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Registration number. 01036027

Bibby Bulk Carriers Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2010

Deloitte LLP
Chartered Accountants & Registered Auditor
Liverpool
United Kingdom

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Bibby Bulk Carriers Limited
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Bibby Bulk Carriers Limited
Company Information

Directors	Simon Jeremy Kitchen Sean Thomas Golding
Company secretary	Bibby Bros & Co (Management) Limited
Registered office	105 Duke Street Liverpool L1 5JQ (www.bibbyline.co.uk)
Auditor	Deloitte LLP Chartered Accountants & Registered Auditor Liverpool United Kingdom

Bibby Bulk Carriers Limited
Directors' Report for the Year Ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Directors of the company

The directors who held office during the year were as follows

Simon Jeremy Kitchen

Sean Thomas Golding

Principal activity

The principal activity of the company is the ownership and management of marine assets

Going concern

The current uncertain economic conditions present increased risks for all businesses. In response to such conditions, the Directors have carefully considered those risks, including an assessment of any uncertainty on the 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 financial statements.

Based on this assessment the Directors consider that the company maintains an appropriate level of liquidity to meet the demands of the business including any capital and servicing obligations of external debt liabilities. In addition the company's assets are assessed for recoverability on a regular basis, and the Directors consider that the company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

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

Post balance sheet events

The directors confirm that there have been no post balance sheet events that may impact on the disclosure and presentation of the financial statements.

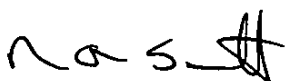
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 28 April 2011 and signed on its behalf by



Bibby Bros & Co (Management) Limited
Company secretary

Bibby Bulk Carriers Limited
Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of Bibby Bulk Carriers Limited

We have audited the financial statements of Bibby Bulk Carriers Limited for the year ended 31 December 2010, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 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.

Respective responsibilities of directors and auditors

As explained more fully in Statement of Directors' Responsibilities, 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

**Independent Auditor's Report to the Members of
Bibby Bulk Carriers Limited**

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Matters on which we are required to report by exception

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

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



Sharon Fraser (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

Liverpool
United Kingdom

28 April 2011

Bibby Bulk Carriers Limited
Profit and Loss Account for the Year Ended 31 December 2010

	Note	2010 \$	2009 \$
Turnover		3,251,163	1,362,314
Cost of sales		<u>(2,987,985)</u>	<u>(1,181,188)</u>
Gross profit		263,178	181,126
Administrative expenses		<u>(344,584)</u>	<u>(65,331)</u>
Operating (loss)/profit	2	<u>(81,406)</u>	<u>115,795</u>
(Loss)/profit on ordinary activities before investment income and interest		(81,406)	115,795
Other interest receivable and similar income	3	1,647	-
Interest payable and similar charges	4	<u>(685,888)</u>	<u>(261,568)</u>
Loss on ordinary activities before taxation		(765,647)	(145,773)
Tax on profit or loss on ordinary activities	5	<u>258,724</u>	<u>8,210,170</u>
(Loss)/profit for the financial year		<u><u>(506,923)</u></u>	<u><u>8,064,397</u></u>

Turnover and operating results derive wholly from continuing operations

The company has no recognised gains or losses for either year other than the results above

Bibby Bulk Carriers Limited
(Registration number: 01036027)
Balance Sheet at 31 December 2010

	Note	2010 \$	2009 \$
Fixed assets			
Tangible fixed assets	6	26,866,721	28,002,943
Current assets			
Stocks	7	38,350	-
Debtors	8	1,420,800	164,463
Cash at bank and in hand		247,886	205,467
		1,707,036	369,930
Creditors Amounts falling due within one year	9	(1,620,867)	(11,398,745)
Net current assets/(liabilities)		86,169	(11,028,815)
Total assets less current liabilities		26,952,890	16,974,128
Creditors Amounts falling due after more than one year	10	(10,941,456)	(10,753,860)
Net assets		16,011,434	6,220,268
Capital and reserves			
Called up share capital	11	10,304,299	6,210
Profit and loss account	13	5,707,135	6,214,058
Shareholders' funds		16,011,434	6,220,268

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board on 28 April 2011 and signed on its behalf by



Sean Thomas Golding
Director

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK law and accounting standards for small companies

Exemption from preparing a cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement

Going concern

The financial statements have been prepared on a going concern basis

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

Based on this assessment 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. In addition the company's assets are assessed for recoverability on a regular basis, and the Directors consider that the company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis

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

Turnover

Turnover is recognised in the period assets and services are made available to customers net of direct commissions payable and value added tax. All turnover derives and is controlled in the UK

Depreciation

Tangible fixed assets are stated at cost, net of depreciation and any impairment. Depreciation is provided on tangible fixed assets to write off the cost or valuation, less any estimated residual value, over their expected useful economic life. Depreciation is provided as follows

Asset class

Fleet

Depreciation method and rate

4% Straight line

Stocks

Stock is valued at the lower of cost and net realisable value for values of fleet stores

Current tax

Current tax 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

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

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Deferred tax

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Foreign currency

Transactions in foreign currencies are translated into the the functional and reporting currency at the exchange rate ruling at the date of transaction Assets and liabilities denominated in foreign currencies are translated into the functional and reporting currency at the closing rate at the balance sheet date and any exchange differences are included in the profit and loss account

Financial instruments

Interest bearing debt is recorded at proceeds received net of direct issue costs Finance charges, including premiums payable on settlement or redemption and direct issue costs, are released to the profit and loss account using the effective interest method

The company uses derivative instruments to reduce exposure to interest rate movements Interest under such instruments is recognised over the periods of the specific underlying debt liabilities that the derivative hedges against

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2010	2009
	\$	\$
Depreciation of owned assets	<u>1,140,617</u>	<u>506,134</u>

The company's audit fee of \$1,500 (2009 \$1,500) has been borne by the parent undertaking The company has no non-audit fees for either year

There was no remuneration payable to the directors in either year and the company does not have any employees

3 Other interest receivable and similar income

	2010	2009
	\$	\$
Bank interest receivable	<u>1,647</u>	<u>-</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

..... *continued*

4 Interest payable and similar charges

	2010	2009
	\$	\$
Interest on bank borrowings	683,920	261,568
Other interest payable	1,968	-
	<u>685,888</u>	<u>261,568</u>

5 Taxation

Tax on loss on ordinary activities

	2010	2009
	\$	\$
Current tax		
Corporation tax charge	7,589	3,522
Adjustments in respect of previous years	(266,313)	-
UK Corporation tax	(258,724)	3,522
Deferred tax		
Origination and reversal of timing differences	-	(8,213,692)
Total tax on loss on ordinary activities	<u>(258,724)</u>	<u>(8,210,170)</u>

Factors affecting current tax credit for the year

Tax on loss on ordinary activities for the year is lower than (2009 - higher than) the standard rate of corporation tax in the UK of 28% (2009 - 28%)

The differences are reconciled below

	2010	2009
	\$	\$
Loss on ordinary activities before taxation	<u>(765,647)</u>	<u>(145,773)</u>
Corporation tax at standard rate	(214,381)	(40,816)
Adjustments in respect of previous years	(266,313)	-
Trading losses not assessed under corporation tax regime	214,381	40,816
Trading assessment of tonnage tax regime	7,589	3,522
Total current tax	<u>(258,724)</u>	<u>3,522</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

..... *continued*

6 Tangible fixed assets

	Fleet \$	Total \$
Cost		
At 1 January 2010	28,509,077	28,509,077
Additions	<u>4,395</u>	<u>4,395</u>
At 31 December 2010	<u>28,513,472</u>	<u>28,513,472</u>
Depreciation		
At 1 January 2010	506,134	506,134
Charge for the year	<u>1,140,617</u>	<u>1,140,617</u>
At 31 December 2010	<u>1,646,751</u>	<u>1,646,751</u>
Net book value		
At 31 December 2010	<u>26,866,721</u>	<u>26,866,721</u>
At 31 December 2009	<u>28,002,943</u>	<u>28,002,943</u>

7 Stocks

	2010 \$	2009 \$
Stocks	<u>38,350</u>	<u>-</u>

8 Debtors

	2010 \$	2009 \$
Trade debtors	-	32,058
Amounts owed by group undertakings	1,210,608	-
Other debtors	<u>210,192</u>	<u>132,405</u>
	<u>1,420,800</u>	<u>164,463</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

..... *continued*

9 Creditors: Amounts falling due within one year

	2010	2009
	\$	\$
Trade creditors	3,046	46,700
Bank loans and overdrafts	1,437,560	843,440
Amounts owed to group undertakings	-	10,298,089
Corporation tax	7,589	-
Other taxes and social security	-	3,522
Other creditors	172,672	206,994
	<u>1,620,867</u>	<u>11,398,745</u>

10 Creditors: Amounts falling due after more than one year

	2010	2009
	\$	\$
Bank loans and overdrafts	<u>10,941,456</u>	<u>10,753,860</u>

Creditors include the following liabilities, on which security has been given by the company

	2010	2009
	\$	\$
Bank loans (due less than 1 year)	1,437,560	843,440
Bank loans (due 1 - 2 years)	1,437,560	843,440
Bank loans (due 2 - 5 years)	4,312,680	2,530,320
Bank loans (due greater than 5 years)	5,191,216	7,380,086
	<u>12,379,016</u>	<u>11,597,286</u>

The company has a bank loan that is repayable in line with the above with final repayment due in 2016. The loan is secured by statutory mortgages on fleet and guarantees of fellow group undertakings. The rate of interest inherent in the loan is LIBOR plus 3%. A second priority mortgage also exists on the fleet in respect of the derivative trading of the company's parent undertaking.

The company uses 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 \$973,000 (2009 \$518,000) based on market values of equivalent instruments at the balance sheet date.

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

..... *continued*

11 Share capital

Allotted, called up and fully paid shares

	2010		2009	
	No.	\$	No.	\$
Ordinary shares of £1 00 each	<u>6,616,360</u>	<u>10,304,299</u>	<u>4,000</u>	<u>6,210</u>

New shares allotted

During the year 6,612,360 Ordinary shares having an aggregate nominal value of £6,612,360 were allotted for an aggregate consideration of \$10,298,089

12 Reconciliation of movement in shareholders' funds

	2010	2009
	\$	\$
(Loss)/profit attributable to the members of the company	(506,923)	8,064,397
New share capital allotted	<u>10,298,089</u>	<u>-</u>
Net addition to shareholders' funds	9,791,166	8,064,397
Shareholders' funds/(deficit) at 1 January	<u>6,220,268</u>	<u>(1,844,129)</u>
Shareholders' funds at 31 December	<u>16,011,434</u>	<u>6,220,268</u>

13 Reserves

	Profit and loss account	Total
	\$	\$
At 1 January 2010	6,214,058	6,214,058
Loss for the year	<u>(506,923)</u>	<u>(506,923)</u>
At 31 December 2010	<u>5,707,135</u>	<u>5,707,135</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2010

..... continued

14 Post balance sheet events

The directors confirm that there have been no post balance sheet events that may impact on the disclosure and presentation of the financial statements

15 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

16 Control

The company is controlled by Bibby Line Limited. The Company is a wholly owned subsidiary of Bibby Line Limited, which is itself a wholly owned subsidiary of Bibby Line Group Limited.

Bibby Line Limited is the parent undertaking of the smallest group which consolidates these accounts for which the company is a member.

Bibby Line Group Limited is the parent undertaking of the largest group which consolidates these accounts for which the company is a member.

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