

# SIGNED

Registration number: 01036027

## Bibby Bulk Carriers Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

Deloitte LLP  
Chartered Accountants & Statutory Auditor  
Liverpool  
United Kingdom

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# **Bibby Bulk Carriers Limited**

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# **Bibby Bulk Carriers Limited**

## **Company Information**

<b>Directors</b>	Simon Jeremy Kitchen Andrew John Goody
<b>Company secretary</b>	Bibby Bros. & Co. (Management) Limited
<b>Registered office</b>	105 Duke Street Liverpool L1 5JQ ( <a href="http://www.bibbyline.co.uk">www.bibbyline.co.uk</a> )
<b>Auditor</b>	Deloitte LLP Chartered Accountants & Statutory Auditor Liverpool United Kingdom

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## **Bibby Bulk Carriers Limited**

### **Directors' Report for the Year Ended 31 December 2015**

The Directors present their report and the financial statements for the year ended 31 December 2015.

#### **Directors of the Company**

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

Simon Jeremy Kitchen

Andrew John Goody

#### **Directors liabilities**

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

#### **Principal activity**

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

#### **Going concern**

The directors have 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies statement in the Notes to the Financial Statements.

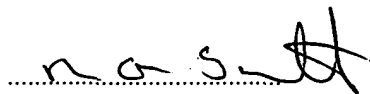
#### **Disclosure of information to the auditors**

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 auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Small companies provision statement**

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

Approved by the Board on 29 April 2016 and signed on its behalf by:



Bibby Bros. & Co. (Management) Limited  
Company secretary

Digitally signed by  
For and on behalf of  
Bibby Bros. & Co. (Management)  
Limited SECRETARY

## **Bibby Bulk Carriers 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 United Kingdom and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

## **Bibby Bulk Carriers Limited**

### **Independent Auditor's Report**

We have audited the financial statements of Bibby Bulk Carriers Limited for the year ended 31 December 2015, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the Notes to the Financial Statements 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor**

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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.

#### **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:

## **Bibby Bulk Carriers Limited**

### **Independent Auditor's Report**

- 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 from preparing a strategic report, or in preparing the Directors' Report.



.....  
Christopher Robertson (Senior Statutory Auditor)

For and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditor

Liverpool  
United Kingdom

29 April 2016

# **Bibby Bulk Carriers Limited**

## **Profit and Loss Account for the Year Ended 31 December 2015**

	Note	2015 \$	2014 \$
Turnover	3	1,624,282	2,588,073
Cost of sales		<u>(5,792,754)</u>	<u>(5,608,788)</u>
Gross loss		(4,168,472)	(3,020,715)
Administrative expenses		<u>(232,064)</u>	<u>(185,410)</u>
Operating loss		(4,400,536)	(3,206,125)
Interest payable and similar charges	5	<u>(410,703)</u>	<u>(498,621)</u>
Loss before tax		(4,811,239)	(3,704,746)
Taxation	6	<u>(5,869)</u>	<u>(844)</u>
Loss for the financial year		<u><u>(4,817,108)</u></u>	<u><u>(3,705,590)</u></u>

The above results were derived from continuing operations.

The notes on pages 10 to 19 form an integral part of these financial statements.



## **Bibby Bulk Carriers Limited**

### **Statement of Comprehensive Income for the Year Ended 31 December 2015**

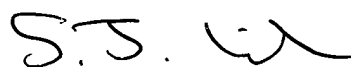
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Loss for the year	(4,817,108)	(3,705,590)
Unrealised gain on cash-flow hedges	<u>97,589</u>	<u>105,719</u>
Total comprehensive income for the year	<u>(4,719,519)</u>	<u>(3,599,871)</u>

The notes on pages 10 to 19 form an integral part of these financial statements.

**Bibby Bulk Carriers Limited**  
**(Registration number: 01036027)**  
**Balance Sheet as at 31 December 2015**

	Note	2015 \$	2014 \$
<b>Fixed assets</b>			
Tangible assets	7	12,111,360	15,638,239
<b>Current assets</b>			
Stocks	8	117,172	57,925
Debtors	9	312,945	465,850
Cash at bank and in hand		<u>352,493</u>	<u>593,840</u>
		782,610	1,117,615
Creditors: Amounts falling due within one year	11	<u>(6,193,885)</u>	<u>(3,963,799)</u>
Net current liabilities		<u>(5,411,275)</u>	<u>(2,846,184)</u>
Total assets less current liabilities		6,700,085	12,792,055
Creditors: Amounts falling due after more than one year	11	<u>(5,405,426)</u>	<u>(6,777,877)</u>
Net assets		<u><u>1,294,659</u></u>	<u><u>6,014,178</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	10,304,299	10,304,299
Hedging reserve		(113,912)	(211,501)
Retained earnings		<u>(8,895,728)</u>	<u>(4,078,620)</u>
Total equity		<u><u>1,294,659</u></u>	<u><u>6,014,178</u></u>

Approved and authorised by the Board on 29 April 2016 and signed on its behalf by:



Simon Jeremy Kitchen  
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

**Bibby Bulk Carriers Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2015**

	<b>Called up share capital \$</b>	<b>Hedging reserve \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
At 1 January 2015	10,304,299	(211,501)	(4,078,620)	6,014,178
Loss for the year	-	-	(4,817,108)	(4,817,108)
Amount reclassified to Profit and Loss because the hedged item affected Profit and Loss	-	143,974	-	143,974
Ineffectiveness of derivative financial instruments designated as cash-flow hedges, caused by changes in the hedged item	-	13,641	-	13,641
Change in the fair value of derivative financial instruments designated as cash-flow hedges	-	(60,026)	-	(60,026)
Total comprehensive income	-	97,589	(4,817,108)	(4,719,519)
At 31 December 2015	10,304,299	(113,912)	(8,895,728)	1,294,659

	<b>Called up share capital \$</b>	<b>Hedging reserve \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
At 1 January 2014	10,304,299	(317,220)	(373,030)	9,614,049
Loss for the year	-	-	(3,705,590)	(3,705,590)
Amount reclassified to Profit and Loss because the hedged item affected Profit and Loss	-	166,969	-	166,969
Change in the fair value of derivative financial instruments designated as cash-flow hedges	-	(61,250)	-	(61,250)
Total comprehensive income	-	105,719	(3,705,590)	(3,599,871)
At 31 December 2014	10,304,299	(211,501)	(4,078,620)	6,014,178

The notes on pages 10 to 19 form an integral part of these financial statements.  
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# **Bibby Bulk Carriers Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2015**

### **1 General information**

Bibby Bulk Carriers Limited is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is 105 Duke Street, Liverpool, L1 5JQ.

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 financial statements for which the company is a member. Bibby Line Group Limited is the parent undertaking of the largest group which consolidates these financial statements for which the company is a member. The ultimate controlling party is disclosed in the financial statements of Bibby Line Group Limited. Copies of Bibby Line Limited and Bibby Line Group Limited financial statements can be obtained from Bibby Line Group Limited, 105 Duke Street, L1 5JQ ([www.bibbygroup.co.uk](http://www.bibbygroup.co.uk)).

These financial statements were authorised for issue by the Board on 29 April 2016.

### **2 Accounting policies**

#### **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.

#### **Statement of compliance**

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and applicable legislation as set out in the Companies Act 2006 and The Small Companies and Groups Regulations 2008.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The primary economic environment in which the Company operates is governed by United States Dollar, and as such the company financial statements have been prepared in this currency.

The company holds part-ownership of marine assets and the financial statements reflect the pro-rating of revenues, costs, assets and liabilities deriving from those assets, based on ownership share.

#### **Changes in accounting policy**

##### **New standards, interpretations and amendments effective**

The following have been applied for the first time from 1 January 2015 and have had an effect on the financial statements:

##### ***Transition to FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'***

The year ended 31 December 2015 is the first year that the Company has prepared its financial statements in accordance with FRS 102, and accordingly has applied the transitional requirements as set out in Section 35 Transition to this FRS. Some of the recognition, measurement, disclosure and presentational requirements of FRS 102 differ to departing UK GAAP, and hence when preparing the financial statements, management is required to make certain adjustments to comply with the requirements of FRS 102. The disclosures required by Section 35 regarding transitional adjustments that have been made from departing UK GAAP to FRS 102 are given in note 15 to the Financial Statements.

## **Bibby Bulk Carriers Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **Summary of disclosure exemptions**

The Company has chosen to take advantage of the disclosure exemptions in FRS 102 Section 1.12 to not prepare a statement of cashflows as would be required by Section 7 'Statement of Cashflows', and from not disclosing information about the nature of its financial instruments as would be required in Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

The current economic conditions present increased risk for all businesses. In response 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 effect the preparation of financial statements on a going concern basis.

Based on this assessment and the continued financial support of its parent company, the Directors consider that the Company maintains an appropriate level of liquidity and access to funds, sufficient to meet the demands of the business including any capital, servicing and covenant obligations of external debt liabilities. In assessing the availability of the parent company support the Directors are mindful of the risks and uncertainties disclosed in the financial statements of the parent company.

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.

#### **Revenue recognition**

Turnover is generated from the time chartering and voyage chartering of vessels. Time charter revenues are recognised on a straight-line basis over the term of the respective time charter agreements as service is provided. Voyage revenues for cargo-transportation are recognised ratably over their estimated relative transit time of each voyage.

Under voyage charters, voyage expenses such as bunkers, port charges, and cargo handling operations are paid by the Company whereas, under time charters, such voyage costs are paid by the Company's customers. All voyage and vessel operating expenses are expensed as incurred on an accruals basis.

#### **Foreign currency transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date of transactions took place. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing rate at the reporting date and any exchange difference is included in the profit and loss account.

#### **Tax**

Tax for the period comprises current tax. The company is a member of the UK Tonnage Tax regime. Tonnage Tax is an alternative method of calculating corporation tax profits by reference to the net tonnage of the ship operated, replacing the tax-adjusted commercial profit/loss on a shipping trade. Tax is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

#### **Tangible fixed assets**

Items of tangible fixed asset are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided to allocate the cost of the assets less their estimated residual values, over their expected useful economic life using a straight line basis as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fleet	4% Straight line

## **Bibby Bulk Carriers Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **Impairment of tangible fixed assets**

At each reporting date the Company reviews the carrying value of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, and the present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount of the asset, an impairment loss is recognised immediately within profit or loss to reduce the carrying amount of the asset to its recoverable amount.

Where an impairment loss has been recognised, the Company assesses at each reporting date whether there has been any indication that an impairment loss recognised in a prior period may no longer exist or may have decreased. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits.

#### **Trade debtors**

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade debtors are amounts due from customers for services performed in the ordinary course of business.

#### **Stocks**

Stock comprises fleet stores and fuel and is valued at the lower of cost and net realisable value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are classified as current liabilities if the Company 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.

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

## **Bibby Bulk Carriers Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments

#### **Derivative financial instruments and hedge accounting**

##### ***Derivatives***

The Company uses derivative financial instruments to reduce exposure to variable interest rate risk on its loans and borrowings. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recognised at fair value at the date the derivative contract is entered into and are subsequently re-measured to fair value at each reporting date. The resulting gain or loss is recognised in profit or loss unless the derivative financial instrument is a hedging instrument in a designated hedging relationship accounted for in accordance with the Hedge Accounting provisions below

##### ***Hedge accounting***

The effective portions of changes in fair values of derivatives that are designated and qualify as cash-flow hedges are recognised in equity. The gain or loss relating to any ineffective portion is recognised immediately in profit or loss. Amounts accumulated in the hedge reserve are reclassified to profit or loss in the periods when the hedged items will affect profit or loss.

#### **Key sources of estimation uncertainty**

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an on-going 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.

The critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements are:

## **Bibby Bulk Carriers Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **(i) Impairment of tangible fixed assets**

The carrying value of the Company's vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tends to fluctuate with changes in charter rates and the cost of new-buildings. Historically, both charter rates and vessel values tend to be cyclical. We evaluate the carrying amounts and periods over which long-lived assets are depreciated to determine if events have occurred which would require modification to their carrying values or useful lives.

During the past few years, the market values of vessels have experienced particular volatility with substantial declines in many vessel classes. As a result, the charter-free market value, of our vessels has declined below those vessels' carrying value. When indicators of impairment are present and our value in use estimate is lower than the vessel's carrying value, that carrying value is written down.

We have concluded that the future income streams expected to be earned by our vessels over their remaining operating lives would be sufficient to recover their carrying values at 31 December 2015, after impairment of \$2.7m. This required estimates to be made covering future charter rates, running costs, gearing ratios, remaining useful economic life and residual value. These assumptions are based on historical trends as well as future expectations. The key assumption relates to future earnings. Rates currently in effect for the duration of existing time charters are used. For future periods not covered by an existing charter management estimate daily time charter rates using a number of indicators, including management's view of the cyclical nature of shipping markets. Our average forward estimated rates are higher than actual current market rates, but are in line with historical indices.

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

#### **(i) Assessing indicators of impairment of tangible fixed assets**

In assessing whether there have been an indicators of impairment associated with the Company's tangible fixed assets, the Directors' have considered both external and internal sources of information such as vessel market values, historical charter rates and asset values, and changes in technological, economic and legal environments.

#### **(ii) Fleet residual value**

Management consider the residual value of the vessels not to be material.

#### **(iii) The fair value of derivative financial instruments**

Fair values 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 pricing and forward interest rates as determined by the issuer of the derivative contracts.



## Bibby Bulk Carriers Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 3 Turnover

The analysis of the company's turnover for the year by geographical location of strategic control is as follows:

	2015	2014
	\$	\$
United Kingdom	<u>1,624,282</u>	<u>2,588,073</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	2015	2014
	\$	\$
Depreciation of tangible fixed assets (included within cost of sales)	799,457	855,843
Impairment of tangible fixed assets (included within cost of sales)	2,727,422	1,168,020
Foreign exchange gains	<u>(1,337)</u>	<u>(7,787)</u>

The company's audit fee of \$1,500 (2014: \$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.

#### 5 Interest payable and similar charges

	2015	2014
	\$	\$
Interest payable on bank borrowings	255,210	331,652
Amount reclassified from equity to Profit and Loss in respect of derivative financial instruments designated as cash-flow hedges	143,974	166,969
Ineffectiveness of derivative financial instruments designated as cash-flow hedges, caused by changes in the hedged item	<u>11,519</u>	<u>-</u>
	<u>410,703</u>	<u>498,621</u>

# Bibby Bulk Carriers Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 6 Income tax

	2015 \$	2014 \$
<b>Current taxation</b>		
UK corporation tax	5,518	5,860
UK corporation tax adjustment to prior periods	351	(5,016)
	<u>5,869</u>	<u>844</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2014 - higher than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 \$	2014 \$
Loss before tax	<u>(4,811,239)</u>	<u>(3,704,746)</u>
Corporation tax at standard rate	(974,276)	(796,520)
Effects of replacing commercial losses with alternative UK Tonnage Tax assessment	979,794	802,380
UK corporation tax adjustment to prior periods	351	(5,016)
Total tax charge	<u>5,869</u>	<u>844</u>

### 7 Tangible assets

	Fleet \$
<b>Cost</b>	
At 1 January 2015 and 31 December 2015	28,577,274
<b>Depreciation and impairment</b>	
At 1 January 2015	12,939,035
Depreciation charge for the year	799,457
Impairment charge in the year	<u>2,727,422</u>
At 31 December 2015	<u>16,465,914</u>
<b>Carrying amount</b>	
At 31 December 2015	<u>12,111,360</u>
At 31 December 2014	<u>15,638,239</u>

# **Bibby Bulk Carriers Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2015**

### **8 Stocks**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Stocks	<u>117,172</u>	<u>57,925</u>

The cost of stocks recognised as an expense in the year amounted to \$200,082 (2014 - \$421,536).

### **9 Debtors**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
Trade debtors		37,557	166,310
Amounts owed by group undertakings	14	2,790	8,708
Other debtors		<u>272,598</u>	<u>290,832</u>
		<u>312,945</u>	<u>465,850</u>

### **10 Cash at bank and in hand**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<u>352,493</u>	<u>593,840</u>

#### **Balances held by the company that are not available for use by the company**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Balances held by the company that are not available for use by the company	<u>324,450</u>	<u>324,450</u>

The company is required to maintain a balance on its mortgage earnings account equal to the above for the duration of its borrowing facility.

## Bibby Bulk Carriers Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 11 Creditors

	Note	2015 \$	2014 \$
<b>Due within one year</b>			
Loans and borrowings	12	707,158	778,680
Trade creditors		57,459	102,070
Amounts owed to group undertakings	14	5,124,779	2,625,935
Accruals and deferred income		193,198	307,492
Corporation tax		5,518	5,860
Fair value of derivative financial instruments		105,773	143,762
		<u>6,193,885</u>	<u>3,963,799</u>
<b>Due after one year</b>			
Loans and borrowings	12	5,362,673	6,683,671
Fair value of derivative financial instruments		42,753	94,206
		<u>5,405,426</u>	<u>6,777,877</u>

#### 12 Loans, borrowings and derivative financial instruments

##### Bank borrowings

The Company has a fleet mortgage borrowing facility that is denominated in USD with a nominal interest rate of 3%, and the final instalment is due on 31 July 2020. The carrying amount at year end is \$6,069,831 (2014 - \$7,462,351).

The loan is secured by statutory mortgage on the company's fleet, cross-security of fleet of fellow subsidiary undertakings and a parent company guarantee. A second priority fleet mortgage also exists in respect of the derivative trading of the Company. The loan is repayable \$707,158 \$707,158, \$4,655,515 and \$Nil (2014: \$778,680, \$778,680, \$2,336,040 and \$3,568,951) in less than 1 year, between 1-2 years, between 2-5 years and greater than 5 years respectively.

##### Derivative financial instruments that are designated as cash-flow hedges

The Company has an interest rate swap contract that converts borrowings from a floating to a fixed-rate basis. Exclusive of applicable margins, the Company will pay fixed rate interest and receive floating-rate interest amounts based on three-month USIBOR settings. The contract fixed premium is 2.29% and the notional value amortises in line with the repayment profile of the borrowing facility. The term of the borrowing facility to July 2017 has been designated as the hedged item.

The fair value of derivative financial instrument at 31 December 2015 is \$148,526 (2014: \$237,968) and is repayable \$105,773, \$42,753 and \$Nil (2014: \$143,762, \$76,336 and \$17,870) in less than 1 year, between 1 and 2 years, and between 2 and 5 respectively.

# Bibby Bulk Carriers Limited

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 13 Share capital

#### Allotted, called up and fully paid shares

	2015		2014	
	No.	\$	No.	\$
Ordinary shares of £1 each	<u>6,616,366</u>	<u>10,304,299</u>	<u>6,616,366</u>	<u>10,304,299</u>

### 14 Related party transactions

#### Summary of transactions with other related parties

The Company has taken advantage of the exemption in FSR 102 Section 33 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group controlled by the parent undertaking. There is no key management personnel identified other than the directors of the business and details about their remuneration for services provided to the company are disclosed in Note 4 to the Financial Statements.

### 15 Transition to FRS 102

#### Balance Sheet at 1 January 2014 and 31 December 2014

	As at 1 January 2014 \$	As at 31 December 2014 \$
Equity as previously reported	9,931,269	6,225,679
Hedging reserve created on fair valuation of derivative financial instruments designated as cash-flow hedges	<u>(317,220)</u>	<u>(211,501)</u>
Equity as reported under FRS 102	<u>9,614,049</u>	<u>6,014,178</u>

#### Profit and Loss Account for the year ended 31 December 2014

	\$
Loss for the year as previously reported	<u>(3,705,590)</u>
Loss for the year ending 31 December 2014 as reported under FRS 102	<u>(3,705,590)</u>