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Registration number 01036027

Bibby Bulk Carriers Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2011

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COMPANIES HOUSE

Deloitte LLP
Chartered Accountants & Statutory Auditor
Liverpool
United Kingdom

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 & Statutory Auditor Liverpool United Kingdom

Bibby Bulk Carriers Limited
Directors' Report for the Year Ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

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 preparation of the financial statements on a going concern basis.

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.

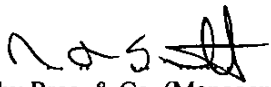
Disclosure of information to the auditor

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 27 April 2012 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 2011, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 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 auditor

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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 2011 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,
Chartered Accountants & Statutory Auditor
Liverpool
United Kingdom

27 April 2012

Bibby Bulk Carriers Limited
Profit and Loss Account for the Year Ended 31 December 2011

	Note	2011 \$	2010 \$
Turnover		4,174,625	3,251,163
Cost of sales		<u>(5,748,934)</u>	<u>(2,987,985)</u>
Gross (loss)/profit		(1,574,309)	263,178
Administrative expenses		<u>(165,954)</u>	<u>(344,584)</u>
Operating loss	2	(1,740,263)	(81,406)
Other interest receivable and similar income	3	1,071	1,647
Interest payable and similar charges	4	<u>(608,399)</u>	<u>(685,888)</u>
Loss on ordinary activities before taxation		(2,347,591)	(765,647)
Tax on loss on ordinary activities	5	<u>(7,272)</u>	<u>258,724</u>
Loss for the financial year		<u><u>(2,354,863)</u></u>	<u><u>(506,923)</u></u>

Turnover and operating results derive wholly from continuing operations

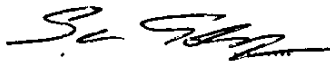
The company has no recognised gains or losses for either year other than the results above

Bibby Bulk Carriers Limited
(Registration number: 01036027)
Balance Sheet at 31 December 2011

	Note	2011 \$	2010 \$
Fixed assets			
Tangible fixed assets	6	<u>22,871,022</u>	<u>26,866,721</u>
Current assets			
Stocks	7	63,345	38,350
Debtors	8	1,578,693	1,420,800
Cash at bank and in hand		<u>492,855</u>	<u>247,886</u>
		2,134,893	1,707,036
Creditors Amounts falling due within one year	9	<u>(1,845,450)</u>	<u>(1,620,867)</u>
Net current assets		<u>289,443</u>	<u>86,169</u>
Total assets less current liabilities		23,160,465	26,952,890
Creditors Amounts falling due after more than one year	10	<u>(9,503,894)</u>	<u>(10,941,456)</u>
Net assets		<u><u>13,656,571</u></u>	<u><u>16,011,434</u></u>
Capital and reserves			
Called up share capital	11	10,304,299	10,304,299
Profit and loss account	12	<u>3,352,272</u>	<u>5,707,135</u>
Shareholders' funds		<u><u>13,656,571</u></u>	<u><u>16,011,434</u></u>

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

Approved by the Board on 27 April 2012 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 2011

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 on a going concern basis.

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.

Tangible fixed assets are subject to impairment review with regard to market conditions. If any indication of impairment exists after such review, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Recoverable amount is the higher of fair value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Depreciation is provided as follows

Asset class
Fleet

Depreciation method and rate
4% Straight line

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

Stock

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

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

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

2 Operating loss

Operating loss is stated after charging

	2011 \$	2010 \$
Depreciation of tangible fixed assets	1,140,616	1,140,617
Impairment of tangible fixed assets	<u>2,855,083</u>	<u>-</u>

The company's audit fee of \$1,500 (2010 \$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

	2011 \$	2010 \$
Bank interest receivable	<u>1,071</u>	<u>1,647</u>

4 Interest payable and similar charges

	2011 \$	2010 \$
Interest on bank borrowings	608,399	683,920
Other interest payable	<u>-</u>	<u>1,968</u>
	<u>608,399</u>	<u>685,888</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

5 Taxation

Tax on loss on ordinary activities

	2011	2010
	\$	\$
Current tax		
Corporation tax charge	7,272	7,589
Adjustments in respect of previous years	-	(266,313)
UK Corporation tax	<u>7,272</u>	<u>(258,724)</u>

Factors affecting current tax charge for the year

Tax on loss on ordinary activities for the year is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)

The differences are reconciled below

	2011	2010
	\$	\$
Loss on ordinary activities before taxation	<u>(2,347,591)</u>	<u>(765,647)</u>
Corporation tax at standard rate	(622,112)	(214,381)
Trading assessment of tonnage tax regime	7,272	7,589
Trading (profits)/losses not assessed under corporation tax regime	622,112	214,381
Adjustments in respect of previous years	-	(266,313)
Total current tax	<u>7,272</u>	<u>(258,724)</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

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6 Tangible fixed assets

	Fleet \$	Total \$
Cost		
At 1 January 2011	<u>28,513,472</u>	<u>28,513,472</u>
Depreciation and impairment		
At 1 January 2011	1,646,751	1,646,751
Charge for the year	<u>3,995,699</u>	<u>3,995,699</u>
At 31 December 2011	<u>5,642,450</u>	<u>5,642,450</u>
Net book value		
At 31 December 2011	<u>22,871,022</u>	<u>22,871,022</u>
At 31 December 2010	<u>26,866,721</u>	<u>26,866,721</u>

7 Stocks

	2011 \$	2010 \$
Stocks	<u>63,345</u>	<u>38,350</u>

8 Debtors

	2011 \$	2010 \$
Trade debtors	382,651	-
Amounts owed by group undertakings	391,507	1,210,608
Other debtors	<u>804,535</u>	<u>210,192</u>
	<u>1,578,693</u>	<u>1,420,800</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

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9 Creditors: Amounts falling due within one year

	2011	2010
	\$	\$
Trade creditors	243,711	3,046
Bank loans	1,437,560	1,437,560
Amounts owed to group undertakings	54,404	-
Corporation tax	7,272	7,589
Other creditors	102,503	172,672
	<u>1,845,450</u>	<u>1,620,867</u>

10 Creditors: Amounts falling due after more than one year

	2011	2010
	\$	\$
Bank loans	<u>9,503,894</u>	<u>10,941,456</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company

	2011	2010
	\$	\$
Bank loans (due less than 1 year)	1,437,560	1,437,560
Bank loans (due 1 - 2 years)	1,437,560	1,437,560
Bank loans (due 2 - 5 years)	8,066,334	4,312,680
Bank loans (due greater than 5 years)	-	5,191,216
	<u>10,941,454</u>	<u>12,379,016</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. In addition the company's assets are cross-guaranteed against the loans of fellow subsidiary undertakings of the parent company.

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 2011 is a liability of \$486,374 (2010: \$973,000) 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 2011

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11 Share capital

Allotted, called up and fully paid shares

	No.	2011 \$	No.	2010 \$
Ordinary shares of £1 each	<u>6,616,360</u>	<u>10,304,299</u>	<u>6,616,360</u>	<u>10,304,299</u>

12 Reserves

	Profit and loss account \$	Total \$
At 1 January 2011	5,707,135	5,707,135
Loss for the year	<u>(2,354,863)</u>	<u>(2,354,863)</u>
At 31 December 2011	<u>3,352,272</u>	<u>3,352,272</u>

13 Reconciliation of movement in shareholders' funds

	2011 \$	2010 \$
Loss attributable to the members of the company	(2,354,863)	(506,923)
New share capital subscribed	<u>-</u>	<u>10,298,089</u>
Net (reduction)/addition to shareholders' funds	(2,354,863)	9,791,166
Shareholders' funds at 1 January	<u>16,011,434</u>	<u>6,220,268</u>
Shareholders' funds at 31 December	<u>13,656,571</u>	<u>16,011,434</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

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14 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

15 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)