



Registration number: 11077837

**Bibby Wavemaster 2 Limited**  
**Annual Report and Financial Statements**  
**for the Year Ended 31 December 2021**

## **Bibby Wavemaster 2 Limited**

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# **Bibby Wavemaster 2 Limited**

## **Company Information**

### **Directors**

John Hughes  
Andrew Goody

### **Company Secretary**

Bibby Bros. & Co (Management) Limited

### **Registered Office**

3rd Floor, Walker House  
Exchange Flags  
Liverpool  
L2 3YL

### **Auditor**

Mazars LLP  
One St Peters Square  
Manchester M2 3DE

## **Bibby Wavemaster 2 Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **Principal activity**

The principal activity of the Company is the ownership and operation of a Service Operation Vessel (SOV), Bibby Wavemaster Horizon. The vessel came into service in November 2019 and is on a long-term charter to Siemens Gamesa Renewable Energy (SGRE) working on the Hohe See and Albatross windfarms in the German North Sea.

Bibby Wavemaster 2 Limited is incorporated and headquartered in the United Kingdom.

#### **Results and dividend**

The loss for the year after taxation was €676,443 (2020: profit €841,656). No dividend was paid during the year ended 31 December 2021 (2020: €nil).

#### **Directors of the company**

The directors who held office during the year and up to the date of signing these accounts were as follows:

Stephen Bolton (resigned 9 July 2021)

John Hughes

Susan Worden (resigned 27 May 2022)

Andrew Goody (appointed 1 June 2022)

#### **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.

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

Each director has taken all the steps that they ought to have taken as a director 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.

#### **Going concern**

During 2021 Bibby Wavemaster Horizon completed its second operational year under a 10-year charter. In February 2021 the Company raised a Junior Loan note facility secured against the vessel, realising £6.6m net proceeds to re-pay other existing debt obligations. The Company has continued to focus on its cost-base to ensure the business model is sustainable.

Forecasts of the company's future cash generation have been prepared for the period to 12 months after the date of signing these accounts. These forecasts take account of current and expected changes in the commercial environment, the company's net liability position, the loss before tax in 2021 (that included €0.8m of non-cash interest and a non-cash exchange loss of

€0.6m) and include downside scenarios. The forecasts assume that debt facilities currently provided will be maintained. Ongoing support for intercompany facilities, consisting of loans advanced and still outstanding at the date of signing the accounts, has been confirmed by Bibby Marine Limited.

Based on the above approach, the directors have formed the judgement at the time of approving the financial statements, 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 Notes to the Financial Statements.

## **Bibby Wavemaster 2 Limited**

### **Directors' Report for the Year Ended 31 December 2021**

#### **Quality, health, safety and environment including Covid-19 (QHSE)**

The health and safety of our staff, crew and clients is of primary importance. The company mitigates the risks of serious incidents and serious injury through the operation of a robust QHSE system and mandated training.

The company continues to operate under COVID-19 working protocols to ensure the continued safety of its staff, crew and clients. Although the risks associated with the pandemic are reducing as vaccination programmes enable easing of the restrictions on the economy, the potential effects of further variants on economic and operational disruption will continue to be closely monitored.

#### **Brexit**

The Company has not experienced any significant impact from the Brexit transition. The Company continues to monitor the impact that Brexit will have on the business in the longer term, but the international nature of the trade means that it has so far been relatively unaffected by changes in working arrangements. We continue to work with the relevant authorities to ensure that the impact is minimised, and mitigation actions are implemented where possible.

#### **The Ukraine conflict**

The Russian invasion of Ukraine took place on 24 February 2022. In addition to the human toll, the resulting ongoing military activity takes place at a time of significant global economic uncertainty. Although the Group has no direct trading exposure to either Ukraine or Russia, the effects of the war are likely to exacerbate current market conditions as economies emerge from the COVID-19 pandemic such as increasing inflationary pressures on expenditure, further travel disruptions and increasing potential for cyber-attacks.

#### **Fuel prices**

The company has exposure to fuel price rises which are monitored closely. Travel disruption and costs relating to crew transfers and exchanges are being mitigated through careful planning and monitoring of travel arrangements.

#### **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 8 September 2022 and signed on its behalf by:

Jeanette Hampson - Bibby Bros. & Co (Management) Limited  
Company 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 applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) including FRS102 "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 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 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 to the members of Bibby Wavemaster 2 Limited**

#### **Opinion**

We have audited the financial statements of Bibby Wavemaster 2 Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

## **Bibby Wavemaster 2 Limited**

### **Independent Auditor's Report to the members of Bibby Wavemaster 2 Limited (continued)**

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

## **Bibby Wavemaster 2 Limited**

### **Independent Auditor's Report to the members of Bibby Wavemaster 2 Limited (continued)**

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company, and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and

- Addressing the risks of fraud through management override of controls by performing journal entry testing.

## **Bibby Wavemaster 2 Limited**

### **Independent Auditor's Report to the members of Bibby Wavemaster 2 Limited (continued)**

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of the audit 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.

Valerie Levi (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St Peter's Square, Manchester, M2 3DE

8 September 2022

**Bibby Wavemaster 2 Limited**

**Registration number: 11077837**

**Profit and Loss Account for the Year Ended 31 December 2021**

	<b>Note</b>	<b>2021 €</b>	<b>2020 €</b>
Turnover	3	8,647,157	9,479,153
Cost of sales		(6,684,587)	(7,332,173)
Gross profit		1,962,570	2,146,980
Administrative expenses		(133,817)	(92,933)
Operating profit	4	1,828,753	2,054,047
Interest payable and similar charges	5	(2,504,419)	(1,211,636)
(Loss)/profit before tax		(675,666)	842,411
Taxation	6	(777)	(755)
(Loss)/profit for the financial year		(676,443)	841,656

The above results were derived from continuing operations.

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

The notes on pages 12- 21 form an integral part of these financial statements



**Bibby Wavemaster 2 Limited**

**Registration number: 11077837**

**Balance Sheet as at 31 December 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>€</b>	<b>€</b>
<b>Fixed assets</b>			
Tangible assets	7	38,579,645	40,906,697
<b>Current assets</b>			
Debtors	8	5,233,858	4,716,163
<b>Creditors: Amounts falling due within one year</b>	9	(3,747,995)	(5,617,623)
<b>Net current assets/(liabilities)</b>		1,485,863	(901,460)
<b>Total assets less current liabilities</b>		40,065,508	40,005,237
<b>Creditors: Amounts falling due after more than one year</b>	9	(41,157,900)	(40,421,186)
<b>Net liabilities</b>		(1,092,392)	(415,949)
<b>Capital and reserves</b>			
Called up share capital	10	111	111
Profit and loss account		(1,092,503)	(416,060)
<b>Total shareholders deficit</b>		(1,092,392)	(415,949)

Approved and authorised by the Board on 8 September 2022 and signed on its behalf by:

Andrew Goody  
Director

The notes on pages 12- 21 form an integral part of these financial statements

## **Bibby Wavemaster 2 Limited**

### **Statement of Changes in Equity for the Year Ended 31 December 2021**

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>
At 1 January 2021	111	(416,060)	(415,949)
Loss for the year	-	(676,443)	(676,443)
At 31 December 2021	111	(1,092,503)	(1,092,392)

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>
At 1 January 2020	111	(1,257,716)	(1,257,605)
Profit for the year	-	841,656	841,656
At 31 December 2020	111	(416,060)	(415,949)

There are no other recognised gains and losses in either year.

The notes on pages 12- 21 form an integral part of these financial statements

## **Bibby Wavemaster 2 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

Bibby Wavemaster 2 Limited (the "Company") owns and operates the Bibby Wavemaster Horizon, a Service Operation Vessel ("SOV"). The Company is a private company limited by shares incorporated in England and Wales. The address of its registered office and principal place of business is 3<sup>rd</sup> Floor, Walker House, Exchange Flags, Liverpool, L2 3YL.

#### **Statement of compliance**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS102') and the Companies Act 2006.

#### **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.

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

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed later in this note 2.

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

The Company as a qualifying entity, has chosen to take advantage of the disclosure exemptions to not present a cash flow statement as would be required by Section 7 'Statement of Cash Flows', nor to disclose 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 33.7 'Employee Benefits'.

##### **Related Party Transactions**

The Company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

## **Bibby Wavemaster 2 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

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

##### **Going concern**

Forecasts of the company's future cash generation have been prepared for the period to 12 months after the date of signing these accounts. These forecasts take account of current and expected changes in the commercial environment, the company's net liability position, the loss before tax in 2021 (that included €0.8m of non-cash interest and a non-cash exchange loss of €0.6m) and include downside scenarios. The forecasts assume that debt facilities currently provided will be maintained. Ongoing support for intercompany facilities, consisting of loans advanced and still outstanding at the date of signing the accounts, has been confirmed by Bibby Marine Limited.

Based on the above approach, the directors have formed the judgement at the time of approving the financial statements, 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 are set out in the Directors' Report on page 3 of these financial statements.

##### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes. The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest. The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Company's revenue channels have been met, as described below.

##### *Revenue from marine vessels*

Revenue arising from services provided to customers represents hire income receivable from charterers for the charter or hire of the Bibby Wavemaster Horizon. Revenue is recognised on a time accrual basis over the hire period.

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 commission.

##### *Interest income*

Interest income is recognised using the effective interest rate method.

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

The functional currency of the Company is Euros. 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.

## **Bibby Wavemaster 2 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

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

##### **Tax**

The Company 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 shipping trade and the chargeable gains/losses made on tonnage tax assets.

##### **Tangible assets**

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Fleet: 5% - 20%

Plant & Machinery: 6.66% - 33.3%

##### *Subsequent additions and major components*

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as incurred.

##### *Dry docking expenditure*

All costs associated with dry-docking are capitalised as a separate asset and written off over the period to the next dry docking (generally five years). When new vessels are constructed an amount from the total build costs is treated as a separate asset and depreciated over the period to the first dry docking.

During the year the company revised the estimate of dry dock costs included within the original acquisition cost of the Bibby Wavemaster Horizon. This has been reflected in the current year depreciation charge.

##### *Assets in the course of construction*

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

##### *Derecognition*

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating

(losses)/gains'.

#### *Borrowing costs*

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

#### *Leased assets*

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.



## **Bibby Wavemaster 2 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

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

##### **Tangible assets (continued)**

*Finance leased assets:* Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

*Operating leased assets:* Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

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

At each balance sheet date the Company reviews the carrying value of its property, plant and equipment to determine whether there is an indication that the asset (or the asset's cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset (or the asset's cash generating unit) is compared to the carrying amount of the asset (or the asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit's) continued use.

These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

##### **Trade debtors**

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits

## **Bibby Wavemaster 2 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

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

##### **Trade creditors**

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

Creditors 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.

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.

##### **Provisions and contingencies**

###### *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

###### *Contingencies*

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Bibby Wavemaster 2 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

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

##### **Distributions to equity holders**

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### ***a. Critical judgements in applying the Company's accounting policies***

###### *Revenue recognition*

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 company could reliably measure the outcome of the transaction and determine the stage of completion.

###### *Finance lease asset*

The Company has applied an asset life of 20 years to the vessel, Bibby Wavemaster Horizon, which is recognised as a finance leased fixed asset. The finance lease is for a period of ten years, with a nominal consideration of €1 to repurchase the vessel at the end of the lease term. The vessel is being treated as a fixed asset with a life of 20 years as in the judgement of the Directors, it is highly likely that the option to repurchase the vessel will be exercised, given that the asset is expected to be operational for 20 years.

##### ***b. Critical accounting estimates and assumptions***

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

###### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The remaining useful economic life of the main production plant asset is considered a source of significant estimation uncertainty. See note 7 for the carrying amount of the asset and the useful economic life assumed.

### *Asset residual values*

Management considers 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.

### **3 Revenue**

The analysis of the Company's revenue for the year from continuing operations is as follows:

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Services provided in Europe	8,647,157	9,479,153

## Bibby Wavemaster 2 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 4 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	€	€
Depreciation expense	2,347,672	2,133,051

The Company's fee for the audit of the financial statements of €9,300 (2020: €9,300) has been borne by its parent undertaking and was not recharged. There were no non-audit fees (2020: €nil) paid to the Company's auditor for other professional services.

#### 5 Interest payable and similar expenses

	2021	2020
	€	€
Interest on obligations under finance leases and hire purchase contracts	722,409	790,075
Interest on bank borrowings	626,416	
Interest payable to group undertakings	493,383	1,005,335
Other interest	77,613	106,567
Foreign exchange losses / (gains)	584,598	(690,341)
Total	2,504,419	1,211,636

#### 6 Taxation

Tax charged in the profit and loss account

	2021	2020
	€	€
<b>Current taxation</b>		
UK corporation tax	777	755

The tax on profit before tax in both years reflects the UK Tonnage Tax regime.

## Bibby Wavemaster 2 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 6 Taxation (continued)

The difference between the actual tax charge and taxation at the standard corporation tax rate is analysed below.

	2021 €	2020 €
(Loss)/profit before tax	(675,666)	842,411
Corporation tax at standard rate of 19% (2020: 19%)	(128,377)	160,058
Arising from previously unrecognised tax loss, tax credit or temporary effect of revenues exempt from taxation	777	755
Effect of expenses not deductible in determining taxable profit / (loss)	128,377	(160,058)
Total tax charge	777	755

#### 7 Tangible assets

	Fleet €
<b>Cost or valuation</b>	
At 1 January 2021	43,392,969
Additions	20,620
At 31 December 2021	43,413,589
<b>Depreciation</b>	
At 1 January 2021	2,486,272
Charge for the year	2,347,672
At 31 December 2021	4,833,944
<b>Carrying amount</b>	
At 31 December 2021	38,579,645
At 31 December 2020	40,906,697

#### 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:

	2021 €	2020 €
Fleet	38,579,645	40,906,697



## Bibby Wavemaster 2 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 8 Debtors

	2021	2020
	€	€
Trade debtors	-	1,428,544
Other debtors	3,072,420	2,349,612
Prepayments	2,161,438	938,007
Total	5,233,858	4,716,163

	2021	2020
	€	€
<b>9 Creditors</b>		
	Note	
<b>Due within one year</b>		
Loans and borrowings	11	2,990,639
Trade creditors		540,166
Corporation tax		1,954
Other creditors		-
Accruals		215,236
Total		3,747,995
<b>Due after one year</b>		
Loans and borrowings	11	41,157,900

#### 10 Share capital

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

	2021		2020	
	No.	€	No.	€
Ordinary shares of €1.11 each	100	111	100	111

#### 11 Loans and borrowings

	2021	2020
	€	€
<b>Non-current loans and borrowings</b>		
HP and finance lease liabilities	23,257,062	26,247,701
Bank borrowings	8,469,253	-
Amounts owed to group undertakings	9,431,585	14,173,485
Total	41,157,900	40,421,186

Amounts owed to group undertakings bear interest at 2.5% and are repayable in more than one year.

In February 2021 the company entered into a Euro denominated Junior Loan note facility secured against the Bibby Wavemaster Horizon vessel, realising €8m that was used to re-pay other existing debt obligations. The company's bank loan at 31 December of €8,469,253 (2020: Nil) including accrued interest is secured by a statutory mortgage on the Bibby Wavemaster Horizon. The interest rate on this loan ranges between 2.7% and 5.9%.

## **Bibby Wavemaster 2 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **11 Loans and borrowings (continued)**

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
<b>Current loans and borrowings</b>		
Finance lease liabilities	2,990,639	2,918,329
Amounts owed to group undertakings	-	1,517,878
Total	2,990,639	4,436,207

#### **12 Obligations under leases and hire purchase contracts**

##### **Finance leases**

The total of future minimum lease payments is as follows:

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Not later than one year	2,990,639	2,918,329
Later than one year and not later than five years	12,776,382	15,767,021
Later than five years	10,480,680	10,480,680
Total	26,247,701	29,166,030

The lease agreement for Bibby Wavemaster Horizon includes a purchase option of €1 plus any amount of the deferred consideration advanced. The purchase option is therefore expected to be exercised, resulting in continued ownership of the vessel over its remaining useful life.

Bank borrowings of €8,469,253 (2020: nil) are all repayable in more than five years.

#### **13 Capital commitments**

The total amount contracted for but not provided in the financial statements was €Nil (2020 - €Nil)

#### **14 Related party transactions**

The Company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' from disclosing transactions with other members of the group controlled by the parent undertaking.

#### **15 Events after the reporting period**

There are no post balance sheet events (2020: None).

#### **16 Ultimate controlling party**

The immediate parent company is Bibby Marine Limited, a company incorporates in England and Wales which owns 100% of the company's shares. The ultimate parent company, ultimate controlling party and largest group into which results are incorporated is Bibby Line Group, a company also incorporated in England and Wales.

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