

Registration number: 00989531

Bibby Holdings Limited
Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2020

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Bibby Holdings Limited

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Bibby Holdings Limited

Company Information

Directors

Jonathan Lewis

Susan Worden

Company secretary

Bibby Bros. & Co. (Management) Limited

Registered office

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

Auditor

Mazars LLP
Statutory Auditor
One St Peters Square
Manchester
United Kingdom
M2 3DE

Bibby Holdings Limited

Strategic Report for the Year Ended 31 December 2020

The Directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the company is to act as a holding company for the group's two business units: Marine and Garic.

The Marine business unit is structured around three divisions relating to the ownership and operation of floating accommodation vessels ('Accommodation Services'), the ownership of walk to work vessels ('Walk to Work') and the provision of hydrographic survey services ('Hydrographic Survey'). The Hydrographic Survey business entered into Administration on 3 April 2020.

Bibby Marine Limited is incorporated and headquartered in the United Kingdom and undertakes its operations through a number of trading subsidiaries. The Accommodation Services division owns 6 floating accommodation barges (the Bibby Pioneer being purchased in June 2021) that operate in international markets. The Walk to Work business owns 2 vessels servicing the renewables and oil and gas markets, predominantly in Europe.

Garic has led the welfare and related plant hire market with exceptional service and ground-breaking innovations for over 30 years with the principal activity being the hire and sale of welfare accommodation, modular buildings, plant and storage products, tower lights, environmental solutions, wheel washing and site shelters.

Garic primarily serves the infrastructure sector, providing full site set up solutions, including transportation, servicing and repair.

Review of the business – Marine

Key financial and other performance indicators for the Marine business were as follows:

Accommodation services

	2020	2019
	£'000	£'000
Turnover	7,500	4,880
Operating loss	(1,931)	(3,352)

The accommodation services business continues to be affected by macro factors in the energy and raw material sectors, with all 5 vessels owned during 2020 working at various points during the year. The global pandemic has had a mixed impact on the business during 2020. In part, contracts for charters have been deferred pending better visibility on end-market demand, however we have also been successful in deploying our vessels to act as additional accommodation as part of 'circuit-breaker' mitigations during the ongoing pandemic.

Management consider the business to be well positioned to react flexibly and quickly to any new opportunities and market improvement.

Our safety record continued to be excellent and our focus on a strong safety culture will remain.

Walk to work

	2020	2019
	£'000	£'000
Turnover	16,467	9,827
Operating loss	2,831	751

Walk to work owns two vessels, Bibby WaveMaster 1 and Bibby WaveMaster Horizon. The vessel, Bibby WaveMaster 1, experienced high utilisation levels in 2020 despite Q1 being impacted by bad weather. The vessel continues to expand its client base as well as maintaining existing contractual relationships. Our increasing market presence and reputation gives the directors confidence of maintaining these utilisation levels going forwards. Bibby WaveMaster Horizon completed its first full year of service in a 10-year contract in the offshore wind sector for the Hohe See and Albatross offshore windfarms in the North Sea, performing in line with expectations.

Bibby Holdings Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Review of the business – Marine (*continued*)

The coronavirus pandemic has resulted in additional measures being introduced to ensure the vessels can operate in a covid-safe manner, and to date, operations have not been significantly interrupted. We are continuing to ensure that the potential impact of the coronavirus is mitigated as much as possible through the safe operation of vessel and crew.

Hydrographic survey

	2020 £'000	2019 £'000
Turnover	1,624	12,465
Operating (loss) / profit	(1,757)	(10,018)

The Hydrographic survey business faced extremely challenging conditions in their traditional market during 2019, resulting in a lower level of turnover compared to the prior year. The shift in hydrographic survey work further offshore, where our vessels are not so suited, and the arrival of Covid-19 led the directors of Bibby Hydromap Limited to take the decision to place the company into administration on 3 April 2020.

The disposal of HydroMap's assets as a result of the administration impacted Marine's consolidated profit before tax by a £5.5m exceptional gain (2019: £4.2m impairment loss). Impairment provisions had been made in the prior year against assets and the gain reflects the effect of the administration on outstanding creditor and debtor balances at that date.

Marine's consolidated pre-exceptional operating loss for the year was £0.9m (2019: £8.4m loss) and consolidated profit before tax was £1.4m (2019: £15.1m loss).

Review of the business – Garic

Key financial and other performance indicators for the Garic business were as follows:

- Turnover growth: 1.9% (2019: 24.3%)
- EBITDA: £8.5m (2019: £6.4m)
- EBITDA margin: 24.6% (2019: 18.9%)
- Operating profit margin: 10.0% (2019: 5.0%)
- Hire fleet net book value: £25.0m (2019: £26.5m)
- Ratio of net external debt to EBITDA: 1.6 (2019: 3.2)
- Shareholders' funds: £9.3m (2019: £6.3m)

Turnover in the year was 1.9% ahead of the previous year at £34.6m (2019: £34.0m). Total hire revenue increased by 14% in 2020, which was partly offset by a fall in product sales due to the impact of covid-19. The growth in hire revenue reflects strong demand from our customers in infrastructure contractor markets for eco-welfare products to support them in ensuring safe site operating procedures in response to the covid-19 pandemic.

Earnings before interest, tax and depreciation (EBITDA) was 32% above the previous year at £8.5m (2019: £6.4m) and operating profit of £3.4m was up by £1.8m, with the improved profitability driven by strong hire volumes that were delivered with no increase in the depot network. Profit for the year also benefited from furlough receipts of £0.3m, primarily in the second quarter of the year when the manufacturing and sales functions were shut down.

Fleet capital expenditure of just under £4m was lower than in each of the last two years and meant the net book value of hire fleet fell slightly during the year. Asset investment in the year continued to focus on the company's core welfare fleet and eco range of products.

Bibby Holdings Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Review of the business – Garic (*continued*)

Strong trading, excellent working capital management and modest capital expenditure enabled a reduction in the ratio of net external debt to EBITDA to 1.6 (2019: 3.2).

Further details on the performance of the business units is given in their respective accounts.

Future developments

Details concerning future developments of each of the trading businesses are disclosed within their own Financial Statements.

Principal risks and uncertainties

The financial performance of the group is largely dependent upon each trading subsidiary performing in line with expectations. Each business has its own board of directors with executive teams responsible for the day to day management of that business. Each subsidiary within the group has established its own risk management framework encompassing both financial and non-financial controls. The individual business boards are responsible for managing those risks.

Further details concerning financial instruments and the principal risks and uncertainties of each business are disclosed within their own Financial Statements.

Brexit

Marine:

The Marine Group has not experienced any significant impact from the Brexit transition period ending in December 2020. The Marine Group continues to monitor the impact that Brexit will have on the business in the longer term, but the international nature of the trade means that it has so far been relatively unaffected by changes in working arrangements. The Marine Group continues to work with the relevant authorities to ensure that the impact is minimised and mitigation actions are implemented where possible.

Garic:

Partly as a result of the UK's departure from the European Union there has been some disruption in supply lines. However, the Directors expect the company's core UK infrastructure market to remain reasonably stable.

Section 172 (1) statement

The directors have the duty to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on employees, communities, suppliers, customers, investors and the environment. As the Company is an indirect subsidiary of Bibby Line Group Limited all stakeholder considerations are managed at a group level. Further details of policies in relation to the section 172 (1) duties can be found in the Annual report and financial statements of Bibby Line Group Limited which may be obtained from the Company Secretary at the registered office detailed on page 1.

Employee Information

Bibby Holdings Limited (the parent) has no direct employees. During the year the subsidiary businesses provided regular updates to colleagues with information relevant to them and invited feedback from colleagues on matters of concern to them. Both businesses also produce an internal newsletter covering company initiatives, financial performance and operational and health and safety matters. A colleague engagement survey was held during the year by both Marine and Garic to supplement the regular formal and informal engagement with colleagues and colleague-led working groups have been set up to take forward the opportunities identified by the survey.

The subsidiary businesses are committed to the full and fair consideration of all applications for employment made by disabled persons, to continuing the employment of, and arranging training for, persons who become disabled during their employment, and to enabling the training, career development and promotion of disabled employees.

Bibby Holdings Limited

Approved by the Board on 27 September 2021 and signed on its behalf by:



.....
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 Holdings Limited

Directors' Report for the Year Ended 31 December 2020

The Directors present their annual report and the consolidated audited financial statements for the year ended 31 December 2020.

Directors of the Group

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

Ian Crook (resigned 31 January 2020)
Andrew Goody (resigned 2 April 2021)
Jonathan Lewis
Susan Worden (appointed 2 April 2021)

Dividends

No dividend was proposed during the year (2019 - same).

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 future developments and the principal risks and uncertainties 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.

As highlighted within the strategic report, specifically the s.172 statement, the directors have the duty to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on employees, communities, suppliers, customers, investors and the environment. As the Company is an indirect subsidiary of Bibby Line Group Limited, all stakeholder considerations are managed at a group level. Further details of policies in relation to the s.172(1) duties can be found in the Annual Report and Financial Statements of Bibby Line Group Limited which may be obtained from the Company Secretary at the registered office detailed on page 1.

Branches outside the United Kingdom

The Maritime business has branches registered in Australia, Sweden and Norway. The Walk to Work business has branches registered in The Netherlands and Germany.

Going concern

In carrying out their duties in respect of going concern, the Directors have carried out a review of the Group's financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. The forecast was based on a detailed review of revenue, expenditure and cash flows, taking into account specific business risks and uncertainties about the economic environment and events in the wider construction sector, including the potential future impact on the company of ongoing disruption as a result of the Covid-19 virus.

Garic:

Management have undertaken a detailed review of revenue, expenditure and cash flows, taking into account specific business risks and uncertainties about the economic environment and events in the wider construction sector, including the potential future impact on the company of disruption as a result of the ongoing Covid-19 virus. The Directors' best estimate of the likely impact of future Covid-19 related disruption, have been taken into account in the Directors' review of the company's financial position and cash flow forecast.

The company has an ABL facility with HSBC UK Bank that expires on 25 February 2024. The ABL facility comprises:

- a rolling inventory facility secured on qualifying fixed assets; availability is based on the net book value and net orderly liquidated value of the assets and capped at £25m (2019: £30m); £18.5m was drawn on this facility at 31 December 2020 (2019: £19.5m);
- a rolling invoice discounting facility secured on the company's debtor balances, capped at £7m (2019: £10m); nothing was drawn on this facility at 31 December 2020 (2019: £2.3m).

Bibby Holdings Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

At 31 December 2020 the company owed £6.2m (2019: £6.6m) to Bibby Line Group Limited, all of which was due in more than one year.

Marine:

As described in the Strategic Report, market conditions for accommodation services remained challenging in 2020 and whilst 2020 trading was affected by the coronavirus pandemic, trading has improved, particularly towards the end of the year. In October 2020 the accommodation services division secured a 1 year £1.5m bank overdraft facility to accommodate working capital cashflows related to mobilising contracts which has been renewed for another 12 months until October 2022.

Our second walk to work vessel, Wavemaster Horizon, completed its first operational year under a 10-year charter, financed under a structure which delivers consistent cashflows throughout the contract period. Bibby Wavemaster 1 continues to operate in the short-term charter market.

Maintaining sustainable cash reserves in the longer term also relies on securing and delivering additional further work, in line with forecast levels of activity. Enquiry and tendering levels and current win rates indicate there is every expectation of winning the required work across the fleet. The growing renewables sector offers more longer-term contract opportunities, although contracting in the current market remains more short-term in nature for Bibby Wavemaster 1 and as a consequence business forecasts for this vessel rely more heavily on assumptions related to contract awards than they do in relation to contracted work. The Group has continued focus on the cost-base to ensure the business model is sustainable in the current conditions.

In February 2021 Bibby Wavemaster 2 Limited secured a Junior Loan note facility secured against the Wavemaster Horizon vessel, realising £6.6m net proceeds to re-pay other existing debt obligations. In March 2021, the Group also restructured the Bibby Wavemaster 1 Limited loan facilities, extending the repayment profile to better match the cashflows generated by the vessel, and recognising the life of the underlying asset.

Forecasts of future cash generation from both businesses have been prepared as part of the normal cycle of quarterly forecasting over the period to the end of the calendar year following the date of signing the accounts, and these have been updated to take account of subsequent changes in the commercial environment. The forecasts assume that facilities currently provided will be maintained, and accordingly ongoing support for intercompany facilities, consisting of loans advanced and still outstanding at the date of signing the accounts, has been confirmed by Bibby Line Group.

On the basis of the above approach, the directors have formed the judgement at the time of approving the financial statements, that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies statement in Notes to the Financial Statements.

Bibby Holdings:

In order to manage liquidity risk the Group's two principal business units prepare daily, weekly and monthly cash flow forecasts, with the monthly forecasts looking forward for a rolling 15 month period. The key sensitivities are the level of cash expected to be generated from future trading, the timing of future capital expenditure, and the debt repayment profile. Capital expenditure commitments are at the discretion of the Directors.

Having made enquiries and considering the uncertainties referred to above, including the support required from the ultimate parent company, the directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the statutory financial statements.

Directors' liabilities

The company has made qualifying third party indemnity provisions for the benefit of its directors. These were made during the year and remain in force at the date of this report.

Bibby Holdings Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Disclosure of information to the auditor

Each of the directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each 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.

Non-adjusting events after the financial period

Marine

In February 2021, Bibby Wavemaster 2 Limited secured a Junior Loan note facility secured against the Wavemaster Horizon vessel, realising £6.6m net proceeds to re-pay other existing debt obligations.

In March 2021, the Marine Group also restructured the Bibby Wavemaster 1 loan facilities, extending the repayment profile by 2 years. The new profile of repayments better matches the cashflows generated by the vessel and better recognises the remaining life of the underlying asset.

In June 2021, Bibby Renaissance Limited (renamed Bibby Pioneer Limited) purchased the ASV Pioneer (renamed Bibby Pioneer) for £1.5m which was funded directly via a loan from Bibby Line Group secured on the vessel.

Approved by the Board on 27 September 2021 and signed on its behalf by:



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 Holdings Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 Group and Parent company and of the profit or loss of the group and parent company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and 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 Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bibby Holdings Limited

Independent Auditor's Report to the members of Bibby Holdings Limited

Opinion

We have audited the financial statements of Bibby Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 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 and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 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 and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Bibby Holdings Limited

Independent Auditor's Report to the members of Bibby Holdings Limited (cont.)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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.

Bibby Holdings Limited

Independent Auditor's Report to the members of Bibby Holdings Limited (cont.)

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries, management bias through judgements and assumptions in significant accounting estimates.

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

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

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

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud.
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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

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

Bibby Holdings Limited

Independent Auditor's Report to the members of Bibby Holdings Limited (cont.)

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 (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St Peter's Square

Manchester

Date: 27 September 2021

Bibby Holdings Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2020

		Continuing Operations	Discontinued Operations	Total 2020	Continuing Operations	Discontinued Operations	Total 2019
	Note	£000	£000	£000	£000	£000	£000
Turnover	3	58,606	1,624	60,230	48,703	12,465	61,168
Cost of sales		(42,421)	(2,791)	(45,212)	(39,407)	(15,854)	(55,261)
Gross profit		16,185	(1,167)	15,018	9,296	(3,389)	5,907
Administrative expenses		(12,305)	(590)	(12,895)	(10,127)	(2,465)	(12,592)
Impairment of tangible fixed assets	5	-	-	-	-	(4,188)	(4,188)
Other operating income	4	376	-	376	-	32	32
Operating (loss) / profit	5	4,256	(1,757)	2,499	(831)	(10,010)	(10,841)
Profit on disposal of fixed assets	5	91	-	91	-	-	-
Profit on disposal of subsidiary	5	-	5,507	5,507	-	-	-
Interest payable and similar charges	6	(4,130)	(270)	(4,400)	(2,753)	(1,002)	(3,755)
Profit/(loss) before tax		217	3,480	3,697	(3,584)	(11,012)	(14,596)
Taxation	9	1,142	(30)	1,112	359	(158)	201
Profit/(loss) for the financial year		1,359	3,450	4,809	(3,225)	(11,170)	(14,395)
Profit/(loss) attributable to:							
Owners of the company		1,359	3,450	4,809	(3,225)	(11,170)	(14,395)
		1,359	3,450	4,809	(3,225)	(11,170)	(14,395)

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020 £000	2019 £000
Profit/(loss) for the year	4,809	(14,395)
Foreign currency translation losses	(71)	(1,060)
Total comprehensive expense for the year	4,738	(15,455)
Total comprehensive expense attributable to:		
Owners of the company	4,738	(15,455)
	4,738	(15,455)

Bibby Holdings Limited

Consolidated Balance Sheet as at 31 December 2020 (Registration number: 00989531)

	<i>Note</i>	2020 £000	2019 £000
Fixed assets			
Tangible assets	10	100,640	109,505
Current assets			
Stocks	12	1,399	1,848
Debtors	13	46,341	43,200
Cash at bank and in hand		5,064	2,715
		52,804	47,763
Creditors: Amounts falling due within one year	14	(22,982)	(21,495)
Net current assets		29,822	26,268
Total assets less current liabilities		130,462	135,773
Creditors: Amounts falling due after more than one year	14	(93,190)	(103,722)
Provisions for liabilities	16	(516)	(33)
Net assets		36,756	32,018
Capital and reserves			
Called up share capital	17	5,000	5,000
Retained earnings		31,756	27,018
Equity attributable to owners of the company		36,756	32,018
Non-controlling interests		-	-
Total equity		36,756	32,018

The financial statements of Bibby Holdings Limited were approved by the board of directors and authorised by the Board on 27 September 2021. They were signed on its behalf by:



Jonathan Lewis
Director

Bibby Holdings Limited


Company Balance Sheet as at 31 December 2020 (Registration number: 00989531)

	<i>Note</i>	2020 £000	2019 £000
Fixed assets			
Investments	<i>11</i>	2,500	2,500
Current assets			
Debtors	<i>13</i>	38,103	38,133
Cash at bank and in hand		-	5
		38,103	38,138
Creditors: Amounts falling due within one year	<i>14</i>	(85)	(82)
Net current assets		38,018	38,056
Total assets less current liabilities		40,518	40,556
Provisions for liabilities	<i>16</i>	4	(22)
Net assets		40,522	40,534
Capital and reserves			
Called up share capital	<i>17</i>	5,000	5,000
Retained earnings		35,522	35,534
Total equity		40,522	40,534

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 £12,000 (2019: loss of £8,000).

Approved and authorised by the Board on 27 September 2021 and signed on its behalf by:



Jonathan Lewis
Director

Bibby Holdings Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2020	5,000	27,018	32,018
Profit for the year	-	4,809	4,809
Other comprehensive expense	-	(71)	(71)
Total comprehensive expense	-	4,738	4,738
At 31 December 2020	5,000	31,756	36,756

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2019	5,000	42,473	47,473
Loss for the year	-	(14,395)	(14,395)
Other comprehensive expense	-	(1,060)	(1,060)
Total comprehensive expense	-	(15,455)	(15,455)
At 31 December 2019	5,000	27,018	32,018

Company Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £000	Retained earnings £000	Total £000
At 1 January 2020	5,000	35,534	40,534
Loss for the year and Total Comprehensive Expense	-	(12)	(12)
At 31 December 2020	5,000	35,522	40,522

	Share capital £000	Retained earnings £000	Total £000
At 1 January 2019	5,000	35,542	40,542
Loss for the year and Total Comprehensive Income	-	(8)	(8)
At 31 December 2019	5,000	35,534	40,534

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

Bibby Holdings Limited ('the Company') is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The address of its registered office and principal place of business is 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL.

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

These financial statements have been prepared using the historical cost convention modified to include certain items at fair value.

Bibby Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the reduced disclosure framework available to it in respect of its separate financial statements. Exemptions have been taken in relation to the presentation of a separate profit and loss account, key management personnel disclosures and a cash flow statement.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings up to 31 December 2020.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or sold during the year are consolidated for the periods from or to the date on which control passed.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. The loss for the financial year was £12,000 (2019: loss of £8,000).

Business combinations are accounted for under the purchase method. The accounting periods of subsidiary undertakings are coterminous with those of the company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

Going concern

In carrying out their duties in respect of going concern, the Directors have carried out a review of the company's and Group's financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. The forecast was based on a detailed review of revenue, expenditure and cash flows, taking into account specific business risks and uncertainties about the economic environment and events in the wider marine and construction sectors. The group assessment is also based on an understanding of the underlying entities

Garic:

The business has an ABL facility with HSBC UK Bank that expires on 25 February 2024. The ABL facility comprises:

- a rolling inventory facility secured on qualifying fixed assets; availability is based on the net book value and net orderly liquidated value of the assets and capped at £25m (2019: £30m); £18.5m was drawn on this facility at 31 December 2020 (2019: £19.5m);
- a rolling invoice discounting facility secured on the company's debtor balances, capped at £7m (2019: £10m); nothing was drawn on this facility at 31 December 2020 (2019: £2.3m).

At 31 December 2020 the company owed £6.2m (2019: £6.6m) to Bibby Line Group Limited, all of which was due in more than one year.

Marine:

As described more fully in the Strategic Report, although market conditions are improving for both the accommodation services and short term W2W sectors, some challenges remain; competitive pressures is a key challenge, along with the impact this has on utilisation which itself needs to be balanced with attractive charter rates. In response, the directors have carefully considered these risks, including an assessment of uncertainties and the mitigating actions that are available to respond to those uncertainties, on forward trading projections for a period of at least twelve months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

The directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities. The forecasts assume that facilities currently provided will be maintained, and accordingly ongoing support for intercompany facilities, consisting of loans advanced and still outstanding at the date of signing the accounts, has been confirmed by Bibby Line Group.

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

Bibby Holdings:

In order to manage liquidity risk the Group's two principal business units prepare daily, weekly and monthly cash flow forecasts, with the monthly forecasts looking forward for a rolling 12 month period. The key sensitivities are the level of cash expected to be generated from future trading and the timing of future capital expenditure. Capital expenditure commitments are at the discretion of the Directors.

Having made enquiries and considering the uncertainties referred to above, including the support required from the ultimate parent company, the directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the statutory financial statements.

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

Revenue recognition

Revenue is recognised when the significant risks and rewards are considered to have been transferred to the customer, and in the same period in which the assets or services are made available to customers. Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services performed in the normal course of business, net of discounts and other sales-related taxes.

Long Term Contracts

Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Government grants

Government 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.

Finance income

Interest income is recognised when it is probable that the economic benefits will flow and the amount of revenue can be measured reliably. Income is recognised using the effective interest method, which discounts estimated future cash flows through the expected life of the financial asset to which the interest income is derived, so it is net carrying amount on initial recognition.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of subsidiary undertakings who prepare their financial statements in foreign currencies are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets, transactions entered into to hedge certain foreign currency risks, results of overseas operations, and on foreign currency borrowings to the extent that they hedge the group's investment in such operations, are reported in other comprehensive income or accumulated in equity (attributed to non-controlling interests as appropriate). All other exchange differences are included in the profit and loss account.

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

Tax

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised. Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing differences and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if:

- a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Property, plant and equipment

Tangible assets are included at cost, less depreciation and any provisions for impairment.

Depreciation

Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful economic lives. Residual values are calculated at the amount currently expected to be obtained on disposal, less costs of disposal.

The annual rates of depreciation are:

Asset class	Depreciation rate
Fleet	Varying rates between 5% and 20%
Furniture, fittings and equipment	Varying rates between 4% and 20%
Land and buildings	Varying rates between nil and 50%

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

Impairment of fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below:

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is calculated by consideration of the future cash flows related to the assets. The judgments involved in these impairment reviews are set out in the critical accounting judgments and key sources of estimation uncertainty on page 24.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a cash-generating unit (CGU), the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

For other financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the recoverable amount. Debts are written off when there is no realistic prospect of recovery. Specific provisions are made to reduce all impaired balances to their expected realisable values. A further provision is made for losses not specifically identified, based on past experience, knowledge of the Group's exposure and other relevant factors. The charge for the year for bad debts is included in operating costs.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Investments

Investments are shown at cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on deposit less overdrafts which are repayable on demand.

Inventories

Stock is stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Cost includes the direct costs of bringing the stock to its current condition and location, including procurement, direct labour costs and attributable overheads where appropriate. Provision is made for obsolete and slow moving stock where appropriate.

Trade payables

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

Liabilities

Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives.

The capital elements of future lease obligations are recorded as liabilities, with the interest elements being charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

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.

Financial instruments

The Group has elected to apply the recognition and measurement provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Tangible fixed assets

Assessing indicators of impairment of property, plant and equipment and intangible assets - Marine

In assessing whether there have been any indicators of impairment associated with the Group's property, plant and equipment and goodwill, the directors have considered both external and internal sources of information such as asset market values, changes in technological, economic and legal environments, evidence of obsolescence or physical damage of assets and any changes in economic performance of assets. The carrying value of the Marine Group's property, plant and equipment at 31 December 2020 is £73,521k (2019: £79,882k).

Fleet residual value - Marine

Management consider the residual value of the vessels not to be material on the basis that the cost of dismantling the asset is estimated to be equivalent to any value remaining in the vessel at the end of its life.

Depreciation of tangible assets – Garic

Determining the most appropriate useful economic life of tangible fixed assets hired to customers requires an estimation of their useful life and residual value of disposal.

The useful economic life and subsequent depreciation charge and net book value are estimated by the directors based on the historic useful life and residual value of each asset class with allowance made for the risk of technical charge.

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

Critical judgments in applying Group's accounting policies

The critical judgments that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below.

Revenue recognition - Marine

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 asset - Marine

The Marine business 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.

3 Turnover

The analysis of the group's turnover for the year by class of business is as follows:

	2020 Total £000	2019 Total £000
Marine	25,591	27,173
Plant hire	34,639	33,995
	60,230	61,168

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

	2020 Total £000	2019 Total £000
UK	36,263	39,621
Rest of World	23,967	21,547
	60,230	61,168

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

4 Other operating income

	2020 Total £000	2019 Total £000
Amounts received under the CJRS	376	-
Other	-	32
	<u>376</u>	<u>32</u>

5 Operating (loss)/profit

Operating profit/(loss) is stated after charging:

	2020 £000	2019 £000
Depreciation expense	11,126	10,877
Impairment of tangible fixed assets	-	4,188
Foreign exchange losses	(331)	716
Operating lease expense - plant and machinery	1,731	1,286
Operating lease expense – other	724	716
(Profit) / loss on disposal of a subsidiary	(5,507)	-
(Profit) / loss on disposal of property, plant and equipment	<u>(91)</u>	<u>(85)</u>

The impairment of fixed assets in the prior year related to assets within Bibby Marine (hydrographic survey division), following the Administration of Bibby HydroMap Limited which occurred on 3 April 2020. The impairment reflected consideration of vessel carrying values and impairment of survey kit based on the recoverable amounts (as shows as an impairment of tangible fixed assets in note 10).

The profit on disposal of a subsidiary in the year also relates to the hydrographic survey division following the administration of Bibby Hydromap Limited. The gain reflects the write off of the remaining balance sheet items following the impairment and subsequent sales of vessels and related equipment together with the write off of intercompany balances.

6 Interest payable and similar charges

	2020 £000	2019 £000
Interest on bank overdrafts and borrowings	678	1,022
Interest on obligations under finance leases and hire purchase contracts	1,478	901
Interest payable to group companies	1,920	1,477
Amortisation of debt issuance costs	324	355
	<u>4,400</u>	<u>3,755</u>

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

7 Staff costs

The aggregate payroll costs were as follows:

	2020	2019
	£000	£000
Wages and salaries	16,528	15,334
Social security costs	1,454	1,550
Other pension costs	553	647
	<u>18,535</u>	<u>17,531</u>

Directors' emoluments are borne by fellow group undertakings and are not recharged to the company.

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

	2020 Total No.	2019 Total No.
Marine	83	162
Plant Hire	269	266
	<u>352</u>	<u>428</u>

8 Auditor's remuneration

	2020	2019
	£000	£000
Audit of these financial statements	8	8
Audit of the financial statements of subsidiaries of the company pursuant to legislation	107	107
	<u>115</u>	<u>115</u>

Other fees to auditor

There were no other fees payable to the auditor in the year (2019 – same).

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

9 Taxation

Tax charged in the profit and loss account:

	2020 £000	2019 £ 000
Current taxation		
UK corporation tax	(27)	1
UK corporation tax adjustment in respect of prior periods	(20)	-
	(47)	1
Foreign tax	125	329
Foreign tax adjustment in respect of prior periods	-	2
Total current income tax	78	332
Deferred taxation		
Deferred tax charge on pension scheme costs	7	2
Arising from origination and reversal of timing differences	(763)	(575)
Effect of change in tax rate	(238)	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(196)	40
Total deferred taxation	(1,190)	(533)
Tax credit in the income statement	(1,112)	(201)

The tax on profit before tax for the year is lower (2019 - lower) than the standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%).

The differences are reconciled below:

	2020 £000	2019 £000
Loss before tax	3,697	(14,596)
Corporation tax at standard rate of 19%	702	(2,773)
Group relief surrendered for nil consideration	(977)	106
Non-taxable expenses / (income) not deductible for tax purposes	(1,141)	1,928
Effect of foreign tax rates	8	39
UK deferred tax expense relating to changes in tax rates or laws	(237)	55
Adjustment for prior periods	(216)	43
Other timing differences	749	401
Total tax credit	(1,112)	(201)

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £000
2020	
Accelerated capital allowances	1,612
Pensions	-
Other timing differences	1,411
Trading losses	-
	<u>3,023</u>
2019	
Accelerated capital allowances	837
Pensions	6
Other timing differences	979
Trading losses	-
	<u>1,822</u>

Finance Act 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate would be held at 19%,. Following the UK budget announcement on 3 March 2021, a 25% corporation tax rate will apply from 1 April 2023. At the balance sheet date this has not been substantively enacted and therefore has not been reflected through the deferred tax calculations. The impact of this change would be to increase the Group deferred tax asset by £575k.

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

10 Tangible assets

Group

	Land and buildings £000	Furniture, fittings and equipment £000	Fleet £000	Total £000
Cost or valuation				
At 1 January 2020	346	57,490	145,916	203,752
Additions	-	4,063	876	4,939
Disposals	(346)	(10,423)	(13,959)	(24,728)
Foreign exchange movements	-	-	4,522	4,522
At 31 December 2020	-	51,130	137,355	188,485
Depreciation				
At 1 January 2020	346	28,058	65,843	94,247
Charge for the year	-	5,492	5,634	11,126
Disposals	(346)	(9,577)	(7,936)	(17,859)
Foreign exchange movements	-	-	331	331
At 31 December 2020	-	23,973	63,872	87,845
Carrying amount				
At 31 December 2020	-	27,157	73,483	100,640
At 31 December 2019	-	29,432	80,073	109,505

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2020 £	2019 £
Plant and machinery	36,755	35,906

There are no tangible fixed assets held by the parent company.

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Investments

Company

	2020	2019
	£000	£000
Investments in subsidiaries	<u>2,500</u>	<u>2,500</u>

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 Holdings Limited

Company Name	Country of Incorporation	Registered Office	% Equity Share Capital Held	Type of Business
1. Bibby Taurus Limited	England & Wales	α	100%	Holding company
2. Garic Limited	England & Wales	α	100%*	Equipment hire
3. Bibby Marine Limited	England & Wales	α	100%	Holding company
4. Bibby WaveMaster 1 Limited	England & Wales	α	100%*	Ownership and operation of marine vessels
5. Bibby WaveMaster 2 Limited	England & Wales	α	100%*	Ownership and operation of marine vessels
6. Bibby Marine Services Limited	England & Wales	α	100%*	Holding company
7. Bibby Renewables Limited	England & Wales	α	100%*	Dormant
8. Bibby Marine Management Limited	England & Wales	α	100%*	Vessel Management
9. Bibby Marine Survey Services Limited	England & Wales	α	100%*	Non-trading

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

11 Investments (continued)

10.	Bibby Tethra Limited	England & Wales	α	100%*	Ownership and operation of hydrographic survey vessels
11.	Bibby HydroMap Limited (in administration since 3 April 2020)	England & Wales	β	100%*	Ownership and operation of hydrographic survey vessels
12.	Hydromap Limited	England & Wales	β	100%*	Dormant
13.	Bibby Maritime Limited	England & Wales	α	100%*	Ownership and operation of floating accommodation vessels
14.	Bibby Bergen Limited	England & Wales	α	100%*	Ownership and operation of floating accommodation vessels
15.	Bibby Challenge Limited	England & Wales	α	100%*	Ownership and operation of floating accommodation vessels
16.	Bibby Maritime Crewing Services Limited	England & Wales	α	100%*	Provision of crew services
17.	Bibby Maritime Nigeria Limited	Nigeria	π	100%*	In liquidation
18.	Bibby Progress Limited	England & Wales	α	100%*	Ownership and operation of a floating accommodation unit
19.	Bibby Renaissance Limited (now called Bibby Pioneer Limited)	England & Wales	α	100%*	Dormant
20.	Bibby Stockholm Limited	England & Wales	α	100%*	Ownership and operation of a floating accommodation unit
21.	Bibby Ship Management (Eastern Europe)	Russian Federation	Ⓐ	85.71%*	Non-trading

Registered offices:

- α 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL, United Kingdom
- β Maritime House, 4 Brunel Road, Croft Business Park, Bromborough, CH62 3NY, United Kingdom
- π 25 Adeyemo Alakija Street, Victoria Island, Lagos, Nigeria
- Ⓐ 1/2 Atarbekova str, 350062, Krasnodar, Krasnodar

Bibby Taurus Limited has taken advantage of an exemption from audit under section 479A of the Companies Act 2006. As the immediate parent, Bibby Holdings Limited, has provided a statutory guarantee for any outstanding liabilities of Bibby Taurus Limited.

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

12 Stocks

	Group	
	2020	2019
	£000	£000
Work in progress	123	717
Finished goods and goods for resale	1,276	1,131
	1,399	1,848

13 Debtors

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade debtors	10,932	9,426	-	-
Amounts owed by group undertakings	24,351	24,388	38,096	38,133
Other debtors	5,007	1,866	7	-
Prepayments	3,028	5,698	-	-
Deferred tax asset	3,023	1,822	-	-
Total current trade and other receivables	46,341	43,200	38,103	38,133

The amounts owed by group undertakings relate to amounts owed from other Bibby Line Group companies outside of the Holdings sub-group, arising from loans provided to support the relevant businesses. The loans are non-interest bearing with no scheduled date for repayment, hence repayable on demand.

14 Creditors

		Group		Company	
	Note	2020	2019	2020	2019
		£000	£000	£000	£ 000
Due within one year					
Bank overdraft		851	-	-	-
Loans and borrowings	15	9,255	9,630	-	-
Trade creditors		4,121	5,650	-	-
Amounts due to related parties		237	236	79	79
Other payables		2,567	1,308	6	3
Accrued expenses		5,562	4,365	1	-
Corporation tax liability	9	389	306	-	-
		22,982	21,495	86	82

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

14 Creditors *(continued)*

		Group		Company	
	Note	2020 £000	2019 £000	2020 £000	2019 £000
Due after one year					
Loans and borrowings	16	63,937	73,066	-	-
Amounts due to related parties		29,253	30,656	-	-
Other non-current financial liabilities		-	-	-	-
		93,190	103,722	-	-

Amounts due to related parties relate to vessel funding and working capital funding provided by group companies together with consideration for tax losses. The loans bear interest at a rate of 8%.

The Marine business uses forward foreign exchange contracts to manage exposure to foreign exchange risk associated with foreign denominated loans. The fair value of the derivative instruments have been estimated using valuation techniques which use market and non-market inputs to estimate the expected discounted cash flows. The valuation techniques use contracted exchange rates and current forward rates as determined by the bank/issuer of the derivative contract.

15 Loans and borrowings

	Group	
	2020 £000	2019 £000
Non-current loans and borrowings		
Bank borrowings	21,965	29,002
Finance lease liabilities	41,972	44,064
	63,937	73,066
	Group	
	2020 £000	2019 £000
Current loans and borrowings		
Bank borrowings	6,632	7,219
Finance lease liabilities	2,623	2,411
	9,255	9,630

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

15 Loans and borrowings *(continued)*

	2020 £000	2019 £000
Bank loans are repayable:		
Within one year	6,632	7,219
Between one and two years	4,314	4,902
Between two and five years	8,493	11,768
After five years	9,158	12,333
	28,597	36,221
	2020 £000	2019 £000
Finance leases are repayable		
Within one year	2,623	2,410
Between one and two years	5,449	2,556
Between two and five years	27,105	27,064
After five years	9,418	14,445
	44,595	46,475

The rates of interest payable on bank loans vary with either Euro or UK short term LIBOR or UK base rates. Obligations under finance leases are secured on the assets they finance. Within Bibby Marine Group Limited, Bibby Wavemaster 2 Limited has a 10 year finance lease facility relating to the Wavemaster Horizon vessel, as a result of a sale and lease back arrangement entered into on 19 November 2019. The finance lease includes an option to purchase for a nominal €1 at the end of the lease period, which, given the expected life of the vessel, it is expected to be exercised.

16 Provisions for liabilities

Group

	Deferred Tax £000	MNOPF £000	Total £000
At 1 January 2020	-	33	33
Profit and loss account	1,189	(33)	1,156
Reclassification to debtors	(1,189)	-	(1,189)
At 31 December 2020	-	-	-

The MNOPF provision related to the Merchant Navy Officers' Pension Fund defined benefit scheme, see note 20 for further detail.

Company	Deferred Tax £000	MNOPF £000	Total £000
At 1 January 2020	(11)	33	22
Reclassification from creditors	-	-	-
Profit and loss account	7	(33)	(26)
At 31 December 2020	(4)	-	(4)

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

17 Share capital

Allotted, called up and fully paid shares

Group and Company

	2020		2019	
	Number (000s)	£000	Number (000s)	£000
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

18 Dividends

The directors are proposing a final dividend of £Nil (2019 - £Nil).

19 Pensions

Defined contribution pension scheme

The group operates defined contribution pension schemes. The pension costs for the year represents contributions payable by the subsidiaries to the schemes and amounted to £553,000 (2019 - £647,000). There are no contributions outstanding to the scheme at the end of the financial year (2019 - same).

Multi-employer pension scheme

The group contributes to the Merchant Navy Officers' Pension Fund (MNOFF) which is a multi-employer defined benefit scheme. The group is unable to identify its share of the underlying assets and liabilities of the MNOFF, 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. The provision will unwind as contributions are paid and will increase if a revised, increased, schedule of contributions is agreed with the MNOFF. The latest actuarial valuation of the scheme, at March 2012, identified the scheme deficit of £492,000,000. The Group has agreed to make annual contributions, based on the scheme's deficit, of £28,000 per annum from 2017 - 2020. The contributions made by the Group to the MNOFF scheme over the financial year amounted to £33,000 following an agreement with the MNOFF trustees to defer a proportion of the FY19 contribution to FY20. All contributions have now been paid and no further contributions are expected to the scheme.

20 Commitments

Group

Capital commitments

The total amount of property, plant and equipment expenditure for which contracts have been placed but which are not otherwise provided for in these financial statements was £3,497,000 (2019 - £767,000).

Company

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2019 - £Nil).

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

20 Commitments *(continued)*

Operating lease commitments

Group

As at 31 December 2020 the group had total minimum leases payments under non-cancellable operating leases as follows:

Operating leases which expire:

	2020 £000	2019 £000
Land and Buildings		
Within one year	723	712
Within two and five years	1,850	2,241
Over five years	-	299
	<u>2,573</u>	<u>3,252</u>
Other		
Within one year	1,282	1,215
Within two and five years	2,837	2,718
Over five years	-	-
	<u>4,119</u>	<u>3,933</u>

21 Financial instruments

Group

Categorisation of financial instruments

	2020 £000	2019 £000
Financial assets measured at amortised cost	48,382	44,092
Financial liabilities measured at amortised cost	(116,172)	(125,217)
	<u>(67,790)</u>	<u>(81,125)</u>

22 Related party transactions

The company has taken advantage of the exemption in FRS 102 Section 33 "Related Party Disclosures" from disclosing transactions with wholly owned subsidiaries of Bibby Line Group Limited.

Bibby Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 *(continued)*

23 Control

The company is controlled by Bibby Line Group Limited a Company which is registered in England. Bibby Line Group Limited is the parent undertaking of the largest and smallest group which consolidates these accounts and of which the company is a member.

The ultimate controlling party is Bibby Line Group Limited and further detail is disclosed in the financial statements of Bibby Line Group Limited. These may be obtained from Bibby Line Group Limited, 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL (www.bibbylinegroup.co.uk).

24 Post balance sheet events

Non-adjusting events after the balance sheet period

Marine

In February 2021, Bibby Wavemaster 2 Limited secured a Junior Loan note facility secured against the Wavemaster Horizon vessel, realising £6.6m net proceeds to re-pay other existing debt obligations.

In March 2021, the Marine Group also restructured the Bibby Wavemaster 1 loan facilities, extending the repayment profile by 2 years. The new profile of repayments better matches the cashflows generated by the vessel and better recognises the remaining life of the underlying asset.

In June 2021, Bibby Renaissance Limited (renamed Bibby Pioneer Limited) purchased the ASV Pioneer (renamed Bibby Pioneer) for £1.5m which was funded directly via a loan from Bibby Line Group secured on the vessel.