Registration number: 04105467

Bibby Invoice Discounting Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2018

Bibby Invoice Discounting Limited

Contents

Bibby Invoice Discounting Limited

Company Information

Directors	Edward James Winterton
	Ian Downing
	David John Postings
	Ian Stuart Ramsden
	Steven Vears Robinson
	Stephen George Rose
Company secretary	Bibby Bros. & Co. (Management) Limited
Registered office	105 Duke Street Liverpool L1 5JQ

Bibby Invoice Discounting Limited

Strategic Report for the Year Ended 31 December 2018

Bibby Invoice Discounting Limited is one of a network of companies owned by Bibby Financial Services, the UK's leading independent invoice finance specialist and a trusted provider of funding solutions to over 7,000 businesses. Through a network of companies and local offices, the group handles annual client turnover of £5 billion and advances in the region of £500m to small and medium sized businesses throughout the UK. We are members of UK Fianance and support businesses in over 300 industry sectors.

Principal activity
The principal activity of the Company is invoice discounting.

Fair review of the business
The Company's key financial and other performance indicators during the year were as follows:

	Unit	2018	2017
Debts Factored	£000	2,038,044	1,898,977
Year end client advances	£000	182,062	168,955
Turnover	£000	17,797	17,476
Profit before tax	£000	6,567	7,925

Debts factored have grown by 7.3%, with year end funds advanced to customers increased 7.7%. Business growth reflects our commitment to deliver excellent client service and in supporting ambitious business to grow, expand and overcome cashflow issues. Client impairments and our bad debt performance has improved within this business growth.

The impact of growth on profit before tax is affected by changes in our borrowing arrangement. We have increased our securitisation capacity to strengthen resilience against adverse affects and so enable the company to sustain growth in the future. Specifically, in 2018, a new mezzanine layer of loan notes was issued within the facility that has increased the amount, lengthened the term, and strengthened resilience of our overall funding structures to withstand a future UK economic recession. 2018 profit and loss includes additional costs and amortisation that result from the introduction of the new mezzanine layer of loan notes and a more prudent accounting estimate of the amortisation period to write down the costs of establishing the securitisation facility.

The addition of the mezzanine layer of junior notes will allow the business to release further equity to shareholders. £22.5m of dividends were paid subsequent to the balance sheet date, in April 2019.

Lower corporate taxation charges reflect claims to United Kingdom group loss relief from fellow subsidiaries of the ultimate parent undertaking Bibby Line Group Limited, a diverse business-to-business service conglomerate. The business continues to manage its tax policies to maximise its use of such losses whilst they remain available.

Principal risks and uncertainties
Key risk types are strategic, operational, credit and financial. Risk management, robust governance and internal control are central to the way we manage all aspects of our business. Our responsible practices underpin our values and culture and enable us to grow the business in a disciplined and sustainable way.

Group risk management processes and systems manage, rather than eliminate, risk. The risk management framework represented by 'three lines of defence', reviews the key risks facing the Company and is responsible for effectively managing and mitigating risk outcomes to ensure the continuing profitability and success of the Company.

The first line of defence for risk management is placed at the business level. A significant role of the business managers is to ensure risks are managed appropriately and effectively. Executive management support forms the second line of defence and independently assesses all material risks. The third line, which includes Group internal audit, and the Group Audit Committee, independently reviews and challenges the Company's risk management controls, processes and systems.

The Company is responsible for operational risk management. Operational risk incidents are recorded on a centralised reporting system. Incidents are managed from the Company to ensure they are satisfactorily categorised and analysed to identify trends and establish lessons learnt on the effectiveness of controls. The Company complies with a recurring operational audit which seeks to identify weaknesses and areas for improvement. The results of these audits are reported to the Board.

Financial Instruments

Objectives and policies
The financial risks the company faces have been considered by the Board and policies are in place to effectively manage each risk. We consider the most significant financial risks to be liquidity risk, finance cost risk and credit risk. In each case, the risk is managed by matching assets and liabilities on the relevant basis.

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

Price risk:
The Company advances to clients and raises funds on a largely matched basis, The Company charges clients and pays for funds on an aligned charging basis and we raise funds in the same currency as we advance.

Credit risk:
Credit risk is defined as the risk of loss in relation to an advance made by the Company against debts assigned to it. The Company is provided with appropriate levels of credit discretion. Credit exposures above these levels set are only approved by Senior Group Underwriters, Group Regional CEO and Group Board Credit Committee as appropriate.

Credit risk analysis is focused on ensuring that risks have been fully identified and that the risk is understood and acceptable against the expected rewards. The Company uses Group system generated risk monitoring and internal rating processes. However, the Company does not seek to rely on quantitative models to assess credit risk but uses fundamental credit analysis as the basis for risk decisions.

Credit exposures are monitored against limits and client facility limits are in place for all facilities. Credit policies are in place to avoid unacceptable client credit risk.

Bibby Invoice Discounting Limited

Strategic Report for the Year Ended 31 December 2018 (continued)

Liquidity risk:
The Company securitises its debts by selling debts assigned to an issuing party, who using the invoices as security, borrows funds from third party investors, by issuing variable funding notes to those investors. Securitisation is facilitated through a parent company master seller and resulting funding provided to the Company is reported in the financial statements within amounts owed to group undertakings.

Liquidity risk is assessed within the Group's central treasury and capital management policy framework on a regular basis. The Group maintains cash defences to accommodate potential perceived demands on liquidity arising from losses and other scenarios.

Cash flow risk:
Capital adequacy is assessed by the Board and Group on a regular basis to ensure that the business has adequate capital to withstand potential losses and provide creditors with adequate protection. The Group maintains undrawn facilities on the existing loan book to ensure there is adequate capital in addition to earnings which increase funds available to the Company.

Approved by the Board on 30 April 2019 and signed on its behalf by:

T. Clu-Kay

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

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

Bibby Invoice Discounting Limited

Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

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

Edward James Winterton (appointed 3 August 2018)

Ian Downing

David John Postings (appointed 3 August 2018)

Ian Stuart Ramsden (appointed 3 August 2018)

Steven Vears Robinson (appointed 3 August 2018)

Stephen George Rose (appointed 3 August 2018)

Mark Lawrence Finn (resigned 3 August 2018)

Sharon Ann Wiltshire (resigned 3 August 2018)

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.

Dividends
The directors recommend a final dividend payment of £19,000,000 be made in respect of the financial year ended 31 December 2018. This dividend has not been recognised as a liability in the financial statements.

Future developments
In accordance with s414C(11) of the Companies Act 2006, included within the strategic report is information relating to the future development of the business and 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.

Going concern
The Directors have a reasonable expectation that the Company has 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 the Notes to the Financial Statements.

Approved by the Board on 30 April 2019 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 Invoice Discounting 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). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bibby Invoice Discounting Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	17,797,633	17,475,623
Cost of sales		(4,270,032)	(5,679,380)
Operating profit	4	13,527,601	11,796,243
Interest payable and similar charges	7	(6,960,555)	(3,871,387)
Profit before tax		6,567,046	7,924,856
Taxation	8	-	-
Profit for the financial year		6,567,046	7,924,856
Retained earnings brought forward		14,064,077	10,449,221
Dividends paid	16	-	(4,310,000)
Retained earnings carried forward		20,631,123	14,064,077

The notes on pages 9 to 18 form an integral part of these financial statements.

Bibby Invoice Discounting Limited

(Registration number: 04105467)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Current assets			
Debtors	10	202,650,524	179,109,521
Cash at bank and in hand	11	827,509	485,576
		203,478,033	179,595,097
Creditors: Amounts falling due within one year	12	(181,596,910)	(164,281,020)
Net assets		21,881,123	15,314,077
Capital and reserves			
Called up share capital	13	1,250,000	1,250,000
Retained earnings		20,631,123	14,064,077
Shareholder's funds		21,881,123	15,314,077

For the financial year ending 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 30 April 2019 and signed on its behalf by:

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Ian Downing

Director

1 General information

Bibby Invoice Discounting Limited is a company limited by shares and 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 Invoice Finance Limited. Bibby Invoice Finance Limited is the parent undertaking of the smallest group which consolidates these financial statements for which the Company is a member. Bibby Line Group Limited is the parent undertaking of the largest group which consolidates these financial statements for which the company is a member.

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

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.

Basis of preparation
The financial statements have been prepared under the historical cost convention except for any derivative financial instruments which are stated at their fair values. The primary economic environment in which the Company operates is governed by the Great British Pound, and as such the Company financial statements have been prepared in this currency.

Summary of disclosure exemptions
The Company has chosen to take advantage of the disclosure exemptions in FRS 102 Section 1.12 to not prepare a statement of cashflows as would be required by Section 7 'Statement of Cashflows', 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', and from not disclosing key management personnel compensation as would be required in Section 33 'Related Party Transactions'.

Going concern
The financial statements are prepared on a going concern basis.

In reaching their view on the preparation of the financial statements on a going concern basis, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The continuing uncertain 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 the viability of the Company's business model and the extent to which they may affect the preparation of the financial statements on a going concern basis.

2 Accounting policies (continued)

Based on this assessment, the Directors consider that the Company maintains an appropriate level of capital and liquidity, sufficient to meet the demands of the business and the requirements which might arise in stressed circumstances. Its securitisation arrangements provide a borrowing facility to supplement liquidity.

In addition, the Company's assets are assessed for recoverability on a regular basis and provision is made where appropriate. 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.

Revenue recognition

Turnover represents service, discount and other charges to client, net of value added tax.

Service and other income is measured at the fair value of consideration received or receivable and is recognised when services are delivered, and when it is probable that future economic benefits will flow to the entity.

Discount income on financial assets that are classified as loans and receivables within trade debtors is determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income over the expected life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instruments initial carrying amount.

Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing rate at the reporting date and any exchange difference is included in profit or loss.

Operating Leases

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

Tax

Tax for the period comprises current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Retirement benefits

The Company is a member of the Bibby Line Group Limited Defined Benefit Pension Scheme. The scheme was closed to new entrants from 1 April 2000 and closed to future accruals for existing members from 30 September 2011. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As a result, the Company accounts for the scheme as if it were defined contribution.

The Company pays contributions to other publicly or privately administered defined contribution pension insurance plans on a contractual basis.

Under all pension schemes accounted for as defined contribution 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 balance sheet.

2 Accounting policies (continued)

Tangible fixed 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:

Asset class	**Depreciation method and rate**
Furniture, fittings and equipment	20%-33.33%

Financial Instruments

The Company has applied the provisions of FRS 102 Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' in full.

Classification
Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments only.

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. All specific recognition and measurement policies of each component are presented in the individual policies below.

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 Company 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.

2 Accounting policies (continued)

Impairment
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 at bank and in hand.

Trade debtors
Trade debtors represent cash advances made to clients under factoring agreements, net of impairment provisions. Under factoring agreements invoice receivables are assigned to the Company as security for the cash advance.

When invoice receivables are assigned, the Company obtains full ownership rights of the invoice. The full economic reward and risk associated with that invoice receivable is retained by the client, unless that client has purchased a Bad Debt Protection policy from the Company, under which the Company has no further recourse to the Client in the event of credit default.

Where there is no credit default recourse available to the Company, the economic reward and risk associated with the invoice receivable transfers to the Company. Trade debtors reflect the gross value of the invoice receivable. Correspondingly, creditors included deferred assignment consideration owed to the client.

Where there is credit default recourse available to the Company, the economic reward and risk associated with the invoice receivables remains with the client. Trade debtors reflect cash advances made to the client against the invoice receivable, with the invoice receivable acting as security to that advance. Deferred assignment consideration owed to the client is therefore netted off the invoice receivable in the presentation of the net client advance within debtors.

Trade creditors
Trade creditors are recourse debt deferred assignment consideration owed to factoring clients, and 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.

2 Accounting policies (continued)

Borrowings

The Company securitises its debts by selling debts assigned to an issuing party, who using the invoices as security, borrows funds from third party investors, by issuing variable funding notes to those investors.

Under securitisation, in economic substance the trade debtors accounting policy is unchanged. Although debts are assigned to the issuing party to enable funding, the company retains the economic reward and risk of the debtor. With debtors remaining recognised, securitisation funding is reported as a loan. Securitisation is facilitated through a parent company master seller and resulting funding provided to the Company is reported within amounts owed to group undertakings.

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

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.

Critical accounting policies and key sources of estimation uncertainty

In applying the Company'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 on-going 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.

The critical judgement that the Directors have made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in financial statements is within the impairment of financial assets. In considering indications of impairment the Directors consider a number of qualitative and quantitative factors including but not limited to: client advance ratios; client recourse arrangements; receivables lending verification coverage; ordinary client commercial variation risk impacting on receivables measurement; valuation of client security; general debtor days, and other market led intelligence.

3 Revenue

The analysis of the company's turnover for the year by market is as follows:

	2018 £	2017 £
United Kingdom	17,797,633	17,475,623

4 Operating profit

Arrived at after charging

	2018	2017
	£	£
Impairment of financial assets loss	151,919	1,441,779
Operating lease expense - other	144,372	150,734

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	126,396	197,803
Contributions paid to defined contribution pension schemes	3,442	5,823
	129,838	203,626

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

	2018	2017
	No.	No.
Accruing benefits under defined contribution pension schemes	1	1

6 Staff costs

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

	2018	2017
	No.	No.
Administration and support	31	32

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

	2018	2017
	£	£
Wages and salaries	1,373,700	1,423,284
Social security costs	133,757	153,235
Pension costs	47,327	46,749
	1,554,784	1,623,268

7 Interest payable and similar charges

	2018 £	2017 £
Interest payable on loans from group undertakings	6,960,555	3,871,387

8 Taxation

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	6,567,046	7,924,856
Corporation tax at standard rate	1,247,739	1,505,723
Claims to United Kingdom group loss relief surrendered by other subsidiaries controlled by the ultimate parent undertaking	(1,247,739)	(1,505,723)
Total tax charge for the year	-	-

9 Tangible assets

	Furniture, fittings and equipment £
Cost	
At 1 January 2018 and 31 December 2018	269,539
Depreciation	
At 1 January 2018 and 31 December 2018	269,539
Carrying amount	
At 1 January and 31 December 2018	-

10 Debtors

	2018 £	2017 £
Trade debtors	202,635,939	178,724,692
Other debtors	14,585	384,829
	202,650,524	179,109,521

	2018 £	2017 £
Assigned debts receivable net of impairment provision	291,784,240	269,550,915
Less deferred assignment consideration owed to factoring clients where there is a full right of recourse	(89,148,301)	(90,826,223)
Total trade debtors	202,635,939	178,724,692
Less deferred assignment consideration owed to factoring clients where there is no right of recourse (included within trade creditors)	(20,573,267)	(9,770,090)
Net cash advances made to clients in respect of assigned debts acquired as security	182,062,672	168,954,602

11 Cash at bank and in hand

	2018 £	2017 £
Cash at bank	827,509	485,576

12 Creditors

	2018 £	2017 £
Due within one year		
Bank overdrafts	1,584,261	843,411
Trade creditors	20,643,932	9,780,696
Amounts due to group undertakings	158,591,160	152,902,004
Social security and other taxes	445,654	345,172
Accrued expenses	331,903	409,737
	181,596,910	164,281,020

The Company is party to a composite Group accounting structure agreement with one of their bankers. The agreement treats all bank accounts included in the agreement as one account. Positive cash balances are reported within cash and negative balances are reported within creditors, in the balance sheet.

13 Called up share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	1,250,000	1,250,000	1,250,000	1,250,000

14 Pension and other schemes

Defined benefit pension schemes
Bibby Line Group Limited Defined Benefit Pension Scheme

The Company is a member of the Bibby Line Group Limited Defined Benefit Pension Scheme. The principal employer of the Scheme, has recognised the full deficit in the Scheme and makes contributions in line with a schedule of contributions agreed with the Trustees of the pension scheme.

A Scheme deficit of £3,215,000 (2017: £2,906,000) is noted in the financial statements of the principal employer, Bibby Line Group Limited. In being unable to identify its share of the underlying assets and liabilities of the scheme, the Company accounts for scheme as if it were defined contribution, however the scheme was closed to new entrants in April 2000 and closed to future accrual for existing members in September 2011.

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £47,327 (2017 - £46,749).

15 Obligations under leases

Operating leases
The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	132,497	138,856
Later than one year and not later than five years	550,906	387,752
Later than five years	139,740	319,347
	823,143	845,955

16 Dividends

	2018 £	2017 £
Dividend paid to corporate shareholder	-	4,310,000

17 Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group controlled by the parent undertaking. There is no key management personnel identified other than the directors of the business and details about their remuneration for services provided to the company is disclosed in Note 5 to the Financial Statements.