

Registration number: 00020535

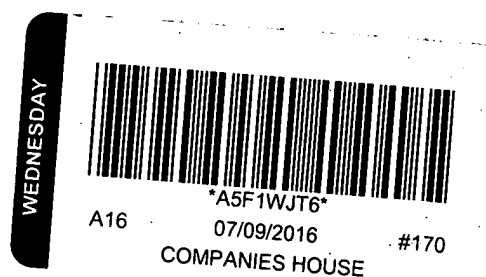
# Bibby Marine Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2015

**SIGNED**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Liverpool  
United Kingdom



# **Bibby Marine Limited**

## **Contents**

Company Information	1
Strategic Report	2 to 5
Directors' Report	6 to 7
Directors' Responsibilities Statement	8
Independent Auditor's Report	9 to 10
Consolidated Profit and Loss Account	11
Consolidated Statement of Comprehensive Income	12
Consolidated Balance Sheet	13
Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Notes to the Financial Statements	18 to 40

SIGNED

## **Bibby Marine Limited**

### **Company Information**

<b>Directors</b>	Michael James Bibby Jonathan Haymer Jonathan Osborne Sean Thomas Golding Stephen Blaikie Simon Jeremy Kitchen John Howard Hughes Ian Andrew McLeay
<b>Company secretary</b>	Bibby Bros. & Co. (Management) Limited
<b>Registered office</b>	105 Duke Street Liverpool L1 5JQ
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor Liverpool United Kingdom

## **Bibby Marine Limited**

### **Strategic Report for the Year Ended 31 December 2015**

The directors present their strategic report for the year ended 31 December 2015.

#### **Principal activity**

The principal activity of the company is to act as the holding company for Bibby Line Group Limited's niche marine assets and services division. In this context, the Group refers to Bibby Marine Limited and its subsidiaries. Group activities are the ownership and operation of floating accommodation vessels, the provision of hydrographic survey services and the ownership of walk to work vessels.

Bibby Marine Limited is incorporated and headquartered in the United Kingdom and is engaged in the ownership and operation of floating accommodation vessels via its subsidiary Bibby Maritime Limited and hydrographic survey services via its subsidiary Bibby Marine Survey Services Limited.

The floating accommodation business operates in international markets and has branches registered in Australia, Papua New Guinea and South Korea (March 2016). The business currently owns 5 vessels.

The hydrographic survey business operates predominantly in the United Kingdom. The business owns 5 vessels and primarily provides services to clients in the renewables, oil and gas and telecommunications sectors.

In 2016 Bibby Wavemaster I Limited signed a shipbuilding contract for a Service Operation Vessel to service the renewables and oil and gas markets.

#### **Principal risks and uncertainties**

The financial performance of the Group 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 Bibby Marine Limited board determines what matters are reserved for the subsidiary boards and the Bibby Line Group Limited board sets the matters reserved for the Bibby Marine Limited board. Each subsidiary within the Group has established its own risk management framework encompassing both financial and non-financial risks. 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 the board of Bibby Marine Limited can adequately oversee the performance of each business.

##### **Accommodation services:**

Competitive pressures in international markets and the impact on vessel utilisation is a continuing risk for the company. These were much tougher in 2015 and that looks likely to continue into 2016. To manage this risk and to take advantage of opportunities, the company looks to react quickly to market conditions to achieve its growth objectives. The company strives to provide well maintained and safe assets; added value services; prompt responses to customer queries; and preserve strong relationships with customers.

##### **Hydrographic survey:**

Competitive pressures in the UK and European market, and the impact on vessel day rates is a continuing risk for the business. The business is developing its service offering to grow its share of the market and satisfy customer demand. To manage this risk the company strives to provide well maintained and safe assets; added value services; prompt responses to customer queries; and preserve strong relationships with customers.

##### **Walk to work:**

In 2016 the company began to establish the team and controls to manage the Service Operation Vessel and will develop a presence in the market and satisfy client requirements. To manage this risk the company strives to provide well maintained and safe assets; added value services; prompt responses to customer queries; and preserve strong relationships with customers.

## **Bibby Marine Limited**

### **Strategic Report for the Year Ended 31 December 2015 (continued)**

#### **Fair review of the business**

##### **Accommodation services:**

The accommodation service business had another very strong year with profits comparing favourably with all previous years except 2014. The business suffered lower utilisation (63% vs 92% in 2014) due to the downturn in the energy and mining markets and the Australian economy.

The Coastels business cycle has been affected by macro factors in the energy and raw material sectors, with many potential projects being postponed or cancelled. Despite this the business recorded another good year with costs being managed tightly to reflect the changing environment.

Bibby Renaissance continued to work in Australia, but is expected to be redelivered during 2016. Bibby Progress did not work in the year due to the economic pressures described above, although by the end of the year she was under a Letter of Intent for work in 2016. Similarly Bibby Bergen did not work after the first quarter as enquiries in the Norwegian market dried up. By the end of the year the vessel was the subject of a framework agreement with a customer for 2016.

Bibby Challenge and Bibby Stockholm worked through the year until mid December in Shetland for two different customers. Bibby Challenge is due to have a regular drydock in early 2016 before starting a 23 month charter in Norway, whilst the Bibby Stockholm is involved in two different tenders in the European market.

Our safety record continued to be excellent and our focus on a strong safety culture will remain.

The business continues to explore opportunities across the world.

##### **Hydrographic survey:**

Our survey business had a challenging year with markets suffering due to low oil and gas prices and increased competition from offshore contractors seeking alternative work. The difficult market is also compounded by a hiatus in the UK offshore wind industry. Despite this, we saw our latest specialist coastal catamaran, Bibby Athena, delivered into the market in January. In Spring we introduced our d'ROP submersible survey platform which has increased efficiency and productivity in depth of burial surveys and has a number of ancillary uses which our customers will be exploring in 2016. Major projects completed in the year included the Celtic Interconnector geotechnical investigation (Ireland to France), a high resolution baseline survey of the East-West Interconnector Cable (EWIC) across the Irish Sea and a large multi-discipline survey for a proposed 45km long LNG pipeline and offshore offloading facility which makes landfall at Walney Island and Barrow-in-Furness.

In 2016 we expect vessel utilisation to increase in comparison to 2015 although rates are likely to remain challenged due to macroeconomic factors.

The business continues to consider options to expand the size of the fleet and also to broaden the scope of services provided to customers. The internationalisation of the business beyond its North European base is also under review.

Key performance indicator information of Bibby Maritime Limited and Bibby Marine Survey Services Limited and those of their subsidiaries can be found in their respective financial statements.

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

	<b>2015</b>	<b>2014</b>
Turnover (accommodation services)	£28,382,192	£40,922,419
Operating profit (accommodation services)	£10,939,866	£19,666,875
Turnover (hydrographic surveying)	£12,237,074	£10,462,329
Operating loss (hydrographic surveying)	(£1,460,368)	(£912,454)

Non-financial key performance indicators include vessel utilisation, tender success and vessel safety measures in respect of which the company does not wish to disclose any further information.

## **Bibby Marine Limited**

### **Strategic Report for the Year Ended 31 December 2015 (continued)**

#### **Financial Instruments**

##### ***Objectives and policies***

The Group's activities expose it to a number of financial risks including liquidity risk, cash flow risk, price risk and credit risk. The use of financial derivatives within each subsidiary is governed by the company's policies approved by the Group board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

###### ***Liquidity risk:***

Bibby Marine Limited does not have any long-term bank borrowings of its own but guarantees certain debt of its subsidiary undertakings. These credit facilities require us to maintain a minimum adjusted net worth ratio, interest cover and liquidity. A breach of these covenants would constitute an event of default under our credit facilities and if not cured within the applicable grace period set forth under the facility, would provide our lenders with the right to require us to pay down the indebtedness to a level where we are in compliance with our loan covenants or provide additional security. The Group continues to comply with all debt covenants.

The Group manages liquidity risk by adherence to strict cash flow forecasting procedures to ensure sufficient funds are available to meet liabilities as they fall due, including any servicing obligations of bank debt.

###### ***Cash flow:***

The Group provides assets and services in international markets and is therefore exposed to currency movements on sales and purchases made in foreign currencies. This exposure is mitigated by matching costs in the same currency where possible and through the use of forward currency exchange contracts.

###### ***Price risk:***

The Group secures earnings on long-term international charters and its functional currency is sterling. The Group enters into forward currency contracts to hedge contracted forward income.

In respect of the hydrographic surveying business, the market is competitive but the tendering processes employed by customers ensures pricing transparency.

###### ***Credit risk:***

The Group's principal financial assets are bank balances, and trade and other receivables.

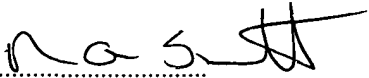
The Group's credit risk is primarily attributable to its trade receivables. The assessment of customers' financial condition and reliability is an important factor when negotiating employment for the vessels. The Group evaluates the counterparty risk of potential customers based on management's experience in the industry combined with the additional input of independent advisors. Charter hire is typically paid in advance of underlying hire periods in the accommodation services business, with a credit period more typical for the hydrographic survey business.

The credit risk on liquid cash funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

**Bibby Marine Limited**

**Strategic Report for the Year Ended 31 December 2015 (continued)**

Approved by the Board on 31 March 2016 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)  
Limited, SECRETARY

## **Bibby Marine Limited**

### **Directors' Report for the Year Ended 31 December 2015**

The directors present their report and the consolidated financial statements for the year ended 31 December 2015.

#### **Directors of the group**

The directors who held office during the year were as follows:

Michael James Bibby

Jonathan Haymer

Jonathan Osborne

Sean Thomas Golding

Stephen Blaikie

Simon Jeremy Kitchen

John Howard Hughes

Ian Andrew McLeay

#### **Dividends**

A dividend of £7,049,000 (2014: £2,714,000) was paid during the year. A dividend of £1,250,000 was paid in January 2016 that has not been recognised in the financial statements.

#### **Matters included in the Strategic Report**

In accordance with s414C(11) of the Companies Act 2006, included within the strategic report is information relating to the financial instruments policies and risks of the business, which would otherwise be required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' to be contained in the directors' report.

#### **Future developments**

In January 2016 Bibby WaveMaster I Limited, a wholly owned subsidiary of Bibby Marine Limited, contracted for a Service Operation Vessel to provide maintenance support to the offshore windfarm sector. We will continue to look for investment opportunities in this area.

#### **Branches outside the United Kingdom**

The subsidiary Bibby Maritime Limited has branches registered in Australia, Papua New Guinea and South Korea (March 2016).

#### **Going concern**

The directors have reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies statement in Notes to the Financial Statements.

#### **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.

#### **Disclosure of information to the auditor**

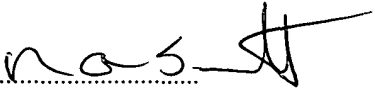
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.



**Bibby Marine Limited**

**Directors' Report for the Year Ended 31 December 2015 (continued)**

Approved by the Board on 31 March 2016 and signed on its behalf by:

  
Bibby Bros. & Co. (Management) Limited  
Company secretary

Duty Authorized Signatory  
For and on behalf of  
Bibby Bros. & Co. (Management)  
Limited, SECRETARY

## **Bibby Marine Limited**

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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.

## **Bibby Marine Limited**

### **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 2015 which comprise of the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 28. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of the group's profit 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Bibby Marine Limited**

### **Independent Auditor's Report to the members of Bibby Marine Limited (continued)**

#### **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.



Christopher Robertson (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditor

Liverpool  
United Kingdom

31 March 2016

## Bibby Marine Limited

### Consolidated Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	40,619,266	51,384,748
Cost of sales		<u>(25,808,283)</u>	<u>(25,746,856)</u>
Gross profit		14,810,983	25,637,892
Administrative expenses		<u>(5,331,486)</u>	<u>(7,408,096)</u>
Operating profit		9,479,497	18,229,796
Interest receivable and similar income	6	88,818	60,894
Interest payable and similar charges	7	<u>(446,407)</u>	<u>(221,564)</u>
Profit on ordinary activities before taxation		9,121,908	18,069,126
Tax on profit on ordinary activities	11	<u>(2,910,894)</u>	<u>(4,370,273)</u>
Profit for the financial year		<u><u>6,211,014</u></u>	<u><u>13,698,853</u></u>

The above results were derived from continuing operations.

**Bibby Marine Limited**

**Consolidated Statement of Comprehensive Income for the Year Ended 31 December  
2015**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit for the year	6,211,014	13,698,853
Foreign currency translation losses	<u>(51,493)</u>	<u>(35,913)</u>
Total comprehensive income for the year	<u>6,159,521</u>	<u>13,662,940</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	<u>6,159,521</u>	<u>13,662,940</u>


The notes on pages 18 to 40 form an integral part of these financial statements.

# **Bibby Marine Limited**

## **(Registration number: 00020535) Balance Sheet as at 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Investments	14	300	200
<b>Current assets</b>			
Debtors	16	4,345,664	9,947,095
Creditors: Amounts falling due within one year	18	<u>(101,659)</u>	<u>(5,237,603)</u>
Net current assets		<u>4,244,005</u>	<u>4,709,492</u>
Total assets less current liabilities		4,244,305	4,709,692
Creditors: Amounts falling due after more than one year	18	<u>(1,214)</u>	<u>(750,000)</u>
Net assets		<u>4,243,091</u>	<u>3,959,692</u>
<b>Capital and reserves</b>			
Called up share capital	20	2,500,152	2,500,152
Retained earnings		<u>1,742,939</u>	<u>1,459,540</u>
Total equity		<u>4,243,091</u>	<u>3,959,692</u>

Approved and authorised by the Board on 31 March 2016 and signed on its behalf by:



Sean Thomas Golding

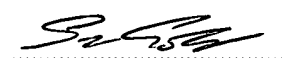
Director

The notes on pages 18 to 40 form an integral part of these financial statements.

**Bibby Marine Limited**  
**(Registration number: 00020535)**  
**Consolidated Balance Sheet as at 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	13	25,916,092	29,272,067
<b>Current assets</b>			
Stocks	15	106,972	33,173
Debtors	16	8,347,099	10,262,823
Cash at bank and in hand		<u>17,460,383</u>	<u>15,965,577</u>
		25,914,454	26,261,573
Creditors: Amounts falling due within one year	18	<u>(16,230,318)</u>	<u>(16,737,744)</u>
Net current assets		<u>9,684,136</u>	<u>9,523,829</u>
Total assets less current liabilities		35,600,228	38,795,896
Creditors: Amounts falling due after more than one year	18	(4,986,631)	(7,104,400)
Provisions for liabilities	22	<u>(2,665,497)</u>	<u>(2,853,917)</u>
Net assets		<u><u>27,948,100</u></u>	<u><u>28,837,579</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	2,500,152	2,500,152
Retained earnings		<u>25,447,948</u>	<u>26,337,427</u>
Total equity		<u><u>27,948,100</u></u>	<u><u>28,837,579</u></u>

Approved and authorised by the Board on 31 March 2016 and signed on its behalf by:



Sean Thomas Golding  
Director

The notes on pages 18 to 40 form an integral part of these financial statements.



# Bibby Marine Limited

## Consolidated Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Retained earnings £	Total £	Total equity £
At 1 January 2015	2,500,152	26,337,427	28,837,579	28,837,579
Profit for the year	-	6,211,014	6,211,014	6,211,014
Other comprehensive income	-	(51,493)	(51,493)	(51,493)
Total comprehensive income	-	6,159,521	6,159,521	6,159,521
Dividends	-	(7,049,000)	(7,049,000)	(7,049,000)
At 31 December 2015	2,500,152	25,447,948	27,948,100	27,948,100

	Share capital £	Retained earnings £	Total £	Total equity £
At 1 January 2014	2,500,152	15,388,487	17,888,639	17,888,639
Profit for the year	-	13,698,853	13,698,853	13,698,853
Other comprehensive income	-	(35,913)	(35,913)	(35,913)
Total comprehensive income	-	13,662,940	13,662,940	13,662,940
Dividends	-	(2,714,000)	(2,714,000)	(2,714,000)
At 31 December 2014	2,500,152	26,337,427	28,837,579	28,837,579

For the effects on the financial statements of the transition to FRS 102 see note 28.

# **Bibby Marine Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2015**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2015	2,500,152	1,459,540	3,959,692
Profit for the year	-	7,332,399	7,332,399
Total comprehensive income	-	7,332,399	7,332,399
Dividends	-	(7,049,000)	(7,049,000)
At 31 December 2015	2,500,152	1,742,939	4,243,091

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2014	2,500,152	1,523,391	4,023,543
Profit for the year	-	2,650,149	2,650,149
Total comprehensive income	-	2,650,149	2,650,149
Dividends	-	(2,714,000)	(2,714,000)
At 31 December 2014	2,500,152	1,459,540	3,959,692

The notes on pages 18 to 40 form an integral part of these financial statements.

# Bibby Marine Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Profit for the year		6,211,014	13,698,853
Adjustments to cash flows from non-cash items			
Depreciation	5	5,419,064	5,177,982
Amortisation of goodwill	5	-	321,198
Profit on disposal of property, plant and equipment	4	-	(102,298)
Foreign exchange losses	5	273,625	618,156
Finance income	6	(88,818)	(60,894)
Finance costs	7	446,407	221,564
Income tax expense	11	2,910,894	4,370,273
		<u>15,172,186</u>	<u>24,244,834</u>
Working capital adjustments			
Increase in stock	15	(73,799)	(33,173)
Decrease in trade and other payables		(682,010)	(2,424,546)
(Decrease)/increase in provisions	22	(188,420)	734,071
Decrease in trade and other debtors		<u>1,742,502</u>	<u>2,146,487</u>
Cash generated from operations		15,970,459	24,667,673
Income taxes paid		<u>(4,240,396)</u>	<u>(5,254,683)</u>
Net cash flow from operating activities		<u>11,730,063</u>	<u>19,412,990</u>
<b>Cash flows from investing activities</b>			
Interest received		88,818	60,894
Acquisitions of tangible fixed assets		(2,220,330)	(7,430,054)
Proceeds from disposal of tangible fixed assets		-	195,261
Acquisition of subsidiary, net of cash acquired		<u>(1,165,893)</u>	<u>(500,000)</u>
Net cash flows from investing activities		<u>(3,297,405)</u>	<u>(7,673,899)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(236,306)	(180,785)
Proceeds from bank borrowing draw downs		933,660	4,919,239
Repayment of bank borrowing		(986,678)	(1,219,460)
Dividends paid		<u>(7,049,000)</u>	<u>(2,714,000)</u>
Net cash flows from financing activities		<u>(7,338,324)</u>	<u>804,994</u>
Net increase in cash and cash equivalents		1,094,334	12,544,085
Cash and cash equivalents at 1 January	17	<u>14,991,636</u>	<u>2,447,551</u>
Cash and cash equivalents at 31 December	17	<u><u>16,085,970</u></u>	<u><u>14,991,636</u></u>

The notes on pages 18 to 40 form an integral part of these financial statements.

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 General information**

Bibby Marine Limited ('the Company') is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is 105 Duke Street, Liverpool, L1 5JQ.

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 the financial information of the Company. The ultimate controlling party is therefore considered to be Bibby Line Group Limited. Copies of the Bibby Marine and Bibby Line Group's financial statements may be obtained from Bibby Line Group Limited, 105 Duke Street, Liverpool, L1 5JQ ([www.bibbygroup.co.uk](http://www.bibbygroup.co.uk)).

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. The activities of Group are the ownership and operation of floating accommodation vessels and marine surveying services, and the ownership of walk to work vessels.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and applicable legislation as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The primary economic environment in which the company operates is governed by Pounds Sterling, and as such the company financial statements have been prepared and presented in this currency. The consolidated financial statements are also presented in Pounds Sterling. Foreign operations are included in accordance with the policies set out below.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2015.

Subsidiaries are included within the consolidation where the company has control over such entities, thereby having the power to govern the financial and operation policies of the entity so as to obtain benefits from its activities. The financial statements of subsidiaries that are acquired or disposed of within the financial year are included within, or excluded from, the consolidation from the date that the Company obtains, or loses, control.

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

All intra-group transaction, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. In 2015 the accounting periods of subsidiaries are coterminous with those of the company. However, in previous years interim financial statements have been used for the consolidation of Bibby Hydromap Limited, who previously prepared audited financial statements for the year ended 31 March.

The parent company has taken advantage of the exemption not to present a separate profit and loss account or a statement of comprehensive income, as permitted by Section 408 of the Companies Act 2006. The Company's profit for the financial year was £7,332,399 (2014: £2,650,149).

#### **Summary of disclosure exemptions**

The Company has chosen to take advantage of the disclosure exemptions in Section 1.12 of FRS 102 to not prepare a statement of cash flows as would be required by Section 7 'Statement of Cash flows', and from not disclosing information about the nature of its financial instruments as would be required in Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' or key management personnel compensation as would be required in Section 28 'Employee Benefits'.

#### **Going concern**

The financial statements have been prepared on the 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 projection 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.

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 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 would lead to significant doubt upon the company's ability to continue as a going concern. In relying on this support the directors are mindful of the risks and uncertainties disclosed in the financial statements of the parent company.

#### **Changes in accounting policy**

##### **New standards, interpretations and amendments effective**

The following have been applied for the first time from 1 January 2014 and have had an effect on the financial statements:

##### ***Transition to FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'***

The year ended 31 December 2015 is the first year that the Company has prepared its financial statements in accordance with FRS 102, and accordingly has applied the transitional requirements as set out in Section 35 Transition to this FRS. Some of the recognition, measurement, disclosure and presentational requirements of FRS 102 differ to departing UK GAAP, and hence when preparing the financial statements, management has made certain adjustments to comply with the requirements of FRS 102. The disclosures required by Section 35 regarding transitional adjustments that have been made from departing UK GAAP to FRS 102 are given in note 28 to the Financial Statements.

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

##### **Critical accounting judgements and key sources of estimation uncertainty**

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

##### **Critical judgements in applying the Group's accounting policies**

The critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below.

##### *Revenue recognition*

Revenue relating to the hydrographic surveying business is adjusted for work in progress. Revenue is recognised when the outcome of a transaction can be estimated reliably, by reference to the stage of completion of the transaction at the end of the reporting period. When the outcome cannot be estimated reliably revenue is recognised only to the extent of the costs recognised that are recoverable. The amount of revenue recognised in profit or loss in the period is based on the percentage of completion method. The estimates of total revenue and costs are reviewed and revised where appropriate as the service progresses but at least on an annual basis.

In making its judgement, management considered the detailed criteria for the recognition of revenue from the rendering of services set out in FRS 102 Section 23 Revenue and, in particular, whether the Group could reliably measure the outcome of the transaction and determine the stage of completion.

##### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *(i) Assessing indicators of impairment of property, plant and equipment and intangible assets*

In assessing whether there have been any indicators of impairment associated with the Group's property, plant and equipment and goodwill, the directors have considered both external and internal sources of information such as asset market values, changes in technological, economic and legal environments, evidence of obsolescence or physical damage of assets and any changes in economic performance of assets.

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

##### *(ii) Fleet re-instatement provision*

Management have calculated the estimated provision based on forecasted future costs to re-instate the leased fleet at the end of the lease. The provision is expected to be settled on the expiry of the operating lease of the related asset. The remaining fixed lease term is less than one year. Management have not currently extended the lease, therefore the provision has been stated at the expected amount required to settle the obligation, and has not been discounted.

##### *(iii) Fleet residual value*

Management consider the residual value of the vessels not to be material on the basis that the cost of dismantling the asset is estimated to be equivalent to any value remaining in the vessel at the end of its life.

##### *(iv) Fair value of derivative instrument*

The fair value of the derivative instruments have been estimated using valuation techniques which use market and non-market inputs to estimate the expected discounted cash flows. The valuation techniques use contracted exchange rates and current forward rates as determined by the bank/issuer of the derivative contract.

#### **Revenue recognition**

Revenue arising from principal activities is recognised on a straight-line basis over the period the services are performed and provided to customers for the accommodation vessel activity and for the hydrographic survey business is recognised by reference to the stage of completion. Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services performed in the normal course of business, net of discounts and other sales-related taxes.

#### **Finance income**

Interest income is recognised when it is probable that the economic benefits will flow and the amount of revenue can be measured reliably. Income is recognised using the effective interest method, which discounts estimated future cash flows through the expected life of the financial asset, to which the interest income is derived, to its net carrying amount on initial recognition.

#### **Foreign currency transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date the transactions took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities are reported in the profit or loss account.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's subsidiaries, which prepare their financial statements in a foreign denominated currency, are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising on re-representation are recognised through other comprehensive income within equity and presented within the Group's retained earnings reserve.

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

##### **Tax**

Tax expense for the period comprises current and deferred tax. Tax currently payable, including UK corporation tax and foreign tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date. The group is a member of the UK Tonnage Tax regime.

UK Tonnage Tax is an alternative method of calculating corporation tax profits by reference to the net tonnage of the ship operated. The tonnage tax profit replaces both the tax-adjusted commercial profit/loss on a shipping trade and the chargeable gains/losses made on tonnage tax assets.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. 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 give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Where the amount attributed for tax purposes to assets (other than goodwill) and liabilities that are acquired in a business combination differs from their fair value, deferred tax is recognised to reflect the future tax consequences with a corresponding adjustment to goodwill.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Tangible assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided to allocate the cost of the assets less their estimated residual values, over their expected useful economic life using a straight line basis as follows:

Fleet: 5% - 20% Straight line

Plant & Machinery: 6.66% - 33.3% Straight line

Short leasehold and buildings: 50% Straight line



## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

##### **Impairment of fixed assets**

At each reporting date the Group reviews the carrying value of its property, plant and equipment and intangible assets, including goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. For the purposes of testing goodwill for impairment, goodwill is allocated to each cash-generating unit.

The recoverable amount of an asset, or cash-generating unit, is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash-generating unit, and the present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset, or cash-generating unit, is less than the carrying amount of the asset, or cash-generating unit, an impairment loss is recognised immediately within the profit and loss account to reduce the carrying amount of the asset, or cash-generating unit, to its recoverable amount.

Where an impairment loss has been recognised, the Group assesses at each reporting date whether there has been any indication that an impairment loss recognised in a prior period may no longer exist or may have decreased. An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply.

##### **Fixed asset investments**

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

##### **Business combinations**

Business combinations are included in the financial statements using the acquisition method of accounting. The cost of the acquisition is measured at the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs that are directly attributable to the business combination. The acquiree's identifiable assets (including intangible assets), liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date.

##### **Intangible assets - Goodwill**

Goodwill arising on the acquisition of subsidiaries represents any excess of the cost of the business combination over the interest in the net amount of the identifiable assets (including any intangible assets) liabilities and contingent liabilities acquired.

Goodwill is initially recognised within intangible assets and subsequently amortised on a straight line basis over its useful economic life.

##### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

##### **Stock**

Stock comprises of fleet stores and is valued at the lower of cost and net realisable value.

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

##### **Provisions**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probably that the obligation will be required to be settled, 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.

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are paid.

##### **Leases**

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

Assets held under finance lease arrangements are recognised as assets within property, plant and equipment at their fair value, or if lower at the present value of the minimum lease payments, each determined at the inception of the lease. The assets are subsequently depreciated over the shorter of the lease term and their useful life. The corresponding finance lease liability is recognised as a finance lease obligation, with lease payments being apportioned between finance charges and a reduction to the lease obligation so as to achieve a constant rate of interest on the remaining amount of the liability. Finance charges are recognised within profit or loss.

Payments made under operating lease arrangements are charged to profit or loss on a straight-line basis over the lease term. Benefits receivable as operating lease incentives are recognised within profit or loss on a straight-line basis over the lease term.

##### **Defined contribution pension obligation**

For defined contribution schemes, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The amounts that become payable during the financial year are recognised in profit or loss. Differences between contributions payable during the financial year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial instruments**

###### ***Classification***

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds both basic and complex financial instruments, which comprise cash and cash equivalents, trade and other receivables, trade and other payables and derivative contracts. The Group has chosen to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 in full.

Financial asset and liability debt instruments are classified as basic financial instruments where they meet all of the following conditions:

- a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive;
- b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods;
- c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect: (i) the holder against the credit deterioration of the issuer, or a change in control of the issuer; or (ii) the holder or issuer against changes in relevant taxation or law; and
- d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

###### ***Recognition and measurement***

Financial assets, classified as basic financial instruments are: Cash and cash equivalents and Trade and other debtors

Financial liabilities, classified as basic financial instruments are: Trade and other creditors, including loans and borrowings.

Equity instruments are classified in accordance with the substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

###### ***Impairment of financial assets***

At the end of the reporting period, the Company assesses whether there is objective evidence that any trade or other debtor may be impaired. A provision for impairment is established when the objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtor. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

###### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash in hand, overdrafts and call deposits.

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **2 Accounting policies (continued)**

##### **Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Derivative financial instruments**

###### ***Derivatives***

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk arising in relation to foreign denominated sales invoices. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recognised at fair value at the date the derivative contract is entered into and are subsequently re-measured to fair value at each reporting date. The resulting gain or loss is recognised in profit or loss.

# Bibby Marine Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

### 3 Revenue

The analysis of the group's revenue for the year by class of business is as follows:

	2015 £	2014 £
Accommodation services	28,382,192	40,922,419
Hydrographic surveying	12,237,074	10,462,329
	<u>40,619,266</u>	<u>51,384,748</u>

The analysis of the group's revenue for the year by geographical market is as follows:

	2015 £	2014 £
UK	10,698,641	13,181,868
Rest of world	29,920,625	38,202,880
	<u>40,619,266</u>	<u>51,384,748</u>

### 4 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2015 £	2014 £
Profit on disposal of property, plant and equipment	<u>-</u>	<u>102,298</u>

### 5 Profit on ordinary activities before taxation

Profit is arrived at after charging/(crediting)

	2015 £	2014 £
Depreciation expense	5,419,064	5,177,982
Amortisation expense	-	321,198
Foreign exchange losses	273,625	618,156
Operating lease expense - plant and machinery	3,135,063	3,136,921
Operating lease expense - other assets	122,972	77,000
Profit on disposal of property, plant and equipment	-	(102,298)
Cost of stock recognised as expense	<u>168,181</u>	<u>86,321</u>

### 6 Interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	<u>88,818</u>	<u>60,894</u>

# Bibby Marine Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

### 7 Interest payable and similar charges

	2015 £	2014 £
Interest on bank overdrafts and borrowings	387,846	178,493
Interest on obligations under finance leases and hire purchase contracts	58,561	43,071
	<u>446,407</u>	<u>221,564</u>

### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015 £	2014 £
Wages and salaries	6,024,642	5,944,493
Social security costs	661,178	627,590
Pension costs, defined contribution scheme	310,879	319,172
	<u>6,996,699</u>	<u>6,891,255</u>

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

	2015 No.	2014 No.
Hydrographic surveying	113	97
Accommodation services	16	15
	<u>129</u>	<u>112</u>

### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	1,133,688	1,313,116
Contributions paid to money purchase pension schemes	112,457	120,507
	<u>1,246,145</u>	<u>1,433,623</u>

During the year the number of directors who were receiving benefits was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension schemes	<u>5</u>	<u>5</u>

# Bibby Marine Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

### 9 Directors' remuneration (continued)

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	380,949	424,503
Company contributions to money purchase pension scheme	<u>23,640</u>	<u>22,950</u>

### 10 Auditors' remuneration

	2015 £	2014 £
<b>Fees payable to the company's auditor for:</b>		
Audit of the company's financial statements	13,215	16,937
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>27,886</u>	<u>19,385</u>
	<u>41,101</u>	<u>36,322</u>
<b>Non-audit fees</b>		
Taxation compliance services	<u>35,027</u>	<u>57,813</u>

### 11 Tax on profit on ordinary activities

Tax charged/(credited) in the profit and loss account comprises:

	2015 £	2014 £
<b>Current tax on loss on ordinary activities</b>		
UK corporation tax	73,955	479,800
UK corporation tax adjustment to prior periods	<u>(170,829)</u>	<u>(75,695)</u>
	<u>(96,874)</u>	<u>404,105</u>
Foreign tax	3,183,471	4,436,893
Foreign tax adjustment to prior periods	<u>-</u>	<u>(333,860)</u>
	<u>3,183,471</u>	<u>4,103,033</u>
Total current tax	3,086,597	4,507,138
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(175,703)</u>	<u>(136,865)</u>
Total tax on profit on ordinary activities	<u>2,910,894</u>	<u>4,370,273</u>

## Bibby Marine Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 11 Tax on profit on ordinary activities (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2014 - higher than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>9,121,908</u>	<u>18,069,126</u>
Corporation tax at standard rate	1,847,186	3,884,862
Increase from effect of different UK tax rates on some earnings	4,935	-
Revenues subject to tonnage taxation regime	(91,259)	(50,841)
Adjustments in respect of previous years	(170,829)	(409,555)
Deferred tax release of transfer to group	246,287	-
Tax increase (decrease) from effect of capital allowances and depreciation	-	(152,310)
Amortisation of intangible fixed assets	-	100,243
Tax increase from effect of unrelieved loss on disposal of operations	-	112,792
Tax increase from higher rates of overseas tax	1,001,863	885,082
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>72,711</u>	<u>-</u>
Total tax charge for period	<u><u>2,910,894</u></u>	<u><u>4,370,273</u></u>

A reduction in the UK corporation tax rate from 21% to 20% took effect from 1 April 2015. Finance Act 2015 (No.2), which was substantively enacted in October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020.

During the year beginning 1 January 2016, the net reversal of deferred tax assets and liabilities is expected to decrease the corporation tax charge for the year by £134,965. This is due to the anticipated changes in accelerated capital allowances.

There is no expiry date on timing differences, unused tax losses or tax credits.



# Bibby Marine Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

### 12 Intangible assets

#### Company

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 January 2015	2,323,703	2,323,703
At 31 December 2015	2,323,703	2,323,703
<b>Amortisation</b>		
At 1 January 2015	2,323,703	2,323,703
At 31 December 2015	2,323,703	2,323,703
<b>Carrying amount</b>		
At 31 December 2015	-	-
At 31 December 2014	-	-

### 13 Tangible fixed assets

#### Group

	Short leasehold land & buildings £	Plant and machinery £	Fleet £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	310,399	3,848,857	68,210,648	72,369,904
Additions	-	1,165,315	1,134,014	2,299,329
Foreign exchange movements	-	-	(301,681)	(301,681)
At 31 December 2015	310,399	5,014,172	69,042,981	74,367,552
<b>Depreciation</b>				
At 1 January 2015	235,745	897,210	41,964,882	43,097,837
Charge for the year	74,654	616,938	4,727,472	5,419,064
Foreign exchange movements	-	-	(65,441)	(65,441)
At 31 December 2015	310,399	1,514,148	46,626,913	48,451,460
<b>Carrying amount</b>				
At 31 December 2015	-	3,500,024	22,416,068	25,916,092
At 31 December 2014	74,654	2,951,647	26,245,766	29,272,067

## Bibby Marine Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 13 Tangible fixed assets (continued)

##### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2015 £	2014 £
Plant and machinery	<u>2,183,278</u>	<u>1,326,847</u>

#### 14 Investments

##### Company

##### Subsidiaries

##### Cost

At 1 January 2015	200
Additions	<u>100</u>
At 31 December 2015	<u>300</u>

##### Group

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2015	2014
Subsidiary undertakings				
Bibby Maritime Limited	UK	Direct	100%	100%
Bibby Maritime Nigeria Limited	Nigeria	Indirect	100%	100%
Bibby Marine Survey Services Limited	UK	Direct	100%	100%
Bibby Hydromap Limited	UK	Indirect	100%	100%
Bibby Tethra Limited	UK	Indirect	100%	100%
Bibby Athena Limited	UK	Indirect	100%	100%
Hydromap Limited	UK	Indirect	100%	100%
Bibby Bergen Limited*	UK	Indirect	100%	0%
Bibby Progress Limited*	UK	Indirect	100%	0%
Bibby Challenge Limited*	UK	Indirect	100%	0%
Bibby Stockholm Lintied*	UK	Indirect	100%	0%
Bibby Maritime Crewing Services Limited*	UK	Indirect	100%	0%
Bibby Wavemaster I Limited*	UK	Indirect	100%	0%
Bibby Marine Services Limited*	UK	Direct	100%	0%

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **14 Investments (continued)**

The principal activity of Bibby Maritime Limited is ownership and operation of floating accommodation vessels.

The principal activity of Bibby Maritime Nigeria Limited is operation of floating accommodation vessels in Nigeria.

The principal activity of Bibby Marine Survey Services Limited is ownership of a hydrographic survey business.

The principal activity of Bibby Hydromap Limited is ownership and operation of hydrographic survey vessels.

The principal activity of Bibby Tethra Limited is ownership of hydrographic survey vessel.

The principal activity of Bibby Athena Limited is ownership of a hydrographic survey vessel.

The principal activity of Hydromap Limited is that of a dormant company.

The principal activity of Bibby Bergen Limited\* is ownership and operation of a floating accommodation vessel.

The principal activity of Bibby Progress Limited\* is ownership and operation of a floating accommodation vessel.

The principal activity of Bibby Challenge Limited\* is ownership and operation of a floating accommodation vessel.

The principal activity of Bibby Stockholm Limited\* is ownership and operation of a floating accommodation vessel.

The principal activity of Bibby Maritime Crewing Services Limited\* is the provision of crew services.

The principal activity of Bibby Wavemaster I Limited\* is the ownership and operation of service operation vessels.

The principal activity of Bibby Marine Services Limited\* is the ownership of service operation business.

\*These entities were incorporated in the year.

# Bibby Marine Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

### 15 Stocks

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Fleet stores	<u>106,972</u>	<u>33,173</u>	<u>-</u>	<u>-</u>

### 16 Debtors

		Group		Company	
	Note	2015 £	2014 £	2015 £	2014 £
Trade debtors		6,815,252	8,948,787	-	-
Amounts owed by group undertakings	27	-	150,538	4,342,658	9,947,095
Derivative financial instruments	26	-	168,025	-	-
Other debtors		118,485	5,000	-	-
Prepayments		<u>1,413,362</u>	<u>990,473</u>	<u>3,006</u>	<u>-</u>
Total		<u>8,347,099</u>	<u>10,262,823</u>	<u>4,345,664</u>	<u>9,947,095</u>

The Group uses forward foreign exchange contracts to manage exposure to foreign exchange risk associated with foreign denominated loans. The fair value of the derivative instruments have been estimated using valuation techniques which use market and non-market inputs to estimate the expected discounted cash flows. The valuation techniques use contracted exchange rates and current forward rates as determined by the bank/issuer of the derivative contract.

### 17 Cash and cash equivalents

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Cash at bank and in hand	17,460,383	15,965,577	-	-
Bank overdrafts	<u>(1,374,413)</u>	<u>(973,941)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u>16,085,970</u>	<u>14,991,636</u>	<u>-</u>	<u>-</u>

# Bibby Marine Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

### 18 Creditors

		Group		Company	
	Note	2015 £	2014 £	2015 £	2014 £
<b>Due within one year</b>					
Loans and borrowings	19	3,941,351	2,353,506	-	-
Trade creditors		2,662,367	2,024,997	-	-
Amounts due to group undertakings	27	25,944	57,352	100	4,486,391
Social security and other taxes		519,144	821,264	-	-
Other payables		136,556	785,204	-	750,000
Accrued expenses and deferred income		8,317,790	8,937,563	-	-
Corporation tax		575,243	1,757,858	101,559	1,212
Derivative financial instruments	26	51,923	-	-	-
		<u>16,230,318</u>	<u>16,737,744</u>	<u>101,659</u>	<u>5,237,603</u>
<b>Due after one year</b>					
Loans and borrowings	19	4,736,099	6,168,543	-	-
Other non-current financial liabilities		250,532	935,857	1,214	750,000
		<u>4,986,631</u>	<u>7,104,400</u>	<u>1,214</u>	<u>750,000</u>

### 19 Loans and borrowings

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
<b>Current loans and borrowings</b>				
Bank borrowings	2,400,302	1,112,336	-	-
Bank overdrafts	1,374,413	973,941	-	-
Finance lease liabilities	166,636	267,229	-	-
	<u>3,941,351</u>	<u>2,353,506</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
<b>Non-current loans and borrowings</b>				
Bank borrowings	4,406,418	5,714,078	-	-
Finance lease liabilities	329,681	454,465	-	-
	<u>4,736,099</u>	<u>6,168,543</u>	<u>-</u>	<u>-</u>

## Bibby Marine Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 19 Loans and borrowings (continued)

##### Group

##### Bank borrowings

Bibby Tethra Limited has a Euro denominated bank loan of £1,647,986 that is fully repayable in less than 1 year (2014: £234,521 less than 1 year and £1,758,913 in 1-2 years). The loan is secured by statutory mortgages secured on its fleet. The rate of interest inherent on the loan is EURIBOR plus 3.0%.

Bibby Athena Limited has a Sterling denominated bank loan that is repayable £633,319, £758,818, £2,276,454 and £1,138,227 in less than 1 year, 1-2 years, 2-5 years and <5 years respectively (2014: £758,818, £758,818, £2,276,454 and £583,976). The loan is secured by statutory mortgages on its fleet and guarantees by fellow group undertakings. The rate of interest inherent in the loan is fixed at 4.31% for the life of the facility.

Bibby Hydromap Limited has a Sterling denominated bank loan that is repayable £118,997, £118,996 and £113,923 in less than 1 year 1-2 years and 2-5 years respectively (2014: £118,997, £118,997 and £216,920). The loan is secured by statutory mortgages on its fleet. The rate of interest inherent on the loan is LIBOR plus 2.75%.

Bibby Hydromap Limited has finance leases that are repayable £166,636, £147,988 and £181,692 in less than 1 year, 1-2 years and 2-5 years respectively (2014: £267,229, £158,626 and £295,839). The interest rates range between 7% and 8.75%. The finance leases are secured on the equipment to which they relate.

#### 20 Share capital

##### Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	2,500,152	2,500,152	2,500,152	2,500,152

#### 21 Financial commitments

##### Group

##### Land and buildings operating leases

The total of future minimum lease payments are as follows:

	2015	2014
	£	£
Later than one year and not later than five years	81,000	77,000

##### Other operating leases

The total of future minimum lease payments are as follows:

	2015	2014
	£	£
Not later than one year	958,573	1,594,584

## Bibby Marine Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 22 Provisions

##### Group

	Deferred tax - derivative fair value £	Deferred tax - accelerated capital allowances £	Fleet reinstatement £	Total £
At 1 January 2015	31,549	722,368	2,100,000	2,853,917
Additional provisions	(3,403)	(172,300)	-	(175,703)
Decrease due to foreign exchange differences	-	(12,717)	-	(12,717)
At 31 December 2015	<u>28,146</u>	<u>537,351</u>	<u>2,100,000</u>	<u>2,665,497</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 that has a remaining fixed term of less than 1 year but has extendable option periods.

#### 23 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £310,879 (2014 - £319,172).

#### 24 Dividends

	2015 £	2014 £
Ordinary dividends paid	<u>7,049,000</u>	<u>2,714,000</u>

A dividend of £1,250,000 was paid in January 2016 that has not been recognised in the financial statements.

#### 25 Commitments

##### Group

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £53,280 (2014 - £1,095,309).

## Bibby Marine Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 25 Commitments (continued)

##### Company

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2014 - £Nil).

#### 26 Financial instruments

##### Group

##### Categorisation of financial instruments

	2015 £	2014 £
Financial assets measured at fair value through profit or loss	24,394,120	25,069,902
Other derivative financial (liabilities)/assets that are measured at fair value through profit and loss	(51,923)	168,025
Financial liabilities measured at amortised cost	<u>21,243,406</u>	<u>23,839,264</u>
	<u>45,585,603</u>	<u>49,077,191</u>

##### Financial assets measured at fair value

##### *Forward foreign currency contracts*

The group has entered into contracts to supply services to customers in Australia and as such has entered into forward foreign currency contracts to limit the exchange rate risk arising from these anticipated future transactions. The fair value is a £51,923 liability (2014: £168,025 asset) and the change in fair value included in the profit and loss is a £219,948 loss (2014: £563,090 gain).

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

#### 27 Related party transactions

##### Company

##### Summary of transactions with other related parties

The Group and Company have taken advantage of the exemption permitted in FRS 102 Section 33 Related Party Disclosures from disclosing transactions with other wholly-owned members of the ultimate parent undertaking.



## Bibby Marine Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

#### 28 Transition to FRS 102

##### Consolidated Balance Sheet at 1 January 2014 and at 31 December 2014

	Group as at 1 January 2014 £	Group as at 31 December 2014 £
<b>Equity as previously reported</b>	17,356,069	28,703,983
(i) Recognition of derivative instruments	731,115	168,025
(ii) Deferred tax arising on derivative instruments	(157,190)	(31,549)
(iii) Holiday pay accrual	(41,355)	(2,880)
<b>Equity as reported under FRS 102</b>	<u>17,888,639</u>	<u>28,837,579</u>

##### *Explanation of transitional adjustments:*

##### **For the Group:**

(i) Recognition of the fair value of derivative financial instruments held by the Group as at 1 January 2014 and as at 31 December 2014. The Group uses forward foreign exchange contracts to manage exposure to foreign exchange risk associated with foreign denominated loans. The fair value of the derivative instruments have been estimated using valuation techniques which use market and non-market inputs to estimate the expected discounted cash flows. The valuation techniques use contracted exchange rates and current forward rates as determined by the bank/issuer of the derivative contract.

(ii) Recognition of the associated deferred tax arising on the recognition of the fair value of derivative instruments. The tax rate used to measure the deferred tax was 21.5 % as at 1 January 2014 and 20.25 % as at 31 December 2014.

(iii) Recognition of the liability for holiday pay to staff where it is deemed to be accumulating at the end of the reporting period.

##### **For the Company:**

There have been no transitional adjustments affecting the Company's financial position as a consequence of transition to FRS 102.

## **Bibby Marine Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)**

#### **28 Transition to FRS 102 (continued)**

##### **Consolidated Profit and Loss Account for the year ended 31 December 2014**

	<b>Group £</b>
<b>Profit for the year as previously reported</b>	14,097,827
(i) Loss on fair value movement of derivative instruments	(563,090)
(ii) Deferred tax credit on derivative instruments	125,641
(iii) Movement in holiday pay accrual	38,475
<b>Profit for the financial year as reported under FRS 102</b>	<u><u>13,698,853</u></u>

##### ***Explanation of transitional adjustments:***

###### **For the Group:**

(i) The movement associated with the decrease in the fair value of the forward foreign exchange contracts, thereby resulting in a fair value loss being recognised in the profit and loss account.

(ii) The movement associated with the decrease in the deferred tax liability arising on the derivative instruments, thereby resulting in a credit being made through the tax expense line in the profit and loss account.

(iii) The movement associated with the decrease in the accrual for holiday pay, thereby resulting in a credit being made to administrative expenses.

###### **For the Company:**

There have been no transitional adjustments affecting the Company's financial performance as a consequence of transition to FRS 102.