

SIGNED

Registration number 20535

Bibby Marine Limited

Directors' Report and Consolidated Financial Statements

for the Year Ended 31 December 2012



Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool
United Kingdom

Bibby Marine Limited

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Bibby Marine Limited
Company Information

Directors	Michael James Bibby Jonathan Haymer Jonathan Osborne Sean Thomas Golding Stephen Blaikie Simon Jeremy Kitchen Martyn Phillip Howard (resigned 6 March 2012) Barry Anthony Hughes (resigned 6 March 2012) Martin Cranston Kent (resigned 6 March 2012) Ian Mathison (resigned 6 March 2012) John Howard Hughes (appointed 1 November 2012)
Company secretary	Bibby Bros & Co (Management) Limited
Registered office	105 Duke Street Liverpool
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor Liverpool United Kingdom

Bibby Marine Limited

Directors' Report for the Year Ended 31 December 2012

The directors present their report and the consolidated financial statements for the year ended 31 December 2012

Directors of the company

The directors who held office during the year were as follows

Michael James Bibby (appointed 6 March 2012)

Jonathan Haymer (appointed 6 March 2012)

Jonathan Osborne

Sean Thomas Golding

Stephen Blaikie

Simon Jeremy Kitchen (appointed 6 March 2012)

Martyn Phillip Howard (resigned 6 March 2012)

Barry Anthony Hughes (resigned 6 March 2012)

Martin Cranston Kent (resigned 6 March 2012)

Ian Mathison (resigned 6 March 2012)

John Howard Hughes (appointed 1 November 2012)

Principal activity

The principal activity of the company is to act as the holding company for the Bibby Line Group's niche marine assets and services division. Group activities are the ownership and operation of floating accommodation vessels and marine surveying services.

Business review

Review of the business

The results for the year reflect a reorganisation of the subsidiaries within the division and a new acquisition.

On 1 January 2012 the company transferred its shareholding in Bibby Ship Management Group Limited to its parent undertaking as part of a group and management reorganisation. The transaction has been accounted at book value and the net assets distributed to the parent undertaking as set out in note 1 and 21 to the financial statements.

The division retains ownership of its accommodation services businesses and has continued to seek investment opportunities in new business areas resulting in further investment in the hydrographic surveying industry as detailed below.

The group's key financial and other performance indicators relating to continuing operations during the year were as follows:

	Unit	2012	2011
Turnover (accommodation services)	£	20,223,761	22,594,247
Operating (loss)/ profit (accommodation services)	£	(785,548)	3,869,710
Turnover (hydrographic surveying)	£	6,722,288	647,777
Operating profit (hydrographic surveying)	£	237,865	410,185

Bibby Marine Limited
Directors' Report for the Year Ended 31 December 2012

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In the accommodation services business, performance has been impacted by higher than expected running costs, vessel drydocks and upgrades in the fleet. The fleet was refinanced in the year and with the vessel upgrades almost complete, the directors are confident that a refurbished fleet and continued expansion in Australia will secure strong future vessel utilisation and restore business profitability. The Australian branch has operated throughout the year and continues to operate at the date of this report.

On 29th May 2012, the company acquired Osiris Hydrographic and Geophysical Projects Limited, a hydrographic survey firm operating in the offshore renewables and oil and gas markets. This acquisition builds on the division's hydrographic survey business and provides more balance to the core activities in Bibby Marine Limited. The trends in turnover and operating profit relate to the acquisition in the year.

Financial risk management objectives and policies

Bibby Marine Limited does not have any long term bank borrowings of its own but guarantees certain debt of its subsidiary undertakings. Divisional liquidity risk is managed by adherence to strict cash flow forecasting procedures to ensure that sufficient funds are available to meet liabilities as they fall due, including any capital and servicing obligations of its debt. The division continues to comply with all debt covenants and has successfully re-financed the floating accommodation facility to December 2013. The Directors are confident that the forward earnings potential and the continued support of its parent undertaking as below will mitigate any cashflow risk posed by the current term of debt.

The financial performance of the division is largely dependent upon each trading subsidiary performing in line with expectations. Each business has its own board of directors with an executive team responsible for the day to day management of that business. The divisional board determines what matters are reserved for its own approval and what matters are reserved for the subsidiary boards. Due to the differing natures of the trading subsidiaries within the division further details concerning the principal operational risks and uncertainties of each subsidiary are disclosed within their own financial statements.

Each subsidiary within the division has established its own risk management framework encompassing both financial and non-financial controls. The individual subsidiary boards are responsible for managing those risks. In addition, regular management reporting disciplines, including annual budgets, three year strategic planning, monthly management accounts and quarterly board meetings ensure that Bibby Marine Limited can adequately oversee the performance of each business. The key factors impacting each subsidiary are discussed in the business review above.

Going concern

The financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of any uncertainty on forward trading projections for a period of at least twelve months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment and the continued financial support of its parent company, the directors consider that the company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities. In relying on this support the directors are mindful of the risks and uncertainties disclosed in the financial statements of the parent company. In addition, the company's assets are assessed for recoverability on a regular basis, and the directors consider that the company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

On that basis the directors believe that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern.

Bibby Marine Limited
Directors' Report for the Year Ended 31 December 2012

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Directors' liabilities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in place during the year and remain in force at the date of this report

Auditors

Each of the persons who is a director at the date of approval of this report confirms that

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Approved by the Board on 28 March 2013 and signed on its behalf by



Bibby Bros & Co (Management) Limited
Company secretary

Duty Authorised Signatory
For and on behalf of
Bibby Bros & Co (Management)
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Bibby Marine Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the 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 the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards 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 inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of Bibby Marine Limited

We have audited the financial statements of Bibby Marine Limited for the year ended 31 December 2012, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion 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 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


**Independent Auditor's Report to the Members of
Bibby Marine Limited**

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Matters on which we are required to report by exception

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

- 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
- the parent company 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



Sharon Thorpe FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Chartered Accountants & Statutory Auditor
Liverpool
United Kingdom

28 March 2013

Bibby Marine Limited
Consolidated Profit and Loss Account for the Year Ended 31 December 2012

	Note	£	2012 £	2011 £
Turnover				
Continuing operations			20,615,293	23,242,024
Acquisitions			<u>6,330,756</u>	<u>-</u>
			26,946,049	23,242,024
Discontinued operations			<u>-</u>	<u>39,408,914</u>
Group turnover	3		26,946,049	62,650,938
Cost of sales	2		<u>(23,571,872)</u>	<u>(52,197,600)</u>
Gross profit			3,374,177	10,453,338
Administrative expenses	2		(3,921,860)	(6,119,882)
Operating profit/(loss)	4			
Continuing operations		(190,959)		4,279,895
Acquisitions		<u>(356,724)</u>		<u>-</u>
			(547,683)	4,279,895
Discontinued operations			<u>-</u>	<u>53,561</u>
Group operating (loss)/profit			(547,683)	4,333,456
Profit on disposal of fixed assets - continuing operations	8		449,307	90,000
Other interest receivable and similar income	9		82,865	55,034
Interest payable and similar charges	10		<u>(346,338)</u>	<u>(355,517)</u>
(Loss)/profit on ordinary activities before taxation			(361,849)	4,122,973
Tax on (loss)/profit on ordinary activities	11		<u>(108,941)</u>	<u>(3,222,781)</u>
(Loss)/profit on ordinary activities after taxation			(470,790)	900,192
Minority interest			<u>-</u>	<u>(18,860)</u>
(Loss)/profit for the financial year attributable to members of the parent company	21		<u>(470,790)</u>	<u>881,332</u>

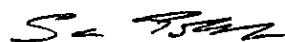
Bibby Marine Limited
Consolidated Statement of Total Recognised Gains and Losses for the Year Ended 31
December 2012

	Note	2012 £	2011 £
(Loss)/profit for the financial year		(470,790)	881,332
Foreign currency translation differences		<u>(120,502)</u>	<u>(82,933)</u>
Total recognised gains and losses relating to the year		<u>(591,292)</u>	<u>798,399</u>

Bibby Marine Limited
Consolidated Balance Sheet at 31 December 2012

	Note	2012	2011
Fixed assets			
Intangible fixed assets	12	5,585,938	-
Tangible fixed assets	14	24,480,790	21,847,933
		<u>30,066,728</u>	<u>21,847,933</u>
Current assets			
Debtors	15	9,672,259	9,187,157
Cash at bank and in hand		8,665,258	7,229,080
		18,337,517	16,416,237
Creditors Amounts falling due within one year	16	(21,549,299)	(11,932,859)
Net current (liabilities)/assets		<u>(3,211,782)</u>	<u>4,483,378</u>
Total assets less current liabilities		26,854,946	26,331,311
Creditors Amounts falling due after more than one year	17	(8,743,734)	(3,436,041)
Provisions for liabilities	18	(2,328,464)	(3,429,346)
Net assets		<u>15,782,748</u>	<u>19,465,924</u>
Capital and reserves			
Called up share capital	19	2,500,152	2,500,152
Profit and loss account	21	13,282,596	16,940,621
Shareholders' funds	22	15,782,748	19,440,773
Minority interest		-	25,151
Capital employed		<u>15,782,748</u>	<u>19,465,924</u>

Approved by the Board on 28 March 2013 and signed on its behalf by



Sean Thomas Golding
Director

Bibby Marine Limited
(Registration number: 20535)
Balance Sheet at 31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Investments	13	9,201,905	252
Current assets			
Debtors	15	1,173,281	4,465,855
Creditors Amounts falling due within one year	16	(521,996)	(37,350)
Net current assets		651,285	4,428,505
Total assets less current liabilities		9,853,190	4,428,757
Creditors Amounts falling due after more than one year	17	(6,000,000)	-
Net assets		3,853,190	4,428,757
Capital and reserves			
Called up share capital	19	2,500,152	2,500,152
Profit and loss account	21	1,353,038	1,928,605
Shareholders' funds	22	3,853,190	4,428,757

Approved by the Board on 28 March 2013 and signed on its behalf by



Sean Thomas Golding
Director

Bibby Marine Limited
Consolidated Cash Flow Statement for the Year Ended 31 December 2012

Reconciliation of operating loss/profit to net cash flow from operating activities

	2012 £	2011 £
Operating (loss)/profit	(547,683)	4,333,456
Depreciation and impairment of tangible fixed assets	4,323,556	5,600,534
Amortisation of intangible fixed assets	737,765	-
Decrease in stocks	-	57,285
Increase in debtors	(2,472,497)	(4,090,771)
Increase in creditors	1,165,691	870,016
Increase in provisions	-	1,381,431
Exchange differences	(107,477)	(6,363)
Net cash inflow from operating activities	<u>3,099,355</u>	<u>8,145,588</u>

Cash flow statement

	2012 £	2011 £
Net cash inflow from operating activities	<u>3,099,355</u>	<u>8,145,588</u>
Returns on investments and servicing of finance		
Interest received	12,421	24,290
Interest paid	(461,057)	(360,960)
	<u>(448,636)</u>	<u>(336,670)</u>
Tax paid	<u>(995,995)</u>	<u>(898,475)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,831,876)	(3,172,160)
Proceeds on sale of tangible fixed assets	499,208	160,000
	<u>(1,332,668)</u>	<u>(3,012,160)</u>
Acquisitions and disposals		
Acquisition of investments in subsidiary undertakings	(2,701,703)	-
Equity dividends paid	(500,000)	-
Net cash (outflow)/inflow before financing	<u>(2,879,647)</u>	<u>3,898,283</u>
Financing		
New loans advanced in the period	11,372,045	3,005,510
Repayment of loans and borrowings	(3,772,891)	(4,041,339)
Repayment of capital element of finance leases and HP contracts	(51,350)	-
	<u>7,547,804</u>	<u>(1,035,829)</u>
Increase in cash	<u>4,668,157</u>	<u>2,862,454</u>

The notes on pages 13 to 32 form an integral part of these financial statements

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK law and accounting standards

Basis of consolidation

The financial statements consolidate the results of the parent company and its subsidiary undertakings under the acquisition method of consolidation

For subsidiaries where the ownership and control has been transferred to the ultimate parent undertaking, the financial statements consolidate the results of the entities transferred to the date of control transfer. The company has taken advantage of the group reconstruction provisions of FRS6 "Acquisitions and Mergers" in accounting for the disposal of such subsidiaries at book value with a distribution of the net assets to the ultimate parent undertaking given that control of the subsidiaries remains with the ultimate parent undertaking and there is no change to the rights of ownership of the ultimate parent undertaking.

The accounting periods of subsidiary undertakings are coterminous with those of the Company except where interim financial statements have been used for the consolidation of Osiris Hydrographic and Geophysical Projects Ltd which was acquired in the year and who will next prepare audited financial statements for the year ended 31 March 2013.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its loss for the financial year was £75,517 (2011 - £26,969).

Going concern

The financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of uncertainty on forward trading projections for a period of at least twelve months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment and the continued financial support of its parent company, the directors consider that the company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities. In relying on this support the directors are mindful of the risks and uncertainties disclosed in the financial statements of the parent company. In addition, the company's assets are assessed for recoverability on a regular basis, and the directors consider that the company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

On that basis the directors believe that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern.

Turnover

Turnover is recognised in the period assets and services are made available to customers, net of commissions payable and value added tax. Turnover relating to hydrographic surveying businesses is adjusted for work in progress.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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Goodwill

Goodwill arising in a business acquisition is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's equity interest in the entity over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

Where any consideration is payable on a future date and contingent on the uncertain future performance of the entity acquired, the financial statements contain the directors' best estimate of the fair value of the future liability. The liability will be revised as further and more certain information becomes available.

Where goodwill is regarded as having a limited useful economic life it is amortised as follows:

Asset class	Amortisation method and rate
Goodwill	20% Straight line

Depreciation

Tangible fixed assets are stated at cost, net of depreciation and any impairment. Depreciation is provided on tangible fixed assets to write off the cost or valuation, less any estimated residual value, over their expected useful economic life.

Assets held under finance leases are depreciated over the shorter of the lease term and its useful life. Assets held under hire purchase agreements are depreciated over their useful economic life.

Asset class	Depreciation method and rate
Fleet	4% - 10% Straight line
Plant and machinery	6.66% - 33.3% Straight line
Short leasehold land and buildings	5% Straight line

Impairment of fixed assets

Tangible fixed assets and goodwill are subject to impairment review with regards to market conditions. If any indication of impairment exists after such review, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Recoverable amount is the higher of fair value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss account.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any permanent diminution in value.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Foreign currency

Company

Transactions in foreign currency are translated into the functional and reporting currency at the exchange rate ruling at the date of transaction. Assets and liabilities denominated in foreign currencies are translated into the functional and reporting currency at the closing rate at the balance sheet date and any exchange differences are included in the profit and loss account

Group

The results of subsidiary undertakings who prepare their financial statements in foreign currencies are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets, results of overseas operations and on foreign currency borrowings, to the extent that they hedge the Group's investment in such operations, are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term

Assets held under finance leases and hire purchase agreements are recorded as an asset with a liability recognised for all future rentals payable. At the inception of the lease the amount recorded as an asset and liability is the present value of the minimum lease payments, derived by discounting them at the interest rate implicit in the lease

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future rentals payable. The total finance charge is allocated to accounting periods during the lease term to produce a constant periodic rate of charge on the remaining balance of rentals outstanding

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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Provisions

Provisions are recognised when the division has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Bank borrowings & derivative financial instruments

Interest bearing debt is recorded at proceeds net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are released to the profit and loss account using the effective interest method.

The division uses derivative financial instruments to reduce exposure to exchange rate movements. Gains and losses under such instruments are recognised in the financial statements only when the foreign exchange contract valuation itself has been reflected in the accounts.

Pensions

The division operates a defined contribution pension scheme and also contributes to personal pension schemes of its employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

2 Cost of sales and operating expenses

	2012 £	2011 £
Cost of sales		
Continuing operations	23,571,872	17,299,897
Discontinued operations	-	34,897,703
	<u>23,571,872</u>	<u>52,197,600</u>
Administrative expenses		
Continuing operations	3,921,860	1,662,232
Discontinued operations	-	4,457,650
	<u>3,921,860</u>	<u>6,119,882</u>

The total figures for continuing operations in the year ending 31 December 2012 includes the following amounts relating to acquisitions

	£
Cost of sales	5,467,158
Administrative expenses	<u>1,220,322</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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3 Turnover

An analysis of turnover by geographical location is given below

	2012 £	2011 £
Turnover - UK	9,571,478	47,325,084
Turnover - Rest of world	17,374,571	15,325,854
	<u>26,946,049</u>	<u>62,650,938</u>

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging/ (crediting)

	2012 £	2011 £
Operating leases - plant and machinery	2,896,071	1,578,038
Operating leases - other assets	25,894	-
Foreign currency losses/(gains)	174,346	(58,789)
Depreciation of owned assets	4,140,200	5,600,534
Depreciation of assets held under finance lease and hire purchase contracts	183,356	-
Amortisation of goodwill	737,765	-
Auditor's remuneration	<u>72,000</u>	<u>25,000</u>

5 Auditor's remuneration

	2012 £	2011 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>5,000</u>	<u>5,000</u>
Other fees to auditors		
Fees payable to the Company's Auditor for the audit of the subsidiary financial statements	20,000	20,000
Other services	<u>47,000</u>	<u>-</u>
	<u>67,000</u>	<u>20,000</u>
	<u>72,000</u>	<u>25,000</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

6 Directors' remuneration

The directors' remuneration for the year was as follows

	2012	2011
	£	£
Remuneration	<u>444,118</u>	<u>561,818</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2012	2011
	No.	No.
Accruing benefits under defined benefit pension scheme	-	1
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>1</u>

In respect of the highest paid director

	2012	2011
	£	£
Remuneration	185,986	135,500
Pension scheme contributions/benefits accruing	<u>21,937</u>	<u>15,100</u>

7 Staff costs

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows

	2012	2011
	No.	No.
Accommodation services	13	14
Hydrographic surveying	18	-
Ship management	<u>-</u>	<u>824</u>
	<u>31</u>	<u>838</u>

The aggregate payroll costs were as follows

	2012	2011
	£	£
Wages and salaries	2,303,086	27,878,430
Social security costs	206,709	380,187
Staff pensions	<u>142,695</u>	<u>815,923</u>
	<u>2,652,490</u>	<u>29,074,540</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

8 Exceptional items

	2012	2011
	£	£
Profit on sale of fixed assets	<u>449,307</u>	<u>90,000</u>

9 Other interest receivable and similar income

	2012	2011
	£	£
Bank interest receivable	12,421	23,453
Exchange gains on foreign denominated borrowings	<u>70,444</u>	<u>31,581</u>
	<u>82,865</u>	<u>55,034</u>

10 Interest payable and similar charges

	2012	2011
	£	£
Interest on bank borrowings	326,647	355,517
Interest on finance leases and hire purchase contracts	<u>19,691</u>	<u>-</u>
	<u>346,338</u>	<u>355,517</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

11 Taxation

Tax on (loss)/profit on ordinary activities

	2012 £	2011 £
Current tax		
Corporation tax charge	787,346	1,706,588
Adjustments in respect of previous years	(85,352)	308,540
UK Corporation tax	701,994	2,015,128
Incremental tax on overseas earnings	870,818	466,498
	1,572,812	2,481,626
Deferred tax		
Origination and reversal of timing differences	(1,463,871)	741,155
Total tax on (loss)/profit on ordinary activities	108,941	3,222,781

Factors affecting current tax charge for the year

Tax on (loss)/profit on ordinary activities for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)

The differences are reconciled below

	2012 £	2011 £
(Loss)/profit on ordinary activities before taxation	(361,849)	4,122,973
Corporation tax at standard rate	(88,653)	1,092,588
Differences between capital allowances and depreciation	965,759	530,321
Expenses not deductible for tax purposes	(10,943)	40,989
Amortisation of intangible fixed assets	201,481	-
Adjustment for higher tax rate on overseas earnings	886,246	562,281
Adjustments in respect of previous years	(85,352)	308,540
Balancing allowances on disposal of fixed assets	(140,740)	(5,295)
Profit on sale of fixed assets	(110,080)	(23,850)
Other differences	(44,906)	(23,948)
Total current tax	1,572,812	2,481,626

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

12 Intangible fixed assets

Group

	Goodwill £	Total £
Cost		
Additions (as per note 23)	6,323,703	6,323,703
At 31 December 2012	<u>6,323,703</u>	<u>6,323,703</u>
Amortisation		
Charge for the year	737,765	737,765
At 31 December 2012	<u>737,765</u>	<u>737,765</u>
Net book value		
At 31 December 2012	<u>5,585,938</u>	<u>5,585,938</u>

13 Investments held as fixed assets

Company

Shares in group undertakings

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2012	252	252
Additions (as per note 23)	9,201,703	9,201,703
Transferred to group undertakings	(50)	(50)
At 31 December 2012	<u>9,201,905</u>	<u>9,201,905</u>
Net book value		
At 31 December 2012	<u>9,201,905</u>	<u>9,201,905</u>
At 31 December 2011	<u>252</u>	<u>252</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

Details of undertakings

The company has the following interests in directly owned UK subsidiary undertakings. Interests in indirectly owned subsidiaries are listed in the financial statements of the directly owned subsidiary undertakings listed.

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Bibby Maritime Limited	Equity	100%	Ownership and operation of floating accommodation vessels
Langton Shipping Limited	Equity	100%	Ownership and operation of floating accommodation vessels
Osiris Hydrographic and Geophysical Projects Limited	Equity	100%	Ownership and operation of hydrographic survey vessels
Bibby Tethra Limited	Equity	100%	Ownership and charter of hydrographic survey vessels

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

14 Tangible fixed assets

Group

	Plant and machinery £	Short leasehold land and buildings £	Fleet £	Total £
Cost				
At 1 January 2012	2,341,100	-	59,906,029	62,247,129
Additions	167,304	-	3,732,573	3,899,877
On acquisition	1,277,975	293,012	2,054,187	3,625,174
Disposals	-	-	(9,291,944)	(9,291,944)
Exchange differences	-	-	(150,490)	(150,490)
Transferred with ownership of subsidiary undertakings	(2,341,100)	-	-	(2,341,100)
At 31 December 2012	1,445,279	293,012	56,250,355	57,988,646
Depreciation				
At 1 January 2012	1,966,601	-	38,432,595	40,399,196
Charge for the year	154,957	9,583	4,159,016	4,323,556
Eliminated on disposals	-	-	(9,242,042)	(9,242,042)
Exchange differences	-	-	(6,253)	(6,253)
Transferred with ownership of subsidiary undertakings	(1,966,601)	-	-	(1,966,601)
At 31 December 2012	154,957	9,583	33,343,316	33,507,856
Net book value				
At 31 December 2012	1,290,322	283,429	22,907,039	24,480,790
At 31 December 2011	374,499	-	21,473,434	21,847,933

Included within the net book value of fleet is £1,255,741 (2011 £Nil) in respect of assets held under finance leases

Included within the net book value of plant and machinery is £804,694 (2011 £Nil) in respect of assets held under finance leases

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

15 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	7,110,591	7,979,461	-	-
Amounts owed by Group undertakings	53,208	141,716	1,148,776	4,358,613
Other debtors	2,007	37,645	24,505	-
Prepayments and accrued income	2,506,453	1,028,335	-	107,242
	<u>9,672,259</u>	<u>9,187,157</u>	<u>1,173,281</u>	<u>4,465,855</u>

16 Creditors Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	12,055,933	3,781,260	-	-
Obligations under finance lease and hire purchase contracts	112,253	-	-	-
Trade creditors	1,845,919	3,863,155	21,996	-
Amounts owed to Group undertakings	17,976	690	-	-
Corporation tax	2,129,247	1,521,159	-	37,350
Other taxes and social security	350,650	153,031	-	-
Other creditors	688,956	70,897	500,000	-
Accruals and deferred income	4,348,365	2,542,667	-	-
	<u>21,549,299</u>	<u>11,932,859</u>	<u>521,996</u>	<u>37,350</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

17 Creditors: Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	2,438,919	3,336,742	-	-
Obligations under finance lease and hire purchase contracts	269,662	-	-	-
Other creditors	6,035,153	99,299	6,000,000	-
	<u>8,743,734</u>	<u>3,436,041</u>	<u>6,000,000</u>	<u>-</u>

Creditors include the following liabilities, on which security has been given by the group/company

Group

	2012	2011
	£	£
Bibby Maritime Ltd (Fleet loan facility)	11,372,045	3,761,897
Bibby Tethra Ltd (Fleet loan facility)	2,554,745	2,880,280
Osiris Hydrographic and Geophysical Projects Ltd (Loan facility)	568,062	-
Osiris Hydrographic and Geophysical Projects Ltd (Finance leases)	381,915	-
Bibby Ship Management Group (Overdraft)	-	475,825
	<u>14,876,767</u>	<u>7,118,002</u>

Bibby Maritime Ltd has a Euro denominated bank loan that is repayable £11,372,045, and £Nil in less than 1 year and 1-2 years respectively (2011 £3,054,976, £706,921) The loan is secured by statutory mortgages on its fleet The rate of interest inherent in the loan is EURIBOR plus 3 3%

Bibby Tethra Ltd has a Euro denominated bank loan that is repayable £243,309, £243,309, and £2,068,127, in less than 1 year, 1-2 years and 2-5 years respectively (2011 £250,459, £250,459 and £2,379,362) The loan is secured by statutory mortgage The rate of interest inherent in the loan is EURIBOR plus 3 0%

Osiris Hydrographic and Geophysical Projects Ltd has a Sterling denominated bank loan that is repayable £440,579 and £127,483 in less than 1 year and 1-2 years respectively The loan is secured by statutory mortgages on its fleet The rate of interest inherent in the loan is LIBOR plus 3 5 %

Osiris Hydrographic and Geophysical Projects Ltd has finance leases that are repayable £112,253 , £61,765 and £269,662 in less than 1 year , 1-2 years and 2-5 years respectively (2011 £Nil, £Nil and £Nil) The leases have varying interest rates between 7% and 8 75%

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

18 Provisions

Group

	Deferred tax £	Fleet reinstatement £	Total £
At 1 January 2012	<u>2,047,915</u>	<u>1,381,431</u>	<u>3,429,346</u>
On acquisition	333,212	-	333,212
Credited to the profit and loss account	(1,463,871)	-	(1,463,871)
Transferred with ownership of subsidiary undertakings	79,407	-	79,407
Exchange differences	(49,630)	-	(49,630)
	<u>(1,100,882)</u>	<u>-</u>	<u>(1,100,882)</u>
At 31 December 2012	<u>947,033</u>	<u>1,381,431</u>	<u>2,328,464</u>

The fleet re-instatement provision relates to an asset held under an operating lease. It is expected to be settled on expiry of the lease.

Analysis of deferred tax

	2012 £	2011 £
Accelerated capital allowances	<u>947,033</u>	<u>2,047,915</u>

19 Share capital

Allotted, called up and fully paid shares

	No.	2012 £	No.	2011 £
Ordinary shares of £1 each	<u>2,500,152</u>	<u>2,500,152</u>	<u>2,500,152</u>	<u>2,500,152</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

20 Dividends

	2012 £	2011 £
Dividends paid		
Prior year final dividend paid	<u>500,000</u>	<u>2,123,463</u>

21 Reserves

Group

	Profit and loss account £	Total £
At 1 January 2012	16,940,621	16,940,621
Loss for the year	(470,790)	(470,790)
Dividends	(500,000)	(500,000)
Distribution on transfer of ownership of subsidiary undertakings	(2,566,733)	(2,566,733)
Foreign currency translation losses	<u>(120,502)</u>	<u>(120,502)</u>
At 31 December 2012	<u>13,282,596</u>	<u>13,282,596</u>

Company

	Profit and loss account £	Total £
At 1 January 2012	1,928,605	1,928,605
Loss for the year	(75,517)	(75,517)
Dividends	<u>(500,050)</u>	<u>(500,050)</u>
At 31 December 2012	<u>1,353,038</u>	<u>1,353,038</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

22 Reconciliation of movement in shareholders' funds

Group

	2012	2011
	£	£
(Loss)/profit attributable to the members of the group	(470,790)	881,332
Foreign currency translation differences	(120,502)	457,067
Dividends	(500,000)	(2,123,463)
Distribution on waiver of debt with group undertakings	-	(540,000)
Distribution on transfer of ownership of subsidiary undertakings	(2,566,733)	-
Net reduction to shareholders' funds	(3,658,025)	(1,325,064)
Shareholders' funds at 1 January	19,440,773	20,765,837
Shareholders' funds at 31 December	<u>15,782,748</u>	<u>19,440,773</u>

Company

	2012	2011
	£	£
Loss attributable to the members of the company	(75,517)	(26,969)
Distribution on waiver of debt with group undertaking	-	(540,000)
Dividends	(500,050)	(2,123,463)
Net reduction to shareholders' funds	(575,567)	(2,690,432)
Shareholders' funds at 1 January	4,428,757	7,119,189
Shareholders' funds at 31 December	<u>3,853,190</u>	<u>4,428,757</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

23 Acquisitions

Analysis of the acquisition of Osiris Hydrographic and Geophysical Projects Limited

On 29 May 2012 the group acquired the entire ordinary share capital of Osiris Hydrographic and Geophysical Projects Limited

	Book value	Revaluation	Fair value	Accounting	Other	Fair value
	£	adjustment	adjustment	policy	adjustment	£
		£	£	adjustment	£	
				£		
Fixed assets	2,899,965	-	725,209	-	-	3,625,174
Stocks	357,599	-	-	-	-	357,599
Debtors	1,434,875	-	-	-	-	1,434,875
Cash	(89,064)	-	-	-	-	(89,064)
Creditors	(1,227,722)	-	-	-	-	(1,227,722)
Loans and finance leases	(839,555)	-	-	-	-	(839,555)
Taxation	(383,307)	-	-	-	-	(383,307)
	<u>2,152,791</u>	<u>-</u>	<u>725,209</u>	<u>-</u>	<u>-</u>	<u>2,878,000</u>
Goodwill arising on acquisition						6,323,703
						<u>9,201,703</u>
Discharged by						
Cash						2,500,000
Deferred consideration						6,500,000
Costs associated with the acquisition included in fair value of consideration						201,703
						<u>9,201,703</u>

The deferred consideration is made up of guaranteed deferred consideration of £1,000,000 and contingent consideration of £5,500,000. The guaranteed deferred consideration is payable £500,000 in March 2013 and £500,000 in March 2014. The contingent consideration is based on the future performance of the business and is payable post finalisation of the Osiris Hydrographical and Geophysical Projects Limited financial statements for the year ended 31 March 2015. All deferred consideration is reported within other creditors in notes 16 and 17 to the financial statements.

The company generated a profit for the financial year of £228,751 in its most recent statutory accounts to 31 March 2012. As at this date, the company's net assets were £2,052,229. In the two month period between 1 April and 29 May 2012 ("date of acquisition"), the company generated profit after tax of £100,562.

The acquisition contributed £946,423 to the Group's net operating cashflows and £537,992 to the increase in cash for the year. Subsidiary undertakings transferred to other Group members in the year did not contribute to the movement in cash for the year given the date of transfer.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

24 Reconciliation of net cash flow to movement in net debt

	Note	2012 £	2011 £
Increase in cash		4,668,156	2,862,454
Cash inflow from increase in loans		(11,372,045)	(3,005,510)
Cash outflow from repayment of loans		3,772,891	4,041,339
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		51,350	-
Change in net debt resulting from cash flows	25	(2,879,648)	3,898,283
On transfer of subsidiary undertakings and other non-cash changes		(2,514,320)	-
On acquisition		(928,619)	-
Movement in net debt	25	(6,322,587)	3,898,283
Net funds/(debt) at 1 January	25	111,078	(3,787,205)
Net (debt)/funds at 31 December	25	(6,211,509)	111,078

25 Analysis of net debt

	At 1 January 2012 £	Cash flow £	On transfer of subsidiary undertakings and other non-cash changes £	On acquisition £	At 31 December 2012 £
Cash at bank and in hand	7,229,080	4,579,092	(3,142,914)	-	8,665,258
Bank overdraft	-	89,064	-	(89,064)	-
	7,229,080	4,668,156	(3,142,914)	(89,064)	8,665,258
Debt due within one year	(3,781,260)	(8,828,092)	553,419	-	(12,055,933)
Debt due after more than one year	(3,336,742)	1,228,938	75,175	(406,290)	(2,438,919)
Finance leases and hire purchase contracts	-	51,350	-	(433,265)	(381,915)
Net funds/(debt)	111,078	(2,879,648)	(2,514,320)	(928,619)	(6,211,509)

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

26 Commitments

Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £2,767,262 (2011 - £nil)

Operating lease commitments

Group

As at 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows
Operating leases which expire

	2012 £	2011 £
Land and buildings		
Within one year	-	332,201
Within two and five years	-	531,529
Over five years	54,000	556,490
	<u>54,000</u>	<u>1,420,220</u>
Other		
Within one year	<u>2,026,794</u>	<u>2,100,000</u>

Other commitments

The Group has entered into forward currency exchange contracts that expire within the next twelve months. The market value of these forward contracts at the balance sheet date is a liability of £168,275.

27 Pension schemes

Defined contribution pension scheme

The division participates in a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the division to the scheme and amounted to £142,695 (2011 - £519,089). There are no contributions outstanding to the scheme at the end of the financial year.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

28 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other wholly-owned members of the ultimate parent undertaking

29 Control

The company is controlled by Bibby Holdings Limited. The company is a wholly-owned subsidiary of Bibby Holdings Limited, which itself is a wholly-owned subsidiary of Bibby Line Group Limited, both of which are registered in England.

Bibby Line Group Limited is the parent undertaking of the largest group which consolidates these accounts for which the company is a member.

The ultimate controlling party is disclosed in the accounts of Bibby Line Group Limited. Copies of the financial statements may be obtained from Bibby Line Group Limited, 105 Duke Street, Liverpool, L1 5JQ (www.bibbygroup.co.uk)