

Registration number: 01195555

# Bibby Maritime Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



## **Bibby Maritime Limited**

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## **Bibby Maritime Limited**

### **Strategic Report for the Year Ended 31 December 2019**

The directors present their strategic report for the year ended 31 December 2019.

Bibby Maritime Limited is incorporated and headquartered in the United Kingdom and is engaged in the ownership and operation of floating accommodation vessels in international markets. The Company has branches registered in Australia and South Korea. The company currently owns 1 vessel having sold 4 to subsidiary companies in 2015.

#### **Principal activity**

The principal activity of the Company is the ownership and operation of a floating accommodation vessel, MV Renaissance.

#### **Fair review of the business**

The accommodation services business continues to be affected by macro factors in the energy and raw material sectors, but prospects did improve during 2019, with revenue generated from a short term charter in the Asian-Pacific market and also a sub-charter for a contract in Sweden. Utilisation of vessels remained low however, contributing to the gross loss for the year.

We remain cautious in our expectations regarding general market conditions through into 2021, having secured a longer-term charter for most of 2020 and into 2021. The business is positioned to react flexibly and quickly to any new opportunities and market improvement. Costs have increased during the year reflecting the higher level of activity, and we have maintained tight control of the cost base to conserve cash and minimise the impact on the statement of income and retained earnings. After the end of the year, fellow subsidiary undertaking, Bibby Hydromap Limited was placed into administration, and an impairment charge of £7.2m, representing the total value of inter-company loans owed from Bibby Hydromap Limited, has been charged in the 2019 income statement.

Our safety record continued to be excellent with no lost time incidents in the year, and our focus on a strong safety culture will remain.

The key financial performance indicators are sales growth, operating margins and working capital ratios which are self-evident from the financial statements. Non-financial key performance indicators include vessel utilisation rates, vessel charter tender success and vessel safety measures in respect of which the Company does not wish to disclose any further information.

The Company's vessel MV Renaissance has been on charter in Asia since April 2020 assisting with circuit-breaking measures to address the global coronavirus pandemic.

#### **Principal risks and uncertainties**

Competitive pressures in international markets continued to be challenging during 2019 and the impact on vessel utilisation remains the key risk for the Company. To manage this risk and to take advantage of opportunities, the Company looks to react quickly to market conditions to achieve its growth objectives and proactively engages with the global broker network as well as direct contacts. The Company provides well maintained and safe assets; added value services; prompt responses to customer queries; and develops strong relationships with customers.

## **Bibby Maritime Limited**

### **Strategic Report for the Year Ended 31 December 2019 (continued)**

#### ***Brexit***

The Company has not experienced any significant disruption to business as a result of the Brexit transition period ending, reflecting the main source of revenue as being generated outside the European Union. The Company continues to monitor potential impacts on the business as the agreement with the European Union is fully implemented, and we continue to work with the relevant authorities to prepare mitigation actions and expect minimum disruption.

#### **Important non adjusting events after the financial period**

On 11 March 2020, the World Health Organisation declared the Coronavirus (Covid-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the year ended 31 December 2019, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities at the year end. Whilst there has been limited disruption to business since the end of the year and the most significant effects of the virus appear to be reducing, it is still too early to fully assess the impact the pandemic might have on the Group's future financial position, results of operations or cash flows in the future. The Directors will continue to monitor the impact of the Covid-19 pandemic on the activities of the Group

#### **Financial instruments**

#### ***Objectives and policies***

The Company's activities expose it to a number of financial risks including liquidity risk, cash flow risk, pricing risk and credit risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

## **Bibby Maritime Limited**

### **Strategic Report for the Year Ended 31 December 2019 (continued)**

#### ***Price risk, credit risk, liquidity risk and cash flow risk***

##### **Liquidity risk:**

The Company has no bank debt and manages liquidity risk by adherence to strict cash-flow forecasting procedures to ensure sufficient funds are available to meet liabilities as they fall due. The directors are confident that the forward earnings potential, and continued support from the parent, will mitigate any cash flow risk associated with delivery of its ongoing obligations.

##### **Cash flow:**

The Company provides assets and services in international markets and is therefore exposed to currency movements on sales and purchases made in foreign currencies. This exposure is mitigated by matching costs in the same currency where possible and through the use of forward exchange contracts where appropriate.

##### **Credit risk:**

The Company's principal financial assets are bank balances, and trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The assessment of customers' financial condition and reliability is an important factor in negotiating employment for our vessels and we also use management experience combined with the additional input from our advisor network. Charter hire is paid in advance of underlying hire periods where possible.

The credit risk on liquid cash funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

##### **Price risk:**

The Company secures earnings on long-term international charters and its functional currency is sterling. The Company enters into forward currency contacts to hedge contracted forward income.

Approved by the Board on 31 March 2021 and signed on its behalf by:



.....  
Jeanette Hampson, Bibby Bros. & Co. (Management) Limited  
Company secretary

Duly Authorised Signatory  
For and on behalf of  
Bibby Bros. & Co. (Management)  
Limited, SECRETARY

## **Bibby Maritime Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The directors present their report and the audited financial statements for the year ended 31 December 2019.

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

The directors who held office during the year and up to the date of signing were as follows:

John Howard Hughes

Stephen Henry Bolton

Carl Paul McLaughlin (resigned 31 January 2019)

Ian Kenneth Crook (resigned 31 January 2020)

Jonathan Osborne (resigned 31 March 2019)

Simon Jeremy Kitchen (appointed 10 April 2019 and resigned 8 May 2020)

The following directors were appointed after the year end:

Helen Julia Samuels (appointed 31 January 2020 and resigned 30 October 2020)

Susan Erica Ann Worden (appointed 21 April 2020)

#### **Dividend**

No dividend paid during the year ended 31 December 2019 (2018: £nil).

#### **Matters included in the Strategic Report**

In accordance with s414C(11) of the Companies Act 2006, included within the strategic report is information relating to the future development of the business and the financial instruments policies and risks of the business, which would otherwise be required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' to be contained in the directors' report.

#### **Branches outside the United Kingdom**

The Company has branches registered in Australia and South Korea.

#### **Directors' liabilities**

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

#### **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 of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## **Bibby Maritime Limited**

### **Directors' Report for the Year Ended 31 December 2019 (continued)**

#### **Going concern**

The Company's operating activities, together with the factors likely to affect its future development, performance and position are set out in the Fair review of the business on page 2. In addition the Strategic Report sets out the principal risks and uncertainties which exist within the business and how these risks and uncertainties are managed.

As described more fully in the Strategic Report, market conditions for accommodation services remain challenging despite the improvements in vessels utilisation. The Company has reported significantly reduced losses, having reduced administration costs and secured a charter for MV Renaissance after the end of the year, which is anticipated to continue into 2021. The Company expects general market conditions to remain challenging for the next 12 months but will continue to focus on the cost-base to ensure the business model is sustainable in these conditions.

The Company has performed scenario analyses on the level of cash reserves required to enable it to continue to operate for the foreseeable future, which show that the Company is projecting to operate within the available cash reserves, after benefitting from inter-company funding which its Parent Company, Bibby Marine Limited has indicated will be provided and not called upon for repayment within the following twelve months.

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

Approved by the Board on 31 March 2021 and signed on its behalf by:



.....  
Jeanette Hampson, Bibby Bros. & Co. (Management) Limited  
Company secretary

Duly Authorised Signatory  
For and on behalf of  
Bibby Bros. & Co. (Management)  
Limited, SECRETARY

## **Bibby Maritime Limited**

### **Directors' Responsibilities Statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 then 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 Maritime Limited**

### **Independent Auditor's Report to the members of Bibby Maritime Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Bibby Maritime Limited, the Company:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bibby Maritime Limited (the 'Company') which comprise:

- the Statement of Income and Retained Earnings;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

##### **Other information**

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

## **Bibby Maritime Limited**

### **Independent Auditor's Report to the members of Bibby Maritime Limited (continued)**

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

We have nothing to report in respect of these matters.

#### **Respective responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## **Bibby Maritime Limited**

### **Independent Auditor's Report to the members of Bibby Maritime Limited (continued)**

#### **Report on other legal and regulatory requirements**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

#### **Matters on which we are required to report by exception**

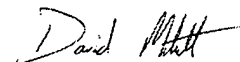
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Mitchell CA (Senior Statutory Auditor)

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

Glasgow  
United Kingdom

Date: 31 March 2021

# **Bibby Maritime Limited**

## **Profit and Loss Account for the Year Ended 31 December 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
Turnover	3	2,075,310	1,915,271
Cost of sales		<u>(4,087,676)</u>	<u>(3,348,200)</u>
Gross loss		(2,012,366)	(1,432,929)
Administrative expenses		(2,143,213)	(1,328,813)
Impairment charge		(7,165,763)	-
Other operating income	4	<u>1,154,428</u>	<u>-</u>
Operating loss	5	(10,166,914)	(2,761,742)
Other interest receivable and similar income	6	<u>481,599</u>	<u>308,190</u>
Loss before tax		(9,685,315)	(2,453,552)
Taxation	9	<u>186,846</u>	<u>(415,115)</u>
Loss for the financial year		(9,498,469)	(2,868,667)
Retained earnings brought forward		<u>21,441,837</u>	<u>24,310,504</u>
Retained earnings carried forward		<u><u>11,943,368</u></u>	<u><u>21,441,837</u></u>

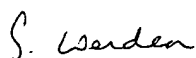
The company has no recognised gains or losses for the year other than the results above, and accordingly no separate statement of comprehensive income is presented.

The notes on pages 13 to 25 form an integral part of these financial statements.

**Bibby Maritime Limited**  
**(Registration number: 01195555)**  
**Balance Sheet as at 31 December 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	2,498,256	3,783,861
Investments	11	<u>3,600,218</u>	<u>3,600,218</u>
		<u>6,098,474</u>	<u>7,384,079</u>
<b>Current assets</b>			
Debtors	12	13,192,627	14,655,733
Cash at bank and in hand	13	<u>68,826</u>	<u>158,817</u>
		13,261,453	14,814,550
<b>Creditors: Amounts falling due within one year</b>	14	<u>(7,416,459)</u>	<u>(756,692)</u>
<b>Net current assets</b>		<u>5,844,994</u>	<u>14,057,858</u>
<b>Net assets</b>		<u>11,943,468</u>	<u>21,441,937</u>
<b>Capital and reserves</b>			
Called up share capital	16	100	100
Profit and loss account		<u>11,943,368</u>	<u>21,441,837</u>
<b>Total shareholders funds</b>		<u>11,943,468</u>	<u>21,441,937</u>

Approved and authorised by the Board on 31 March 2021 and signed on its behalf by:



.....  
Susan Erica Ann Worden

Director

# **Bibby Maritime Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2019**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2019	100	21,441,837	21,441,937
Loss for the year	-	(9,498,469)	(9,498,469)
At 31 December 2019	<u>100</u>	<u>11,943,368</u>	<u>11,943,468</u>

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2018	100	24,310,504	24,310,604
Loss for the year	-	(2,868,667)	(2,868,667)
At 31 December 2018	<u>100</u>	<u>21,441,837</u>	<u>21,441,937</u>

There are no other recognised gains and losses other than the loss for the year in 2019 and 2018.

## **Bibby Maritime Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

Bibby Maritime Limited is a private company limited by share capital incorporated in the United Kingdom and registered in England and Wales. The address of its registered office and principal place of business is 3rd Floor, Exchange Flags, Liverpool, L2 3YL.

The Company is controlled by Bibby Marine Limited. The Company is a wholly owned subsidiary of Bibby Marine Limited, which is itself a wholly owned subsidiary of Bibby Line Group Limited. Bibby Marine 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 the Bibby Marine and Bibby Line Group financial statements can be obtained from the registered office of these entities at Bibby Line Group Limited, 3rd Floor, Exchange Flags, Liverpool, L2 3YL ([www.bibbylinegroup.co.uk](http://www.bibbylinegroup.co.uk)).

#### **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**

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

##### **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.

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

The Company as a qualifying entity, has chosen to take advantage of the disclosure exemptions to not present a cash flow statement as would be required by Section 7 'Statement of Cash Flows', nor to disclose 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' or key management personnel compensation as would be required in Section 33.7 'Employee Benefits'.

##### **Group financial statements not prepared**

The Company is a wholly owned subsidiary of Bibby Marine Limited and of its ultimate parent, Bibby Line Group Limited. It is included in the consolidated financial statements of Bibby Marine Limited, which are filed at Companies House. Therefore the Company has taken exemption from preparing group accounts in the separate Bibby Maritime Limited financial statements in accordance with section 400 of the Companies Act 2006.

## **Bibby Maritime Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

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

As described more fully in the Strategic Report, market conditions for accommodation services remain challenging despite the improvements in vessels utilisation. In response to such conditions, the directors have carefully considered these risks, including an assessment of uncertainty on forward trading projection 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 and access to funds, sufficient to meet the demands of the business. 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.

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.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

##### **Revenue recognition**

Revenue arising from principal activities, being the chartering of fully serviced accommodation vessels, is recognised on a straight-line basis over the period the services are performed and provided to customers. Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services performed in the normal course of business, net of discounts and other sales-related taxes.

##### **Finance income and costs policy**

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

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

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

##### **Tax**

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



## **Bibby Maritime Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

A provision is recognised for those matters for which are uncertain but it is considered probable that there will be a future liability. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Tangible assets**

Items of tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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 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	10%-20% straight line

## **Bibby Maritime Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

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

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

##### **Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

##### **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.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Where the Company transfers substantially all the risks and rewards of ownership, the arrangement is classified as a finance lease and a receivable is recognised at an amount equal to the net investment in the lease. Recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

##### **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.

## **Bibby Maritime Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Related Party Transactions**

The Company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

##### **Critical accounting judgements and 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.

There are no critical judgements.

Items noted that are key sources of estimation uncertainty are:

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

In assessing whether there have been any 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. The carrying value is £2,498,256 (2018: £3,783,861).

Based on the impairment assessment, management believe there is no impairment risk.

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

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

## Bibby Maritime Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 3 Revenue

The analysis of the Company's revenue for the year by geographical market is as follows:

	2019 £	2018 £
Rest of world	<u>2,075,310</u>	<u>1,915,271</u>

#### 4 Other operating income

The analysis of the company's other operating income relating to management charges to other subsidiary companies for the year is as follows:

	2019 £
Other income	<u>1,154,428</u>

#### 5 Profit before taxation

Arrived at after charging/(crediting):

	2019 £	2018 £
Depreciation expense	1,285,605	1,267,166
Impairment loss	7,165,763	-
Foreign exchange (gains)/losses	<u>(31,816)</u>	<u>175,331</u>

The impairment charge relates to the write-down of an inter-company loan following the administration of Bibby Hydromap Limited, a fellow subsidiary undertaking of Bibby Marine Limited.

The Company's fee for the audit of the financial statements of £8,000 (2018: £8,000) in both years has been borne by its parent undertaking and was not recharged. There were no non-audit fees (2018: £nil) paid to the Company's auditor for other professional services.

#### 6 Interest receivable

	2019 £	2018 £
Interest receivable from Group companies	<u>481,599</u>	<u>308,190</u>

## Bibby Maritime Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £	2018 £
Wages and salaries	989,512	714,675
Social security costs	113,533	148,961
Pension costs, defined contribution scheme	67,866	90,637
	<u>1,170,911</u>	<u>954,273</u>

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

	2019 No.	2018 No.
Administration and support	<u>13</u>	<u>24</u>

#### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	704,775	527,034
Contributions paid to money purchase schemes	64,876	57,826
	<u>769,651</u>	<u>584,860</u>

In respect of the highest paid director:

	2019 £	2018 £
Remuneration	241,111	202,798
Company contributions to money purchase pension schemes	20,019	24,353
	<u>261,130</u>	<u>227,151</u>

## Bibby Maritime Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 9 Taxation

Tax charged in the statement of income and retained earnings:

	2019 £	2018 £
<b>Current taxation</b>		
UK corporation tax adjustment to prior periods	-	152,370
Foreign tax	104,988	-
Total current income tax	<u>104,988</u>	<u>152,370</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(218,553)	262,745
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(73,281)	-
Total deferred taxation	<u>(291,834)</u>	<u>262,745</u>
Tax (receipt)/expense in the statement of income and retained earnings	<u>(186,846)</u>	<u>415,115</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

Finance Bill 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 December 2018 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year ended 31 December 2019.

The differences are reconciled below:

## Bibby Maritime Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 9 Taxation (continued)

	2019 £	2018 £
Loss before tax	<u>(9,685,315)</u>	<u>(2,453,552)</u>
Corporation tax at standard rate	(1,840,210)	(466,175)
Effect of expense not deductible in determining taxable profit (tax loss)	1,454,873	52
Deferred tax expense (credit) relating to changes in tax rates or laws	25,712	21,467
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(73,281)	(188,204)
Tax increase (decrease) arising from group relief	234,286	143,270
Tax increase (decrease) from transfer pricing adjustments	-	118,918
Tax increase (decrease) arising from overseas tax suffered/expensed	11,774	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>785,787</u>
Total tax (credit)/charge	<u>(186,846)</u>	<u>415,115</u>

There is no expiry date on timing differences, unused tax losses or tax credits.

#### 10 Tangible assets

	Fleet £
<b>Cost or valuation</b>	
At 1 January 2019	<u>20,805,378</u>
At 31 December 2019	<u>20,805,378</u>
<b>Depreciation</b>	
At 1 January 2019	17,021,517
Charge for the year	<u>1,285,605</u>
At 31 December 2019	<u>18,307,122</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>2,498,256</u>
At 31 December 2018	<u>3,783,861</u>

## Bibby Maritime Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 11 Investments

<b>Subsidiaries</b>	<b>£</b>
<b>Cost or valuation</b>	
At 31 December 2018 and 31 December 2019	<u>3,600,218</u>
<b>Carrying amount</b>	
At 31 December 2018 and 31 December 2019	<u><u>3,600,218</u></u>

#### Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Class of shares held	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Bibby Maritime (Nigeria) Limited	Nigeria	Ordinary	100%	100%
Bibby Bergen Limited	UK	Ordinary	100%	100%
Bibby Progress Limited	UK	Ordinary	100%	100%
Bibby Challenge Limited	UK	Ordinary	100%	100%
Bibby Stockholm Limited	UK	Ordinary	100%	100%
Bibby Maritime Crewing Services Limited	UK	Ordinary	100%	100%
Bibby Renaissance Limited	UK	Ordinary	100%	100%



## **Bibby Maritime Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **11 Investments (continued)**

The principal activity of all subsidiaries, except for Bibby Maritime Crewing Services Limited and Bibby Renaissance Limited, is the provision of floating accommodation units. The principal activity of Bibby Maritime Crewing Services Limited is the provision of crew services. The principal activity of Bibby Renaissance Limited is that of a dormant company. All are direct holdings.

The registered address of all the above entities except for Bibby Maritime (Nigeria) Limited is 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL. The registered address of Bibby Maritime (Nigeria) Limited is 25 Adeyemo Alakija Street, Victoria Island, Lagos, Nigeria.

For the year ended 31 December 2019 each of the trading subsidiary companies within the group were entitled to exemption from audit under section 497A of the Companies Act 2006 relating to subsidiary companies.

#### **12 Debtors**

	Note	2019 £	2018 £
Trade debtors		-	88,255
Amounts due from Group undertakings		12,539,022	14,178,996
Other receivables		294,971	275,017
Prepayments		51,281	97,946
Deferred tax assets	15	<u>307,353</u>	<u>15,519</u>
Total current trade and other receivables		<u>13,192,627</u>	<u>14,655,733</u>

Amounts due from group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

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

	2019 £	2018 £
Cash at bank and on hand	<u>68,826</u>	<u>158,817</u>

## Bibby Maritime Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 14 Creditors

	2019 £	2018 £
<b>Due within one year</b>		
Trade creditors	94,895	266,508
Amounts due to related parties	6,954,040	-
Other creditors	-	121,356
Accrued expenses and deferred income	262,536	368,828
Corporation tax	104,988	-
	<u>7,416,459</u>	<u>756,692</u>

Amounts due to related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

#### 15 Deferred tax and other provisions

	<b>Deferred tax - accelerated depreciation £</b>
At 1 January 2019	(15,519)
Charge to statement of income and retained earnings	<u>(291,834)</u>
At 31 December 2019	<u>(307,353)</u>

Deferred tax relating to accelerated depreciation is included within debtors (note 12).

The deferred tax asset does not contain any individual elements netting off.

## Bibby Maritime Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 16 Called up share capital

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

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 17 Pension and other schemes

##### Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £67,866 (2018: £90,637). The amount outstanding at the year end was £nil (2018: £nil).

#### 18 Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' from disclosing transactions with other members of the group controlled by the parent undertaking.

#### 19 Non adjusting events after the financial period

On 11 March 2020, the World Health Organisation declared the Coronavirus (Covid-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the year ended 31 December 2019, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities at the year end. Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future. The Directors will continue to monitor the impact of the Covid-19 pandemic on the activities of the Company.