

SIGNED

Registration number: 01036027

Bibby Bulk Carriers Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2014



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 Andrew John Goody
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 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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 auditor

Each of the persons who is a director at the date of approval of this report confirms that:

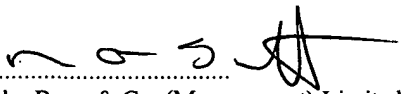
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's 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.

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 2015 and signed on its behalf by:


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

Duly Authorized Signatory
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 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 2014, 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 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 (set out on page 3), 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 (APB'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 2014 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 from preparing a strategic report, or in preparing the directors' report.



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Sharon Thorne, FCA (Senior Statutory Auditor)

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

Liverpool
United Kingdom

28 April 2015

Bibby Bulk Carriers Limited
Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 \$	2013 \$
Turnover	1	2,588,073	2,977,456
Cost of sales		<u>(5,608,788)</u>	<u>(6,234,827)</u>
Gross loss		(3,020,715)	(3,257,371)
Administrative expenses		(185,410)	(240,456)
Other operating income		<u>-</u>	<u>(226,188)</u>
Operating loss	2	(3,206,125)	(3,724,015)
Other interest receivable and similar income	3	-	14
Interest payable and similar charges	4	<u>(498,621)</u>	<u>(507,723)</u>
Loss on ordinary activities before taxation		(3,704,746)	(4,231,724)
Tax on loss on ordinary activities	5	<u>(844)</u>	<u>(11,348)</u>
Loss for the financial year	12	<u><u>(3,705,590)</u></u>	<u><u>(4,243,072)</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 2014

	Note	2014 \$	2013 \$
Fixed assets			
Tangible fixed assets	6	<u>15,638,239</u>	<u>17,598,300</u>
Current assets			
Stocks	7	57,925	383,710
Debtors	8	465,850	560,474
Cash at bank and in hand		<u>593,840</u>	<u>366,585</u>
		1,117,615	1,310,769
Creditors: Amounts falling due within one year	9	<u>(3,846,504)</u>	<u>(1,618,188)</u>
Net current liabilities		<u>(2,728,889)</u>	<u>(307,419)</u>
Total assets less current liabilities		12,909,350	17,290,881
Creditors: Amounts falling due after more than one year	10	<u>(6,683,671)</u>	<u>(7,359,612)</u>
Net assets		<u><u>6,225,679</u></u>	<u><u>9,931,269</u></u>
Capital and reserves			
Called up share capital	11	10,304,299	10,304,299
Profit and loss account	12	<u>(4,078,620)</u>	<u>(373,030)</u>
Shareholders' funds	13	<u><u>6,225,679</u></u>	<u><u>9,931,269</u></u>

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

Approved and authorised for issue by the Board on 28 April 2015 and signed on its behalf by:



 Andrew John Goody
 Director

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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.

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 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.

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 is controlled in the UK deriving from the chartering of vessels in international waters.

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.

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.

Stock

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

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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Tangible fixed assets

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 when required by accounting standards. 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 the profit or loss account.

The carrying value of the company's fleet is reviewed when events and changes in circumstances indicate that the carrying value of the assets might not be recovered. Should there be any indication of impairment, management review the potential for actual impairment by considering the future cash flows of each vessel. This requires estimates to be made covering future charter rates, running costs, gearing ratios, remaining useful economic life and residual value. The assessment is made at an individual vessel level since separately identifiable cash flow information for each vessel is available. 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 cyclicity of shipping markets. Actual time charter rates are currently lower than our forward estimated rates.

The company has made an impairment provision against its fleet in the year to reduce the carrying value of fleet to the estimated value in use based on the future expected cash flows over their remaining useful economic life. The discount rate used in the impairment review was 8%.

Depreciation is provided as follows:

Asset class	Depreciation method and rate
Fleet	4% Straight line

Bank borrowings

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.

Derivative financial instruments

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 2014

..... *continued*

2 Operating loss

Operating loss is stated after charging:

	2014	2013
	\$	\$
Foreign currency (gains)/losses	(7,787)	6,355
Depreciation of tangible fixed assets	855,843	1,014,111
Impairment of tangible fixed assets	<u>1,168,020</u>	<u>3,244,500</u>

The company's audit fee of \$1,500 (2013: \$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

	2014	2013
	\$	\$
Bank interest receivable	<u>-</u>	<u>14</u>

4 Interest payable and similar charges

	2014	2013
	\$	\$
Interest on bank borrowings	<u>498,621</u>	<u>507,723</u>
	<u>498,621</u>	<u>507,723</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

5 Taxation

Tax on loss on ordinary activities

	2014	2013
	\$	\$
Current tax		
Corporation tax charge	5,860	11,391
Adjustments in respect of previous years	<u>(5,016)</u>	<u>(43)</u>
UK Corporation tax	<u><u>844</u></u>	<u><u>11,348</u></u>

Factors affecting current tax charge for the year

Tax on loss on ordinary activities for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23%).

The differences are reconciled below:

	2014	2013
	\$	\$
Loss on ordinary activities before taxation	<u>(3,704,746)</u>	<u>(4,231,724)</u>
Corporation tax at standard rate	(796,520)	(973,297)
Trading assessment of tonnage tax regime	5,860	11,391
Trading losses not assessed under corporation tax regime	796,520	973,297
Adjustments in respect of previous years	<u>(5,016)</u>	<u>(43)</u>
Total current tax	<u><u>844</u></u>	<u><u>11,348</u></u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

6 Tangible fixed assets

	Fleet \$	Total \$
Cost		
At 1 January 2014	28,513,472	28,513,472
Additions	<u>63,802</u>	<u>63,802</u>
At 31 December 2014	<u>28,577,274</u>	<u>28,577,274</u>
Depreciation and impairment		
At 1 January 2014	10,915,172	10,915,172
Depreciation charge for the year	855,843	855,843
Impairment charge for the year	<u>1,168,020</u>	<u>1,168,020</u>
At 31 December 2014	<u>12,939,035</u>	<u>12,939,035</u>
Net book value		
At 31 December 2014	<u>15,638,239</u>	<u>15,638,239</u>
At 31 December 2013	<u>17,598,300</u>	<u>17,598,300</u>

7 Stocks

	2014 \$	2013 \$
Stocks	<u>57,925</u>	<u>383,710</u>

8 Debtors

	2014 \$	2013 \$
Trade debtors	166,310	279,930
Amounts owed by group undertakings	8,708	3,462
Other debtors	<u>290,832</u>	<u>277,082</u>
	<u>465,850</u>	<u>560,474</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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9 Creditors: Amounts falling due within one year

	2014	2013
	\$	\$
Bank loans	778,680	811,128
Trade creditors	102,070	160,280
Amounts owed to group undertakings	2,625,935	126,122
Corporation tax	5,860	11,391
Other creditors	333,959	509,267
	<u>3,846,504</u>	<u>1,618,188</u>

10 Creditors: Amounts falling due after more than one year

	2014	2013
	\$	\$
Bank loans	<u>6,683,671</u>	<u>7,359,612</u>

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

	2014	2013
	\$	\$
Bank loans (due less than 1 year)	778,680	811,128
Bank loans (due 1 - 2 years)	778,680	811,128
Bank loans (due 2 - 5 years)	<u>5,904,991</u>	<u>6,548,484</u>
	<u>7,462,351</u>	<u>8,170,740</u>

The company has a bank loan that is repayable in line with the above with final repayment due in 2019. The loan is secured by statutory mortgages on certain vessels and guarantees of fellow subsidiary undertakings and the company's parent undertaking. The rate of interest inherent in the loan is LIBOR plus 3%. A second priority mortgage also exists on certain vessels 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 2014 is a liability of \$237,800 (2013: \$354,641) 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 2014

..... *continued*

11 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	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>

12 Reserves

	Profit and loss account \$	Total \$
At 1 January 2014	(373,030)	(373,030)
Loss for the year	<u>(3,705,590)</u>	<u>(3,705,590)</u>
At 31 December 2014	<u>(4,078,620)</u>	<u>(4,078,620)</u>

13 Reconciliation of movement in shareholders' funds

	2014 \$	2013 \$
Loss attributable to the members of the company	<u>(3,705,590)</u>	<u>(4,243,072)</u>
Net reduction to shareholders' funds	(3,705,590)	(4,243,072)
Shareholders' funds at 1 January	<u>9,931,269</u>	<u>14,174,341</u>
Shareholders' funds at 31 December	<u>6,225,679</u>	<u>9,931,269</u>

Bibby Bulk Carriers Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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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 wholly-owned members of the group controlled by the ultimate parent undertaking.

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).