Bibby Line Group Limited

Registration number: 00034121

Bibby Line Group Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2022

Bibby Line Group Limited

Bibby Line Group Limited

Company Information

Chairman	Sir Michael Bibby Bt. DL
Group CEO	Jonathan Lewis
Other Directors	David Anderson Geoffrey Bibby
Company secretary	Bibby Bros. & Co. (Management) Limited
Registered office	3rd Floor Walker House Exchange Flags Liverpool United Kingdom L2 3YL
Auditors	Mazars LLP One St Peter's Square Manchester United Kingdom M2 3DE

Bibby Line Group Limited

Chairman's Statement

In this day and age it is easy to assume institutions or markets are rigged against you, however this rarely helps you resolve your difficulties. In the last decade, as a reasonably large family business our activities have suffered from many different challenges starting in 2014 with the collapse of the oil price, we were then hit by low economic growth in most areas we operated along with ultralow interest rates at a time of rapid technological advancement. This led to the administration of a critical supplier before we even got to Brexit, Covid, the Ukranian invasion, then rising energy costs and inflation. In order to weather this storm we have had to sell off parts of the business and cut back on costs wherever we can.

The Bibby Line way has always been not to blame others for our misfortune but to find our own solutions by looking at how we can build on our core strengths and use them to develop new businesses that can benefit from the changes in the outside world. From our ships changing from sail to steam to oil and now to the next generation of zero carbon fuels, the development of the latest eco friendly plant hire equipment in Garic or the new systems being implemented in Financial Services to enable us to compete with market leading technology our transition to new profitable areas with strong growth prospects is well underway and the future is looking bright.

Trading Performance

The diversity provided by our group of three operating businesses helped to deliver an increase in profit before tax from ordinary activities to £3.8m (versus £1.3m from continuing activities in 2021). The improved performance from Financial Services was partly offset by slightly lower results in Garic, after a strong 2021, and poor utilisation of the Marine assets.

The turnaround in Bibby Financial Services continues and we continue to invest in world class third party systems to make our business even more responsive to client needs.

Garic also continues to invest in renewing and growing its fleet, and has maintained high utilisation levels proving their focus on customer service and asset quality, albeit with a slightly lower profit result versus 2021 in which demand for Covid test centres and vaccination sites boosted the overall market. They have also refreshed the majority of their top leadership team giving the business additional capability to support the growth required in 2023 and beyond. The growth should absorb the extra costs in 2023 before delivering real additional profitability going forward.

Bibby Marine's barges strongly influenced the overall performance of the group, and delays and cancellations to large infrastructure projects across the world meant the barges were not used at anything like their full potential. However I am pleased to report that, as at the signing of these accounts, five out of our six accommodation barges are contracted for long term work and discussions are in progress on the Pioneer. These charters will further boost results particularly in 2024.

Sustainability and Responsibility

Since 1807 we have strived to be a responsible family business. It's deeply embedded in our shared group values, and it remains integral to our approach to business and investments that our activities are truly sustainable.

Fundamental to this is 'Project Compass', our group strategy for sustainable development that we launched late in 2021. How we look after the environment, provide great service to customers, offer a great experience for our people and improve the communities in which we operate is fundamental to our ability to create a resilient business and long-term value for our shareholders.

Chairman's Statement

2022 was the projects first full year and it was excellent to see so much positive activity. All businesses are working hard to ensure that we are a force for positive change. In particular there were some exciting developments on the environmental front where we are continuing to work in collaboration with other industry partners to design the world's first genuinely zero carbon service operations vessel for the deeper water windfarms able to operate with no carbon emissions for an extended period of time offshore. Meanwhile Garic is not only investing strongly behind its environmentally friendly welfare assets, but also bringing new solar and battery-based solutions to market further reducing diesel-powered generator usage on construction sites.

During 2022, we rolled out hybrid working opportunities to support work/life balance across the group and also joined the Employers Network for Equality & Inclusion to support us on our inclusion and diversity journey.

My views on diversity and inclusion are very clear:

a) diversity, in all its forms is of great value to the business; it provides diversity of thinking which is especially important for family businesses which can often be dominated by a few key owners from similar backgrounds. It helps us to make better decisions, understand and represent our colleagues and customers better, and increases the pool of talent available to the business

b) rather than quotas or similar, we deliver diversity by:

- treating everyone with whom we deal either as a colleague, customer, supplier or partner from any gender, race, religion, colour, creed or other grouping with respect. We should listen and value their ideas and concerns and always be able to have a free, open discussion raising any other points of view without fear of repercussions or retribution to reach a logical, sensible conclusion in line with our shared values.

- aiming to give each and every one the best opportunity to be as good as they can possibly be, so they can contribute as much as possible to our success.

- holding true to the principle of always appointing the best person to the role, and ensuring that our processes and behaviours provide us with the widest pool of talent (both internal and external) from which to select, without favouring one group over another, and continually seeking to identify and remove any unconscious bias in our decisions.

- always applying our consistent business principles and standards when dealing with others (whoever and wherever they might be) whether this be on making an advance in finance, employing a seafarer in Marine, fixing a vessel in a far-off land, or supplying units in Garic.

The basic tenets of really identifying an individual's strengths, weaknesses, motivation, capability and desires, and then having a proper, honest discussion with them as part of their regular appraisal and career development conversations to allow the construction of a really good personal training and development plan remain perhaps the most important aspect to allow each individual to maximise their potential. Delivering the identified training is then crucial and it was great to see our newly formed cross-group learning forum collaborated to share access to self-guided digital learning platforms, which are now available for the first time to every colleague in the group as well as various cross-group in-person training courses delivered.

You can read more about Project Compass in our Operational Review and Section 172 Statement.

Bibby Line Group Limited

Chairman's Statement

Leadership

Across the group we continued to strengthen senior leadership teams, notably Marion King joining BFS as Non-Executive Director in August, bringing significant experience in the financial services sector. It was also positive to see three new leaders appointed in Garic to support CEO Mark Albiston on their growth journey. At BLG head office, Jonathan Kohn was recruited as Group Director of HR and Communications in June and during the year we started our search for a new BLG Non-Executive Director.

Since the year end we have also strengthened the Marine operation with Howard Woodcock returning to the Board as a non executive director.

Outlook

In line with our long-term strategic plan, our smaller but stronger portfolio of businesses helped continue our group's overall profit trajectory, while still driving long-term value creation and resilience through Project Compass.

Despite this progress, the world continues to be a challenging environment to conduct business. Across the globe, the group and our clients are still experiencing the knock-on effects following two years of global disruption caused by the Covid-19 pandemic, Brexit, and the invasion of Ukraine by Russia which have contributed to high inflation, rising interest rates and dramatic rises in the cost of living.

However, we are confident that our portfolio of businesses are well positioned for success in their markets, and we expect strong revenue growth in each of our businesses, particularly with Marine successfully chartering the majority of its accommodation vessel fleet, the full benefit of which will be seen in 2024.

Thank you to all our colleagues, customers, partners, shareholders and other stakeholders who have worked with us throughout 2022 and beyond as we face an uncertain world together, but one in which we have continued optimism, confidence and resilience.

Sir Michael Bibby Bt. DL

Strategic Report

The Directors present their strategic report for the year ended 31 December 2022.

This strategic report has been prepared for the group as a whole and therefore gives greater emphasis to those matters which are significant to Bibby Line Group Limited ('BLG') and its subsidiary undertakings when viewed as a whole.

Introduction:

Bibby Line Group is a diverse, international business, and during 2022 operated in multiple countries and employed c. 1,300 people in financial services, marine and infrastructure support.

Founded in Liverpool in 1807, we are one of the UK's oldest family-owned businesses, with over 215 years' experience of providing personal, responsive, and flexible customer solutions.

We focus our sustainability efforts on how we look after the environment, improve the communities in which we work and live, protect and offer a great experience for our people, and how we nurture long-term relationships with our customers. Our group vision is to be "A family business, known for creating a better future together."

Purpose and values:

BLG's purpose is to grow the long-term value of the group. Guided by our shared values, we are custodians of the family business for future generations, creating a diverse group of innovative companies that develop colleagues, delight customers and give back to communities.

Our shared group values are - Work Together, Be Better, Be Innovative, Trust Each Other, Do the Right Thing - these guide every decision we make, and all combine to help us deliver excellent customer service.

Strategy:

BLG is the parent company of a group of trading businesses. The group is 91.8% owned by members of the Bibby family, principally through family trusts. The board, in consultation with them, has set seven corporate strategic objectives:

1. Maximise the long-term real value of shareholders' funds by achieving a compound growth rate in shareholders' funds inclusive of dividends of not less than 8% per annum, measured over 7 year rolling periods.
2. Keep a business portfolio capable of generating recurring earnings and a dividend flow to the holding company to provide security against cyclical downturns in any particular market.
3. Attract, motivate and retain high quality personnel.
4. Maintain our excellent reputation for high quality, integrity and safety of operations.
5. Be aware of the impact on society of our operations and to continually improve the environment for all.
6. Continually strive for excellence in our service to customers through our flexible, personal and responsive approach.
7. Ensure BLG values flow through the company and its individual businesses in order to protect and nurture the group's reputation as a diverse and forward-looking family business.

The nature of the shareholding enables the group to take a long-term view of its trading businesses and provides the rationale for the diversification within the portfolio.

The group's corporate governance approach to managing the trading businesses in line with these objectives is set out in this report on pages 29-33.

The group aims to maintain a diversified portfolio of businesses providing multiple, uncorrelated, sources of earnings allowing reinvestment into the group or distributions to shareholders. It should also avoid excessive exposures to individual risks to provide security against downturns in any particular market or sector.

Principal activities of the subsidiary businesses:

Bibby Financial Services ('BFS') is a global financial services provider and the UK's largest independent invoice finance company. BFS helps businesses thrive and grow, through the provision of future focused financial solutions.

Bibby Marine ('Marine') owns and operates the Bibby WaveMaster fleet of Walk-to-Work Service Operations Vessels, which specialise in transporting offshore workers to remote work locations. It also owns six floating accommodation barges, offering flexible shoreside and near shore accommodation for workers.

Garic has led the plant hire market with exceptional service and innovative products for over 30 years. The principal activity is the design, fabrication and purchase of plant and machinery for sale or hire.

Operational Review:

<u>Overview</u>

Overall, as mentioned in the Chairmans' Statement, 2022 was a positive year for the group. Garic had reported a very strong result in 2021 and is working hard to maintain this level of profitability, Financial Services has recovered well in 2022 with continued growth opportunities looking forward and we expect improved results in 2023 and 2024 in Marine due to the vessel charters now in place. In line with our long-term strategic plan, our smaller but stronger and better-connected portfolio of businesses helped continue our group's operating profit trajectory, resulting in an improved trading result and improved profitability, whilst still driving long-term value creation and resilience through Project Compass.

Despite the world continuing to be a challenging environment in which to operate, we are confident that our portfolio of businesses is well positioned for success in their markets, and there is a strong focus in 2023 on building on the success of 2022.

<u>Financial Review</u>

The financial statements contained within this report show total operating profits of £5.6m (2021: £3.1m).

In 2022 Bibby Financial Services had a strong year and made a significant improvement from FY21 as it continued to grow operations, particularly in Europe. Client demand for its services increased as SMEs accelerated investment in their businesses following Covid-19 lockdowns, as pandemic government financial support packages were wound down. An increase in interest rates has led to increased revenue but has been offset by increased cost of funds. Greater operational efficiencies were also achieved though the delivery of the company's people and digital strategy – Bibby 4.0 – which is also providing ever-improving levels of client experience.

Garic's utilisation rates dropped slightly from a very strong 2021 in which Covid-19 test centres and vaccination sites boosted demand. The company also oversaw significant investment into the company including a review of its senior management structure and investment in its green technology offer, including more eco welfare units. This led to an increased overhead level in order to allow the next stage of the company's growth plan to be executed. Our Marine business had a challenging year. Charters for the floating accommodation assets continued to be frustrated with delays to global infrastructure projects and interruptions to ongoing contracts, which meant low utilisation for much of the year. Bibby WaveMaster Horizon, one of our Walk-To-Work vessels continued its long-term charter with Siemens Gamesa, and the Bibby WaveMaster 1 worked for a number of clients during 2022 before undergoing its first scheduled dry dock towards the end of the year.

<u>Operating Performance</u>

	2022 £000 Total	2021 £000 Continuing Operations	2021 £000 Discontinued Operations	2021 £000 Total
Group				
Turnover	**204,951**	195,599	64,025	**259,624**
Operating profit/(loss)	**5,602**	3,753	(696)	**3,057**
Profit/(loss) before tax	**3,779**	1,309	29,616	**30,925**

	2022 £000	2021 £000
Continuing Operations – Turnover		
Bibby Financial Services	150,505	132,435
Bibby Marine Limited	17,000	25,880
Garic	37,446	37,284
	204,951	195,599

	2022 £000	2021 £000
Continuing Operations – Operating profit/(loss)		
Bibby Financial Services	8,384	(519)
Bibby Marine Limited	(2,939)	2,652
Garic	5,042	5,634
Other[1]	(4,885)	(4,014)
	5,602	3,753

[1] – Other includes Bibby Line Group Limited and Bibby Line Limited

Strategic Report

Culture and People

i) *Becoming an increasingly sustainable business*

Project Compass, our group strategy for sustainable development, is driving innovation and continuous improvement across the group in four priority areas: Environment, Community, People and Customer.

Each priority area, or Compass 'Point' has a bold vision, ambitious sustainability goal, and a set of focus projects to guide activity to help us meet our group vision of being "A family business known for creating a better future together".

a. *Environment*

Our group environment vision is, "We are committed to being an increasingly sustainable business, minimising our environmental impact and influencing positive change". Together we've set ourselves the ambitious goal of "Net zero total carbon emissions by 2040".

Honouring our commitment to the environment, most company sites are now supplied by 100% renewable energy, with the other sites following as soon as contracts allow. During 2022, all our companies introduced electric or plug-in hybrid cars, as well as setting up green car salary sacrifice schemes to support and incentivise colleagues to switch their personal vehicles to greener alternatives.

Within our subsidiaries, Bibby Marine continued to deliver the ground-breaking WaveMaster Zero C Project that seeks to transition marine vessels to zero carbon fuel, while Garic launched its Next Gen Eco Range and explored alternative green energy sources, including battery power, that will help reduce onsite emissions for both the business and its customers.

The group is also dramatically reducing the amount of Single Use Plastics (SUPs) it consumes, with Bibby Marine recognized by the Chamber of Shipping for successfully reducing SUP items on its WaveMaster vessels by 66%, and BFS eliminating all obvious SUPs within their offices.

More details on our environmental impact can be found in the Group Streamlined Energy & Carbon Report ('SECR') on pages 25-28.

b. *Community*

Our group community vision is "We strive to improve the quality of life for all in the communities in which we work and live". Together we've set ourselves the ambitious goal of "1,000 colleague days given to the community every year by 2024."

Continuing our strong relationship with local communities, the company launched several cross-group fundraising campaigns, and in June it was great to see over 70 colleagues come together for the inaugural Bibby Charity Dragonboat Regatta in Liverpool, raising over £17,000 for 23 different charities. We also took the decision to double colleague's match fund allowance and Give As You Earn match fund allowance.

Throughout 2022 we focused on embedding our new Donate A Day corporate volunteering programme across the group, with 372 days of colleague time donated to good causes. All executive team members volunteered in local communities during the first quarter of 2022, and in April the team delivered a mass volunteering event in partnership with the Big Blue Ocean Clean-up in Merseyside. We also launched our first ever 'Operation Give Something Back' in November to support colleagues to volunteer for good causes during the festive season, helping families and individuals affected by the cost-of-living crisis.

The group also made progress with its new Schools Outreach programme, signing up to the nationally recognised Social Mobility Pledge, which focuses on building strong, long-term partnerships with schools from disadvantaged areas. All companies established relationships with local schools, and it was heartening to see BFS launch its long-term mentoring and apprenticeship partnership with two schools from Leicester and Manchester.

c. *People*

Our group people vision is "We keep our colleagues safe at work and celebrate, respect and value them for who they are and what they do". Together we've set ourselves the ambitious goal of "Colleague engagement scores in top quartile of surveyed companies by 2024."

Our commitment to our people was evident throughout the year. Supporting colleagues' health and wellbeing is a key focus with people taking part in a series of engagement activities, as well as developing partnerships with health charities, including Prostate Cancer UK, the Sailors Society, and the Lighthouse Club. Mental health awareness training is accessible to all colleagues across the group and mental health first aiders available within each business.

Bibby Line Group is committed to providing safe working conditions for its people. A cross-group Safety, Health, Environment and Quality (SHEQ) team work together to keep our colleagues safe, with the aim of sending everyone home safe every day.

The Peakon colleague survey tool is now in place across the whole business and is providing leaders with valuable and timely insight on the level of colleague engagement at a granular level, as well as how it could be further improved.

All colleagues now have access to online training resources, and we are upskilling people leaders to improve the richness and quality of the development conversations they have with the individuals they lead.

d. *Customer*

Our group customer vision is "We continually work to be our customers' partner of choice and support them to thrive". Together we have set ourselves the ambitious goal of "Leading NPS customer satisfaction score of >60 by 2024".

During 2022, we made great strides in how we work in sustainable partnership with our customers. We embedded Net Promotor Score reporting across the business, with impressive scores recorded. We also saw the establishment of customer council frameworks across the group, which are delivering immense value for customers as our companies coordinate shared forums to discuss common challenges and work together on potential industry specific solutions. We also committed to publishing customer charters as a clear indication of the high expectations and standards we set with our customers, colleagues and other stakeholders.

Further detail of all the Compass trailblazer projects can be found in our s.172 Statement.

ii) *The Groups Continuing response to Covid-19*

Throughout 2022, the group continued to prioritise the health and wellbeing of employees. Extra resource and attention was focused on supporting employees' mental health and utilising hybrid working practices, with examples including new health and wellbeing programmes, community events, wellbeing initiatives and partnerships with wellbeing charities.

iii) *Key personnel changes*

During the year, the Group continued to strengthen senior leadership teams. BFS announced Helen Norris as Chief People and Organisation Officer in January, Stephen Hand as UK Head of Sales in June, and former NatWest Director of Payments Marion King as Non-Executive Director in August 2022. In Bibby Marine, Andy Goody was appointed Finance Director in June, transferring from Garic. Within Garic, Craig Malloy was recruited as the new Finance Director and Derek Tuite as Chief Operating Officer, both joining in October. Mike Heafield was also announced as Garic Chief Commercial Officer and joined in February 2023. At BLG head office, Jonathan Kohn was recruited as Group Director of HR and Communications in June.

2023 Outlook

We are acutely aware that the current environment is challenging, and the increased cost of living, in particular, is a test for many of our customers, colleagues and society more widely. Although pandemic restrictions have reduced, the group and our clients are still experiencing the knock-on effects following two years of global disruption. The UK is still navigating Brexit, and as the invasion of Ukraine by Russia is well into its second year, it continues to impact economies around the world.

In 2023, many businesses will be impacted by substantial cost inflation, and ours is no different in that respect. As a family business, we place a lot of emphasis on ensuring that colleagues are paid fairly, recognising that their cost of living has increased at unexpected rates. Therefore, there is a lot of focus on driving revenue growth to be able to cover our increased costs.

BFS is in a strong position. As an agile and efficient international provider of working capital solutions for SMEs, BFS is perfectly positioned to take advantage of increased activity, supporting its clients to thrive as Covid-related government support needs to be repaid. Diversification of product offering, through its new marine finance business, demonstrates its entrepreneurial spirit and its 4.0 strategy rollout is future-proofing the business further as it puts the combination of people and technology at the heart of its strategic evolution.

Garic's performance over 2021 and 2022 is much stronger than previously, now that its expanded depot network is better utilised. It is therefore in a good place to build upon its reputation as a market leader in the sustainable construction sector as customers look to decarbonise their operations to support their emission reduction plans. The company remains well placed to grow by developing innovative, high quality and eco-friendly site set up solutions for national, regional and local contractors working on rail, road, infrastructure and wider construction projects, supported by best-in-class assets and their commitment to deliver outstanding customer service.

Following delays to offshore maintenance programmes and infrastructure projects that were seen in 2022, Bibby Marine has been able to secure a number of long term contracts that will start in 2023 but provide revenue into 2024 and beyond. These charters will be vitally important to providing the capital required to grow our businesses.

It would be remiss at this point not to mention Bibby Stockholm, which has been chartered to provide accommodation for people seeking asylum in the UK. The press has reported a variety of positions on the use of accommodation barges for this purpose. Our position is clear – we stand behind the quality of the solution we are providing. The accommodation is safe and functional, having been used to house shipyard engineers and US naval personnel within the last few years, and as such we believe it suitable for anyone with a temporary need for accommodation.

The WaveMaster vessels continue to provide excellent levels of access to installations in the North Sea, and both vessels have charters stretching into 2024.

Risk Management:

Risk Management, robust governance and internal controls are key to the way, as a group, we manage all aspects of our business. Our risk management processes and systems are designed to manage and mitigate rather than completely eliminate risk. An enterprise risk management framework is in place and adopted by our businesses. This includes risk registers and an annual control self-assessment process, with output reported to subsidiary boards and summarised to the BLG Group Audit and Risk Committee.

The group operates a three lines of defence model. Accountabilities between lines are split as follows:

- **The first line of defence** (management within each business) own the risks and are responsible for the identification, assessment, management and reporting of those risks.
- Central Management and Boards are **the second line of defence**. They do not own the risks but instead independently oversee, support, advise and challenge first line activity.
- **The third line of defence** (Internal Audit) provide independent review of processes, risks and controls for added assurance.

In addition to these three lines of defence, our external auditors play a key role through their assessment of the governance and control structure relevant to the group's financial reporting.

This framework allows us to review and escalate key risks facing the group in a timely manner, to manage and mitigate outcomes, and as far as possible, to protect the profitability and success of BLG.

Principal Risks & Uncertainties:

This section highlights the principal risks and uncertainties that affect the group. While this list does not represent all the risks that the group faces, it primarily focuses on those currently deemed to be the most pertinent:

Risk	Description	Risk Commentary and Mitigating Activity
People	BLG and its subsidiaries fail to attract, develop, and retain talent, to the extent that it materially impacts business performance.	Our success depends on our people, and the failure to recruit and retain talent could have an impact on business disruption through not having strong individuals in critical roles within the group. Engaged colleagues are vital if we are to maintain high levels of customer service and develop new products and services and we have rolled out the Peakon colleague engagement tool across the Group to allow more frequent and timely feedback from colleagues. Our ambition is for colleague engagement to score in the top quartile of surveyed employees by 2024. We operate a culture where we engage, motivate, and enable colleagues to achieve their potential. Inclusion and diversity, health and well-being and learning and development are all essential parts of our culture to ensure we are meeting the needs of our people.

Liquidity	Subsidiaries financially underperform resulting in dividends not being paid to BLG Limited, BLG Limited are unable to cover costs including Shareholder dividend payments and value creation is curtailed threatening investment in future projects.	Any financial underperformance of our subsidiaries may result in impacts to our shareholders in the form of a reduced dividend, in lack of investment in our subsidiary businesses, or in our inability to meet our liabilities. The Group holding company aims to maintain sufficient cash to meet all contractual obligations and dividend payments for at least the next 12 months with surplus cash held in interest bearing accounts awaiting reinvestment in the businesses. In 2022, the Group successfully managed the liquidity risk due to the underperformance of the Marine business during the year. The Group had sufficient liquidity which enabled support to be provided to the Marine business which is now expected to be repaid once the new charters for the barges are underway. In addition, the financial services business renegotiated its two main funding facilities during 2022, providing additional security in a volatile economic environment. Garic's facilities are due to be replaced in early 2024 and lenders have confirmed their expectation of replacing the current facilities.
Macro-economic	Businesses are exposed to macroeconomic issues which could lead to profitability or liquidity issues across the Group.	The world today is marked by a range of global challenges which have far-reaching implications for businesses worldwide, and Bibby Line Group is no exception. 2022 was a year of volatility, and the group faced into several challenges including inflationary pressures, a cost-of-living crisis, political instability, and the Russia-Ukraine war. The group maintains a portfolio of businesses some of which benefit from macroeconomic trends which may disadvantage others (eg rising interest rates or oil prices). The group monitors and understands the impact of each of these issues through horizon scanning, rigorous budgeting and forecasting and ongoing review of liquidity levels, all of which are discussed at subsidiary and BLG Boards with appropriate action taken when required.
Group Composition	An imbalance in the portfolio may leave the Group with too much risk, or create over-dependence on one sector/country	The sale of Bibby Distribution and Costcutter in 2020 and 2021 respectively, increased the proportion of the business comprised by the remaining subsidiaries, which further emphasises the impact of Financial Services on the group's future profitability, cash generation and growth. The BLG board, as part of their annual review of operating plans, mitigates concentration risk by continually considering the desired shape of the portfolio regarding the composition of the group, the present market conditions, and future expectations. Risk within Financial Services is spread over a number of products and regions. Any investment and divestment plans are fully appraised with reference to the shape of the group.

New Technologies	Failure to understand and react to the impact of new technology, systems and processes on our business could result in lost sales, being left behind by competitors etc resulting in lost revenues.	Our future growth is dependent on rapidly and effectively adopting new technologies to support our strategy and enable us to operate effectively in our current markets. Our businesses are continually reviewing new technologies, systems and processes to help us succeed, with the group committed to ensuring that investment in new technology and new working practices are implemented to help our business thrive for future generations. BFS are replatforming in key territories to further enhance their customer offering, Marine continue to investigate zero carbon vessel designs for future windfarm projects, and Garic is innovating new eco-friendly solutions to support its clients to decarbonise their operations. Items such as digital currencies, Artificial Intelligence, cyber security and other advances are continually assessed to understand the developing threats and opportunities.
Environment and Climate Change	There is an increased level of interest in sustainable solutions which if not addressed could result in the failure to attract and retain existing business and failure to report in line with regulations could expose BLG to penalties and reputational damage.	How we act as a responsible business (regarding the impact our operations, products and services have on the environment) is fundamental to the future success of our group and to meet our target of net zero total carbon emissions by 2040. As a group, the businesses have taken actions to identify growth areas where we can produce market leading new products and services and also reduce their carbon footprint, including switching company cars to electric and hybrid cars and by moving utility supplies to renewable energy where possible.
Reputation	An event occurs which adversely affects the Bibby Line Group brand and affects subsidiary operations.	Bibby Line Group is a diverse, international business and managing the reputational risk of the name and brand is of paramount importance to the group. Bibby Line Group's values are integral to the way the group does business and even though the businesses are substantially autonomous, we expect all our colleagues to live the values and support the sustainability principles set out in Project Compass. Risks with a potential reputational impact are identified on the relevant group and subsidiary risk registers and appropriate controls are in place including an escalation procedure to the group board. All new business opportunities, including major contracts, are also risk assessed to include the potential impact on the reputation of the existing group. Adherence to our values mitigates the risk of reputation damage. Processes are in place to manage any brand reputation incidents from sold businesses bearing the name of the company.

Data Security / Cyber Threat	A security breach leading to loss of customer, colleague or Group confidential data results in reputational damage, fines, or other adverse consequences, including criminal penalties and consequential litigation.	It is essential that the security of customer, colleague and company confidential data be maintained. A major information security breach could have a negative financial and reputational impact on the business. The risk landscape is increasingly challenging with acts of cybercrime increasing in both volume and sophistication, heightening the risk exposure to broader business disruption as well as to data breaches. We continue to develop and test information security strategies and to build the necessary capability to respond to the increasing number and sophistication of attacks. Information security policies are in place, which focus on encryption, network security, access controls, system security, data protection and information handling. All colleagues are required to complete mandatory training on how to keep our information safe and our information security processes is a key focus for internal audit.
Health and Safety	The risk to the health, safety and wellbeing of any person or non-compliance with legislative requirements, caused by a lack of appropriately defined or applied safe working procedures.	One of the Group's priorities continues to be the safety of our colleagues and customers. Across the Group some of our businesses (particularly in the Marine environment) operate in difficult and dangerous conditions so there are robust health and safety protocols and systems in place to ensure compliance with HSE and other legislation. Management considers a safe environment vital for success. We ensure that incident reporting, including "lessons learnt" exercises take place to prevent recurring incidents. The group continues to actively manage Health and Safety risk and ensure that it minimises the impact of Covid-19 through evolving procedures in line with best practice and updated government guidance.

Section 172(1) statement:

The BLG board of directors consider, both individually and together, that they have acted in the way that, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s.172 (1)(a-f) of the Companies Act) in the decisions taken during the year ended 31 December 2022 and have exercised their duties while having regard to s.172 matters.

The stakeholders we consider in this regard are our employees, our subsidiary businesses, our shareholders, our customers and suppliers, our funders and the local communities in which we are located.

The board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Fundamental to this is Project Compass, our group strategy for sustainable development which we launched in 2021. It is driving innovation and continuous improvement across the group in four priority areas:

Environment, Communities, People and Customer. Much of the progress across these areas are included in this section.

The section below covers how the directors of the company have acted in the way they have considered, in good faith, to most likely promote the success of the company for the benefit of its members as a whole, and in doing so have regarded (amongst other matters):

(a) The likely consequences of any decision in the long-term

The group is over 90% owned by members of the Bibby family, principally through family trusts. The shareholder objectives have been built into the Company objectives, shared on page 6.

The nature of the shareholding enables the group to take a long-term view of its trading businesses and provides the rationale for diversification within the portfolio.

Long-term strategic opportunities are captured in the annual Strategy and Group Operating Plan processes which are presented to the group board every year. The Operating Plan covers a three-year horizon, with the Strategy review looking further out as appropriate. Short-term opportunities to improve performance, resilience and liquidity are captured through monthly and quarterly performance review meetings with each business, which are led by the Group CEO and/or subsidiary board Chair respectively.

The strong governance structure in place within the Company, as highlighted in detail on pages 29-33, has also been cascaded to the subsidiary boards to ensure clarity on decisions requiring subsidiary and holding company board approval.

A long-term incentive plan is in place for the executive directors and certain senior employees in the subsidiary teams, to incentivise the delivery of long-term objectives.

As highlighted within our values, we try to look ahead, to anticipate customer needs and deliver innovative solutions.

(b) The interests of the company's employees

As stated on page 6 of the Strategic Report, our values are core to the way in which we do business. Our colleagues are the most important part of our business, and we deliver on our objectives by living our values. Our aim is to give colleagues the right tools and training for their job, and support and trust them to carry out their role in a professional and customer-focused way in line with our values. Whilst we support and trust our colleagues to carry out their roles, we also have controls in place to ensure performance is maintained and also that health and wellbeing are monitored, especially now that the majority of our colleagues are enjoying the flexibility of hybrid working.

During 2022 the group migrated towards a new engagement cross-group survey, taking advantage of technological advancements and the potential of data to understand and improve our colleague experience. Peakon is an intelligent listening platform was delivered across the group in 2022 and is improving how we monitor and understand colleague opinions and behaviours regarding company culture, providing a benchmark and consistent measurement approach across the group, and externally. The results of Peakon are used to measure our success across a number of KPIs including engagement, inclusion and diversity and health and wellbeing.

The holding company engages with colleagues across the group through a variety of channels including: subsidiary electronic and printed newsletters which includes news, features and stories from across the group; Group CEO written updates; social media posts and news; and programme or project specific updates through subsidiary townhalls (delivery of colleague updates in person or via Teams/Zoom), and other local digital channels.

Project Compass includes a specific People Point. We aim to be an employer of choice that attracts and keeps the most talented people. We do this by creating safe, healthy and inclusive workplaces where everyone is treated equitably and with respect.

Health and Wellbeing

Our aim is to create a workplace where people feel they have a healthy working environment. One which supports physical, mental and financial health, provides a sense of purpose and social wellbeing, and encourages a healthy work life balance.

Activity in 2022 included colleagues taking part in a series of physical challenges, including a beach clean, dragon boat racing and Move for Movember. We also developed partnerships with health charities, including hosting a cross-group wellbeing webinar with Prostate Cancer UK.

Subsidiaries ran their own initiatives from regular running clubs to full industry specific mental health partnerships such as Bibby Marine's 'Not on My Watch' campaign with the Sailors Society, and Garic's work with the Lighthouse Club.

Mental health awareness training was made accessible to all colleagues across the group. We also ensured mental health first aiders are available within each business. Regular surveys are also carried out to monitor colleagues' health and wellbeing.

Active Inclusion

Our aim is to develop a group-wide approach to diversity and inclusion that will help us share best practice, ensure our policies are fair and reasonable to all, and create an environment where all colleagues can be their true self at work and realise their full potential. Using the word 'Active' recognises that we need to continually improve our current policies and practices (e.g. recruitment) to become more inclusive and diverse and eliminate the potential for unconscious bias across the business by using such things as blind CVs during the selection process.

During 2022, we delivered a calendar of cross-group Inclusion & Diversity celebration events including International Women's Day, Mental Health Awareness Week and Pink October (raising breast cancer awareness). Hybrid working opportunities to support work/life balance were also formalised across the group, as colleagues returned to offices following covid restrictions. Like many other businesses we are still learning the best ways to build a real sense of team, educate new personnel about their role and instil a common work ethic and goals in the hybrid work environment.

In July 2022 we joined the Employers Network for Equality & Inclusion (ENEI) and completed an initial survey across the Group to benchmark our current position so that we can use the information to identify further opportunities to improve inclusion.

Learning and Development

Our aim is to create an environment where people feel empowered to grow and develop throughout their career and are supported in their learning by leaders and colleagues.

In 2022, our cross-group learning forum collaborated to share access to self-guided learning platforms, which are now available for the first time to every colleague in the group. Various cross-group training courses were delivered, including a senior staff development training programme which took place for Marine and Head Office colleagues.

(c) The need to foster the company's business relationships with suppliers, customers and others

As highlighted in our values, we seek to understand the goals of our businesses, customers, suppliers and people and we work together as a team.

The group communicates openly with the BLG Pension Trustee Board, providing formal trading updates at least twice a year, and more regularly through the newly created joint working group.

The holding company also provides regular financial information and business updates to its main relationship banks, credit reference agencies and main third-party advisors to ensure those parties have a detailed understanding of the business.

Project Compass includes a specific Customer Point. Creating strong, long-lasting partnerships with our customers is vital to our success. Without customers, we don't have a business. In these times of rapid change, no force is more grounding and stabilising than a positive customer relationship.

Customer Feedback

To develop ever more meaningful partnership relationships with our customers it is vital that we understand how we are doing and how we can improve.

During 2022, we embedded NPS across the business, providing both raw scores, to measure progress against our target, and rich added insights as to how we can improve in the future. Our target it to achieve a customer satisfaction score of >60 by 2024.

In 2022, BFS achieved an NPS score of +35 in their Global Annual Client Survey; Garic achieved an NPS score of +72 and Marine achieved an NPS score of +57 for its WaveMaster vessels and +67 on the Barges

Additional key metric tracking includes channel performance, complaints, retention rates and Trust Pilot scores.

Customer Councils

We host ongoing customer councils that seek input from customers on the challenges that face them, how they work with each company and test potential solutions so we can better respond to customers changing needs and be their partner of choice.

In 2022, we delivered a customer council framework across the group, including customer councils being delivered by Garic as part of an ongoing program focused on sustainability, energy transition and innovation in the infrastructure and construction industry gained. Marine will also deliver a formal open customer council in 2023 on a similar theme of energy transition in the marine industry. BFS is piloting customer councils before a global rollout of customer councils across the business. The pilots have focused on understanding customers changing needs, how they do business with us and what service and product innovation would add value.

Customer Charters

We are committing to set high expectations and standards with our customers, colleagues and other stakeholders, by publishing customer charters. Tailored charters have now been agreed by each of our businesses and are being rolled out with colleagues and customers.

(d) The impact of the company's operations on the community and the environment

Safety, Health, Environment and Quality (SHEQ) is fundamental to our business success and our colleagues' wellbeing. The group is committed to being a responsible organisation and minimising environmental impact, creating safe places for our people to work and develop, and supporting our communities.

In respect of our three key focus areas, some of the actions taken in 2022 are highlighted below:

Minimising Environmental Impact

Each subsidiary presents an environmental report to their board on an annual basis and our Streamlined Energy Carbon Reporting (SECR) is on pages 26-28.

Project Compass includes a specific Environment Point. We recognise that the world must reach net-zero within the next 30 years to avoid the worst effects of climate change and our target is to reach net zero total carbon emissions by 2040. Reducing our CO2 and greenhouse emissions is a business imperative. Together we are taking positive action including switching to 100% renewable energy use, decarbonising our assets and reducing single use plastic.

100% Renewable Energy Use

Our plan is for each business within our group to only use energy that is from renewable sources (e.g. wind, solar and biomass), ensuring we do our bit as a responsible business to help protect the planet.

As a result of an audit carried out in 2021, three out of four of our businesses are now supplied by 100% renewable power. In the fourth company, 50% of sites are now powered by 97% renewable power, with further reductions limited by landlord control of utility contracts.

Taking this one step further, our BFS business has also introduced the Big Clean Switch flexible benefit to UK colleagues to encourage them to move to renewable energy at home.

Decarbonising our Assets

We are reducing our CO2 and greenhouse gas emissions across our group to reduce our impact on the environment. This includes our own emissions, those of our energy suppliers, those of our supply chain, and those of our assets, even when being used and refuelled by our customers.

During 2022, all companies introduced electric or plug-in hybrid cars, as well as setting up green car salary sacrifice schemes to support colleagues to switch their personal vehicles to greener alternatives.

Within our subsidiaries, Bibby Marine continued to deliver the ground-breaking WaveMaster Zero C Project that seeks to transition marine service operation vessels to zero carbon operations, as well introducing a range of smaller projects including installation of LED lights aboard the WaveMaster vessels.

Garic launched its Next Gen Eco Range that will help reduce onsite emissions for both the business and its customers.

Single Use Plastic (SUP) Reduction

We are reducing the amount of Single Use Plastics (SUPs) we use in our workplaces, sharing ideas, plans, tools and knowledge across the group.

Highlights in 2022 include Bibby Marine being recognized by the Chamber of Shipping for successfully reducing SUP items on its WaveMaster vessels by 66% and BFS eliminating all obvious SUPs, and running a plastic free café at its head office, as well as more environmentally friendly changes to stationery procurement within each business.

In 2022, we also partnered with Big Blue Ocean Cleanup, an international agency that helps prevent pollution through initiatives such as beach cleaning and educational programmes.

Creating Safe Places

- Garic received a Gold RoSPA award for the fourth year running in recognition of its outstanding health and safety achievements.

- Colleagues in Marine and Garic continue to report a high number of near misses which is positive as it highlights proactive risk management and reduces the number of incidents impacting colleagues. Near miss reporting has been rolled out in BFS and BLG during 2022.

<u>Supporting Our Communities</u>

Project Compass includes a specific Community Point. We believe that when the communities in which we operate prosper, so do we. As a family company we want to encourage, incentivise and reward colleagues for making a positive impact in communities, so that more of us can support the good causes we care about.

<u>Giving Something Back Programme</u>

Our aim is to support local charities by promoting give as you earn matched funding, cross-group fundraising opportunities providing match funding support and creating central event fundraising challenges.

Immediately following the devastating news that Russia had invaded Ukraine, our colleagues quickly mobilised to offer support to the people of Ukraine and colleagues across Europe. Bibby Line Group have committed to matching any funds raised by our people through our Giving Something Back Programme, with each colleague eligible for match funding up to the value of £2,000 per year, in addition to colleagues donating time for good causes as part of our Donate a Day initiative. Stories of colleague support included Czech Republic and Polish colleagues helping Ukrainian families with accommodation, donations and finding work; our companies organising fundraising events and donation collections which included children's clothes, electrical appliances, facemasks, temperature thermometers and sanitiser; Colleagues using company welfare vans to transport donated goods at weekends; Polish colleagues setting up donation pages, as well as supplying food for refugees; Teams co-ordinating donations from clients and one Liverpool based colleague traveling to Poland for three days to help with providing aid to Ukrainian refugees in the form of food, water, and medicine.

During 2022, we launched several cross-group fundraising and donation campaigns including Easter egg collections and a Macmillan charity fitness challenge. In June over 70 colleagues raised over £17,000 for the inaugural Bibby Charity Dragonboat Regatta in Liverpool.

In total colleagues and the group donated over £74,000 to charity including match-funding.

<u>Donate a Day Corporate Volunteering Programme</u>

We support local communities by encouraging colleagues to take paid leave to offer their time and energy to help charities, community events or organisations that are special to them. Our aim is to have 1,000 colleague days given to the community per year by 2024.

All executive team members across the group volunteered in local communities during the first quarter of 2022, and in April we delivered a mass volunteering event in partnership with the Big Blue Ocean Clean-up which included 58 colleagues helping to clean up of plastic and litter from Crosby Beach in Merseyside.

Our first ever 'Operation Give Something Back' was launched in November to encourage colleagues across the group to volunteer for good causes during the festive season and help families and individuals affected by the cost-of-living crisis.

In total, as part of the Donate A Day programme, colleagues donated 372 days to good causes in 2022. This success in the first year of the programme is a strong start towards our target of 1,000 days per year in 2024.

Schools Outreach

We are supporting students to develop skills and aspirations to progress in their education and careers. In 2022, the group signed up to the nationally recognised Social Mobility Pledge, which focuses on building strong, long-term partnerships with schools from disadvantaged areas.

Within our companies, BFS launched long-term mentoring and apprenticeship partnerships with two schools from Leicester and Manchester. Bibby Marine also highlighted the company at Liverpool Skills Exhibition, which attracted 4,000 school leavers and provided work experience opportunities. Garic developed partnerships with local partners including Northfield Road School in Dudley and other local schools in Bury, offering mentoring support. BLG head office also recently partnered with North Liverpool Academy and will deliver a series of events during 2023.

(e) The desire of the company to maintain a reputation for high standards of business conduct

The Bibby values provide an important guiding framework for decisions and actions.

The holding company board of directors ensures that appropriate processes are in place to recruit and employ suitably qualified and trained employees within each business as well as taking key decisions regarding investment for the future.

If issues are detected, the group board react quickly to support the business in seeking answers, working with external parties where specific expertise is required, and correcting as necessary.

The Audit and Risk Committee helps to ensure that high standards are maintained through its review of the application of corporate governance, corporate reporting, risk management, and internal control activities, led by the internal audit function. This includes overseeing the relationship with the group's external auditor.

Despite the group's size meaning it does not have to report on Corporate Governance, we remain committed to good corporate governance and choose to apply the Wates Corporate Governance Principles for large private companies. More detail of our approach can be found on pages 29-33.

(f) The need to act fairly as between members of the company

The group board of directors understands the need to act fairly between members of the company and there is at least one independent, non family non executive director on the Board to help protect minority shareholders interests. We engage with our shareholders through a number of channels with examples including the annual report, annual review, AGM and trading updates, and are responsive to all questions from shareholders. In 2022, the Chairman also reported quarterly to the Trustees of the Bibby family trusts which control approximately 75% of the shares, on the performance of the company.

Key decisions in the year

We consider the key decisions to be those decisions taken by the board directly, which should not be delegated to either management or a committee of the board, and which may have a potentially material impact on the group's strategy, stakeholders or the long-term value creation of the group. These key decisions can be grouped into the following categories:

- Review and approval of key judgements affecting the annual financial results
- Capital allocation (approval of the annual budget, subsidiary investment and disposal, and recommendation of interim or full year dividends)
- Material funding and treasury matters
- Tax strategy and governance
- M&A activity
- Review of matters reserved for the board (including appointment of new auditors)
- Material supplier and customer contracts
- Strategy review
- Review of the group's three-year operating plans
- Group statements and policies (including the approval of the group's modern slavery statement and gender pay gap report)

Approved by the board on 3 July 2023 and signed on its behalf by:

....
Jonathan Lewis
Director

Bibby Line Group Limited

Directors' Report

The Directors present their annual report and audited consolidated financial statements for the year ended 31 December 2022.

Directors of the Group:

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

Sir Michael Bibby Bt. DL – Chairman

Jonathan Lewis – Group CEO

David Anderson

Geoffrey Bibby

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. Similar provisions are in place for directors of all subsidiaries within the group.

Group Results:

The group profit for the year after taxation amounts to £9.2m (2021: £35.5m).

After taking account of movements through the statement of changes in equity, total shareholders' funds have increased from £174.2m to £180.7m. A review of the group's pre-tax results is shown on page 8.

Dividends

An FY22 interim dividend of £27.71 per ordinary share and £92.55 per A ordinary share was paid in January 2022.

A further FY22 interim dividend of £55.43 per ordinary share and £185.10 per A ordinary share was paid in July 2022.

No final dividend has been announced or will be paid in respect of FY22.

Going concern statement:

The Company has historically been financed by dividends from the trading subsidiaries, principally Bibby Financial Services. Each subsidiary business has external financing and there are no banking guarantees in place between the subsidiary businesses and the Company in respect of external financing. The Company had provided support to certain subsidiary businesses for capital expenditure, working capital, and, when appropriate, to fund losses. It has also provided support for the financing of the WaveMaster vessels. In these cases, formal loan agreements are put in place and drawdowns and repayments under those agreements are reflected in the cash flow forecasts. There are no contractual obligations to provide funding over and above the amounts defined within existing agreements. Requests for financial support from the subsidiary businesses are considered on a case-by-case basis, subject to strict business case criteria and as a minimum requiring the approval of the Group CEO.

Directors' Report

The directors have a reasonable expectation that BLG has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In reaching this assessment the directors considered the financial statements, the group's budget, operating plan and updated cash flow forecasts for a period of 12 months from the date of signing these financial statements. They have also considered the cash flow forecasts of the trading businesses for the same period. The dividend of £10m received from BFS in April 2023 has improved BLG's immediate liquidity position and reduced risk to BLG's cashflows. Marine's securing of long term charters for its accommodation barges has also eliminated any further risk to BLG's cashflows beyond the immediate short term capex support required before commencement of the charters.

Based on this assessment the directors consider that the group maintains sufficient capital and liquidity to meet both the contractual requirements of the divisions and the requirements which might reasonably be expected to arise in a downside scenario. Taking into account reasonable potential changes in trading performance, the directors consider that BLG has sufficient liquidity to cover its forecast costs without need for further dividends from its subsidiaries.

At 31 December 2022 the Company owed £24.1m (2021: £24.1m) to Bibby Holdings Limited, which was repayable on demand. The loan with Bibby Holdings Limited was settled via a debt swap arrangement in 2023.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies in Note 3b of the Financial Statements.

Matters included in the Strategic Report:

In accordance with s.414C (11) of the Companies Act 2006, included within the Strategic Report is information relating to the future development of the business, charitable donations, 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. Details of the principal activities, the FY22 business review and corporate responsibility are also included within the Strategic Report on pages 6-22.

The Strategic report, specifically the s172 statement, includes the following information:

i) how the directors have engaged with employees; and

ii) how the directors have had regard to employee interests, and the effect of that regard, including on the principal decisions taken by the group during the financial year.

The Strategic report also contains information on how the directors have had regard to the need to foster the group's business relationships with suppliers, clients and others, and the effect of that regard, including on the principal decisions taken by the group during the financial year.

Non-adjusting events after the financial period:

Dividends:

An FY23 interim dividend of £27.71 per ordinary share and £92.55 per A ordinary share was paid in January 2023.

A further FY23 interim dividend of £58.20 per ordinary share and £194.36 per A ordinary share has been announced and is due to paid in July 2023.

Financial instruments:

As highlighted within the Strategic Report, policies are in place to effectively manage the financial risks, with the most significant considered to be liquidity risk, capital adequacy, finance cost risk and credit risk. In each case, the risk is managed by matching assets and liabilities on the relevant basis.

Disabled employees:

It is the policy of the group to ensure that all sections of the community have an equal opportunity in matters related to employment including giving full and fair consideration to applications for employment made by disabled persons. If any employee becomes disabled whilst employed by a group company, every effort is made to find suitable continuing employment, with re-training as necessary. Disabled persons share equally in the opportunities available for training, career development and promotion.

Research and development:

As highlighted on in our SECR disclosures globally maritime transport accounts for 3.5% to 4.0% of all climate change emissions; mostly carbon dioxide. In 2022 Marine are now exploring ways of commercialising a Zero Carbon technology for its future fleet expansion.

Garic continues to develop its award-winning eco-range, which is helping customers to reduce the negative impact on the environment. The company has a dedicated in-house Research & Development team who research and develop innovative eco-focused products and continuously develop more energy efficient iterations of existing products. The Company's manufacturing facility is used to build, test and refine prototype products in-house. Garic's ambition to become the partner of choice for specialist sustainable welfare and site setup; the products and services developed aim to directly tackles the challenge of climate change by reducing the use of fossil fuels in construction and infrastructure operations.

Streamlined Energy & Carbon Reporting:

The group recognises the impact climate change has on the environment and society and we are committed to reducing our energy consumption as well as our impact on the environment from our business operations.

This requires significant investment in our vessels, vehicles and offices and we have taken great strides to reduce our impact on the environment. Various programmes / initiatives have been introduced including Sustainable Business Futures, Garic eco ranges and WaveMaster Zero-C.

In 2021, Project Compass was established to bring greater focus to the shareholder strategic objectives, one of which is the Environment. The group remains committed to continuously improving its environmental performance and has launched Project Compass with a clear vision as noted below:

"We are committed to becoming an increasingly sustainable business, striving to minimise our own environmental impact and influencing positive change with our customers, colleagues & suppliers.

Our strategy to achieve this is:

1. **Be Responsible** – Measuring our current impact across our businesses and supply chains with a plan to improve our collective carbon footprint and GHG emissions and reduce our impact on the environment

2. **Be Responsive** – Manage our environmental and reputational risk by monitoring and addressing risks across our businesses and our supply chains whilst educating our colleagues, clients and suppliers

3. **Be Strategic** – Leveraging opportunity and increasingly investing in sustainable solutions putting environmental decisions front and centre of all commercial decision making to achieve these objectives

Each of our businesses are committed to this vision and are to develop a strong robust baseline to measure our carbon footprint individually and collectively and develop and implement plans.

Energy Efficiency actions

In the reporting period, BLG and its subsidiaries have continued to promote the efficient usage of energy and how this can be reduced. A highlight of some of the actions taken include:

- The MarRI-UK funded WMZC project was concluded in November 2022. The project was a desktop feasibility study evaluating alternative fuels to determine the most viable for the next generation of low-emission SOVs. The study investigated battery, methanol, hydrogen, ammonia and biodiesel (HVO). Design concepts, environmental analyses and business cases were produced for each. It was concluded by partners that a battery methanol hybrid is the most feasible solution in the mid-short term.
- Clean Maritime Demonstration Competition - In September 2022 we were successfully awarded funding as part of Round 2 of the Clean Maritime Demonstration Competition, as part of a consortium led by MJR Power & Automation (other partners: Blackfish Engineering, Damen, ORE Catapult and Clean Offshore). The consortium was awarded £1.3m for a project to develop, build and test a novel charging system to be utilised on Offshore Wind Farms to allow for the charging of battery powered SOVs via wind turbine generators or offshore substations. The project will run from January to August 2023 and currently we are nearing the end of the design stage.
- Zero Emission Vessels and Infrastructure (ZEVI) Marine are currently in the bidding process for another Innovate UK funding stream. We are bidding for a new build ultra-low emission hybrid battery (first) methanol CSOV to be built and operated in UK waters.
- Increased use of shore power by vessels in port: Shore-provided electrical power is invariably cleaner Increased use of shore power by vessels in port - Shore-provided electrical power is invariably cleaner than generating power from marine diesel, both from a carbon as well as air pollutant perspective. Feasibility of increasing the ships' 'plug-in' capacity was investigated, as the existing arrangements are only suitable for 'low load' circumstances such as dry docks. The business case proposed to the Board identified that this is not yet economically viable due to high capital costs for vessel upgrades that would be required coupled with the fact that shore power is not currently widely available in ports. The ZEVI competition looks to address this by combining electrification of vessel along with "home port" supplying shore power. All barges excluding Bibby Pioneer (at present) are capable of connection to shore power which we promote use of, however once again we are beholden to local infrastructure availability and relevant national energy strategies.

- Garic continued carbon reduction measures during 2022 and included the continued replacement of older vehicles for new, more fuel-efficient models, optimisation of transport planning to reduce non-productive miles travelled, a switch to hybrid and electric company cars for business users, fully renewable electricity across all depots and offices and a program of work to map the company's scope 1,2 and 3 carbon emissions. Garic has invested in the role of Environmental Impact Analyst to support our ambitions of becoming a net zero carbon emission business.
- BLG head office have rolled out an electric vehicle programme as part of the group initiative for all UK employees to support the move to electric vehicle, following on from moving its office electricity to being 100% renewable in 2021, which the full benefit is now being seen.
- BFS Sustainable Business Futures team meet on a regular basis to discuss environmental subjects, raise awareness through campaigns and agree actions and have partnered with TreeNation and as part of their 40th anniversary celebration have planted over 2,000 trees.
- Further initiatives are underway surrounding reducing single use plastics around the BFS offices during 2023.

<u>GHG Emissions and Usage</u>

Emissions - continuing operations (CO_2e tonnes)		2022	2021
Gas*	UK	126	-
	Non-UK	29	-
Electricity	UK	383	446
	Non-UK	99	113
Transport (owned)	UK	4,837	8,492
	Non-UK	13,756	11,957
Transport (business travel)	UK	1,893	68
	Non-UK	457	-
Total		21,580	21,076

Intensity ratio	2022	2021
Turnover (£1m)	205.1	195.6
CO_2e/£1m turnover	105.2	107.8

Energy consumption used to calculate the above emissions (kWh)		2022	2021
	UK	30,986,071	33,864,176
	Non-UK	48,683,195	45,240,331
	Total	79,669,266	79,104,507

NOTE: SECR-reportable scope 3 emissions for Marine only include business travel where the company purchased the fuel (category 6).
**- Emissions have increased significantly due to staff returning to the office, new office accommodation and more accurate data collection practices.*

Emissions from the vessels owned by the Marine business account for 74.7% down from 84.8% in 2021 of the Group's total carbon emissions and 86.7% (87.4%) of owned transport emissions. The Directors recognise that this is an area which must be improved and is the key driver for the company initiating the WaveMaster Zero C Project. The project has now completed, and we believe the technology is feasible but commercially remains a significant challenge. Work is ongoing in this area as we seek greener ways of working.

Whilst overall emissions have largely stayed the same, this masks some underlying trends. The largest emitters in the Group are our vessels, where emissions reduced by c16% due to the lack of active charters in the year, offset by increases in other transport, due to the easing of Covid restrictions and subsequent increase in business travel. Given the improvement in the charter market we would expect emissions to increase in 2023 but the intensity ratio should reduce. If more environmentally beneficial assets are brought to the market, we may see increased overall emissions but reduced per £m of Turnover until such a point as the old assets are upgraded or retired from our fleet.

Emissions from the vehicles operated by Garic account for a further 12.1% (2021: 12.2%) of the Group's total carbon emissions and 12.6% of owned transport emissions. As highlighted above, Garic use Euro 6 service HGVs equipped with an automated engine idle system to reduce emissions and are monitoring the developments in alternative fuels for HGVs.

Methodology
The methodology used to calculate the SECR greenhouse gas emissions is the UK Government GHG conversion factors for Company Reporting 2022. In addition, electricity emissions use metered kWh consumption taken from supplier invoices or from energy brokers data. Transport emissions have been calculated from Fuel Card data and expense claims.

Statement of disclosure to the auditors:
Each of the persons who is a director at the date of approval of this report confirms that:

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

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

Auditors:
Mazars LLP have expressed their willingness to continue in office as auditors and a members' written resolution to reappoint them in accordance with the provisions of s.485 of the Companies Act 2006 will be proposed to the members by the directors.

Approved by the Board on 3 July 2023 and signed on its behalf by:

J. Al-Kazaz

....

Janine Al-Kazaz
Bibby Bros. & Co. (Management) Limited, Company Secretary

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

Bibby Line Group Limited

Statement of Corporate Governance Arrangements

Although we do not have to apply the Wates Principles for 2022 due to our size, the company is committed to the principles of good corporate governance contained in the Wates Corporate Governance Principles for large private companies for the year ended 31 December 2022 and we continue to seek to apply the general principles, as set out below:

Purpose and leadership:

An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.

Founded in Liverpool in 1807, we are one of the UK's oldest family-owned businesses, with over 215 years' experience of providing personal, responsive and flexible customer solutions.

As set out on page 6, our purpose is to grow the long-term value of the group. Guided by our shared values, we are custodians of the family business for future generations, creating a diverse group of innovative companies that develop colleagues, delight customers and give back to communities.

Our values (set out on page 6) are core to the way in which we do business and the behaviours expected of the directors, management and employees are demonstrated in everyday decisions and actions.

An overview of the group's strategy and our corporate strategic objectives are also set out on page 6.

Board composition:

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

The Board of Directors is set out on page 23. The composition of the Board is appropriate for the current size and complexity of the group, whilst maintaining a balance of skills and experience. The group board recognises the importance of introducing specific independent industry experience and governance expertise to the subsidiary boards and in the last two years has appointed two non-executive directors to sit on the BFS board to provide relevant experience and challenge, one of whom is the chair of the BFS Audit Committee.

The Board is also supported by the Nomination Committee. More information on the role of the Nomination Committee can be found on page 30.

The role of the Board is to work with management to review, challenge, and agree the strategy of the business, monitor progress against the strategy and review the mitigation of risks that may affect the execution of the strategy as well as decisions regarding allocation of equity within the Group. The Board is collectively responsible for ensuring that the Group is well governed and there is an appropriate portfolio of companies to spread risk effectively. It also reviews trading performance, funding facilities, talent management, and maintains oversight of the group's systems of risk management and internal control.

The non-executive directors are responsible for bringing independent scrutiny and judgement to bear on the decisions taken by the Board. The Group has a separate Chairman, and Chief Executive Officer (CEO), to ensure that the balance of responsibilities, accountabilities and decision making across the group are effectively maintained.

The BLG Board held five board meetings during 2022 and one sub-Board meeting to approve the accounts, which were supplemented by additional written approvals and regular executive team meetings, communication via email, and conversations between the executive and non-executive directors. During 2022 there was full attendance at all board meetings.

Statement of Corporate Governance Arrangements

During 2022, the Garic and BFS boards were chaired by the Group CEO, as a non-executive director, and the Group Chairman chaired the Marine Board, with the Group CEO also attending as a non-executive director.

Directors' responsibilities:

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

The executive team is responsible for day-to-day management, with certain restrictions on their powers set out in the company's 'Matters reserved for board approval' schedule. The Group CEO, Jonathan Lewis, is the only Executive member of the Group Board.

During 2022 the Group and Subsidiary "Schedule of Matters Reserved for the Board" were all reviewed, amended and adopted by the respective Boards. The schedule of matters reserved for the board includes the appointment of group directors and divisional chief executives, significant acquisitions, significant capital expenditure or leases, financial guarantees and bank facilities, and changes to Group accounting policies.

The governance framework facilitates responsive and effective decision making, ensuring that the board and its committees, the Executive, and senior management are able to collaborate proactively, consider issues and respond.

There is currently one non-family non-executive director, David Anderson, who has been on the board since August 2012. He is considered to be wholly independent in that he has no business relationships with the company that might influence his independence or judgement.

We also have two family Directors, Sir Michael Bibby Bt. DL and Geoffrey Bibby. Geoffrey Bibby represents the interests of the major shareholders, and Sir Michael Bibby Bt. DL, acting as Chairman, represents the interests of all shareholders.

Each board member has a clear understanding of their accountabilities and responsibilities. This is augmented by a clear Board "Terms of Reference" which is reviewed annually in line with governance best practice. The board receives a monthly performance report which contains key commercial and operational performance reporting, financial information and KPIs. The performance report facilitates board discussion and engagement on key issues.

On appointment, new group and subsidiary board directors are provided with a tailored induction programme to fit with their individual experiences and needs. Board members are committed to continually improving their skills and knowledge and the Group is committed to ensuring Board members have sufficient training and development.

Of the five board meetings held in 2022, one board meeting was designated as a Strategy Day to focus on both the group and divisional strategies and one was predominantly focused on the review of the group and divisional operating plans.

The Board is supported by its sub committees in discharging its duties. The Committee meetings are aligned to the cadence of the board calendar with each committee providing the board with their latest updates and recommendations for approval. The purpose of each sub-committee is set out below.

The Audit and Risk Committee's purpose is to review the application of corporate governance, corporate reporting, risk management, and internal control principles within BLG and advise the group board on such matters. The Audit and Risk Committee also oversees the group's relationship with the professional services firms who perform external and internal auditor roles.

Statement of Corporate Governance Arrangements

The Audit and Risk Committee members are the non-executive directors of the company (apart from the Chairman), who are considered to have appropriate financial expertise. During 2022, the Chairman, Group CEO, Director of Group Finance & Tax, Group Financial Controller and Group Risk and Assurance Manager were invited to attend meetings of the committee as required, along with both the internal and external auditors.

During 2022 the committee met five times, in line with the company's financial reporting cycle. There was full attendance by the committee members at all of the meetings. The Audit and Risk Committee reviewed the work of internal audit, performed by PwC, and met with the external auditors to review the completion of the 2021 statutory audit, confirm independence of the auditors and planning for the 2022 statutory audit.

The Audit and Risk Committee continually reviews the form of the Annual Report to ensure that it accurately meets the needs of its recipients, whilst at the same time properly reflects the group's status as a private company.

The Audit and Risk Committee has set guidelines for the pre-approval of all non-audit services to be provided by the external auditors. The committee reviewed the external audit fee arrangements and concluded that they are appropriate.

The Group Chair of the Audit & Risk Committee attended the BFS Audit Committee meetings during 2022 to facilitate alignment between the Committees and to gain a deeper understanding of the BFS risk environment.

Opportunity and risk:

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.

Long-term strategic opportunities are captured in the annual Strategy Day and the annual group operating plan process which is presented to the group board every year and covers a three-year horizon. Short-term opportunities to improve performance, resilience and liquidity are captured through monthly and quarterly performance review meetings with each business, which in 2022 were attended by the Group Exec (which comprised of the Group CEO, Group Strategy Director, Group HR Director and Group Director of Finance & Tax).

Our Principal Risks and Uncertainties are detailed on pages 12-15. These are monitored and managed through the quarterly performance review meetings with each business and are reported to the BLG group Audit & Risk Committee. Our risk management and internal control processes are supported by PwC, who were appointed in 2022 to provide internal audit services to the group and subsidiary businesses. A Group Risk and Assurance Manager was appointed during 2022 to strengthen coverage across all risk areas.

Remuneration:

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

The board delegates responsibility for the remuneration of parent company executive directors, any subsidiary business Chief Executive Officer, and other senior positions with salary over a certain level to the Remuneration Committee.

The Remuneration Committee's purpose and guiding principles is to review and approve the remuneration (including all salary, bonus and other benefits) of the parent company executive directors, any subsidiary business Chief Executive Officer, and other senior positions with salary over a certain level. The members of the Remuneration Committee are the non-executive directors of the company, except the Chairman.

Statement of Corporate Governance Arrangements

During 2022 the Group CEO and the Group HR Director were in attendance at each Remuneration Committee meeting and the Group Chairman was also invited to attend. During 2022 a new Group HR Director was appointed to replace the previous Group HR Director who stepped down on 30 June 2022.

The Remuneration Committee met four times during 2022. There was full attendance by committee members at all meetings.

In determining these remuneration packages, the committee has regard to:

- the importance of recruiting and retaining management of the quality required;
- aligning the objectives of management with those of the shareholders; and
- giving every encouragement to enhancing the group's performance through innovation and achievement in the competitive markets in which the group operates.

All executive directors have service contracts with the company which are terminable within six months by either party. Details of Company only director remuneration is given in note 12 to the financial statements.

The group operates a long-term incentive plan for the executive directors of the group board, senior employees in the parent company and certain executive directors and key employees of the main operating subsidiaries.

The Nomination Committee is responsible for reviewing board composition, proposing new board appointments and monitoring the board's talent and succession needs.

The Nomination Committee is responsible for ensuring the composition and the structure of the board remains effective, balanced and optimally suited to the Company's strategic priorities, in practice this involves evaluation and orderly succession of directors.

The Nomination Committee met twice during 2022 at which there was full attendance.

The committee comprises the non-executive directors of the company. The Group CEO and Group HR director were in attendance at each nomination committee meeting.

Stakeholder relationships and engagement:

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The group is committed to being a responsible organisation, including minimising environmental impact, creating safe places for our people to work and develop, while supporting our communities, as explained in our s.172 Statement.

As also described in the s.172 Statement, the group continually develops effective employee communication, consultation and involvement. Colleague engagement surveys are completed in all businesses with the results and related actions being reviewed at the quarterly performance reviews.

The group's businesses use external Net Promotor Scores, Trustpilot ratings or similar tools to support strong service level provision to their customers.

David Anderson, in his role as senior independent NED holds annual meetings with the Trustees of the Bibby Family Trusts, which make up the majority shareholder of the Bibby Line Group. The first of these meetings took place in March 2022.

Bibby Line Group Limited

Statement of Corporate Governance Arrangements

The group communicates openly with the BLG Pension Trustee Board, providing trading updates not less than twice a year.

2023 Changes to Governance Arrangements

Bibby Marine has appointed an external NED with relevant current experience in the marine and offshore industry. The appointment of the new NED will strengthen the Board's role in providing support and challenge to the Marine Executives and help deliver the overall strategy of the business.

BLG are also seeking to appoint an additional independent NED to the Group Board to provide additional support and challenge.

Directors' Responsibilities Statement

For the year ended 31 December 2022

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the members of Bibby Line Group Limited

Opinion

We have audited the financial statements of Bibby Line Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise consolidated profit and loss account, consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement 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 consolidated financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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 Group 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 directors' 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 Group's ability to continue as a going concern for a period of at least twelve months from when the consolidated 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 members are responsible for the other information. The other information comprises the information included in the strategic report, directors' report, statement of corporate governance arrangements, directors' responsibilities statement, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the members of Bibby Line Group Limited

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 this gives rise to a material misstatement in the financial statements themselves. 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- 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 30, the members are responsible for the preparation of the consolidated 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 consolidated 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 Group's and parent 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 Group or the parent 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.

Independent Auditor's Report to the members of Bibby Line Group Limited

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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 Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, pension legislation, UK tax legislation. 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.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of the directors and management as to whether the Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud.

In addition, we evaluated the directors' incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

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.

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.

Independent Auditor's Report to the members of Bibby Line Group Limited

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.

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.

Tim Hudson

Tim Hudson (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester, UK
3 July 2023

Consolidated Profit and Loss Account
For the year ended 31 December 2022

	Note	Total 2022 £000	Continuing Operations 2021 £000	Discontinued Operations 2021 £000	Total 2021 £000
Turnover	5	204,951	195,599	64,025	259,624
Cost of sales		(178,028)	(165,506)	(60,196)	(225,702)
Gross profit		26,923	30,093	3,829	33,922
Administrative expenses		(21,321)	(23,721)	(4,596)	(28,317)
Other operating income	6	-	386	71	457
Exceptional items	9	-	(3,005)	-	(3,005)
Operating profit/(loss)		**5,602**	**3,753**	**(696)**	**3,057**
Profit/(loss) on disposal of fixed assets	8	81	100	35	135
Profit on disposal of subsidiaries	8	297	-	30,389	30,389
Profit/(loss) on ordinary activities before interest		5,980	3,853	29,728	33,581
Finance cost (net)	7	(2,201)	(2,544)	(112)	(2,656)
Profit/(loss) on ordinary activities before taxation		**3,779**	**1,309**	**29,616**	**30,925**
Taxation on loss on ordinary activities	13	5,371	4,613	-	4,613
Profit/(loss) for the financial year		**9,150**	**5,922**	**29,616**	**35,538**

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Profit/(loss) for the financial year		**9,150**	**35,538**
Remeasurement of net defined benefit on pension liabilities	29	(2,086)	2,529
Currency translation difference on foreign currency net investments		119	(2,360)
Tax impact on remeasurement of the defined benefit pension scheme		780	(632)
Total comprehensive income/(expense) for the year		**7,963**	**35,075**
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		**7,963**	**35,075**

Bibby Line Group Limited

Consolidated Balance Sheet
As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	15	2,347	4,591
Tangible assets	16	100,590	99,492
		102,937	104,083
Current assets			
Stock	17	1,438	1,710
Debtors	18	966,366	938,950
Cash and cash equivalents		64,486	73,852
		1,032,290	1,014,512
Creditors: Amounts falling due within one year	19	(237,603)	(250,568)
Net current assets		794,687	763,944
Total assets less current liabilities		897,624	868,027
Creditors: Amounts falling due after more than one year	20	(716,142)	(693,589)
Provisions for liabilities and charges	22	(1,739)	(1,717)
Net Assets excluding pension		179,743	172,721
Pension asset	29	1,034	1,706
Pension liability	29	(113)	(226)
Net assets		**180,664**	**174,201**
Capital and reserves:			
Called-up share capital	24	17,708	17,708
Other reserves		572	572
Profit and loss account		162,384	155,921
Total shareholders' funds		**180,664**	**174,201**

The financial statements of Bibby Line Group Limited (registered number: 00034121) were approved by the board of directors and authorised for issue on 3 July 2023. They were signed on its behalf by:

Jonathan Lewis

Director

Bibby Line Group Limited

Company Balance Sheet
As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	16	138	174
Investments	16	67,600	67,600
		67,738	67,774
Current assets			
Debtors	19	30,664	29,530
Cash at bank and in hand		10,918	19,071
		41,582	48,601
Creditors: amounts falling due within one year	19	(44,551)	(44,904)
Net current assets		(2,969)	3,697
Total assets less current liabilities		64,769	71,471
Creditors: amounts falling due after more than one year	20	(154)	(154)
Provisions for liabilities and charges	22	(172)	(423)
Net Assets excluding pension		64,443	70,894
Pension asset	29	1,034	1,706
Pension liability	29	(113)	(226)
Net assets		**65,364**	**72,374**
Capital and reserves:			
Called-up share capital	24	17,708	17,708
Capital redemption reserve		572	572
Profit and loss account		47,084	54,094
Total shareholders' funds		**65,364**	**72,374**

The company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006.

The company has made a loss for the financial year of £4,204,000 (2021: £4,090,000 loss).

The financial statements of Bibby Line Group Limited (registered number 00034121) were approved by the board of directors and authorised for issue on 3 July 2023. They were signed on its behalf by:

Jonathan Lewis

Director

Bibby Line Group Limited

Consolidated Statement of Changes in Equity

	Called-up share capital £000	Capital redemption £000	Profit and loss account £000	Total £000
At 1 January 2022	17,708	572	155,921	174,201
Profit for the financial year	-	-	9,150	9,150
Currency translation differences	-	-	119	119
Remeasurement of net defined benefit pension liabilities (note 29)	-	-	(2,086)	(2,086)
Tax relating to items of other comprehensive income	-	-	780	780
Total comprehensive income	17,708	572	163,884	182,164
Dividends paid on equity shares (note 25)	-	-	(1,500)	(1,500)
At 31 December 2022	17,708	572	162,384	180,664

	Called-up share capital £000	Capital redemption £000	Profit and loss account £000	Total £000
At 1 January 2021	18,005	275	123,505	141,785
Profit for the financial year	-	-	35,538	35,538
Currency translation differences	-	-	(2,360)	(2,360)
Share buy back	(297)	297	(985)	(985)
Remeasurement of net defined benefit pension liabilities (note 29)	-	-	2,529	2,529
Tax relating to items of other comprehensive income	-	-	(632)	(632)
Total comprehensive income	17,708	572	157,595	175,875
Dividends paid on equity shares (note 25)	-	-	(1,674)	(1,674)
At 31 December 2021	17,708	572	155,921	174,201

Company Statement of Changes in Equity

	Called-up share capital	Capital redemption	Profit and loss account	Total
	£000	£000	£000	£000
At 1 January 2022	17,708	572	54,094	72,374
Loss for the financial year	-	-	(4,204)	(4,204)
Remeasurement of net defined benefit pension liabilities (note 29)	-	-	(2,086)	(2,086)
Tax relating to items of other comprehensive income	-	-	780	780
Total Comprehensive Income	17,708	572	48,584	66,864
Dividends paid on equity shares (note 25)	-	-	(1,500)	(1,500)
At 31 December 2022	17,708	572	47,084	65,364

	Called-up share capital	Capital redemption	Profit and loss account	Total
	£000	£000	£000	£000
At 1 January 2021	18,005	275	58,946	77,226
Loss for the financial year	-	-	(4,090)	(4,090)
Share buy back	(297)	297	(985)	(985)
Remeasurement of net defined benefit pension liabilities (note 29)	-	-	2,529	2,529
Tax relating to items of other comprehensive income	-	-	(632)	(632)
Total Comprehensive Income	17,708	572	55,768	74,048
Dividends paid on equity shares (note 25)	-	-	(1,674)	(1,674)
At 31 December 2021	17,708	572	54,094	72,374

Bibby Line Group Limited

Consolidated Cash Flow Statement
For the year ended 31 December 2022

	Note	£000	2022 £000	£000	2021 £000
Net cash inflow/(outflow) from non-financial services operating activities	26		4,868		8,498
Net cash inflow/(outflow) from financial services operating activities	26		(4,860)		(118,737)
Net cash flows from operating activities			8		(110,239)
Cash flows from investing activities					
Purchase of tangible and intangible fixed assets		(10,161)		(7,530)	
Proceeds/(costs) on sale of tangible fixed assets		674		1,154	
Interest received		1,185		253	
Disposal of a subsidiary		-		16,259	
Net cash flows from investing activities			(8,302)		10,136
Cash flows from financing activities					
Equity dividends		(1,497)		(1,674)	
Dividends paid on preference shares		(15)		(15)	
Interest paid		(1,117)		(2,232)	
Proceeds from draw down of existing borrowing facilities (Repayment of amounts borrowed)		(6,188)		84,520	
Capital element of hire purchase and finance lease payments		(2,556)		(2,507)	
New loans		2,104		8,004	
New/(Repayment of hire purchase and finance lease agreements		(837)		-	
Net cash flows from financing activities			(10,106)		86,096
Net increase in cash and cash equivalents			(18,400)		(14,007)
Cash and cash equivalents at beginning of year			63,581		91,617
Non-cash items			-		(10,230)
Effect of foreign exchange rate changes			1,950		(3,799)
Cash and cash equivalents at end of year	28		47,131		63,581

Given the Group contains a significant financial services entity the cashflow presented needs to incorporate both presentations. As a result, readers may wish to review the financial statements of Bibby Financial Services Limited which are available from Companies House or their registered office of 3rd Floor Walker House, Exchange Flags, Liverpool, L3 3YL.

Notes to the Financial Statements
For the year ended 31 December 2022

1. General information

Bibby Line Group Limited ('the company') and its subsidiaries (together 'the group') provides invoice finance, asset finance, trade finance and foreign exchange services to small and medium sized businesses, marine assets and services, construction equipment sales and hire. The company is a private company limited by shares and is incorporated in England. The address of its registered office is 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL.

2. Statement of compliance

The group and individual financial statements of Bibby Line Group Limited 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.

3. Summary of significant accounting policies

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

a. Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. 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 group and 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 in note 4. The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

b. Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After challenging the forecasts including assessing the impact of possible downside scenarios, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

At 31 December 2022 the Company owed £15.5m (2021: £15.5m) to Bibby Financial Services Limited and £24.1m (2021: £24.1m) to Bibby Holdings Limited, both of which are repayable on demand. Bibby Financial Services Limited has confirmed there is no expectation that the loan will be called within the next 12 months. The loan with Bibby Holdings Limited was settled via a debt swap arrangement in 2023.

The Group and Company therefore continues to adopt the going concern basis in preparing its financial statements. The reasons for the appropriateness of this assumption are in the Directors' Report.

3. Summary of significant accounting policies (continued)

c. Exemptions for qualifying entities under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The company has taken advantage of the following exemptions in its individual financial statements: from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows; from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

d. Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings together with the group's share of the results of associates made up to 31 December. A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary. Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements. An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and where the group has significant influence.

The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting. Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively. Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

e. Foreign currency

i. Functional and presentation currency

The group financial statements are presented in pound sterling and rounded to thousands. The company's functional and presentation currency is the pound sterling.

3. Summary of significant accounting policies (continued)

e. Foreign currency (continued)

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance cost (net)'. All other foreign exchange gains and losses are presented in the profit and loss account within 'administration expenses'.

iii. Translation

The trading results of group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'total comprehensive income/expense' and allocated to non-controlling interest as appropriate.

f. 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 group and value added taxes. The group 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 group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the group 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 group's sales channels have been met; as described below.

i. Sale or service of products and assets

Sales of goods and services are recognised by the group on sale to the customer by delivery or collection, which is considered the point of delivery at which point the risks and reward of ownership pass to the customer.

ii. Financial services

Turnover arises from asset based lending and financial services to clients, representing service charges, discount income and other charges. Service and other income is measured at the fair value of consideration received or receivable and is recognised when services are delivered, when the amount of revenue can be reliably measured 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 (including trade debtors and finance

3. Summary of significant accounting policies (continued)

f. Revenue recognition (continued)

ii. Financial services (continued)

lease receivables) is determined using the effective interest method. Effective interest when applied against a financial asset, is a method of calculating the amortised cost of a financial asset and allocating the 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 value. Turnover in relation to foreign exchange services provided to customers is the net value of currencies bought and sold and net income from derivatives and is recognised at the trade date.
iii. Income from marine vessel hire

Revenue is recognised on a time accrual basis. 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.

iv. Interest income

Interest income is recognised using the effective interest rate method.

v. Dividend income

Dividend income is recognised when the right to receive payment is established.

g. Exceptional items

The group classifies certain one-off charges or credits that have a material impact on the group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the group.

h. Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

i. Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii. Defined contributory pension schemes

The group operates a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

iii. Defined benefit pension plans

The group manages a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

3. Summary of significant accounting policies (continued)

h. Employee benefits (continued)

The asset and/or liability is recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'remeasurement of net defined benefit on pension liabilities'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises: (a) the increase in pension benefit liability arising from employee service during the period; and (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'finance cost (net)'.

The group also contributes to the Merchant Navy Officers' Pension Fund (MNOPF) which is a multi-employer defined benefit scheme. The group is unable to identify its share of the underlying assets and liabilities of the MNOPF but has agreed a schedule of contributions to the overall scheme deficit. These have been recognised in the pension liability on the balance sheet. This provision will unwind as contributions are paid and will increase if a revised, increased, schedule of contributions is agreed with the MNOPF.

iv. Annual bonus plan

The group operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

v. Long term incentive plans

The group operates cash-settled long term incentive plans at an operating business level for certain members of management. The plans are based on the business's performance over a three-year period against budget on a variety of measures, including revenue growth, an adjusted operating profit measure, cash targets and an individual's personal targets in developing the business. A liability for the plan is raised on the estimated amount payable in terms of the incentive scheme plans.

3. Summary of significant accounting policies (continued)

i. Government grants

The group accounts for government grants using the accruals model. Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group and company with no future related cost are recognised in the profit or loss in the period in which they become receivable.

j. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

k. Business combinations and goodwill

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

3. Summary of significant accounting policies (continued)

k. Business combinations and goodwill (continued)

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Where the terms of an acquisition give rise to consideration payable on a future date and contingent on the uncertain future performance of the entity acquired, the financial statements contain the directors' best estimate of the fair value of the future liability to the extent that it can be measured reliably. The liability will be revised as further and more certain information becomes available and any changes made against goodwill.

Goodwill is amortised over its expected useful life which is currently estimated to be between 4 and 20 years. Goodwill is assessed for impairment when there are indicators of impairment, and any impairment is charged to the income statement. No reversals of impairment are recognised.

l. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Software and development - 5-10 years

Amortisation is included in 'administrative expenses' in the profit and loss account. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

3. Summary of significant accounting policies (continued)

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

m. 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.

i. Land & buildings

Land and buildings include freehold and leasehold offices. Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

ii. Plant and machinery and fixtures, fittings, tools and equipment

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

iii. Dry dock costs

Dry dock costs comprising non-enhancement costs for vessels associated with their periodic dry docking are written off in the year in which the dry dock takes place. Enhancement costs are capitalised and depreciated over the useful life of the enhancement.

iv. Depreciation and residual values

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- Freehold buildings – 50 years
- Long leasehold land and buildings – 50 years
- Short leasehold land and buildings – The life of the lease
- Fleet – Varying rates between 5 and 20 years
- Vehicles and equipment – Varying rates between 3 and 15 years

v. 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 group 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.

vi. Assets in the course of construction

3. Summary of significant accounting policies (continued)

m. Tangible assets (continued)

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

vii. 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 'profit/(loss) on disposal of fixed assets'.

n. Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. Leased assets

At inception the group 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.

i. 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 group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

ii. 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.

iii. Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

3. Summary of significant accounting policies (continued)

o. Leased assets (continued)

iv. Leased assets where the group is lessor

Assets leased to customers which transfer substantially all the risks and rewards of ownership to the customer are classified as finance leases and are recorded within debtors. The net investment in finance leases represents total minimum payments less gross earnings allocated to future periods.

v. Operating leased assets where the group is lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

p. Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or 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.

q. Investments - company

Investment in a subsidiary company is held at cost less accumulated impairment losses.

3. Summary of significant accounting policies (continued)

r. Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

s. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

t. Provisions and contingencies

i. Provisions

Provisions are recognised when the group 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.

ii. 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 group'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.

3. Summary of significant accounting policies (continued)

u. Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables 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 payment is due within

3. Summary of significant accounting policies (continued)

one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

u. Financial instruments

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

iv. Hedging arrangements

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

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

v. 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.

w. Distributions to equity holders

Dividends and other distributions to the group'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.

x. Related party transactions

The group 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 group financial statements.

4. Critical accounting judgements and 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 group's accounting policies

Viability of Subsidiaries (judgement)

In the course of preparing its financial statements, the Group considers whether events or conditions exist that may cast significant doubt upon the ongoing viability of the trading subsidiaries. This judgement is made as it is these trading businesses that will allow the group to achieve its long term objectives and forms the fundamental basis for the other key accounting estimates and judgements noted below. Management has assessed whether such conditions exist at a business subsidiary level and in particular within the Financial Services business as a key driver of the net asset value of the group. After detailed consideration of the business operating plans, including the associated execution risks offset by the mitigating actions available to the businesses and Group, it has been concluded that the judgement of ongoing viability of subsidiaries remains appropriate.

At a Company only level, an annual investment impairment review is undertaken to determine whether there are indications of impairment to the carrying value of either the company only investments in subsidiaries or the inter-company loans.

Revenue recognition (Judgement)

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

Finance lease costs (Judgement and Estimate)

The Group 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.

Assessment of the impairment of Bibby Financial Services' financial assets (judgement and estimate)

In considering indications of impairment of financial assets the Bibby Financial Services ("BFS") 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. Given the specialised nature of the company's activities and its application of FRS 102 Section 34, information about the credit quality of its financial assets is contained within note 21 Financial instruments and risk management.

In setting the level of impairment provisions management is required to estimate the level and timing of cash recoverable from collect-outs, realisation of security, payment plans, corporate and personal insolvencies, and other legal actions. A case-by-case assessment is carried-out of all loans with incurred losses and an assessment made of the quantum and timing of likely cash recoveries based on the facts and

4. Critical accounting judgements and estimation uncertainty (continued)

circumstances of each case and on significant past experiences of the Group. The timing of the expected cash flows impacts the level of discounting that occurs in reflecting the time value of money.

There is particular complexity and judgement around the level of provision required when a debtor is in arrears and enters into collect out (the process of recovering delinquent debt). The Group assesses debtors in collect out on a case-by-case basis, in terms of the expected amount that will be recovered, and the timeframe to recover the monies, which require to be discounted to reflect the time value of money. There has been no change in the methodology used to assess expected recoveries in the period.

At the balance sheet date, non-performing trade debtors and finance lease receivables totalled £29.9m (2021: £30.4m), against which impairment provisions totalled £20.2m (2021: £25.0m). See Note 21 for further details. A 10% change in the expected level of collection from debtors in collect out at year end would result in an increase / decrease of £2.0m (2021: £2.5m) in the level of required provision. If the collect out process takes on average 6 months less or longer than the Group's assumption there would be a circa £0.5m (2021: £0.4m) decrease in the level of provision required.

Transaction costs relating to lease assets (judgement)

The net investment in the BFS' finance leases includes initial direct costs which are incremental to the origination of the finance leases. These costs, which also include an element of internal staff costs, are amortised over the life of the finance lease receivable. There is particular complexity and judgement around determining which costs are directly attributable to the origination of a financial asset, in particular the amount of internal staff costs that are directly attributable to the origination of assets. BFS currently capitalises a significant element of staff costs within its leasing business as they believe these represent costs that are incremental and directly attributable to the negotiating and arranging of leases. At the balance sheet date, the other debtors balance includes internal costs of £2.4m (2021: £2.7m) which are deferred for amortisation over the term of the leases, which typically extend up to five years. During the year £1.3m (2021: £1.2m) of costs were capitalised.

The group 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.

Garic useful economic lives of tangible assets (judgement and estimate)

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 is considered a source of significant estimation uncertainty.

Changes in the useful economic life of assets are accounted for by amending the prospective useful economic life and the annual depreciation charge over the remaining useful life of the asset.

Marine Asset residual values (estimate)

The carrying value of the Group's vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tends to fluctuate with changes in market conditions which tend to be cyclical. The Group evaluates the carrying amounts and periods over which long-lived assets are

4. Critical accounting judgements and estimation uncertainty (continued)

depreciated to determine if events have occurred which would require modification to their carrying values or useful lives.

These assessments are made at an individual vessel level since separately identifiable cash flow information for each vessel is available. These assumptions are based on historical trends as well as future expectations. The key assumptions relate to future earnings and the discount rate applied to the future cash flows. Rates currently in effect for the duration of existing contracts are used. For future periods not covered by an existing contract management estimate charter rates using a number of indicators, including management's view of the cyclicality of shipping markets. The carrying value of the property, plant and equipment within the Marine business at 31 December 2022 is £66.0m (2021: £65.4m).

Pensions (estimate)
The financial statements include an estimate of the net liability in respect of the BLG Pension Scheme defined benefit obligation. This has been calculated in accordance with the requirements of FRS 102 by a qualified actuary using the projected unit method. The assumptions used in this calculation were selected by the directors based on actuarial advice as the current best estimate of the components of the calculation, however, the net liability recognised is sensitive to these assumptions and note 29 includes the impact of changes in these assumptions.

5. Analysis by class of business and geographical market

	2022 UK	2022 Rest of world	2022 Total	2021 UK	2021 Rest of world	2021 Total
	£000	£000	£000	£000	£000	£000
Turnover						
Financial Services	102,068	48,437	150,505	88,610	43,825	132,435
Garic	37,446	-	37,446	37,284	-	37,284
Marine	6,663	10,337	17,000	7,957	17,923	25,880
Continuing operations	146,177	58,774	204,951	133,851	61,748	195,599
Discontinued operations						
Retail	-	-	-	64,015	10	64,025
Total	146,177	58,774	204,951	197,866	61,758	259,624

6. Other operating income

	2022	2021
	£000	£000
Amounts received under the CJRS (Covid Jobs Retention Scheme)	-	71
Other	-	386
	-	457

7. Finance costs (net)

	2022 £000	2021 £000
Interest receivable and similar income		
Other interest receivable	165	13
Interest on pension scheme assets	59	-
	224	13
Interest payable and similar expenses		
On bank loans, overdrafts and other secured loans	(1,048)	(1,165)
HP and finance leases	(1,094)	(1,409)
On other debt financing	(95)	(59)
Amortisation of debt issuance costs	(173)	
Net interest cost on defined benefit pension liability	-	(21)
On £100 preference shares at 9.75% of nominal value	(15)	(15)
	(2,425)	(2,669)
Finance cost (net)	(2,201)	(2,656)

In addition, interest payable by the BFS business is included in the Group Profit and Loss Account within cost of sales. The amount charged in the year was:

On bank loans and overdrafts	32,848	20,934

8. Profit on disposal

	2022 £000	2021 £000
Profit on disposal of fixed assets		
Profit on disposal of tangible fixed assets	81	135
The net tax effect of the above transaction is a tax charge/(credit) of	15	26
Profit on disposal of subsidiaries	297	30,389
The net tax effect on the above transactions is a tax charge of	-	-

During 2022 Bibby Financial Services received deferred consideration of £0.3m (2021: £0.3m) relating to the previous disposal of its North American business.

On 11 February 2021, Bibby Line Group completed the sale of Costcutter, realising a profit on disposal of £30.1m, including transaction costs, on a consolidated basis only.

There have been no disposals of subsidiaries during the current year.

9. Exceptional items

	Total 2022 £000	Total 2021 £000
Exceptional items	-	(3,005)

Exceptional items in the prior year relate to BFS restructuring costs and wholly relate to continuing operations.

10. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting) the following amount:

	2022 £000	2021 £000
Depreciation – owned tangible fixed assets (see note 16)	10,170	11,967
Depreciation – leased tangible fixed assets (see note 16)	2,216	1,986
Amortisation of intangible fixed assets (see note 15)	2,834	6,974
Foreign exchange gain	(1,405)	(1,471)
(Profit) / loss on disposal of fixed assets	(81)	(135)
Charitable donations	33	45
Operating lease costs:		
Plant and machinery	4,669	4,700
Other	1,685	1,950
Fees payable to the group's auditors for:		
- the audit of the company's current year accounts	110	150
- the audit of the company's subsidiaries current year accounts	638	774
Total audit fees	748	924
Auditor's remuneration for non-audit services:		
Tax compliance services	-	3
Other assurance services	12	7
Total non-audit fees	12	10

11. Staff numbers and costs

The average monthly number of employees (including executive directors) employed by the group throughout the period was:

	2022 Number	2021 Number
Marine	49	49
Financial Services	936	920
Garic	266	271
Head Office	22	23
	1,273	1,263

11. Staff numbers and costs (continued)

Their aggregate remuneration comprised:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Wages and salaries	65,219	68,290	2,380	2,251
Social security costs	9,489	8,320	329	322
Pension costs	2,621	2,517	114	117
	77,329	79,127	2,823	2,690

Pension costs includes defined benefit scheme costs and define contribution scheme charges included within 'administration expenses' in Profit and Loss.

12. Directors' remuneration

	2022	**2021**
	£000	**£000**
David Anderson	55	55
Geoffrey Bibby	56	56
Sir Michael Bibby Bt.DL	125	125
Jonathan Lewis	666	735
	902	971

Directors remuneration include Salary/Fees, benefits in kind, pension and bonus paid in the year.

13. Tax on profit/(loss) on ordinary activities

	2022 £000	2021 £000
Tax on profit/(loss) on ordinary activities		
Current year UK corporation tax charge/(credit)	2	1
Prior year UK corporation tax charge/(credit)	(17)	111
Current year foreign tax charge	2,080	2,153
Prior year charge for foreign tax	(375)	295
Current tax charge for the year	1,690	2,561
Deferred tax charge on pension scheme costs	290	237
Adjustments in respect of prior years	1,301	(2,740)
Effect of change in tax rate on opening asset	(669)	(6,114)
Origination and reversal of timing differences	(7,983)	1,443
Deferred tax credit for the year (see note 19)	(7,061)	(7,174)
Total tax (credit)/charge for the year	(5,371)	(4,613)

Factors affecting the tax (credit)/charge for the year:

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax are as follows:

	2022 £000	2021 £000
Tax reconciliation		
Profit / (Loss) on ordinary activities before taxation	3,779	30,922
Profit / (Loss) on ordinary activities multiplied by the weighted average rate of UK corporation tax of 19.00% (2021: 19.00%)	718	5,875
Effect of:		
Non-taxable income	-	(5,900)
Expenses not deductible for tax purposes including amortisation of goodwill	995	577
Other timing differences	(7,280)	3,864
Adjustment in respect of prior year	910	(2,444)
Difference in tonnage tax rate to weighted average tax rate	2	1
Different rate of overseas tax	134	306
Change in deferred tax rate	(850)	(6,891)
Total tax (credit) for the year	(5,371)	(4,613)

14. Investments

Company

	Total
	£000
At 1 January 2022 and 31 December 2022	67,600

See note 34 for details of subsidiary undertakings.

Bibby Line Limited (registered number 06458336) has taken advantage of an exemption from audit under section 479A of the Companies Act 2006.

As the ultimate parent, Bibby Line Group Limited, has provided a statutory guarantee for any outstanding liabilities of Bibby Line Limited.

15. Intangible fixed assets

Group

	Goodwill £000	Intangible assets £000	Total £000
Cost			
At 1 January 2022	14,601	37,830	52,431
Additions	-	672	672
Disposals	-	(153)	(153)
Exchange differences	-	97	97
At 31 December 2022	**14,601**	**38,446**	**53,047**
Amortisation			
At 1 January 2022	14,601	33,239	47,840
Charge for the year	-	2,834	2,834
Amortisation eliminated on disposals	-	(46)	(46)
Exchange differences	-	72	72
At 31 December 2022	**14,601**	**36,099**	**50,700**
Net book value			
At 31 December 2022	-	2,347	2,347
At 31 December 2021	-	4,591	4,591

The intangible total includes £1.7m (2021: £4.4m) of leased assets (software) with secured funding within the Financial Services division.

16. Tangible fixed assets

Group	Vehicles and equipment Fleet £000	Vehicles and equipment Other £000	Short Leasehold £000	Total £000
Cost or valuation				
At 1 January 2022	133,823	64,524	7,443	205,790
Additions	2,525	7,678	-	10,203
Disposals	-	(2,347)	(5)	(2,352)
Transfers	(47)	47	-	-
Exchange differences	4,484	86	98	4,668
At 31 December 2022	**140,785**	**69,988**	**7,536**	**218,309**
Depreciation				
At 1 January 2022	68,469	34,661	3,168	106,298
Charge for the year	4,890	6,662	834	12,386
Eliminated on disposal	-	(2,091)	(5)	(2,096)
Transfers	(6)	6	-	-
Exchange differences	988	85	58	1,131
At 31 December 2022	**74,341**	**39,323**	**4,055**	**117,719**
Net book value				
At 31 December 2022	**66,444**	**30,665**	**3,481**	**100,590**
At 31 December 2021	65,354	29,863	4,275	99,492

The net carrying amount of assets held under finance leases included in vehicles and equipment - fleet is £32,209,000 (2021: £32,302,000) and included in vehicles and equipment – other is £210,000 (2021: £477,000).

16. Tangible fixed assets (continued)

Company	**Vehicles and equipment £000**	**Total £000**
Cost or valuation		
At 1 January 2022	258	258
Additions	14	14
Disposals	(30)	(30)
At 31 December 2022	242	242
Depreciation		
At 1 January 2022	84	84
Charge for the year	36	36
Disposals	(16)	(16)
At 31 December 2022	104	104
Net book value		
At 31 December 2022	138	138
At 31 December 2021	174	174

17. Stocks

	2022 £000	**2021 £000**
Raw materials	590	811
Work in progress	20	64
Finished goods	379	650
Retails goods	-	-
Consumables	449	185
	1,438	1,710

There is no material difference between the balance sheet value of stock and its replacement value.

18. Debtors

Group

	2022 £000	2021 £000
Trade debtors – financial services	836,849	828,722
Net investment in finance leases	51,329	40,126
Trade debtors – other businesses	8,359	9,021
Basic debt instruments (note 23)	896,537	877,869
Derivative financial instruments held at fair value (note 23)	2,089	659
Other financial assets (note 24)		
Taxation and social security	205	322
Deferred taxation asset – other timing differences (see note 22)	32,892	25,049
Other debtors	23,503	23,946
Corporation tax	59	2
Prepayments and accrued income	11,081	11,103
	966,366	938,950

Included within net investment in finance leases is £31,003,000 (2021: £14,021,000) which falls due after more than one year.

Company

	2022 £000	2021 £000
Amounts owed by subsidiary undertakings	29,598	27,970
Deferred taxation asset (see note 22)	464	185
Corporation tax	59	2
Taxation and social security	101	180
Other debtors	264	1,126
Prepayments and accrued income	178	67
	30,664	29,530

The amounts owed by subsidiary undertakings relate to loans provided to support the relevant businesses. The loans mainly bear interest at a rate of 8%.

19. Creditors – amounts falling due within one year

Group

	2022 £000	2021 £000
Bank loans (see note 21)	15,995	31,356
Bank overdrafts	17,355	10,271
Basic financial liabilities (note 23)	33,350	41,627
Hire purchase and finance leases (note 21 & 23)	3,242	3,454
Derivative financial instruments (note 23)	1,964	252
<u>Other financial liabilities (note 23)</u>		
Trade creditors – financial services	165,050	169,536
Trade creditors – other	2,869	2,961
Taxation and social security	5,896	6,423
Other creditors	731	365
Corporation tax creditor	914	1,542
Accruals and deferred income	23,587	24,408
	237,603	250,568

Company

	2022 £000	2021 £000
Amounts owed to subsidiary undertakings	42,253	42,587
Taxation and social security	84	74
Accruals and deferred income	1,711	2,125
Trade and other creditors	503	118
	44,551	44,904

Amounts owed to subsidiary undertakings relate to working capital funding provided by subsidiary undertakings together with consideration for tax losses. The majority of the loans are non-interest bearing with no scheduled date for repayment.

20. Creditors – amounts falling due after more than one year

Group

	2022 £000	2021 £000
Bank loans (see note 21)	687,092	663,596
9.75% Preference shares of £100 each (see note 24)	154	154
Basic financial instruments (note 23)	687,246	663,750
Hire purchase and finance leases (note 21 & 23)	28,896	29,828
Other creditors (note 22)	-	11
	716,142	693,589

Company

	2022 £000	2021 £000
9.75% Preference shares of £100 each	154	154
	154	154

21. Debt instruments

	2022 £000	2021 £000
Bank loans are repayable:		
Within one year	15,995	31,356
Between one and two years	14,552	638,898
Between two and five years	655,829	6,664
After five years	16,711	18,034
	703,087	694,952
Hire purchase and finance leases are repayable:		
Within one year	3,242	3,454
Between one and two years	3,380	3,106
Between two and five years	19,237	17,922
After five years	6,279	8,800
	32,138	33,282

The rates of interest payable on bank loans, vary with either US, Euro or UK short term EURIBOR or IBOR or UK base rates, plus a margin which varies between 0.9% and 3.15%. Bank loans are secured by way of fixed and floating charges

over the assets of the relevant entities. Obligations under hire purchase and finance leases are secured on the assets they finance.

22. Provisions for liabilities

Group

	Other £000	Deferred Taxation £000	Total £000
At 1 January 2022	1,717	-	1,717
Profit and loss account	277	6,682	6,959
Pensions	-	(375)	(375)
Utilised	(255)	-	(255)
Reclassification to debtors	-	(7,843)	(7,843)
Change in tax rate	-	756	756
Statement of comprehensive income	-	780	780
At 31 December 2022	1,739	-	1,739

£1.7m (2021: £1.7m) of total 'other' provision held at Group relates to property related provisions, notably properties that were vacated and are surplus to the Group's requirements.

£0.2m (2021: £0.4m) relates to three items in BLG Company only disclosed below.

Company

	Other £000	Deferred Taxation £000	Total £000
At 1 January 2022	423	-	423
Profit and loss account	(61)	(150)	(211)
Utilised	(190)	-	(190)
Pensions		780	780
Change in tax rates		24	24
Reclassification to debtors	-	(654)	(654)
At 31 December 2022	172	-	172

£0.1m (2021: £0.3m) of the total 'other' relates to a warranty claim that is expected to be settled in 2023. The balance of £0.1m (2021: £0.1m) relates to the Merchant Navy Ratings Pension Fund (as described in note 30), which is expected to reverse fully by the end of 2023.

22. Provisions for liabilities (continued)

Deferred taxation:

The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Fixed asset timing differences	(20,012)	(17,695)	(78)	(45)
Pensions	(27)	378	(27)	378
Other timing differences	(2,883)	(2,848)	(359)	(518)
Trading Losses	(9,970)	(4,884)	-	-
Total	(32,892)	(25,049)	(464)	(185)

Unrecognised deferred tax asset:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Fixed asset timing differences	-	(580)	-	-
Trading Losses	(2,835)	(9,489)	(234)	(234)
Capital losses	(2,210)	(2,210)	(74)	(74)
Total	(5,045)	(12,279)	(308)	(308)

Factors that may affect future tax charges:

The current mainstream rate of corporation tax is 19%. The main corporation tax rate will increase to 25% from 1 April 2023. At the balance sheet date this rate change has been enacted and therefore deferred tax has been recognised at the rates that are expected to apply to the reversal of the timing differences.

23. Financial instruments and risk management

The following disclosures relate solely to Bibby Financial Services Limited and its direct subsidiaries.

Credit risk

The objective of credit risk management is to enable Bibby Financial Services to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved appetite for the risk that customers will be unable to meet their obligations to Bibby Financial Services. The key principles of Bibby Financial Services' Credit Risk Management Framework are set out below:

- Approval of all credit exposure is granted prior to any advance or extension of credit.
- An appropriate credit risk assessment of the customer and credit facilities is undertaken prior to approval of credit exposure. This includes a review of, amongst other things, the purpose of credit and sources of repayment, valuation of assets purchased, compliance with affordability tests, repayment history, capacity to repay, sensitivity to economic and market developments and risk-adjusted return.
- Credit risk authority is delegated by the board of Bibby Financial Services and specifically granted in writing to all businesses and roles involved in the granting of credit approval. In exercising credit authority, the individuals act independently of any related business revenue origination.
- All credit exposures, once approved, are effectively monitored and managed and reviewed periodically against approved limits. Lower quality exposures are subject to a greater frequency of analysis and assessment.

The following table provides an analysis of the credit quality of third party financial assets and commitments based on the performing/ impaired status of the asset, and an analysis of the movements in the financial asset impairment provision:

Trade and other receivables

	2022 £000	2021 £000
Performing	879,040	863,365
Non-performing	29,869	30,442
Impairment provision	(20,730)	(24,959)
	888,179	868,848

The following table shows the movement in the provision for impairment of trade and other receivables.

23. Financial instruments and risk management (continued)

	2022 £000	2021 £000
At 1 January	24,959	27,562
Charged to the Profit and Loss Account	5,562	5,334
Amounts written off	(9,359)	(6,873)
Recoveries	(940)	(660)
Exchange differences	508	(404)
At 31 December	20,730	24,959

For invoice financing Bibby Financial Services lends to clients against approved invoices that are legally assigned to Bibby Financial Services and therefore act as security for lending. For leasing, Bibby Financial Services holds security over the assets financed by the lease.

Currency risk

Bibby Financial Services undertakes certain transactions denominated in foreign currencies; hence exchange rate fluctuations arise. Bibby Financial Services' policy is normally to match foreign currency receivables with borrowings in the same currency. Where necessary exchange rate transaction risk is addressed by taking out forward cover in the form of a currency derivative contract.

Liquidity risk

The risk is that Bibby Financial Services is unable to meet its obligations as they fall due.

The table below analyses financial instrument liabilities of Bibby Financial Services, into relevant maturity groupings based on the remaining period at the balance sheet date.

	Up to 12 months £000	1-5 years £000	Total £000
Financial liabilities			
Bank overdrafts	16,754	-	16,754
Senior and junior funding notes	-	443,502	443,502
Bank loans	12,244	217,646	229,890
Finance leases	515	581	1,096
Derivative financial instruments	1,964	-	1,964
Trading and other payables	184,961	-	184,961
	216,438	661,729	878,167

Exchange rate risk

With global operations the group is exposed to translation risk on its overseas subsidiaries. No specific financial instruments are used to protect against the risk. At 31 December, if Sterling weakened 10% against the world's major currencies, shareholder's funds would be £5,600,000 (2021: £5,000,000) higher. Conversely, if Sterling strengthened 10% against the world's major currencies, shareholder's funds would be £4,500,000 (2021: £4,200,000) lower.

23. Financial instruments and risk management (continued)

Categorisation of financial instruments (this disclosure relates to the whole Group)

	2022 £ 000	2021 £ 000
Financial assets that are basic debt instruments, including trade debtors and finance lease receivables that are measured at amortised cost or net investment, less any impairment provision (note 18)	896,537	877,869
Other financial assets including other debtors and cash and cash equivalents, that are measured at amortised cost *	132,226	134,274
Financial assets that are derivative instruments used within foreign exchange trading businesses and not for direct Group hedging purposes, measured at fair value through turnover of that business (note 18)	2,089	659
	1,030,852	1,012,802

*- This amount in includes cash from the Balance Sheet and other financial assets as noted in note 18.

	2022 £ 000	2021 £ 000
Financial liabilities that are basic financial instruments and external financial debt liabilities including overdrafts, funding notes and loans and borrowings, measured on an amortised cost basis	720,596	705,377
Financial liabilities that are external finance lease and hire purchase agreements, secured on underlying plant, equipment and intangible assets recorded in fixed assets	32,138	33,282
Other financial liabilities, including trade and other payables that are measured on an amortised cost basis	199,047	205,246
Financial liabilities that are derivative instruments used within foreign exchange trading businesses and not for direct Group hedging purposes measured at fair value through turnover of that business (note 19)	1,964	252
	953,745	944,157

24. Called-up share capital

	2022 £000	2021 £000
Allotted and full paid:		
1,536 (2020: 1,536) 9.75% Preference Shares of £100 each	154	154
100 Ordinary A Shares of £1 each	-	-
17,708 (2021: 17,708) Ordinary Shares of £1,000 each (equity share capital)	17,708	17,708

The rights attaching to the Ordinary A Shares are as follows:

a) The right to dividend as outlined in the company's Articles of Association.

b) The right to participate in a distribution arising from a winding-up of the company subject to the detailed rules outlined in the company's Articles of Association.

The rights attaching to the Preference Shares are as follows:

a) The right to a fixed cumulative preferential dividend at the rate of 9.75% net per annum on the capital for the time being paid up thereon payable half-yearly on 30 June and 31 December in each year.

b) On a return of capital on liquidation or otherwise the right to have payment of capital and arrears and accruals of dividend whether earned or declared or not to be calculated down to the date of return of capital in priority to the Ordinary Shares but shall not confer any further right to participate in profits or assets.

c) The right to receive notice of but not to attend and vote at any General Meeting by virtue of their holding unless the fixed cumulative preferential dividend on the Preference Shares is thirty days or more in arrears or if the business of the meeting includes the consideration of a resolution for altering the objects of the company or for reducing the capital of the company or for winding-up the company or any resolution varying or abrogating any of the rights or privileges attached to the Preference Shares.

25. Dividends paid

	2022 £000	2021 £000
Equity dividends paid per Ordinary Share:		
Interim £83.14 (2021: £91.26)	1,472	1,643
	1,472	1,643
Equity dividends paid per Ordinary A share:		
Interim £277.65 (2021: £309.87)	28	31
	28	31
Total dividends paid	1,500	1,674

Note: £3k, has not yet been paid and is being held as an accrual until it can be paid following probate.

26. Reconciliation of operating profit/(loss) to net cash flow from operating activities

	2022 £000	2021 £000
Group operating profit/(loss)	5,602	3,057
Less operating loss/(profit) of the financial services business	(8,384)	519
Operating profit/(loss) of the non-financial services businesses	(2,782)	3,576
Depreciation	10,393	10,880
Amortisation of intangible assets	-	5
UK taxation paid	(2)	-
Overseas tax paid	(24)	(11)
Profit on disposal of fixed assets	(348)	(1,216)
Share based payments	-	(985)
Exchange differences	(1,364)	1,471
Operating cash flow before movement in working capital	5,873	13,720
Movement in provisions	208	499
Movement in stock	273	(332)
Movement in debtors	3,018	5,656
Movement in creditors	(2,694)	(9,440)
Excess of pension scheme contributions paid over service cost	(1,810)	(1,605)
Cash (outflow)/inflow from non-financial services operating activities	4,868	8,498
Operating profit/(loss) of the financial services business	8,384	(519)
Depreciation	1,993	3,073
Amortisation of intangible assets	2,844	6,969
Overseas taxation paid	(2,283)	(1,885)
Loss on disposal/write down of fixed assets	107	-
Profit on disposal of investments	297	292
Operating cash flow before movement in working capital	11,342	7,930
Movement in debtors	(10,026)	(82,954)
Movement in creditors	(6,176)	(43,713)
Cash inflow/(outflow) from financial services operating activities	(4,860)	(118,737)
Net cash inflow/(outflow) from operating activities	8	(110,239)

Given the Group contains a significant financial services business, the presentation in the note above is split between financial services activities and non-financial services activities. As a result readers may also wish to consider the financial statements of Bibby Financial Services Limited alongside the Consolidated Group accounts to fully understand the cashflow movements. These are available from Companies House or their registered office of 3rd Floor Walker House, Exchange Flags, Liverpool, L3 3YL.

Notes to the Financial Statements
For the year ended 31 December 2022

27. Reconciliation of net debt

	2022 £000	2021 £000
Movement in cash and cash equivalents in the year	(18,400)	(14,007)
Movement in loans and lease finance in the year	6,226	(90,469)
Change in net debt from cash flows	(12,174)	(104,475)
Exchange movements	(12,517)	13,771
Other non-cash movements	1,250	(512)
Finance lease non-cash additions/non-cash early redemption	-	-
Net debt transferred	-	10,161
Movement in net debt in the year	(23,441)	(81,055)
Net debt at 1 January	(664,653)	(583,599)
Net debt at 31 December	(688,094)	(664,653)

28. Analysis of net debt

	1 January 2022 £000	Cash flow £000	Non-cash movement £000	Exchange movements £000	31 December 2022 £000
Cash at bank and in hand	73,852	(11,822)	-	2,456	64,486
Bank overdrafts	(10,271)	(6,578)	-	(506)	(17,355)
	63,581	(18,400)	-	1,950	47,131
Debt due after 1 year	(693,424)	(12,107)	1,250	(11,707)	(715,988)
Debt due within 1 year	(34,810)	18,333	-	(2,760)	(19,237)
	(728,234)	6,226	1,250	(14,467)	(735,225)
	(664,653)	(12,174)	1,250	(12,517)	(688,094)

29. Pension costs

Pension Liability

	2022	2021
	£000	£000
Bibby Line Group Pension Scheme – asset/(liability)	1,590	2,624
Merchant Navy Officers' Pension Fund – (liability)	(113)	(226)
	1,477	2,398

The group administered several defined contribution pension schemes during the financial year. The assets of the schemes are held separately from those of the group in funds under the control of independent insurance companies. The contributions made by the group to these schemes over the financial year amounted to £4,668,000 (2021: £2,515,000). There were no outstanding contributions at the balance sheet date to any pension arrangement.

The group also contributes to the Merchant Navy Officers' Pension Fund (MNOPF) which is a multi-employer defined benefit scheme. The group is unable to identify its share of the underlying assets and liabilities of the MNOPF but has agreed a schedule of contributions to the overall scheme deficit as set out below. These have been recognised in the pension liability on the balance sheet. This provision will unwind as contributions are paid and will increase if a revised, increased, schedule of contributions is agreed with the MNOPF. The latest actuarial valuation of the scheme, at 31 March 2021, identified a scheme surplus of £73,000,000. The group agreed to make annual contributions based on the scheme's deficit of £601,000 per annum from 2018 to 2020 and £113,000 per annum from 2021 to 2023 (2021: same). The contributions made by the group to the MNOPF scheme over the financial year amounted to £113,000 (2021 – £113,000). This scheme is now fully funded, and the trustee is targeting buy out or self-sufficiency in 2024/25. No further contributions are therefore expected to the scheme beyond 2023.

The group has previously participated in the Merchant Navy Ratings Pension Fund (MNRPF) and exited the scheme in 2004, paying the agreed section 75 charge at the time. Following a High Court decision that the MNRPF could set aside previous agreements such as this with former employers and implement its proposed revised funding arrangements, the MNRPF requested further contributions from the group, of which a further £63,000 has been paid in the year. The balance of £63,000 (2021: £126,000) is provided for in note 22 and no further contributions are expected to the scheme beyond 2023. A Settlement Agreement was signed by the Trustees of the MNRPF scheme in respect of an Ill Health and Early Retirement claim and the Agreement was approved by the High Court. The Agreement resulted in no additional deficit reduction payments for sponsoring employers of the scheme. The Trustee has also identified a number of potential issues following a review of the Scheme to ensure it was free of issues before considering buy out, however at this stage a high degree of uncertainty remains around assessing the total additional scheme liability from these issues and also individual employer shares of this liability. No additional liability has therefore been provided for at this time.

The company sponsors the Bibby Line Group Pension Scheme ('the Scheme'), which is a defined benefit arrangement. The most recent comprehensive triennial valuation of the Scheme was carried out at 5 April 2020 and the results of this valuation were used to support the FY22 results. A further triennial valuation will commence in 2023. The company has employed an independent actuary to update this valuation allowing for differences between the actuarial assumptions used by the Scheme for funding purposes and those adopted by the company to measure the Scheme's liabilities in the financial statements and adjusting for benefits paid by the Scheme.

The Scheme has been closed to new entrants since April 2000. New employees are offered membership of a defined contribution arrangement known as the Bibby Line Group Personal Pension Plan. The Scheme closed to future accrual for existing members on 30 September 2011, these employees were offered membership of the Bibby Line Group Personal Pension Plan.

29. Pension costs (continued)

The contributions made by the employer over the financial year to the Bibby Line Group Pension Scheme have been £1,810,000 (2021: £1,810,000). Payments of £1,810,000 are in accordance with the schedule of contributions adopted by the Scheme trustees to fund the deficit.

Assumptions:

The assets of the Bibby Line Group Pension Scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	2022	2021
Annual inflation (RPI)	3.25%	3.40%
Annual salary increases	n/a	n/a
Annual rate of discount	4.80%	1.80%
Pension in payment increases	As guaranteed	As guaranteed
Annual revaluation rate for deferred members	2.20%	2.25%
Allowance for commutation of pension for cash at retirement	Yes	Yes

The mortality assumptions adopted at 31 December imply the following life expectations:

	2022	2021
Male retiring at age 65 at the year end	20.2	20.5
Male retiring at age 65 in twenty years' time	21.5	21.8
Female retiring at age 65 at the year end	22.8	23.0
Female retiring at age 65 in twenty years' time	24.2	24.4

Funded status:

The funded status at the end of the year, and the related amounts recognised in the balance sheet, were as follows:

	2022 £000	2021 £000
Total market value of assets	62,075	97,249
Present value of Scheme liabilities	(60,485)	(94,625)
Net pension asset	1,590	2,624
Restriction on asset not recognised	(556)	(918)
Asset recognised	1,034	1,706

The FRS102 surplus has decreased from £2.6m at 31 December 2021 to a surplus of £1.6m at 31 December 2022. The deterioration of £1.0m over the year has largely been caused by the following items:

- Lower than expected asset returns £32.4m;
- Liability experience loss £3.0m

29. Pension costs (continued)

Partially offset by:

- Employer contributions of around £1.7m;
- An actuarial gain due to changes in financial assumptions of around £31.8m;

An actuarial gain due to changes in demographic assumptions of around £1.1m. The restriction of the asset recognised relates to the 35% withholding tax that would apply on any return of funds to the employer upon windup of the scheme. No deferred tax liability is being recognised in respect of the surplus as any return of funds, after deduction of withholding tax, would not be liable to any further tax.

Fair value of assets comprises:

	2022 £000	2021 £000
Bonds	30,399	50,613
Property	1,179	1,213
Cash	210	174
Other	30,287	45,249
Total	62,075	97,249

Reconciliation of opening and closing balances of the present value of the Scheme liabilities:

	2022 £000	2021 £000
Scheme liabilities at 1 January	94,625	101,623
Past service cost	-	-
Interest cost	1,651	1,348
Actuarial (gains)/losses	(32,967)	(4,139)
Experience gains on liabilities	2,952	(697)
Benefits paid and expenses	(5,776)	(3,510)
Scheme liabilities at 31 December	60,485	94,625

29. Pension costs (continued)

Reconciliation of opening and closing balances of the fair value of the Scheme assets:

	2022 £000	2021 £000
Fair value of the Scheme assets at 1 January	97,249	99,381
Interest income	1,710	1,327
Actuarial (losses)/gains	(32,463)	(1,389)
Contributions by employer	1,810	1,810
Administration expenses	(455)	(370)
Benefits paid and expenses	(5,776)	(3,510)
Fair value of the Scheme assets at 31 December	62,075	97,249

Analysis of the amount charged to the profit and loss account over the year:

	2022 £000	2021 £000
Net interest cost on defined benefit liability	(59)	21
Past service cost	-	-
Administration expenses	455	370
Total charge to the profit and loss account	396	391

Analysis of the amount charged/(credited) to the statement of comprehensive income:

	2022 £000	2021 £000
Actuarial gains/(losses) arising from changes in demographic and financial assumptions	32,967	4,139
(Loss)/return on assets excluding interest income	(32,463)	(1,389)
Experience gains / (losses)	(2,952)	697
Restriction on asset recognised	362	(918)
Actuarial gains/(losses) recognised in the statement of comprehensive income	(2,086)	2,529

The estimated charge for FY23 is £349,000, comprising a net interest credit of £106,000 and administration costs of £455,000 (assuming administration costs to the profit and loss account are in line with FY22).

29. Pension costs (continued)

Risks

The main risks the group is exposed to by the Scheme are:

- Mortality risk – the assumptions adopted by the group make allowance for future improvements in life expectancy. However, if life expectancies improve at a faster rate than assumed, this would result in greater payments from the Scheme and consequently increases in the Scheme's liabilities. The group and the Scheme's trustees review the mortality assumption on a regular basis to minimise the risk of using inappropriate assumptions.
- Investment risk – the Scheme invests its assets in a portfolio of asset classes. There is residual risk that as the selected portfolio matures, there is the possibility of not being able to reinvest the assets at the assumed rates. The Scheme's trustees review the structure of the portfolio on a regular basis to minimise these risks.
- Inflation risk – increases to benefits in the Scheme are linked to inflation. If inflation is greater than expected, the liabilities will increase.

Sensitivity Analysis

Sensitivity analysis figures provided by the actuary are based on various assumptions and current market conditions and as such are likely to change over time.

Sensitivity	Effect on Liabilities
Discount rate +/- 0.5%	-6.0%/+6.6%
Inflation assumptions +/- 0.5%	+3.3%/-3.0%
Life expectancy +/- 1 year	+3.8%/-3.8%

30. Operating lease commitments

The group has the following total minimum lease payments under non-cancellable operating leases:

	2022		2021	
	Property £000	Other £000	Property £000	Other £000
Within one year	3,191	2,520	3,625	2,655
Between two and five years	9,880	3,968	8,798	3,968
After five years	2,260	-	2,106	-

The majority of other leases relate to vehicles and equipment.

31. Related party transactions

Under section 33 of FRS 102, the group is exempt from disclosing intra-group related party transactions, as 100% of the voting rights are controlled by the group.

The group considers the directors to be key management personnel and their remuneration is disclosed in note 12.

Substantial Shareholdings

The Bibby family trustees own 73.9% of the £1,000 ordinary shares of the company through a number of trusts set up to provide for current and future members of the Bibby family. Two of the directors who served during the year and to the date of this report, M.J. Bibby and G.F.H. Bibby, are among the beneficiaries of these trusts. Bibby family members, either directly or through trusts, have a beneficial interest in 91.8% of the £1,000 ordinary shares.

Share buy back

In October 2021, 297 ordinary shares were bought back by the company from minority shareholders for £3,300 each at a total cost of £985,000 including stamp duty.

32. Capital commitments

	2022 £000	2021 £000
Property, plant and equipment expenditure for which contracts have been placed but which are not otherwise provided for in these financial statements	6,511	3,975

33. Post balance sheet events

Non-adjusting events after the financial period

Dividends

An FY23 interim dividend of £27.71 per ordinary share and £92.55 per A ordinary share was paid in January 2023.

A further FY23 interim dividend of £58.20 per ordinary share and £194.36 per A ordinary share has been announced and is due to paid in July 2023.

34. Subsidiary undertakings

Bibby Line Group Limited is the ultimate parent company. The subsidiaries of the group are set out below. All parent companies of the trading businesses' subgroups are UK incorporated companies. All interests are in ordinary share capital (or the equivalent) with voting rights.

* = interest not held directly by Bibby Line Group Limited

	Company Name	Country of Incorporation	% Equity Share Capital Held	Type of Business
1.	Bibby Line Group Pension Trustee Limited	England & Wales[1]	100%	Pension Trustee
2.	Bibby Financial Services Limited	England & Wales[1]	100%	Holding and management services company
3.	BFS Marine Finance (Holdings) Limited	England & Wales[1]	100%*	Holding and management services company
4.	BFS Marine Finance (UK) Limited	England & Wales[1]	100%*	Financial Intermediation
5.	Coverly Limited	England & Wales[1]	100%	Insurance agents and brokers
6.	Bibby FS (Holdings) Limited	England & Wales[1]	100%*	Holding and management services company
7.	Bibby Financial Services (UK) Limited	England & Wales[1]	100%*	Holding and management services company
8.	Bibby Asset Finance Limited	England & Wales[1]	100%*	Holding and management services company
9.	Bibby Leasing Limited	England & Wales[1]	100%*	Asset financing
10.	Bibby Management Services Limited	England & Wales[1]	100%*	Management services
11.	Bibby Trade Services Limited	England & Wales[1]	100%*	Trade financing
12.	Factoring UK Group Limited	England & Wales[1]	100%*	Holding and management services company
13.	Cashflow UK Limited	England & Wales[1]	100%*	Brokerage
14.	Bibby Corporate Financial Solutions Limited	England & Wales[1]	100%*	Inventory financing
15.	Bibby Invoice Finance UK Limited	England & Wales[1]	100%*	Controlling company for the factoring and invoice discounting activities of BFS
16.	Bibby Factors Bristol Limited	England & Wales[1]	100%*	Debt factoring
17.	Bibby Factors Leicester Limited	England & Wales[1]	100%*	Debt factoring
18.	Bibby Factors Limited	England & Wales[1]	100%*	Debt factoring

34. Subsidiary undertakings (continued)

	Company Name	Country of Incorporation	% Equity Share Capital Held	Type of Business
19.	Bibby Commercial Finance Limited	England & Wales[1]	100%*	Debt factoring
20.	Bibby Factors Northeast Limited	England & Wales[1]	100%*	Debt factoring
21.	Bibby Factors Northwest Limited	England & Wales[1]	100%*	Debt factoring
22.	Bibby Factors Scotland Limited	Scotland[3]	100%*	Debt factoring
23.	Bibby Factors Slough Limited	England & Wales[1]	100%*	Debt factoring
24.	Bibby Factors Sussex Limited	England & Wales[1]	100%*	Debt factoring
25.	Bibby Factors Wessex Limited	England & Wales[1]	100%*	Debt factoring
26.	Bibby Factors Yorkshire Limited	England & Wales[1]	100%*	Debt factoring
27.	Bibby Factors International Limited	England & Wales[1]	100%*	Debt factoring
28.	Bibby Invoice Discounting Limited	England & Wales[1]	100%*	Invoice discounting
29.	Bibby Revolving Finance Limited	England & Wales[1]	100%*	Trade financing
30.	Bibby Trade Factors Limited	England & Wales[1]	100%*	Trade financing
31.	Global Management Services Limited	England & Wales[1]	100%*	Non-trading
32.	Bibby Financial Services (FX) Limited	England & Wales[1]	100%*	Holding and management services company
33.	Bibby Foreign Exchange Limited	England & Wales[1]	100%*	Foreign exchange services
34.	Bibby Foreign Exchange (Europe) Limited	Ireland[4]	100%*	Foreign exchange services
35.	Bibby Foreign Exchange (Solutions) Limited	England & Wales[1]	100%*	Dormant
36.	Bibby Financial Services (Asia) Limited	Hong Kong[5]	100%*	Debt factoring
37.	Bibby Financial Services (India) Pvt Limited	India[6]	99.99%*	Debt factoring
38.	Bibby Financial Services (Singapore) Pte. Ltd.	Singapore[2]	100%*	Debt factoring
39.	Bibby Financial Services (Europe) Limited	England & Wales[1]	100%*	Holding and management services company
40.	Bibby Factor France S. A.	France[8]	99.99%*	Debt factoring
41.	Bibby Factoring Slovakia a.s.	Slovak Republic[9]	100%*	Debt factoring
42.	Bibby Financial Services a.s.	Czech Republic[10]	100%*	Debt factoring
43.	Bibby Financial Services B.V.	Netherlands[11]	100%*	Debt factoring
44.	Bibby Financial Services GmbH	Germany[12]	100%*	Debt factoring
45.	Bibby Financial Services (Ireland) Limited	Ireland[4]	100%*	Debt factoring

34. Subsidiary undertakings (continued)

	Company Name	Country of Incorporation	% Equity Share Capital Held	Type of Business
46.	Bibby Financial Services Sp. z o. o.	Poland[13]	99.99%*	Debt factoring
47.	Bibby Holdings Limited	England & Wales[1]	100%	Holding company
48.	Bibby Ship Management (Eastern Europe)	Russian Federation[14]	85.71%*	Non-trading (N1)
49.	Bibby Taurus Limited	England & Wales[1]	100%*	Holding company
50.	Garic Limited	England & Wales[1]	100%*	Design, fabrication and purchase of plant and machinery for sale and hire
51.	Bibby Marine Limited	England & Wales[1]	100%*	Holding company for BLG marine niche assets and services division
52.	Bibby Marine Management Limited	England & Wales[1]	100%*	Service activities incidental to water transportation
53.	Bibby Marine Services Limited	England & Wales[1]	100%*	Holding company
54.	Bibby WaveMaster I Limited	England & Wales[1]	100%*	Ownership and operation of a service operation vessel
55.	Bibby WaveMaster 2 Limited	England & Wales[1]	100%*	Ownership and operation of a service operation vessel
56.	Bibby Marine Survey Services Limited	England & Wales[1]	100%*	Dormant
57.	Bibby Maritime Limited	England & Wales[1]	100%*	Ownership and operation of floating accommodation vessels
58.	Bibby Bergen Limited	England & Wales[1]	100%*	Ownership and operation of a floating accommodation vessel
59.	Bibby Challenge Limited	England & Wales[1]	100%*	Ownership and operation of a floating accommodation vessel
60.	Bibby Maritime Crewing Services Limited	England & Wales[1]	100%*	Provision of crew services
61.	Bibby Maritime Nigeria Limited	Nigeria[15]	100%*	In liquidation
62.	Bibby Progress Limited	England & Wales[1]	100%*	Ownership and operation of a floating accommodation vessel
63.	Bibby Pioneer Limited (previously Bibby Renaissance Limited)	England & Wales[1]	100%	Ownership and operation of a floating accommodation vessel

34. Subsidiary undertakings (continued)

	Company Name	Country of Incorporation	% Equity Share Capital Held	Type of Business
64.	Bibby Stockholm Limited	England & Wales[1]	100%*	Ownership and operation of a floating accommodation vessel
65.	Bibby Line Limited	England & Wales[1]	100%	Holding company
66.	Bibby Bulk Carriers Limited	England & Wales[1]	100%*	Non-trading
67.	Bibby Gas Carrier Limited	England & Wales[1]	100%*	Dormant
68.	Bibby Navigation Limited	England & Wales[1]	100%*	Non-trading
69.	Bibby Pool Partner Limited	England & Wales[1]	100%*	Non-trading
70.	Bibby Trader Limited	England & Wales[1]	100%	Dormant
71.	Bibby Transport Limited	England & Wales[1]	100%*	Non-trading
72.	Mumbai Singapore Pte. Ltd.	Singapore[16]	100%*	Non-trading

Registered offices:

1 3rd Floor Walker House, Exchange Flags, Liverpool, L2 3YL, United Kingdom

2 6, Shenton Way, #18-08A Oue Downtown 068809, Singapore

3 1/1, The Exchange Building, 142 St. Vincent Street, Glasgow, G2 5LA, United Kingdom

4 4th Floor Heather House, Heather Road, Sandyford, Dublin 18, Ireland

5 Unit 2302, 23/F Jubilee Centre, 18 Fenwick Street, Wanchai, Hong Kong

6 B-583, Sushant Lok Phase 1, Near Park Plaza, Gurugram, Gurgaon, Haryana 122009 India

8 160 Avenue Jean Jaures, CS 90404, 69364 Lyon Cedex, France

9 Prievozská 4D, Block E, 13th Floor, Bratislava 821 09, Slovak Republic

10 Hlinky 118, Brno, 603 00, Czech Republic

11 Laan Van Diepenvoorde 5, 5582 LA, Waalre, Netherlands

12 Hansaallee 249, 40549 Düsseldorf, Germany

13 Poland Eurocentrum, Al. Jerozolimskie 134, 02-305 Warsaw, Poland

14 1/2 Atarbekova str, 350062, Krasnodar, Krasnodar*

15 25 Adeyemo Alakija Street, Victoria Island, Lagos, Nigeria

16 71 Bukit Batok Crescent, #06-10 Prestige Centre 658071, Singapore

N1 - The company is dormant and we have no intention for this entity to recommence trading. The balance of equity is owned by the General Manager, as required by local laws. The Board are considering the most efficient method to divest of this entity but currently cannot take any action due to international sanctions.