

Registration number: 11077837

Bibby Wavemaster 2 Limited

Annual Report and Financial Statements

for the Period from 22 November 2017 to 31 December 2018



Bibby Wavemaster 2 Limited

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Bibby Wavemaster 2 Limited

Directors' Report for the Period from 22 November 2017 to 31 December 2018

The Directors present their report and the financial statements for the period from 22 November 2017 to 31 December 2018.

Incorporation

The company was incorporated on 22 November 2017.

Directors of the Company

The directors who held office during the period and thereafter were as follows:

Stephen Henry Bolton (appointed 22 November 2017)

Alexei Robert Callender (appointed 22 November 2017)

Ian Kenneth Crook (appointed 22 November 2017)

John Howard Hughes (appointed 22 November 2017)

Jonathan Osborne (appointed 22 November 2017 and resigned 31 March 2019)

Carl Paul McLaughlin (appointed 1 November 2018 and resigned 31 January 2019)

Principal activity

The principal activity of the company is the ownership and operation of a Service Operation Vessel. This is due for delivery in November 2019 to service the renewables and oil and gas markets, predominately in Europe.

Going concern

During the period the company successfully secured financing for the construction of Wavemaster II to deliver a 10 year charter commencing in November 2019. The purchase has been financed under a structure which delivers consistent cash flows throughout the contract period. Subsequent to the end of the financial year, the loan facility has been refinanced through a sale and leaseback arrangement.

The Company has performed scenario analyses on the level of cash reserves required to enable it to continue to operate for the foreseeable future, which show that the Company is projecting to operate within the available cash reserves given continued parent support. The scenario analysis includes assumptions about the level of trading activity and initiatives which are not yet contractually complete. The initiatives include completing formal documentation to utilise a working capital finance facility, which is well advanced and expected imminently.

On the basis of the above approach, the directors have formed the judgement at the time of approving the financial statements, that the Company 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.

Important non adjusting events after the financial period

On 23 September 2019 the company exchanged contracts to refinance Bibby Wavemaster Horizon through a sale and leaseback arrangement. The refinancing secures a higher loan to value ratio for the vessel and reduces the company's equity funding requirement.

Directors' liabilities

The company has made qualifying third party indemnity provisions for the benefits of its directors which were in place during the period and remain in force at the date of this report.

Bibby Wavemaster 2 Limited

Directors' Report for the Period from 22 November 2017 to 31 December 2018

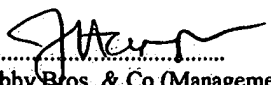
Disclosure of information to the auditor

Each Director has taken steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's 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.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006. The Company has not prepared a strategic report as permitted under the small companies regime.

Approved by the Board on 13/1/2019 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 Wavemaster 2 Limited

Statement of Directors' Responsibilities

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; 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 Wavemaster 2 Limited

Independent Auditor's Report

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bibby Wavemaster 2 Limited for the period from 22 November 2017 to 31 December 2018 which comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- The Statement of Changes in Equity; and
- The related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Bibby Wavemaster 2 Limited

Independent Auditor's Report

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

Respective responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2006

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

the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Bibby Wavemaster 2 Limited

Independent Auditor's Report

Matters on which we are required to report by exception

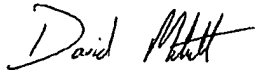
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report

We have nothing to report in respect of these matters.

Use of our report

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



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David Mitchell CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

Glasgow
UK

Date: 15 JANUARY 2020

Bibby Wavemaster 2 Limited

Profit and Loss Account for the Period from 22 November 2017 to 31 December 2018

		22 November 2017 to 31 December 2018
	Note	€
Interest payable and similar charges	3	<u>(3,888)</u>
Loss before tax		(3,888)
Taxation		<u>-</u>
Loss for the financial period		<u><u>(3,888)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above, and accordingly no separate statement of comprehensive income is produced.

Bibby Wavemaster 2 Limited
(Registration number: 11077837)
Balance Sheet as at 31 December 2018

	Note	31 December 2018 €
Fixed assets		
Tangible assets	4	16,731,643
Current assets		
Debtors	5	820
Creditors: Amounts falling due within one year	6	<u>(992,076)</u>
Net current liabilities		<u>(991,256)</u>
Total assets less current liabilities		15,740,387
Creditors: Amounts falling due after more than one year	6	<u>(15,744,164)</u>
Net liabilities		<u><u>(3,777)</u></u>
Capital and reserves		
Called up share capital	7	111
Profit and loss account		<u>(3,888)</u>
Total equity		<u><u>(3,777)</u></u>

Approved and authorised by the Board on 13/1/20 and signed on its behalf by:



Ian Kenneth Crook

Director

Bibby Wavemaster 2 Limited

Statement of Changes in Equity for the Period from 22 November 2017 to 31 December 2018

	Share capital €	Profit and loss account €	Total €
At 22 November 2017	111	-	111
Loss for the period	-	(3,888)	(3,888)
At 31 December 2018	<u>111</u>	<u>(3,888)</u>	<u>(3,777)</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

Bibby Wavemaster 2 Limited

Notes to the Financial Statements for the Period from 22 November 2017 to 31 December 2018

1 General information

The company is a private company limited by share capital incorporated in United Kingdom. The address of its registered office and principal place of business is 105 Duke Street, Liverpool, L1 5JQ.

The company is controlled by Bibby Marine Limited. The company is a wholly owned subsidiary of Bibby Marine Services Limited, which is itself a wholly owned subsidiary of Bibby Marine Limited. Bibby Marine 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 the Bibby Marine and Bibby Line Group financial statements can be obtained from the registered office of these entities at 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 the period presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with the provisions of Financial Reporting Standard 102 section 1A small entities issued by the The Financial Reporting Council. There were no material departures from that standard.

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.

Bibby Wavemaster 2 Limited

Notes to the Financial Statements for the Period from 22 November 2017 to 31 December 2018

Going concern

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

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

Based on this assessment and the continued financial support of its parent company, the directors consider that the company maintains an appropriate level of liquidity and access to funds, sufficient to meet the demands of the business. In assessing the availability of the parent company support the directors are mindful of the risks and uncertainties disclosed in the financial statements of the parent company.

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

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 judgement to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Fleet residual value

Management consider the residual value of the vessels not to be material on the basis that the asset will be depreciated to a nil net book value over its useful economic life. The carrying amount is €16,731,643.

(ii) Assessing indicators of impairment of assets

In assessing whether there have been any indicators of impairment associated with the company tangible assets, the directors have considered both external and internal sources of information such as asset market values, changes in technological, economic and legal environments and evidence of obsolescence or physical damage of assets. The carrying value is €16,731,643.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date and any exchange difference is included in the profit and loss account.

Tangible assets

Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Bibby Wavemaster 2 Limited

Notes to the Financial Statements for the Period from 22 November 2017 to 31 December 2018

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Assets in the course of construction	Nil

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company 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 Company 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.

Trading status

The company was incorporated on 22 November 2017 and has not traded during the period.

3 Interest payable and similar charges

	22 November 2017 to 31 December 2018
	€
Foreign exchange losses	<u>3,888</u>

Bibby Wavemaster 2 Limited

Notes to the Financial Statements for the Period from 22 November 2017 to 31 December 2018

4 Tangible assets

	Asset under construction
Cost or valuation	
Additions	<u>16,731,643</u>
At 31 December 2018	<u>16,731,643</u>
Carrying amount	
At 31 December 2018	<u>16,731,643</u>

5 Debtors

	31 December 2018
	€
Prepayments	<u>820</u>

6 Creditors

		31 December 2018
	Note	€
Due within one year		
Loans and borrowings	8	980,000
Trade creditors		<u>12,076</u>
		<u>992,076</u>
Due after one year		
Loans and borrowings	8	<u>15,744,164</u>

Bibby Wavemaster 2 Limited

Notes to the Financial Statements for the Period from 22 November 2017 to 31 December 2018

7 Share capital

Allotted, called up and fully paid shares

	31 December 2018	
	No.	€
Ordinary shares of €1.11 each	<u>100</u>	<u>111</u>

New shares allotted

During the period 100 Ordinary shares having an aggregate nominal value of €111 were allotted for an aggregate consideration of €111.

8 Loans and borrowings

	31 December 2018 €
Non-current loans and borrowings	
Bank borrowings	8,834,698
Amount owed to group undertakings	<u>6,909,466</u>
	<u>15,744,164</u>

	31 December 2018 €
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Current loans and borrowings

Bank borrowings	<u>980,000</u>
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Bank borrowings

The company has a Euro denominated loan that is repayable €980,000 within one year, €3,890,250 between 1-2 years and €4,944,448 2-5 years respectively. The rate of interest inherent on the loan is EURIBOR plus 2.5%. The carrying amount as at 31 December 2018 is €9,814,698.

9 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was €Nil.

Bibby Wavemaster 2 Limited

Notes to the Financial Statements for the Period from 22 November 2017 to 31 December 2018

10 Related party transactions

Summary of transactions with other related parties

The company has taken advantage of the exemption in FRS102 Section 33 'Related Party Disclosures' from disclosing transactions with other members of the group controlled by the parent undertaking.

11 Non adjusting events after the financial period

On 23 September 2019 the company exchanged contracts to refinance Bibby Wavemaster Horizon through a sale and leaseback arrangement. The refinancing secures a higher loan to value ratio for the vessel and reduces the company's equity funding requirement.