

SIGNED

Registration Number 989531

Bibby Holdings Limited
Director's Report and Financial Statements
For the year ended 31 December 2010

FRIDAY



ABPLOXEU

A18

09/09/2011

18

COMPANIES HOUSE

BIBBY HOLDINGS LIMITED

ULTIMATE PARENT COMPANY

Bibby Line Group Limited

DIRECTORS

Jonathan Haymer
Sean Thomas Golding
Andrew John Goody

SECRETARY

Bibby Bros & Co (Management) Limited

REGISTERED OFFICE

105 Duke Street
Liverpool
L1 5JQ
www.bibbyholdings.com

Incorporated in England and Wales
Registered Number 989531

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool

BIBBY HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2010

Business Review & Directors' Report

The directors present their report together with the audited financial statements for the year ended 31st December 2010

Business Review and Principal Activities

Bibby Holdings Limited (the group) is a wholly-owned subsidiary of Bibby Line Group Limited and acts as the managing company for Bibby Line Group Limited's developing businesses portfolio. The group's principal activity is the management and development of businesses up to a scale where they can become direct divisions of Bibby Line Group Limited.

The current group activities comprise two business units. The marine business unit owns, operates and manages floating accommodation units and has a worldwide crewing and shipping technical management business, alongside investing in specialist niche marine assets. The plant hire business unit specialises in the hire of equipment to the utilities, road, rail and construction sector. The group also has a participating interest in Foreland Shipping Limited, a business that owns six roll on, roll off vessels. The group manages, on behalf of its parent company, the woodland burial parks business and the employment law and health and safety compliance business owned by its parent company. At the date of this report, the directors are not aware of any likely major changes in the group's activities in the next year.

Note 1 to the financial statements demonstrates why the directors have prepared these financial statements' on a going concern basis.

The group manages its operations on a divisional basis. For this reason, the group's directors believe that non-financial key performance indicators for the group are not necessary or appropriate for an understanding of the development, performance or position of the group. The non-financial performance of the constituents of the group is discussed in the Business Reviews and Directors' Reports of the companies making up this division. The group's key financial KPI's are sales, gross margin, working capital ratios and operating cashflows which are self evident in the financial statements, and more detail is available should this be required in the individual financial statements of the businesses managed.

Principal risks and uncertainties

Competitive pressure in international markets is a continuing risk for the Marine business unit, while the domestic construction market and the general economic outlook are risks to the plant hire business unit. To manage these risks, both business units strive to provide well maintained and safe assets, to offer added value services, to provide prompt responses to customer queries and maintain strong customers relationships. The Marine business unit provides assets and services into international markets and is, therefore, exposed to currency movements on such sales, which it manages through matching costs in the same currencies. The group is financed by floating rate bank loans and is exposed to interest rate movements, managed in part through interest rate swaps, and for one loan, currency rate movements. The group does not hold or issue derivatives and other financial instruments for speculative purposes.

BIBBY HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2010

Business Review & Directors' Report Continued

Corporate Governance

The group strives to maintain the highest standards in corporate governance and bases its actions on the principles of openness, integrity and accountability. Audit and Remuneration committees exist within Bibby Line Group Limited which also cover the activities of this group.

Environment

The group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. Initiatives aimed at minimising the group's impact on the environment include recycling and reducing energy consumption.

Employees

The group is committed to the continuing development of effective employee communication, including regular publication of company magazines. It is the policy of the group to ensure that all sections of the community have an equal opportunity in matters related to employment. The group operates no pension schemes, but is a member of its parent company's schemes. It is the group's policy to promote the understanding and involvement of all employees in its business aims and performance.

The policy of the group is to give 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.

Dividends

The directors do not recommend the payment of a dividend (2009 – £nil)

Directors

The directors during the year were

Cyril Joseph Green (resigned 1st October 2010)

Sir Michael Bibby, Bt (resigned 1st October 2010)

Jonathan Haymer

Jonathan Osborne (resigned 1st October 2010)

Sean Thomas Golding

Andrew John Goody

Steven Potter (appointed 26th April 2010, resigned 1st October 2010)

Charitable and political donations

The company and the group have made no political or charitable donations in the year (2009 - £nil)

BIBBY HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2010

Business Review & Directors' Report Continued

Directors' responsibilities statement

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

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

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

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

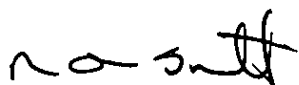
Auditor

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 auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

By order of the Board



Bibby Bros & Co (Management) Limited

Secretary

28 April 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBBY HOLDINGS LIMITED

We have audited the financial statements of Bibby Holdings Limited for the year ended 31 December 2010 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, Consolidated Statement of Total Recognised Gains and Losses and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of its 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

INDEPENDENT AUDITOR' REPORT TO THE MEMBERS OF BIBBY HOLDINGS LIMITED (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Sharon Fraser (Senior statutory auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool, UK
28 April 2011

BIBBY HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 2010

	Note	2010 £000	2009 £000
Turnover group and share of participating interests	2	67,626	63,310
Less share of joint ventures turnover	8	<u>(9,549)</u>	<u>(9,375)</u>
		58,077	53,935
Cost of sales		<u>(50,415)</u>	<u>(45,902)</u>
Gross profit		7,662	8,033
Administration expenses		<u>(10,171)</u>	<u>(8,648)</u>
Group operating loss		(2,509)	(615)
Share of operating profit of participating interests	8	<u>4,272</u>	<u>4,280</u>
Total operating profit		1,763	3,665
Loss on disposal of fixed assets		<u>(486)</u>	<u>-</u>
Profit on ordinary activities before interest and taxation		1,277	3,665
Interest receivable and similar income	3	179	320
Interest payable and similar charges	4	<u>(2,199)</u>	<u>(1,515)</u>
(Loss)/profit on ordinary activities before taxation	5	(743)	2,470
Tax on loss/(profit) on ordinary activities	6	<u>3,297</u>	<u>(562)</u>
Profit on ordinary activities after taxation		2,554	1,908
Minority interests	29	<u>(2)</u>	<u>29</u>
Profit for the financial year	17	<u>2,552</u>	<u>1,937</u>

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the Parent Company. The Parent Company made a retained profit for the financial year of £2,556,000 (2009 – loss of £1,754,000)

The notes on pages 11 to 28 form part of these financial statements

BIBBY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2010

	2010 £000	2009 £000
Profit for the financial year	2,552	1,937
Currency translation difference on foreign currency net investment	<u>1</u>	<u>53</u>
Total recognised gains and losses	<u>2,553</u>	<u>1,990</u>

The notes on pages 11 to 28 form part of these financial statements

BIBBY HOLDINGS LIMITED

CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT
31 DECEMBER 2010

	Note	Parent Company		Group	
		2010	2009	2010	2009
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9	1	2	32,762	35,572
Intangible assets	10	-	-	11,330	12,135
Investments	7	787	787	25	25
Interest in joint ventures					
- share of gross assets	8	-	-	42,037	44,961
- share of gross liabilities	8	-	-	(36,583)	(40,064)
- share of net assets		-	-	5,454	4,897
		<u>788</u>	<u>789</u>	<u>49,571</u>	<u>52,629</u>
Current assets					
Stock	11	-	-	726	477
Debtors	12	11,529	10,957	10,521	7,088
Cash at bank and in hand		<u>1,265</u>	<u>6,707</u>	<u>5,281</u>	<u>11,409</u>
		<u>12,794</u>	<u>17,664</u>	<u>16,528</u>	<u>18,974</u>
Creditors (amounts falling due within one year)	13	<u>(2,246)</u>	<u>(9,673)</u>	<u>(22,896)</u>	<u>(16,795)</u>
Net current assets		<u>10,548</u>	<u>7,991</u>	<u>(6,368)</u>	<u>2,179</u>
Total assets less current liabilities		<u>11,336</u>	<u>8,780</u>	<u>43,203</u>	<u>54,808</u>
Creditors (amounts falling due after more than one year)	14	-	-	7,476	20,876
Provisions for liabilities and charges	15	-	-	<u>1,116</u>	<u>1,869</u>
		-	-	<u>8,592</u>	<u>22,745</u>
Capital and reserves					
Called up share capital	16	5,000	5,000	5,000	5,000
Profit and loss account	17	<u>6,336</u>	<u>3,780</u>	<u>29,605</u>	<u>27,052</u>
Shareholders' funds (including non-equity interests)	18	<u>11,336</u>	<u>8,780</u>	<u>34,605</u>	<u>32,052</u>
Minority interests	30	-	-	<u>6</u>	<u>11</u>
		<u>11,336</u>	<u>8,780</u>	<u>43,203</u>	<u>54,808</u>

Approved by the Board on 28 April 2011
Company Number 989531



A J Goody
Director

The notes on pages 11 to 28 form part of these financial statements

BIBBY HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2010

	Note	2010 £000	2010 £000	2009 £000	2009 £000
Net cash inflow from operating activities	19		5,741		16,369
Returns on investment and servicing of finance:					
Interest received		170		305	
Interest paid		(524)		(790)	
Dividends received from participating interests		<u>1,700</u>		<u>1,600</u>	
			1,346		1,115
Taxation:					
Corporation tax and group relief paid			(1,731)		(2,157)
Capital expenditure and financial investment:					
Purchase of tangible fixed assets			(6,894)		(9,659)
Acquisitions and disposals:					
Purchase of investment			(18)		(130)
Cash (outflow)/inflow before financing			(1,556)		5,538
Financing:					
Repayment of amounts borrowed		(3,924)		(6,840)	
New debt financing facilities		-		1,030	
Movement in finance lease debt		(648)		(150)	
			(4,572)		(5,960)
Decrease in cash	20		(6,128)		(422)

The notes on pages 11 to 28 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year. The financial statements have been prepared under the historical cost convention and in accordance with applicable laws and Accounting Standards.

Basis of consolidation

The group financial statements consolidate the financial statements of the Parent Company and all its subsidiaries by the acquisition method of accounting. A joint venture is an undertaking in which the group has a long term interest and over which it exercises joint control. The consolidated profit and loss account includes the group's share of the results of joint ventures as shown by their audited statements or unaudited management accounts. The group's interest in their net assets is included in the consolidated balance sheet. The consolidation includes the audited accounts of Garic Limited to 30 April 2010, and then the management account information to 31 December 2010. All other subsidiaries have co-terminus year-ends.

Tangible fixed assets and depreciation

Fixed assets are included at cost, less depreciation. Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets over their expected useful economic lives. The useful economic lives are as follows:

- equipment
- varying rates between three and five years
- leasehold improvements
- over the primary period of the lease
- fleet
- between five and ten years

Fleet assets in the course of construction are not depreciated until it is deemed that the asset has commenced its useful economic life and contributes economic benefits to the group.

Interest rate swaps

The Group uses derivative financial instruments to reduce exposure to interest rate movements. For an interest rate swap to be treated as a hedge, the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting new interest payable over the periods of the contracts. If an instrument ceases to be accounted for as a hedge, for example because the underlying hedged position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is assessed on an acquisition by acquisition basis. Provision is made for any impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

1 ACCOUNTING POLICIES (continued)

Going concern

The financial statements have been prepared on the going concern basis

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report along with the financial position of the group. In addition, the Directors' Report includes the group's policies and processes for managing its capital and financial risk management objectives

The group meets its day to day working capital requirements through managing its debtors and creditors and has given loans to support other group companies. At the year-end the group has loaned £0.985m to Colney Memorial Parks Limited and £0.75m to Bibby Consulting & Support Limited, both on commercial terms

The group's forecasts and projections, taking account of reasonably possible changes in trading performance given the current uncertain economic outlook and taking account of certain specific financial assurances from the parent company, show the group should be able to operate within the level of its current facilities for a period of at least 12 months from the approval of the financial statements. No matters have been drawn to the group's attention to suggest that required facilities will not be forthcoming on acceptable terms

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue operating on a commercial basis for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual accounts

Drydock costs

For all owned vessels non-capital costs associated with the periodic drydocking of vessels are written off in the year in which the drydock takes place

Floating accommodation vessels' relocation and refurbishment costs

After a floating accommodation vessel completes a contract, the costs of relocation and refurbishment are normally written off over the life of that vessel's next contract. However, if the next contract is of a short term nature, the costs are written off to the profit and loss account in the year of expenditure

Stock

Stock is stated at the lower of cost and net realisable value, and represents consumables, transit vans in the course of conversion

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. The deferred tax assets and liabilities are not discounted. Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

1 ACCOUNTING POLICIES (continued)

Current taxation

Current taxation is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted, or substantively enacted by the balance sheet date

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Pension costs

Bibby Holdings Limited is a member of the Bibby Line Group Limited Pension Scheme but is unable to identify its share of the underlying assets and liabilities of the Schemes on a consistent and reasonable basis therefore, as required by FRS 17 "Retirement Benefits", Bibby Holdings Limited continues to account for the Scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the Scheme in respect of the accounting period. Differences between the amounts charged in the profit and loss account and payments made to the Schemes are treated as liabilities. The disclosures required by FRS 17 have been incorporated in note 28.

Bibby Holdings Limited is a member of the Merchant Navy Officers Pension Fund (MNOF), but is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by FRS 17 "Retirement Benefits", Bibby Holdings Limited continues to account for the scheme as if it were a defined contribution scheme. The membership of the scheme is as a result of historical and current shipping activity.

Operating leases

Lease rentals are charged to the profit and loss account on a straight line basis over the lease terms.

Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

Finance leases

Amounts due under finance leases are included as a debtor at the amount of the net investment in the lease. Lease payments receivable are apportioned between repayments of capital and interest so as to give a constant periodic rate of return on the net investment in the lease.

2 TURNOVER

Marine turnover, which is derived from international business, is the freight and charter hire earned plus service revenues and is recognised at the time the relevant service is provided to customers. Joint venture turnover includes interest receivable under finance leases. Plant hire turnover is hire rental and is recognised for each period where rentals fall due. The directors consider all material activities of the group to be managed within the UK.

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £000	2009 £000
Interest receivable in joint ventures	9	15
Bank interest receivable	48	88
Interest receivable from fellow group companies	<u>122</u>	<u>217</u>
	<u>179</u>	<u>320</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £000	2009 £000
On bank loans and overdrafts	428	674
On bank loans and overdrafts of joint venture	2,020	2,097
HP and finance leases	100	116
Foreign exchange gain on loans	<u>(349)</u>	<u>(1,372)</u>
	<u>2,199</u>	<u>1,515</u>

5 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION
is stated after charging the following amounts -

	2010 £000	2009 £000
Depreciation of owned assets (note 9)	8,518	7,328
Depreciation of leased assets (note 9)	754	326
Goodwill amortised (note 10)	1,595	1,363
Exchange (gains)/losses	<u>(66)</u>	881
Operating lease costs		
- hire of plant and machinery	40	37
- other	395	390
Amounts receivable by auditors and their associates in respect of		
These financial statements	9	9
Audit of financial statements of subsidiaries pursuant to legislation	61	58

Fees payable to the company's auditors for non audit services were £nil (2009 £nil)

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010 £000	2009 £000
The taxation charge comprises:		
Group relief / corporation tax payable for the current period	(505)	(647)
Over/(under) provision of corporation tax in respect of earlier periods	3,083	(4,227)
Share of participating interests taxation charge	(1)	(1)
Current year provision for foreign taxes	<u>41</u>	<u>(16)</u>
Current tax charge	2,618	(4,891)
Movement in deferred tax liability	<u>679</u>	<u>4,329</u>
Current year credit / (charge)	<u>3,297</u>	<u>(562)</u>

Factors affecting the tax charge for the year:

The current tax charge is lower (2009 – lower) than the anticipated charge. The anticipated tax charge is based on the average rate of tax across the group.

The differences are explained as follows

	2010 £000	2009 £000
(Loss)/profit on ordinary activities before taxation	<u>(743)</u>	<u>2,470</u>
Profit on ordinary activities multiplied by the rate of tax of 28% (2009 – 28%)	208	(692)
Effects of:		
Over/(under) provision of corporation tax in respect of earlier periods	3,083	(4,227)
Difference between capital allowances and depreciation	(669)	279
Foreign taxation	(229)	42
Non taxable expenses	(28)	(87)
Goodwill not taxable	(418)	(382)
Permanent differences	40	(438)
Impact of JV Tonnage tax	<u>632</u>	<u>614</u>
Current tax credit / (charge)	<u>2,618</u>	<u>(4,891)</u>

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

7 INVESTMENTS

	Foreland Participating Interest £000	Subsidiary Undertakings £000	Other £000	Total £000
Parent company				
At 1 January and 31 December 2010	<u>25</u>	<u>737</u>	<u>25</u>	<u>787</u>
Group				
At 1 January and 31 December 2010	=	=	<u>25</u>	<u>25</u>

Details of shares held in subsidiary and associated undertakings are given in note 26

8 INCOME FROM INTERESTS IN PARTICIPATING INTERESTS

The Group's share of participating interests' results is set out below

	2010 £000	2009 £000
Turnover	<u>9,549</u>	<u>9,375</u>
Operating profit	4,272	4,280
Interest receivable	9	15
Interest payable	<u>(2,024)</u>	<u>(2,097)</u>
Group's share of profit on ordinary activities before taxation	<u>2,257</u>	<u>2,198</u>
Group's share of tax on profit on ordinary activities	(1)	(1)

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

8 INCOME FROM INTERESTS IN PARTICIPATING INTERESTS (continued)

The Group's participating interests are represented as follows

	Foreland 2010 £000	Foreland 2009 £000
Tangible fixed assets	9,734	10,544
Non current assets	28,373	28,469
Current assets	8,807	5,948
Creditors (amounts falling due within one year)	(4,472)	(4,760)
Net current assets	<u>4,336</u>	<u>1,188</u>
Total assets less current liabilities	42,442	40,201
Other borrowings	<u>(36,988)</u>	<u>(35,304)</u>
Group share of net assets	<u>5,454</u>	<u>4,897</u>

9 TANGIBLE ASSETS

	Parent Company Equipment £000
Cost	
At 1 January 2010 and 31 December 2010	<u>12</u>
Depreciation	
At 1 January 2010	10
Charge for the year	1
At 31 December 2010	<u>11</u>
Net book amount	
At 31 December 2010	<u>1</u>
At 31 December 2009	<u>2</u>

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

9 TANGIBLE ASSETS (continued)

	Group				
	Leasehold improvements £000	Equipment £000	Fleet assets in course of construction £000	Fleet £000	Total £000
Cost					
At 1 January 2010	24	12,383	20	59,123	71,550
Additions	-	3,964	2,432	515	6,911
Exchange differences	-	22	-	5	27
Disposals	-	(1,504)	-	-	(1,504)
At 31 December 2010	<u>24</u>	<u>14,865</u>	<u>2,452</u>	<u>59,643</u>	<u>76,984</u>
Depreciation					
At 1 January 2010	24	3,441	-	32,513	35,978
Charge for the year	-	3,910	-	5,362	9,272
Exchange differences	-	52	-	-	52
Disposals	-	(1,080)	-	-	(1,080)
At 31 December 2010	<u>24</u>	<u>6,323</u>	<u>-</u>	<u>37,875</u>	<u>44,222</u>
Net book amount					
At 31 December 2010	<u>-</u>	<u>8,542</u>	<u>2,452</u>	<u>21,768</u>	<u>32,762</u>
At 31 December 2009	<u>-</u>	<u>8,942</u>	<u>20</u>	<u>26,610</u>	<u>35,572</u>

Included in equipment are assets under finance leases and similar hire purchase contracts, which are held in the books of Garic Limited, with a net book value at the year-end of £2,408,000 (2009 £1,713,000) Depreciation for the year on these assets was £754,000 (2009 £326,000)

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

10 INTANGIBLE ASSETS

The company has no intangible assets. Details of those relating to the group are as follows,

	Goodwill £000
Cost	
At 1 January 2010	13,754
Revaluation of previous goodwill	817
Exchange differences	(27)
At 31 December 2010	<u>14,544</u>
Amortisation	
At 1 January 2010	1,619
Charge for the year	<u>1,595</u>
At 31 December 2010	<u>3,214</u>
Net book amount	
At 31 December 2010	<u>11,330</u>
At 31 December 2009	<u>12,135</u>

The directors at the end of the year have recalculated the deferred consideration payable on a previous year's acquisition, with reference to the trading performance achieved and the latest forecasts for that business. This calculation resulted in a revised estimate of deferred consideration, which has increased the goodwill calculation by £817,000 in the year.

11 STOCK

	Parent Company		Group	
	2010	2009	2010	2009
	£000	£000	£000	£000
Consumables	=	=	<u>726</u>	<u>477</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

12 DEBTORS

	Parent Company		Group	
	2010	2009	2010	2009
	£000	£000	£000	£000
Trade debtors	-	30	6,118	4,513
Amounts owed by group undertakings	10,392	10,457	2,068	1,398
Finance lease income recoverable	-	-	-	306
Other debtors	6	6	183	176
Taxation and social security	1,098	395	1,152	53
Deferred tax asset (note 6)	17	20	-	79
Prepayments and accrued income	<u>16</u>	<u>49</u>	<u>1,000</u>	<u>563</u>
	<u>11,529</u>	<u>10,957</u>	<u>10,521</u>	<u>7,088</u>

Included in finance lease income recoverable and in other debtors are amounts totaling £nil (2009 - £153,000) which are due after more than one year

13 CREDITORS

(Amounts falling due within one year)

	Parent Company		Group	
	2010	2009	2010	2009
	£000	£000	£000	£000
Bank and other loans (note 14)	-	-	4,719	4,983
Trade creditors	9	18	3,927	4,286
Debt factoring balance	-	-	1,905	1,530
Finance lease payables	-	-	959	596
Corporation tax payable	-	-	626	3,796
Amounts owed to group undertakings	2,126	9,143	-	-
Taxation and social security	-	-	294	114
Other creditors	-	-	9	9
Deferred consideration	-	-	8,161	-
Accruals and deferred income	<u>111</u>	<u>512</u>	<u>2,296</u>	<u>1,481</u>
	<u>2,246</u>	<u>9,673</u>	<u>22,896</u>	<u>16,795</u>

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

14 CREDITORS
(amounts falling due after more than one year)

	Parent Company		Group	
	2010	2009	2010	2009
	£000	£000	£000	£000
Bank loans (see below)	-	-	6,063	11,061
Other loan	-	-	-	682
Finance lease payables	-	-	1,244	959
Other creditors	-	-	169	211
Deferred consideration	-	-	-	7,344
Customer deposit	-	-	-	619
	<u>-</u>	<u>-</u>	<u>7,476</u>	<u>20,876</u>

Bank loans comprise a fleet finance loan, which is secured by statutory mortgages on certain vessels of the fleet, is denominated in Euros and carries interest at 0.90 per cent above Euribor. The loan is repayable by instalments. A loan from The Co-Operative Bank Plc was taken out in 2008 at 3% over Bank of England base rate, with the facility repayable by equal monthly instalments over 5 years. This loan is secured by a debenture over the shares in the investing company, in favour of the bank. The other loan, which was repayable by equal monthly instalments, carried an interest rate of 4.5%, rising to 7.5% over Barclays base rate, depending upon when the loan was repaid.

	2010	Group
	£000	£000
Bank Loans Repayable:		
Within one year	4,719	4,638
Between one and two years	4,992	4,855
Between two and five years	<u>1,071</u>	<u>6,207</u>
	<u>10,782</u>	<u>15,700</u>
Other Loan Repayable:		
Within one year	-	345
Between one and two years	-	360
Between two and five years	<u>-</u>	<u>322</u>
	<u>-</u>	<u>1,027</u>
Finance Leases Repayable:		
Within one year	959	596
Between one and two years	920	82
Between two and five years	<u>324</u>	<u>877</u>
	<u>2,203</u>	<u>1,555</u>

At the year end there were no liabilities due greater than one year for the parent company (2009 £nil)

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation £000
Parent Company	
At 1 January 2010	(20)
Charged to the profit and loss account in the year	<u>3</u>
At 31 December 2010 (see note 12)	(17)

Group

	Deferred Taxation £000	Vacant Property £000	Total £000
At 1 January 2010	1,805	64	1,869
Reclassification from debtors	(160)	-	(160)
Reclassification from creditors	-	40	40
Charged in the year	-	61	61
Utilised in the year (note 6)	(679)	(15)	(694)
At 31 December 2010	<u>966</u>	<u>150</u>	<u>1,116</u>

The deferred tax liability relates to capital allowances claimed in excess of depreciation. The vacant property provision will be utilised from January 2010 to December 2012, when the lease expires.

16 CALLED UP SHARE CAPITAL

	Allotted & Fully Paid	
	2010 £000	2009 £000
5,000,000 ordinary equity shares of £1 each	<u>5,000</u>	<u>5,000</u>

17 PROFIT AND LOSS ACCOUNT

	Parent Company £000	Group £000
At 1 January 2010	3,780	27,052
Profit for the financial year	2,556	2,552
Exchange differences arising on consolidation	<u>(-)</u>	<u>1</u>
At 31 December 2010	<u>6,336</u>	<u>29,605</u>

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Parent Company		Group	
	2010	2009	2010	2009
	£000	£000	£000	£000
Profit / (Loss) for the financial year	2,556	(1,754)	2,552	1,937
Intercompany loan waivers	-	(978)	-	-
Exchange differences	-	-	1	53
Net addition / (reduction) to shareholders' funds	2,556	(2,732)	2,553	1,990
Opening shareholders' funds	<u>8,780</u>	<u>11,512</u>	<u>32,052</u>	<u>30,062</u>
Closing shareholders' funds	<u>11,336</u>	<u>8,780</u>	<u>34,605</u>	<u>32,052</u>

19 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

	2010	2009
	£000	£000
Operating (loss) / profit	(2,509)	(615)
Depreciation	9,272	7,654
Amortisation of goodwill	1,595	1,363
(Increase) / decrease in debtors	(2,413)	6,259
Decrease / (increase) in creditors	16	85
Decrease / (increase) in stock	(249)	88
Exchange differences	(17)	1,431
Increase in provisions	46	104
	<u>5,741</u>	<u>16,369</u>

20 RECONCILIATION OF NET DEBT

	2010	2009
	£000	£000
Decrease in cash in the year	(6,128)	(422)
Decrease in loans	5,595	6,841
Increase in debt factoring finance	(375)	(1,030)
(Increase)/decrease in HP	<u>(648)</u>	<u>149</u>
Change in net debt from cash flows	(1,556)	5,538
Exchange movements	349	-
Movement in net debt in the year	(1,207)	5,538
Net debt at 1 January	<u>(8,401)</u>	<u>(13,939)</u>
Net debt at 31 December	<u>(9,608)</u>	<u>(8,401)</u>

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

21 ANALYSIS OF NET DEBT

	1 January 2010 £000	Cash Flow £000	Exchange movements £000	31 December 2010 £000
Cash at bank and in hand	11,409	(6,128)	-	5,281
Debt due after one year	(12,701)	5,186	209	(7,306)
Debt due within one year – Bank loans	(4,983)	124	140	(4,719)
Debt due within one year – Debt factoring	(1,530)	(375)	-	(1,905)
Debt due within one year – Finance lease	(596)	(363)	-	(959)
	<u>(8,401)</u>	<u>(1,556)</u>	<u>349</u>	<u>(9,608)</u>

22 EMOLUMENTS OF DIRECTORS

	2010 £000	2009 £000
Aggregate emoluments	<u>204</u>	<u>703</u>

Three (2009 - three) of the directors are in a money purchase pension scheme and contributions in the year were £25,537 (2009 - £57,562) The highest paid director is a member of a money purchase pension scheme

	2010 £000	2009 £000
Highest paid director		
Total amount of emoluments (excluding pension contributions)	86	312
Pension contributions	<u>16</u>	<u>31</u>

23 STAFF COSTS

	2010 £000	2009 £000
Staff costs		Restated
- wages and salaries	28,939	29,704
- social security costs	983	597
- other pension costs	1,225	1,386

The 2009 staff costs have been restated to include the cost of seafarers employed through our ~~our~~ ^{the} ship management business

	Number	Number
The average number of employees during the year was		
Administration	5	16
Marine staff	825	735
Equipment hire	<u>113</u>	<u>92</u>
	<u>943</u>	<u>843</u>

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

24 OPERATING LEASE COMMITMENTS

	2010		2009	
	Property	Other	Property	Other
	£000	£000	£000	£000
The Group has the following annual commitments under operating leases which expire				
Inside one year	45	365	-	3
Between two and five years	270	355	45	32
Over five years	<u>350</u>	<u>793</u>	<u>350</u>	<u>-</u>
	<u>665</u>	<u>1,513</u>	<u>395</u>	<u>35</u>

25 CONTINGENT LIABILITIES

At the year end the Company had contingent liabilities of £2,192,680 (2009 - £2,192,680) in respect of guarantees given to the Group's bankers

During the year a subsidiary company has entered into derivatives to manage exposure to interest rate movements on its bank borrowings. Such derivatives are not included at fair value in the accounts. The fair value as at 31 December 2010 is a liability of £35,213 (2009 - £144,000) based on market values of equivalent instruments at the balance sheet date.

Notification of a potential claim of \$4.5million was received by Bibby Ship Management Limited, an indirect subsidiary, in April 2010. Having considered the facts surrounding the potential claim and the contract, the directors do not consider Bibby Ship Management Limited is liable for any part of the claim and feel sufficient insurance provisions are in place in any case. Accordingly a provision for this potential claim has not been recognised in these financial statements.

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

26 SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

All of the following companies are included in this consolidation at the year-end

	Percentage of Equity Share Capital Held	Country of Incorporation	Type of Business
Subsidiary Undertakings			
Bibby Taurus Limited	100	United Kingdom	Holding company
Garic Limited*	100	United Kingdom	Equipment hire
Bibby Travel Limited	100	United Kingdom	Property
Bibby Marine Limited	100	United Kingdom	Holding company
Bibby Ship Management Group Limited *	100	United Kingdom	Crew supply
Bibby Ship Management Limited *	100	United Kingdom	Ship management
Bibby Ship Management Insurance Services Limited *	100	United Kingdom	Insurance broker
Bibby Ship Management (Eastern Europe) *	100	Ukraine	Crew supply
M A Olevent *	75	Ukraine	Crew supply
Bibby International Services (Cayman Islands) Limited *	100	Cayman Islands	Crew supply
Bibby Ship Management (Western Europe) Limited *	100	Isle of Man	Ship management
Bibby Ship Management (Guernsey) Limited *	100	Guernsey	Crew supply
Foreland Shipping (Guernsey) Limited*	100	Guernsey	Crew supply
Bibby Ship Management (India) Private Limited *	100	India	Ship management
Bibby Ship Management (Philippines) Inc *	100	Manila	Crew supply
Bibby Ship Management (Singapore) Pte Limited *	100	Singapore	Crew supply
Bibby Tethra Limited (formerly Newbibco V Limited)*	100	United Kingdom	Ship owning
Bibby Maritime Limited *	100	United Kingdom	Floating Accommodation
Bibby Maritime (Nigeria) Limited *	100	Nigeria	Floating Accommodation
Langton Shipping Limited *	100	United Kingdom	Floating Accommodation
Joint Venture Undertakings			
Foreland Holdings Limited	25	United Kingdom	Shipping

* Denotes interest not held directly by Bibby Holdings Limited

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

27 CAPITAL COMMITMENTS

	Parent Company		Group	
	2010	2009	2010	2009
	£000	£000	£000	£000
Capital expenditure for which contracts have been placed but which are not otherwise provided for in these financial statements	<u>—</u>	<u>—</u>	<u>2,658</u>	<u>—</u>

28 PENSION COSTS

The Group participates in the Bibby Line Group Pension Scheme (the "Scheme"), a defined benefit pension scheme. The assets of the Scheme are held separately from those of the sponsoring company and participating employers and are invested with an insurance company. The company is unable to identify its share of the underlying assets and liabilities of the scheme as a significant number of members who are deferred or pensioners within the scheme relate to businesses that are no longer part of the group. The Scheme was closed to new entrants from 1 April 2000. The contributions made by the Group over the financial year to this Scheme have been £64,132 (2009 - £62,540), equivalent to 18.4% of pensionable pay. As part of the information disclosed under FRS17 in the ultimate holding company's accounts, a net deficit of £10,020,000 (2009 - £12,806,000) is noted.

The Group also participates in various defined contribution schemes for their employees. The contributions made by the Group over the financial year to such schemes have been £1,160,868 (2009 - £836,460). Outstanding contributions at the balance sheet date to all pension arrangements amounted to £Nil (2009 - £Nil).

The Group also contributes to the Merchant Navy Officers' Pension Fund (MNOF) which is a multi-employer defined benefit scheme, however, the company is unable to identify its share of the underlying assets and liabilities of the MNOF. The Group has agreed to make the following contributions based on the scheme's deficit at the following actuarial valuation dates. The contributions are accounted for in the profit and loss account on an accrual basis.

Actuarial Valuation

Date	Deficit	Contribution	Period Paid Over
March 2003	£194m	£2.41m	10 years at equal annual instalments
March 2006	£151m	£1.89m	8 years at equal annual instalments
March 2009	£390m	£3.10m	10 years until 2020

BIBBY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

29 MINORITY INTEREST

	Parent Company	Group
	2010	2010
	£000	£000
At 1 January 2010	-	11
Loss on ordinary activities after taxation	-	(5)
At 31 December 2010	-	<u>6</u>

30 RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard 8 the company is exempt from disclosing transactions with other group companies which are wholly owned by the ultimate parent undertaking Bibby Line Group Limited

31 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of Bibby Line Group Limited which is registered in England Bibby Line Group Limited is the parent undertaking of the largest group which consolidates these accounts and of which the company is a member

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