-appointment

In accordance with s487 of the Companies Act 2006, the auditor is deemed to have been re-appointed and Ernst & Young LLP will therefore continue as auditor to the company.

Directors' report (continued)

Audit information

The directors of the company at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and the company's auditor, each of these directors confirms that:

- so far as he or she is aware, there is no relevant audit information (that is, information needed by the company's auditor in connection with preparing his report) of which the company's auditor is unaware;
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information; and
- each director is aware that it is an offence to make a knowingly false statement.

By Order of the Board

Angela Morgan

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

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

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

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

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

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

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

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ABP SUBHOLDINGS UK LIMITED

Opinion

We have audited the financial statements of ABP Subholdings UK Limited (the company) for the year ended 31 December 2020 which comprise Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company’s ability to continue as a going concern for a period from the date of approval of the balance sheet until 30 June 2022.

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

Other information

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

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

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

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

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

Income statement for the year ended 31 December

	Note	**2020** **£m**	**2019** **£m**
Administrative expenses	2	**(17.5)**	-
Finance costs	4	**(267.2)**	(253.8)
Finance income	4	**264.9**	251.9
Loss before taxation		**(19.8)**	(1.9)
Taxation credit	5	**0.5**	0.4
Loss for the year		**(19.3)**	(1.5)

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

Statement of comprehensive income for the year ended 31 December 2020

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

Balance sheet as at 31 December

	Note	2020 £m	2019 £m
Assets			
Non-current assets			
Investments	6	**1,000.0**	1,000.0
Group receivables	7	**3,348.4**	3,267.8
		4,348.4	4,267.8
Current assets			
Group receivables	7	**1.8**	2.0
		1.8	2.0
Total assets		**4,350.2**	4,269.8
Liabilities			
Current liabilities			
Borrowings	8	**(1.8)**	(2.0)
Group payables	10	**-**	(28.2)
		(1.8)	(30.2)
Non-current liabilities			
Borrowings	8	**(3,395.9)**	(3,267.8)
		(3,395.9)	(3,267.8)
Total liabilities		**(3,397.7)**	(3,298.0)
Net assets		**952.5**	971.8
Shareholder's equity			
Share capital	11	**-**	-
Other reserve		**1,000.0**	1,000.0
Accumulated losses		**(47.5)**	(28.2)
Total shareholder's equity		**952.5**	971.8

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

MM Wyatt
Director

Statement of cash flows for the year ended 31 December

	Note	2020 £m	2019 £m
Cash flows from operating activities			
Cash flows from operations	12	-	-
Net cash flow from operating activities		-	-
Change in cash and cash equivalents during the year		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

Details of significant non-cash transactions affecting the company are set out in note 12.

Statement of changes in equity for the year ended 31 December

	Share capital £m	Other reserve £m	Accumulated losses £m	Total £m
At 1 January 2019	-	1,000.0	(26.7)	973.3
Loss for the year	-	-	(1.5)	(1.5)
At 31 December 2019	**-**	**1,000.0**	**(28.2)**	**971.8**
Loss for the year	-	-	(19.3)	(19.3)
At 31 December 2020	**-**	**1,000.0**	**(47.5)**	**952.5**

Other reserve

The other reserve comprises amounts due to parent undertaking which were forgiven for no consideration. These amounts were derecognised on forgiveness and an equivalent amount recognised in other reserve.

Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation

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

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

Going concern basis

The company's future viability is ultimately dependent on the performance of the wider trading group owned by the company's intermediate subsidiary undertaking, ABPA Holdings Limited ("ABPAH"), and group management's decisions on the flow of capital as well as the funding of losses being incurred by the company. ABP Jersey Ltd the company's parent undertaking has confirmed that it will continue to finance the company to enable it to meet its liabilities as they fall due.

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

The directors have considered the company's current liabilities of £1.8m, which is current interest due to ABP Bonds UK Limited ("ABPB"), the company's immediate parent undertaking.

The company also has non-current amounts and interest accrued thereon due to ABPB, the company's immediate parent undertaking, totalling £3,395.9m repayable in 2027 and 2028, largely matched by amounts due from ABP Midco UK Holdings Limited as set out in notes 7, 8 and 13.

The group's business plan was developed taking in consideration the developments of the Covid-19 pandemic and its impact on business performance. Management continues to monitor the impact of the virus and potential business impacts and do not expect it to adversely impact the going concern assumption, based on the significant proportion of revenue that is contractually guaranteed, limited impact from the pandemic on 2020 performance, and the company's ability to take effective mitigating actions to counter downside scenarios. The company has instigated cost control measures and cost saving initiatives and has established strict criteria for capital investment. Management will continue to forecast the company's results as new information becomes available and have modelled different scenarios, including a severe downside scenario, where headroom against the leverage covenant becomes limited within the going concern period, before mitigating actions are applied. If the actual results are significantly worse than forecast, the group has the option of pursuing further mitigating measures that are under its own control to cut costs and preserve cash.

Notes to the financial statements

1. **Accounting policies** (continued)

1.1 **Basis of preparation** (continued)

Going concern basis (continued)
These include further reductions in variable staff and other variable costs to match reduced activity, delaying or holding back EBITDA enhancing capex projects and, if the downside period persists, structurally reviewing costs for further savings. As a result of the actions already taken to date and further contingency plans to react to a more adverse scenario, management have concluded that the group should generate sufficient cash and EBITDA to continue as a going concern and to avoid breaching its loan covenants.

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

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

Consolidation exemption
These separate financial statements contain information about ABP SubHoldings UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption, available under s401 of the Companies Act 2006, from the requirement to prepare and deliver consolidated financial statements as the results of the group are included in the consolidated financial statements of its ultimate parent undertaking, ABP (Jersey) Limited, which are available from 44 Esplanade, St Helier, Jersey, JE4 9WG.

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

Notes to the 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 improvements effective for the first time for the annual reporting period commencing 1 January 2020 that had a material impact on the company.

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

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

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

1.3 Critical estimates, judgements and assumptions

The preparation of the company's financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

Estimates
The critical estimates in applying these policies relate to the calculation of Expected Credit Losses relating to group receivables, including sensitives, as set out in note 7.

The company is required to recognise expected credit losses (ECLs) based on unbiased forward-looking information for all group financial assets held at amortised cost. At the reporting date, an impairment allowance reflecting 12 months ECL is required for financial assets that either have not deteriorated significantly in credit quality since initial recognition or have low credit risk. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

Notes to the financial statements

1. **Accounting policies** (continued)

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

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

The 12 month and lifetime ECLs are calculated by multiplying the respective PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument, respectively. Management estimate the PD by performing an analysis of default rates calculated by reputable external credit rating agencies and implied in credit default swap curves. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of priority of repayment at the time it is expected to be realised, the time value of money and counterparty's ability to settle its obligations immediately for financial assets that are repayable on demand. For uncollateralised financial assets, management have assumed standard market recovery rates.

Judgements

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

Credit risk of financial assets

The company's main transactions each year, which are controlled in conjunction with the rest of the group, relate to interest accrual, receipt and payment. Ultimate realisation of principal balances depends on the performance of ABPA Holdings Limited's ("ABPAH") underlying trading group and the ability of the UK-wide ports and transport operations to generate cash flows. As such, management considers the overall group performance to be an adequate indicator of credit quality of each group company.

Therefore, when calculating Expected Credit Losses relating to group receivables, as described above, management have made the judgement that the probability of default of each group company is the same as for the group as a whole, given the close interdependencies between each group company. The other factors that are considered when assessing whether the credit risk of the group companies has deteriorated include, but are not limited to, the following:

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

Notes to the financial statements

1. **Accounting policies** (continued)

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

Judgements (continued)

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

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

1.4 **Significant accounting policies**

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

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

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

A financial asset is derecognised when:

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

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

Notes to the financial statements

1. **Accounting policies** (continued)

1.4 **Significant accounting policies** (continued)

Financial instruments (continued)
At each reporting date, the company performs an impairment analysis for all group receivables to measure the allowance for ECLs. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for default events that are possible within the next 12 months. For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is calculated for credit losses expected over the remaining life of the exposure, irrespective of the expected timing of the default.

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

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

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

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

Notes to the financial statements

1. **Accounting policies** (continued)

1.5 Other accounting policies

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

On forgiveness of amounts due from subsidiary undertaking 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 investments in subsidiaries.

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

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

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

2. Administrative expenses

	2020 £000	**2019 £000**
Fees payable to the company's auditor for the audit of the company's annual accounts	**-**	5
Provision for expected credit losses	**17,500**	-

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

3. Directors and employees

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

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

Notes to the financial statements

4. Finance costs/(income)

	2020 £m	2019 £m
Interest on amounts due to parent undertakings	**266.2**	251.9
Interest on amounts due to subsidiary undertaking	**1.0**	1.9
Finance costs	**267.2**	253.8
Interest on amounts due from subsidiary undertaking	**(264.9)**	(251.9)
Finance income	**(264.9)**	(251.9)
Net finance costs on financial assets and financial liabilities held at amortised cost	**2.3**	1.9

5. Taxation

Analysis of credit for the year	2020 £m	2019 £m
Current tax	**(0.5)**	(0.4)
Taxation	**(0.5)**	(0.4)

Current taxation for the current and prior year represents a credit for group relief surrendered to another subsidiary undertaking, with the amount being deducted from amounts due to parent undertaking.

The taxation credit (2019: credit) for the year is lower (2019: lower) than the standard rate of taxation in the UK of 19.0% (2019: 19.0%). The differences are explained below:

	2020 £m	2019 £m
Loss before taxation	**(19.8)**	(1.9)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	**(3.8)**	(0.4)
Effects of:		
Items not allowable for tax	**3.3**	-
Total tax credit for the company	**(0.5)**	(0.4)

Effective tax rate	**(2.5%)**	(21.6%)
Total tax (credit)/charge for the company	**(0.5)**	(0.4)
Effects of permanent differences:		
Related party debt - disregarded	**(3.3)**	-
Tax (credit)/charge for the group after removing permanent differences	**(3.8)**	(0.4)
Tax rate after permanent differences	**19.0%**	19.0%

Notes to the financial statements

6. Investments

Interest in subsidiary undertaking	2020 £m	2019 £m
At 1 January	1,000.0	1,000.0
Addition	-	-
At 31 December	1,000.0	1,000.0

During the year the company incorporated two new subsidiary undertakings ABP Midco UK Limited ("Midco") and ABP Midco UK Holdings Limited ("MidcoH"). The company transferred the whole of the ordinary issued share capital of ABPAH to Midco in exchange for the issue of shares by Midco to the company. The company then transferred the whole of the ordinary issued share capital of Midco to MidcoH in exchange for the issue of shares by MidcoH to the company. MidcoH is an unlisted, private limited liability, intermediate investment holding company, which is incorporated and domiciled in England and Wales.

MidcoH reported a consolidated loss of £17.5m for the year ended 31 December 2020 and had consolidated shareholder's equity of £982.5m at 31 December 2020.

7. Group receivables

	2020 £m	2019 £m
Non-current		
Amounts due from subsidiary undertaking	**1,138.8**	1,138.8
Accrued interest on amounts due from subsidiary undertaking	**2,227.1**	2,129.0
Provision for expected credit loss on intercompany receivables	**(17.5)**	-
Total non-current group receivables	**3,348.4**	3,267.8
Current		
Accrued interest on amounts due from subsidiary undertaking	**1.8**	2.0
Total current group receivables	**1.8**	2.0

During the year a group restructure resulted in the company assigning its intercompany loan due from ABPAH to Midco in exchange for new intercompany loan notes issued by MidCo to MidCoH, and by MidCoH to the company.

Amounts due from subsidiary undertaking represent loans to the company's immediate, wholly owned subsidiary undertaking, MidcoH, and interest accrued thereon. Amounts have been included in current and non-current based on the expected realisation of the asset.

Notes to the financial statements

7. **Group receivables** (continued)

Further details of the amounts due from subsidiary undertaking are also disclosed in note 13.

Amounts due from subsidiary undertaking are not overdue for repayment and are not considered to be impaired. Management has undertaken an impairment analysis in order to estimate the Expected Credit Losses (ECLs) that are possible from default events over the next twelve months. Management have concluded that the ECLs are material and consequently an allowance for ECL of £17.5m has been recognised.

The most sensitive inputs to the impairment analysis is the probability of default ("PD") based on industry averages, which for 2020 meant a marginal PD of 0.77% (2019: 0.34%), and the Loss Given Default ("LGD"), also based on industry averages, which for 2020 meant a LGD of 80%. An increase in the PD of 0.5% pts would increase the ECL by £11.3m (ECL of £28.8m). Additionally, an increase in the LGD of 10% pts would increase the ECL by £2.2m (ECL of £19.7m).

Disclosure of the financial risks related to these financial instruments is set out in note 9.

The company's receivables are denominated in sterling.

8. **Borrowings**

	2020 **£m**	**2019** **£m**
Current		
Interest on amounts due to parent undertaking	**1.8**	2.0
Total current borrowings	**1.8**	2.0
Non-current		
Amounts due to parent undertaking	**1,138.8**	1,138.8
Interest on amounts due to parent undertaking	**2,257.1**	2,129.0
Total non-current borrowings	**3,395.9**	3,267.8

Amounts due to parent undertaking represents loans from ABP Bonds UK Limited ("ABPB").

Interest on the loan 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. The outstanding interest accrued as at 31 December 2020 was £2,143.6m (2019: £2,039m).

The interest on the loan accruing interest at 3.95% per annum plus 6 month sterling LIBOR accrues annually in arrears and can be settled in cash at any time or deferred until maturity of the facility. The outstanding interest accrued as at 31 December 2020 was £115.3m (2019: £92.0m) of which £1.8m (2019: £2.0m) has been disclosed as current.

Notes to the financial statement

8. **Borrowings** (continued)

Amounts of interest settled is dependent on amounts of interest income the company receives from its immediate subsidiary undertaking, MidcoH, which in turn is dependent on the lending agreements of that company's intermediate subsidiary undertakings, ABP Finance Plc and ABP Acquisitions UK Limited. Should insufficient funds be available, under the agreement the company is permitted to defer payment until a subsequent interest payment date or the final redemption date. Any repayment of interest or capital from MidcoH will trigger a mandatory repayment to the lender. Interest charged in 2020 of £23.2m (2019: £23.9m) was deferred in line with the agreement. The total outstanding interest accrued as at 31 December 2020 was £115.3m (2019: £92.0m) of which £1.8m (2019: £2.0m) has been disclosed as current.

Disclosure of the financial risks related to these financial instruments is set out in note 9. More detail on the company's related party borrowings is set out in note 13. There is no collateral held as security. The company's borrowings are denominated in sterling.

9. **Financial instruments**

The company's policies regarding financial instruments are set out in the accounting policies in note 1. Risk and numerical disclosure is set out below.

Fair value of financial instruments

The fair value of financial assets and liabilities are an estimate of the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale.

The carrying amounts of all the company's financial instruments are reasonable approximations of fair value.

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

- The fair value of current group receivables, borrowings and group payables approximates to their carrying amounts due to the short-term maturities of these instruments;
- The fair value of fixed rate intercompany loans 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 2020 and 2019 approximates market rate, the book value approximates fair value; and
- The fair value of floating rate intercompany loans approximates to their carrying value as they bear interest at a rate linked to LIBOR and there have been no significant changes in credit risk since the issue of the instruments. A cash flow projection approach has been used with reference to observed market returns and accords to Level 2 in the fair value hierarchy.

Financial risk management

Treasury matters throughout the group of which the company is a member are controlled centrally and carried out in compliance with policies approved by the Board of Associated British Ports Holdings Limited ("ABPH"), the company's intermediate subsidiary undertaking. The Board of ABPH monitors treasury matters and approves significant decisions.

Notes to the financial statements

9. **Financial instruments** (continued)

Financial risk management (continued)
The treasury function's purpose is to identify, mitigate and hedge financial risks inherent in the group's business operations and capital structure. The company's main financial risks are liquidity, credit and capital risk. The wider group, owned by ABP (Jersey) Limited, aims to manage these risks to an acceptable level.

Liquidity risk
Liquidity risk is managed by the wider group maintaining borrowing facilities at a level that is forecast to provide reasonable headroom in excess of the future needs of the group. Management monitors rolling forecasts of the group's liquidity reserve (comprised of undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows.

The table below analyses the company's financial liabilities carried at amortised cost, based on undiscounted contractual payments:

2020	Borrowings £m	Group Payables £m	Total £m
Not later than one year	**23.2**	**-**	**23.2**
More than one year but not more than two years	**25.5**	**-**	**25.5**
More than two years but not more than five years	**78.7**	**-**	**78.7**
More than five years	**5,429.0**	**-**	**5,429.0**
Total payments	**5,556.4**	**-**	**5,556.4**

2019	Borrowings £m	Group Payables £m	Total £m
Not later than one year	24.1	28.2	52.3
More than one year but not more than two years	23.9	-	23.9
More than two years but not more than five years	74.3	-	74.3
More than five years	5,695.1	-	5,695.1
Total payments	**5,817.4**	**28.2**	**5,845.6**

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

Interest on the loan due to parent undertaking due in 2028, accruing interest at 3.95% per annum plus 6 month sterling LIBOR, can be deferred (as described in note 8) until the final redemption date and has therefore been included in the same category as the principal repayment in 2028. Subsequent interest is calculated on the principal as well as any deferred interest. Interest can only be deferred if the company has insufficient funds available, therefore in the maturity analysis interest has been included in the year in which the interest becomes payable prior to repayment of the principal amount in 2028, with no compounding of interest.

As interest payments on the loan due to parent undertaking due in 2027, accruing interest at 9.0% per annum can be deferred (as described in note 8) they have been included in the maturity analysis in the same category as the principal repayment. The principal repayments of the loans due to parent undertaking are expected to be at the respective maturity dates.

Notes to the financial statement

9. **Financial instruments** (continued)

Financial risk management (continued)

Credit risk
Given the counterparties of group receivables, as set out in note 7, and the security provided under intra-group borrowing arrangements, the directors consider the company's exposure to credit risk to be minimal. 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 directors determined that the allowance for expected credit losses as at 31 December 2020 is £17.5m (2019: £nil).

The maximum exposure to credit risk at the reporting date for group receivables is the carrying value of each class of receivable.

Capital risk
The company keeps its funding structure under review in order to fulfil its principal activity of financing the acquisition and subsequent funding of Associated British Ports Holdings Limited.

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

Ultimate realisation of principal balances depends on the performance of the ABPAH underlying trading group and the ability of the UK-wide ports and transport operation to generate cash flows.

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

10. **Group payables – current**

	2020 £m	**2019 £m**
Amounts due to subsidiary undertaking	-	28.2
Total group payables – current	-	28.2

During the year, as part of a restructure of intercompany balances amounts due to subsidiary undertaking in respect of ABP Acquisitions UK Limited, were rolled up into the accrued interest on intercompany loans. Further details on amounts due to subsidiary undertaking are disclosed in note 13.

Notes to the financial statement

10. **Group payables – current** (continued)

Disclosure of the financial risks related to these financial instruments is set out in note 9. The company's payables are denominated in sterling.

11. **Share capital**

	2020 £m	2019 £m
Issued and fully paid		
300 (2019: 300) ordinary shares of £0.01 each	**-**	-

12. **Cash flows from operations**

Reconciliation of loss before taxation to cash flows from operations:	2020 £m	2019 £m
Loss before taxation	**(19.8)**	(1.9)
Finance costs	**267.2**	253.8
Finance income	**(264.9)**	(251.9)
Provision for expected credit losses	**17.5**	-
Operating cash flows before movements in working capital	**-**	-
Cash flows from operations	**-**	-

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

2020	At 1 January liability £m	Cash flows £m	Non-cash changes £m	At 31 December liability £m
Non-current amounts due to parent undertaking	(3,267.8)	-	(128.1)	(3,395.9)
Total	**(3,267.8)**	**-**	**(128.1)**	**(3,395.9)**

2019	At 1 January liability £m	Cash flows £m	Non-cash changes £m	At 31 December liability £m
Non-current amounts due to parent undertaking	(3,015.9)	-	(251.9)	(3,267.8)
Total	**(3,015.9)**	**-**	**(251.9)**	**(3,267.8)**

Notes to the financial statement

13. Related party transactions

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

Name	Relationship
ABP Bonds UK Limited	Immediate parent
ABP Midco Holdings UK Limited	Wholly owned immediate subsidiary

The company has the following loans receivable/(payable) with the related parties:

Name	Due date	Interest rate per annum	2020 £m	2019 £m
ABPA Holdings Limited	2027	9.0%	**-**	722.8
ABPA Holdings Limited	2028	3.95% plus 6 month sterling LIBOR	**-**	416.0
Interest accrued			**-**	2,131.0
			-	3,269.8

Name	Due date	Interest rate per annum	2020 £m	2019 £m
ABP Midco UK Holdings Limited	2027	9.0%	**722.8**	-
ABP Midco UK Holdings Limited	2028	3.95% plus 6 month sterling LIBOR	**416.0**	-
Interest accrued			**2,228.9**	-
			3,367.7	-

Name	Due date	Interest rate per annum	2020 £m	2019 £m
ABP Bonds UK Limited	2027	9.0%	**(722.8)**	(722.8)
ABP Bonds UK Limited	2028	3.95% plus 6 month sterling LIBOR	**(416.0)**	(416.0)
Interest accrued			**(2,259.4)**	(2,131.0)
			(3,398.2)	(3,269.8)

Notes to the financial statements

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

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

ABP Midco UK Holdings Limited	2020 £m	2019 £m
Intercompany borrowing at start of the year	**-**	-
Group restructuring	**3,266.8**	-
Interest charged	**100.9**	-
Intercompany borrowing at end of the year	**3,367.7**	-

ABPA Holdings Limited	2020 £m	2019 £m
Intercompany receivable at start of the year	**3,269.8**	3,017.9
Interest charged	**164.0**	251.9
Intercompany restructuring	**(167.0)**	-
Group restructuring	**(3,266.8)**	
Intercompany receivable at end of the year	**-**	3,269.8

ABP Bonds UK Limited	2020 £m	2019 £m
Intercompany borrowing at start of the year	**(3,269.8)**	(3,017.9)
Interest charged	**(266.7)**	(251.9)
Intercompany restructuring	**137.8**	-
Non cash payment of interest	**0.5**	
Intercompany borrowing at end of the year	**(3,398.2)**	(3,269.8)

The company also had a current account with the following related party. The following table shows the transactions that have been entered into by the company with the related party, together with the period end balance, for the relevant financial year:

ABP Acquisitions UK Limited	2020 £m	2019 £m
Intercompany payable at start of the year	**(28.2)**	(26.7)
Interest charged – 7.0% per annum (2019: 7.6%)	**(1.0)**	(1.5)
Intercompany restructuring	**29.2**	-
Intercompany payable at end of the year	**-**	(28.2)

The company has also entered into transactions during the year of less than £0.1m (2019: £0.1m) with ABP (Jersey) Limited. The outstanding balance as at 31 December 2020 was less than £0.1m (2019: £0.1m).

Notes to the financial statements

14. Subsidiary undertakings

All subsidiaries have a registered address of 25 Bedford Street, London, WC2E 9ES and operate in England and Wales, unless otherwise stated. The company's controlling interest in subsidiary undertakings is represented by ordinary shares (with the exception of 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 Company
Subsidiary undertakings: Holding/financing	
ABP Acquisitions UK Limited	100
ABP Finance Plc	100
ABPA Holdings Limited	100
ABP Midco UK Holdings Limited (incorporated 29 June 2020)	100
ABP Midco UK Limited (incorporated 29 June 2020)	100
Subsidiary undertakings: Ports and transport	
ABP Security Limited	100
Associated British Ports	(see below)[1]
Associated British Ports Holdings Limited	100
Immingham Bulk Terminal Limited	100
W.E. Dowds (Shipping) 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) 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

[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 Frances House, Sir William Place, St. Peter Port, Guernsey, GY1 4HQ.*

Notes to the financial statements

14. Subsidiary undertakings (continued)

	% held by Company
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
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
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.

15. 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 Bonds UK Limited ("ABPB").

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

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

Notes to the financial statements

15. Ultimate parent undertaking and controlling parties (continued)

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

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

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

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