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Registration number: 2005619

Bibby Supply Chain Services Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2015

Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool
United Kingdom



Bibby Supply Chain Services Limited

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Bibby Supply Chain Services Limited

Company Information

Directors	Jonathan Haymer Michael Peter Brown Richard James Morson
Company secretary	Bibby Bros. & Co.(Management) Limited
Registered office	105 Duke Street Liverpool L1 5JQ
Solicitors	Weightmans LLP 100 Old Hall Street Liverpool L3 9QJ
Bankers	Bank of Scotland 40 Spring Gardens Manchester M2 1EN Barclays Bank Market Place Crackenedge Lane Dewsbury WF13 1DN Lloyds Bank Commercial Lisbon House Wellington Street Leeds LS1 4LT
Auditors	Deloitte LLP Chartered Accountants and Statutory Auditor Liverpool United Kingdom

Bibby Supply Chain Services Limited

Strategic Report for the Year Ended 31 December 2015

The Directors present their strategic report for the year ended 31 December 2015.

Principal activity

The principal activity of the company is that of an intermediary holding company for Bibby Line Group Limited's logistics division. Bibby Supply Chain Services Limited "the Group" is a wholly-owned subsidiary of Bibby Line Group Limited.

On 13th January 2015 the Group sold System Group Limited a wholly owned subsidiary of the Group engaged in training. The results from this operation have been disclosed as discontinued operations in the profit and loss account for 2014.

The Group's principal activities continue to be contract distribution, warehousing, freight forwarding, returnable plastic packaging, and driver agency recruitment. The directors are not, at the date of this report, aware of any likely major changes in the Group's remaining activities in the next year and expect the general level of activity to continue.

The Group seeks investment opportunities, both organically and through acquisition, in existing and related new business areas with a view to implementing its policy of expansion and business growth.

Fair review of the business

As shown in the profit and loss account on page 9 the Group's turnover from continuing operations decreased year on year from £242.3m to £225.9m. The Group's operating loss has increased by £5.6m from a loss of £0.6m to an operating loss of £6.2m.

Part of the operating loss for the year has arisen regarding the disposal of System Group with an exceptional cost of £1.2m on disposal. As mentioned above this company was sold on 13th January 2015.

In addition to the loss on the disposal of System Group, Bibby Distribution had a challenging year with a fall in year on year operating loss of £3.9m from a loss of £0.4m to a loss of £4.3m driven by significant organizational restructure costs throughout the business and at Board level, customer losses and associated exit costs, delayed new contracts which successfully commenced in Q1 2016 and costs related to the property relocation strategy and continued Transport Management System implementation.

Other parts of the Group have seen major strategic investment in management and development of new technologies and products which should become revenue and profit generating in 2016 and beyond.

Major improvement plans are now in place in Bibby Distribution following a comprehensive review of the business in 2015 with substantial focus being placed on organizational right sizing, procurement, transport optimization and new contract wins. Following the implementation of the new Transport Management System to the majority of the business, the management team now have significantly improved management information which will help drive operational efficiency by improvements in asset utilisation and reductions in operating costs.

The balance sheet on page 11 of the financial statements shows that the net assets of the Group are £8.0m (2014 - £14.0m) and net debt has decreased by £8.1m to £20.7m (2014: £28.8m) with the movement explained in the Consolidated Statement of Cash Flows on page 15. The average number of employees decreased from 2,429 to 2,246.

Other than the financial information and ratios used in these financial statements the Group does not have any key non-financial or financial performance indicators that the directors deem to be relevant for disclosure in these financial statements.

Bibby Supply Chain Services Limited

Strategic Report for the Year Ended 31 December 2015 (continued)

Principal risks and uncertainties

Competitive pressure in the logistics market and the recruitment sector is a continuing risk for the Group. To manage this risk the Group strives to maintain efficient utilisation of its operating assets and exercise strong cost control at all times.

The Group is a major user of diesel fuel and is therefore exposed to movements in the price of fuel. This risk is mitigated wherever possible by means of fuel price regulator agreements with customers to pass on any changes in fuel prices.

The Group's principal financial instruments comprise bank balances, trade debtors, trade creditors, loans to the business, an interest rate swap and finance lease agreements. The main purpose of these instruments is to finance the Group's operations.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance. Further details regarding the liquidity risk can be found in the Going Concern section on page 5 of the Directors' Report.

The Group has a receivables finance agreement which is in place until 31st December 2018 and will then convert to a three month rolling evergreen facility. The directors are confident that this facility will continue until the end of the contract and have obtained confirmation from the bank that this is the case.

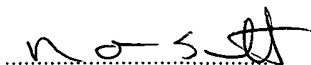
The Group has interest bearing liabilities including a Base Rate Interest Swap agreement covering £5 million of principal with a fixed interest of 4.03% margin. The interest rate swap contract matures in line with the expected maturity of the term loan it was taken out to hedge and is utilised to fix some of the exposure to interest rate fluctuations. At 31 December 2015 the fair value of the swap contract was a liability of £103,011 (2014 - £148,941).

The Group meets its day to day working capital requirements by managing its debtors, creditors and bank facilities.

Trade debtors are managed in respect of credit and cash flow risk policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. The Group manages the liquidity risk by ensuring that there are sufficient funds to meet payments by managing its debtors and through a loan facility which is currently in place.

Approved by the Board on 1 April 2016 and signed on its behalf by:



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

Duly Authorised Signature
For and on behalf of
Bibby Bros. & Co. (Management) Limited
Company Secretary

Bibby Supply Chain Services Limited

Directors' Report for the Year Ended 31 December 2015

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

Directors of the Group

The directors who held office during the year and thereafter are as follows:

Jonathan Haymer

Paul Andrew Cullingford (resigned 30 June 2015)

Michael Peter Brown

Richard James Morson (appointed 6 July 2015)

Financial risk management

Objectives and policies

Competitive pressure in the logistics market is a continuing risk for the Group. To manage this risk the Group strives to maintain efficient utilisation of its operating assets and exercise strong cost control at all times. A programme of continuous improvement has been implemented and benefits from this are already being realised.

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

The Group has implemented policies that require appropriate credit checks on potential customers before new accounts are accepted. Where debt finance is utilised, this is subject to pre-approval by the board of directors.

The Group actively maintains a mixture of long-term and short-term debt and lease finance that is designed to ensure that it has sufficient available funds for operations and planned expansions.

Transition to FRS 102

During the year the company transitioned from UK GAAP to FRS 102 - the Financial Reporting Standard applicable in the United Kingdom for accounting periods commencing on or after 1 January 2015. The impact of the transition is explained in note 28 to the financial statements.

Employment of disabled persons

The Group has maintained a policy of providing, wherever possible, the same employment opportunities to disabled persons as to others.

If any employee becomes disabled whilst employed by the Group, every effort is made to find suitable continuing employment, with re-training as necessary.

The Group maintains a policy to consider workers for all suitable employment vacancies and to give appropriate training assistance necessary to introduce such workers for all suitable employment vacancies and to give appropriate training as necessary to introduce such workers to their jobs and to develop their skills and capabilities.

Employee involvement

The Group is committed to the continuing development of effective employee communication, consultation and involvement, including the regular publication of company magazines, company updates by e-mail and the use of a company intranet.

Bibby Supply Chain Services Limited

Directors' Report for the Year Ended 31 December 2015 (continued)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Fair review of the business.

At 31 December 2015, the Group had net current assets of £6.8m (2014 - £15.5m), a cash position of £0.6m (2014 - £0.9m) and borrowings of £21.3m (2014 - £29.7m).

The Group has in place two main funding facilities provided by its principal banker being a receivables finance arrangement secured on its trade debtors and a term loan facility secured on freehold property.

The borrowings under the receivables finance arrangement facility had a value of £14.0m at year end (2014 - £21.0m). This facility was renewed on 31 December 2015 for a minimum 3 year term.

The term loan facility had a balance of £1.4m at the year end (2014 - £3.5m) and is repayable in instalments until October 2017.

The combined facilities have certain covenant restrictions. No covenant breaches have occurred in the current year, or are forecast in the next 12 months.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities and meet its covenant tests. After making enquiries the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Directors liabilities

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

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.

Approved by the Board on 1 April 2016 and signed on its behalf by:

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

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

Bibby Supply Chain Services Limited

Statement of Directors' Responsibilities

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bibby Supply Chain Services Limited

Independent Auditor's Report

We have audited the financial statements of Bibby Supply Chain Services Limited for the year ended 31 December 2015, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Expense, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cashflows and the related notes 1 to 28. 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 Statement of Directors' Responsibilities (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. 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 group's and the parent 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 Group's and the Parent Company's affairs as at 31 December 2015 and of the Group's 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

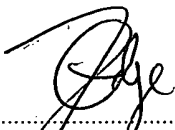
Bibby Supply Chain Services Limited

Independent Auditor's Report (continued)

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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



.....
Timothy Edge (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

Liverpool
United Kingdom

1 April 2016

Bibby Supply Chain Services Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 Continuing operations £ 000	2014 Continuing operations £ 000	2014 Discontinued operations £ 000	2014 Total £ 000
Turnover	3	225,858	242,335	10,002	252,337
Cost of sales		<u>(192,907)</u>	<u>(204,539)</u>	<u>(6,242)</u>	<u>(210,781)</u>
Gross profit		32,951	37,796	3,760	41,556
Administrative expenses		(38,008)	(38,514)	(5,999)	(44,513)
Exceptional items	4	(1,183)	-	-	-
Other operating income	5	<u>-</u>	<u>70</u>	<u>-</u>	<u>70</u>
Operating loss	6	(6,240)	(648)	(2,239)	(2,887)
Other interest receivable and similar income	7	54	42	-	42
Interest payable and similar charges	8	<u>(727)</u>	<u>(702)</u>	<u>(21)</u>	<u>(723)</u>
Loss before tax		(6,913)	(1,308)	(2,260)	(3,568)
Taxation	12	<u>936</u>	<u>(273)</u>	<u>163</u>	<u>(110)</u>
Loss for the financial year		<u><u>(5,977)</u></u>	<u><u>(1,581)</u></u>	<u><u>(2,097)</u></u>	<u><u>(3,678)</u></u>

The notes on pages 16 to 38 form an integral part of these financial statements.

Bibby Supply Chain Services Limited

**Consolidated Statement of Comprehensive Expense for the Year Ended
31 December 2015**

	Note	2015 £ 000	2014 £ 000
Loss for the year		<u>(5,977)</u>	<u>(3,678)</u>
Total comprehensive expense for the year		<u><u>(5,977)</u></u>	<u><u>(3,678)</u></u>

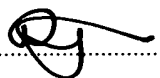
Bibby Supply Chain Services Limited

(Registration number: 2005619)

Consolidated Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Fixed assets			
Intangible assets	13	5,730	7,033
Tangible assets	14	<u>17,639</u>	<u>23,000</u>
		<u>23,369</u>	<u>30,033</u>
Current assets			
Stocks	16	1,069	1,270
Debtors	17	44,133	52,899
Cash at bank and in hand		<u>601</u>	<u>937</u>
		45,803	55,106
Creditors: Amounts falling due within one year	24	<u>(38,967)</u>	<u>(39,592)</u>
Net current assets		<u>6,836</u>	<u>15,514</u>
Total assets less current liabilities		30,205	45,547
Creditors: Amounts falling due after more than one year	24	(19,216)	(28,138)
Provisions for liabilities	22	<u>(2,966)</u>	<u>(3,409)</u>
Net assets		<u>8,023</u>	<u>14,000</u>
Capital and reserves			
Called up share capital	19	4,288	4,288
Retained earnings		<u>3,735</u>	<u>9,712</u>
Equity attributable to owners of the company		<u>8,023</u>	<u>14,000</u>
Total equity		<u>8,023</u>	<u>14,000</u>

The consolidated financial statements of Bibby Supply Chain Services Limited, Registered number 2005619 were approved and authorised by the Board on 1 April 2016 and signed on its behalf by:



Richard James Morson

Director

The notes on pages 16 to 38 form an integral part of these financial statements.

Bibby Supply Chain Services Limited

(Registration number: 2005619)
Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Fixed assets			
Investments	15	32,454	32,454
Creditors: Amounts falling due within one year	24	<u>(26,686)</u>	<u>(25,268)</u>
Net assets		<u>5,768</u>	<u>7,186</u>
Capital and reserves			
Called up share capital	19	4,288	4,288
Retained earnings		<u>1,480</u>	<u>2,898</u>
Total equity		<u>5,768</u>	<u>7,186</u>

The financial statements of Bibby Supply Chain Services Limited, registered number 2005619, were approved by the Board on 1 April 2016 and signed on its behalf by:



Richard James Morson
Director

Bibby Supply Chain Services Limited

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

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2014	4,288	14,792	19,080
Loss for the year	-	(3,678)	(3,678)
Total comprehensive expense	-	(3,678)	(3,678)
Dividends paid	-	(1,402)	(1,402)
At 31 December 2014	4,288	9,712	14,000
	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2015	4,288	9,712	14,000
Loss for the year	-	(5,977)	(5,977)
Total comprehensive expense	-	(5,977)	(5,977)
At 31 December 2015	4,288	3,735	8,023

For any changes in equity which have been caused by the transition to FRS 102 see note 28.

Bibby Supply Chain Services Limited

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

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2014	4,288	2,898	7,186
Profit for the year	-	1,402	1,402
Total comprehensive income	-	1,402	1,402
Dividends paid	-	(1,402)	(1,402)
At 31 December 2014	4,288	2,898	7,186
	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2015	4,288	2,898	7,186
Loss for the year	-	(1,418)	(1,418)
Total comprehensive expense	-	(1,418)	(1,418)
At 31 December 2015	4,288	1,480	5,768

The notes on pages 16 to 38 form an integral part of these financial statements.

Bibby Supply Chain Services Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

	2015	2014
Note	£ 000	£ 000
Cash flows from operating activities		
Loss for the year	(5,977)	(3,678)
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	6 5,524	6,179
Profit on disposal of property plant and equipment	6 (1,092)	(115)
Finance income	7 (54)	(42)
Finance costs	8 727	723
Income tax expense	12 (936)	110
	<u>(1,808)</u>	<u>3,177</u>
Working capital adjustments		
Decrease/(increase) in stocks	16 201	(91)
Decrease/(increase) in trade and other receivables	17 9,218	(1,585)
Decrease in trade and other payables	24 (779)	(1,404)
(Decrease)/increase in provisions	22 (443)	180
Decrease in government grants	24 (233)	(71)
Cash generated from operations	<u>6,156</u>	<u>206</u>
Income taxes received/(paid)	385	(1,039)
Net cash flow from operating activities	<u>6,541</u>	<u>(833)</u>
Cash flows from investing activities		
Interest received	7 54	42
Acquisitions of property plant and equipment	14 (4,330)	(6,203)
Proceeds from sale of property plant and equipment	6,658	751
Acquisition of intangible assets	13 (96)	(559)
Net cash flows from investing activities	<u>2,286</u>	<u>(5,969)</u>
Cash flows from financing activities		
Interest paid	8 (727)	(723)
Dividends paid	25 -	(1,402)
Net cash flows from financing activities	<u>(727)</u>	<u>(2,125)</u>
Net increase/(decrease) in cash and cash equivalents	<u>8,100</u>	<u>(8,927)</u>
Cash and cash equivalents at 1 January	18 (28,778)	(19,851)
Cash and cash equivalents at 31 December	18 <u>(20,678)</u>	<u>(28,778)</u>

The notes on pages 16 to 38 form an integral part of these financial statements.

Bibby Supply Chain Services Limited

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

1 General information

The company is a incorporated and domiciled in the United Kingdom

The address of its registered office is:

105 Duke Street

Liverpool

L1 5JQ

The Company is controlled by Bibby Line Group Limited. The group is a wholly owned subsidiary undertaking of Bibby Line Group Limited which is registered in England. Bibby Line Group Limited is the parent undertaking of the largest and smallest group which consolidates these accounts and of which the company is a member. The ultimate controlling party is disclosed in the financial statements of Bibby Line Group Limited. Copies of the Group financial statements may be obtained from Bibby Line Group Limited, 105 Duke Street, Liverpool, L1 5JQ (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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2015.

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. Its loss for the financial year was £1,418k (2014- £1,402k profit).

Going concern

The Group's business activities, together with the factors likely to affect the Group's development, performance and position are set out in the Fair review of business. The Group has considerable financial resources together with long term contracts with a number of customers and suppliers across different industries. As a consequence, the directors believe the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Group meets its day to day working capital requirements by managing its debtors and creditors. The directors have considered the Group's forecasts, taking into account reasonably possible changes in its trading performance and any uncertainties. These show that the Group should be able to operate within its current facilities.

After making enquiries as set out on page 5 of the Directors' Report and considering forecasts no less than 12 months from the date of signing the financial statements the directors have reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

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:

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

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 28 to the financial statements.

Critical Accounting Judgements

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The directors deem that the main area of judgement for the Group is that of revenue recognition. In making its judgement, management considered the detailed criteria for the recognition of revenue from the provision of services set out in FRS 102 Section 23 Revenue and, in particular, whether the Group has transferred to the customer the significant risks and rewards of the service undertaken. The directors are satisfied that the significant risks and rewards have been transferred at the time that revenue is recorded in these financial statements and that recognition of the revenue in the current year is appropriate.

Key sources of estimation uncertainty

Determining whether intangible assets are impaired requires an estimation of their value in use to the Group. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the intangible asset and a suitable discount rate in order to calculate present value. The carrying amount is £5,730k (2014 -£7,033k).

Determining whether the carrying value of provisions is sufficient to cover the future obligations of the Group. The Group has in place vacant property provisions and dilapidation provisions for leased buildings where there is a future obligation to bring the property back to its original state, less fair wear and tear, or where the Group has a current lease obligation but the property is not being utilised.

The value in use calculation requires the entity to estimate the future cash flows needed to settle these obligations and build up sufficient provisions to cover the liabilities as they fall due.

The carrying amount is £2,966k (2014 -£3,162k).

Revenue recognition

Turnover represents the total amount receivable in the ordinary course of business for services provided excluding value added tax. Income is recognised at the time the relevant services are provided by the Group to the customer or provided under contracts to the extent that there is a right to a consideration and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax, including UK corporation tax and foreign 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.

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 Group'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

Property, plant and equipment

Fixed assets are stated in the balance sheet at cost less depreciation provided to date.

Depreciation is provided in equal annual instalments over the estimated useful life of the asset, on the original cost of the asset less an estimate of its residual value.

Asset class	Depreciation method and rate
Freehold land	Nil
Freehold buildings	2% straight line basis
Short leasehold land & buildings	The life of the lease
Vehicles & equipment	Varying rates from 5% to 33%

Intangible assets

Goodwill arising on consolidation is considered separately for each acquisition. In the case where goodwill is considered to have continuing value it is amortised to nil by equal annual instalments over periods between 5 and 10 years.

Intellectual property assets relate to purchased computer software and are stated at cost less amortisation. The useful economic life of the asset is expected to be at least the same as the period of amortisation which is amortised to nil by equal annual instalments over 5 years. Assets which are under construction but are not available for use are not amortised until they become available for use

Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments in subsidiary undertakings are stated at cost less amounts written off.

Cash at bank and in hand

Cash and cash equivalents comprise cash at bank and in hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at their transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision from impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks comprise fuel and are stated at the lower of weighted average cost and net realisable value.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group 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.

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

Borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Exceptional items

Exceptional items are disclosed in these financial statements where the directors consider them to be outside of the normal course of business and of a nature that would be misleading to the user if not disclosed separately.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term, even where payments are not made on such a basis.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have been passed to the Group, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the lease obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

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. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are paid.

Defined contribution pension obligation

Bibby Supply Chain Services Limited and its subsidiaries companies are members of the Bibby Line Group Defined Contribution Pension Scheme. Contributions are recognised in the profit and loss account in the year in which they become payable in accordance with the rules of the scheme.

Financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not hold or use derivative financial instruments for speculative purposes. The derivatives are included at fair value in the balance sheet with the movement in the fair value being recognised in administrative expenses in the period to which it relates.

3 Revenue

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

	2015 £ 000	2014 £ 000
UK	217,455	243,071
Europe	7,595	9,266
Rest of world	808	-
	<u>225,858</u>	<u>252,337</u>

4 Exceptional items

	2015 £ 000	2014 £ 000
Exceptional loss on sale of a discontinued operation.	<u>1,183</u>	<u>-</u>

5 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2015 £ 000	2014 £ 000
Government grants	<u>-</u>	<u>70</u>

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

6 Operating loss

Arrived at after charging/(crediting)

	Note	2015 £ 000	2014 £ 000
Depreciation expense	14	4,125	4,299
Operating lease expense - property		7,248	7,505
Operating lease expense - plant and machinery		6,327	7,772
Profit on disposal of property, plant and equipment		(1,092)	(115)
Amortisation of goodwill	13	1,287	1,861
Amortisation of intellectual property	13	<u>112</u>	<u>19</u>

7 Other interest receivable and similar income

	2015 £ 000	2014 £ 000
Interest income on financial assets	<u>54</u>	<u>42</u>

8 Interest payable and similar charges

	2015 £ 000	2014 £ 000
Interest on receivable financing	590	591
Interest on other loans	117	112
Amortisation of issue costs on bank loans	<u>20</u>	<u>20</u>
	<u>727</u>	<u>723</u>

9 Staff costs

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

	2015 £ 000	2014 £ 000
Wages and salaries	64,265	68,006
Social security costs	6,186	6,447
Pension costs, defined contribution scheme	<u>923</u>	<u>1,091</u>
	<u>71,374</u>	<u>75,544</u>

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

9 Staff costs (continued)

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

	2015 No.	2014 No.
Warehouse	621	628
Drivers and distribution	944	1,023
Managerial and administrative	681	778
	<u>2,246</u>	<u>2,429</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £ 000	2014 £ 000
Remuneration	1,020	1,142
Contributions paid to money purchase pension schemes	79	70
Compensation for loss of office	435	162
	<u>1,534</u>	<u>1,374</u>

In respect of the highest paid director:

	2015 £ 000	2014 £ 000
Remuneration	93	419
Company contributions to money purchase pension schemes	-	8
Compensation for loss of office	242	162

11 Auditor remuneration

	2015 £ 000	2014 £ 000
Audit of these financial statements	10	10
Audit of the financial statements of subsidiaries of the company pursuant to legislation	45	54
	<u>55</u>	<u>64</u>

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

12 Income tax

Tax charged/(credited) to the profit and loss account

	2015 £ 000	2014 £ 000
Current taxation		
UK corporation tax	(957)	(71)
UK corporation tax adjustment to prior periods	<u>11</u>	<u>-</u>
	(946)	(71)
Overseas tax	<u>-</u>	<u>8</u>
Total current income tax	<u>(946)</u>	<u>(63)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(46)	417
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>56</u>	<u>(244)</u>
Total deferred taxation	<u>10</u>	<u>173</u>
Tax (income)/expense in the income statement	<u>(936)</u>	<u>110</u>

The tax on profit before tax for the year is lower 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 £ 000	2014 £ 000
Loss before tax	<u>(6,913)</u>	<u>(3,568)</u>
Corporation tax at standard rate	(1,400)	(767)
Effect of expense not deductible in determining taxable loss	398	424
UK deferred tax credit relating to changes in tax rates or laws	(9)	-
Increase in UK current tax from unrecognised temporary difference from a prior period	75	201
Tax increase arising from group relief	-	244
Tax increase arising from overseas tax suffered	<u>-</u>	<u>8</u>
Total tax (credit)/charge	<u>(936)</u>	<u>110</u>

A reduction in the UK corporation tax rate from 21% to 20% took effect from 1 April 2015. Finance Act 2015 (No.2), which was substantively enacted in October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020.

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

12 Income tax (continued)

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	2015	2014
	£ 000	£ 000
As 1 January	939	1,112
Deferred tax charged to the P&L account	(10)	(173)
Deferred tax eliminated on sale of subsidiary	(99)	-
At 31 December	<u>830</u>	<u>939</u>

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

13 Intangible assets

Group

	Goodwill £ 000	Intellectual property £ 000	Assets under construction £ 000	Total £ 000
Cost or valuation				
At 1 January 2015	26,316	559	-	26,875
Additions	-	-	96	96
At 31 December 2015	26,316	559	96	26,971
Amortisation				
At 1 January 2015	19,823	19	-	19,842
Amortisation charge	1,287	112	-	1,399
At 31 December 2015	21,110	131	-	21,241
Carrying amount				
At 31 December 2015	5,206	428	96	5,730
At 31 December 2014	6,493	540	-	7,033

14 Property, plant and equipment

Group

	Freehold land and buildings £ 000	Short leasehold land and buildings £ 000	Vehicles and equipment £ 000	Total £ 000
Cost or valuation				
At 1 January 2015	7,669	4,293	24,198	36,160
Additions	-	173	4,157	4,330
Disposals	(4,714)	(233)	(8,352)	(13,299)
At 31 December 2015	2,955	4,233	20,003	27,191
Depreciation				
At 1 January 2015	1,115	2,538	9,507	13,160
Charge for the year	130	173	3,822	4,125
Eliminated on disposal	(648)	(192)	(6,893)	(7,733)
At 31 December 2015	597	2,519	6,436	9,552
Carrying amount				
At 31 December 2015	2,358	1,714	13,567	17,639
At 31 December 2014	6,554	1,755	14,691	23,000

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

14 Property, plant and equipment (continued)

Net book value of freehold land which is not depreciated is £650k (2014: £2,506k).

Included within the net book value of tangible fixed assets is £6,091k (2014 - £6,829k) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £1,550k (2014 - £1,212k).

The Group has a £1,387k Term loan (2014: £3,481k) which is secured against freehold land and buildings.

15 Investments

Company

	2015 £ 000	2014 £ 000
Investments in subsidiaries	<u>32,454</u>	<u>32,454</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	Holding	Proportion of voting rights and shares held	
			2015	2014
Subsidiary undertakings				
Bibby Distribution Limited	United Kingdom *	Ordinary	100%	100%
Bibby International Logistics Limited	United Kingdom *	Ordinary	100%	100%
Direct Workforce limited	United Kingdom *	Ordinary	100%	100%
Packaging Logistics Services Limited	United Kingdom *	Ordinary	100%	100%
Packaging Logistics Services Polska Sp Ul. Wiejska 49, Czeladz, Poland	Poland	Ordinary	100%	100%
Bibby International Logistics (Singapore) PTE. Limited 6 Shenton way, #18-08A, OUE Downtown,Singapore (068809)	Singapore	Ordinary	100%	0%

* Address of Company is the same as that of the parent company being 105 Duke Street, Liverpool, L1 5JQ

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

15 Investments (continued)

The principal activity of Bibby Distribution Limited is contract distribution, warehousing & transport.

The principal activity of Bibby International Logistics Limited is international distribution & freight forwarding.

The principal activity of Direct Workforce limited is recruitment and temporary worker agency.

The principal activity of Packaging Logistics Services Limited is returnable packaging solutions.

The principal activity of Packaging Logistics Services Polska Sp is returnable packaging solutions.

The principal activity of Bibby International Logistics (Singapore) PTE. Limited is international freight forwarding.

16 Stocks

	Group		Company	
	2015 £ 000	2014 £ 000	2015 £ 000	2014 £ 000
Stocks	1,069	1,270	-	-

There is no material difference between the balance sheet value of stock and its replacement cost.

17 Debtors

		Group		Company	
	Note	2015 £ 000	2014 £ 000	2015 £ 000	2014 £ 000
Trade debtors		38,645	45,781	-	-
Income Tax	12	959	398	-	-
Other debtors		347	441	-	-
Deferred tax assets	12	830	939	-	-
Prepayments		3,274	4,000	-	-
Amounts owed by group undertakings		78	1,340	-	-
Total current trade and other debtors		44,133	52,899	-	-

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

18 Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	£ 000	£ 000	£ 000	£ 000
Cash at bank and in hand	601	937	-	-
Bank borrowings	(15,395)	(24,444)	-	-
Finance lease liabilities	(5,884)	(5,271)	-	-
	<u>(20,678)</u>	<u>(28,778)</u>	<u>-</u>	<u>-</u>

19 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No. 000	£ 000	No. 000	£ 000
Authorised ordinary shares of £1 each	<u>4,288</u>	<u>4,288</u>	<u>4,288</u>	<u>4,288</u>

20 Loans and borrowings

	Group	
	2015	2014
	£ 000	£ 000
Non-current loans and borrowings		
Bank borrowings	14,946	23,995
Finance lease liabilities	<u>4,270</u>	<u>3,910</u>
	<u>19,216</u>	<u>27,905</u>
	Group	
	2015	2014
	£ 000	£ 000
Current loans and borrowings		
Bank borrowings	449	449
Finance lease liabilities	<u>1,614</u>	<u>1,361</u>
	<u>2,063</u>	<u>1,810</u>

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

20 Loans and borrowings (continued)

Maturity of borrowings

The bank loans can be analysed as follows:

	2015	2014
	£ 000	£ 000
Term loan	1,387	3,481
Receivable finance agreement	14,008	20,963
	<u>15,395</u>	<u>24,444</u>

The term loan is repayable in quarterly intervals until October 2017. It is secured against freehold property. interest on it has been fixed at an overall rate of 4.03%.

The receivables finance agreement has an interest rate that varies in line with Base Rate and is secured against the trade debtors of the Group. This agreement was renewed on 31 December 2015 for a minimum term of 3 years.

Interest rate swap contract

The Group has an interest rate swap contract on the term loan which matures on 1 August 2017 in line with the expected maturity of the term loan. At December 2015 the contract had a fair value of £103k liability (2014: £149k liability). The fair value was calculated based on mid-market values at 31 December each year end. The swap was taken out in order to manage exposure to interest rate movements on the term loan.

Maturities of obligations

	Bank Loans £ 000	Obligations under finance lease contracts £ 000	Total £ 000
As at 31 December 2015			
In one year or less on demand	449	1,614	2,063
Between one and two years	938	4,270	5,208
Between two and five years	14,008	-	14,008
	<u>15,395</u>	<u>5,884</u>	<u>21,279</u>

Maturities of obligations

	Bank Loans £ 000	Obligations under finance lease contracts £ 000	Total £ 000
As at 31 December 2014			
In one year or less on demand	449	1,361	1,810
Between one and two years	449	3,770	4,219
Between two and five years	23,546	140	23,686
	<u>24,444</u>	<u>5,271</u>	<u>29,715</u>

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

21 Obligations under finance leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2015	2014
	£ 000	£ 000
Not later than one year	1,614	1,361
Later than one year and not later than five years	4,270	3,910
	<u>5,884</u>	<u>5,271</u>

Operating leases

As at 31 December 2015 the company had commitments under non-cancellable operating leases as follows:

Land and buildings	2015	2014
	£ 000	£ 000
Within one year	6,105	6,610
Within two and five years	15,691	16,422
Over five years	10,207	13,684
	<u>32,003</u>	<u>36,716</u>

Other	2015	2014
	£ 000	£ 000
Within one year	5,656	5,950
Within two and five years	9,707	12,137
Over five years	794	1,264
	<u>16,157</u>	<u>19,351</u>

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

22 Provisions

Group

	Vacant property provision £ 000	Deferred consideration £ 000	Total £ 000
At 1 January 2015	3,162	247	3,409
Increase in existing provisions	203	-	203
Eliminated on sale of subsidiary	(399)	-	(399)
Increase due to foreign exchange differences	-	23	23
Transferred to current liabilities	-	(270)	(270)
At 31 December 2015	<u>2,966</u>	<u>-</u>	<u>2,966</u>

It is estimated that the property provisions will be substantially utilised in the period 2016-2020. The deferred consideration is payable in relation to the intellectual property assets disclosed as intangible assets within the accounts. The deferred consideration is expected to be fully paid during 2016 and so has been reclassified from provisions to current liabilities.

23 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £923,000 (2014 - £1,091,000).

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

24 Creditors

	Note	Group		Company	
		2015 £ 000	2014 £ 000	2015 £ 000	2014 £ 000
Due within one year					
Bank loans and overdrafts		449	449	-	-
Obligations under finance lease contracts		1,614	1,361	-	-
Trade creditors		14,222	15,061	-	-
Amounts due to related parties		686	240	26,686	25,268
Social security and other taxes		3,238	2,814	-	-
Other payables		1,498	1,636	-	-
Accrued expenses		16,990	17,961	-	-
Deferred income - government grants		-	70	-	-
Deferred consideration		270	-	-	-
		<u>38,967</u>	<u>39,592</u>	<u>26,686</u>	<u>25,268</u>
Due after one year					
Bank loans and overdrafts		14,946	23,995	-	-
Obligations under finance lease contracts		4,270	3,910	-	-
Deferred income - Government grants		-	233	-	-
		<u>19,216</u>	<u>28,138</u>	<u>-</u>	<u>-</u>

25 Dividends paid

	2015 £ 000	2014 £ 000
Final dividend of £Nil (2014 - £0.33) per ordinary share	<u>-</u>	<u>1,402</u>

26 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £1,033k (2014 - £969k).

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

26 Commitments (continued)

Company

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2014 - £Nil).

27 Parent and ultimate parent undertaking

The Company is a wholly owned subsidiary undertaking of Bibby Line Group Limited, the ultimate parent company, a company registered in England. Bibby Line Group Limited is the parent undertaking of the largest and smallest group which consolidates these financial statements and of which the company is a member.

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

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to FRS 102

Consolidated Balance Sheet at 1 January 2014

	Note	As originally reported £ 000	Remeasurement £ 000	As restated £ 000
Fixed assets				
Intangible assets		9,427	(1,073)	8,354
Tangible assets		<u>21,732</u>	<u>-</u>	<u>21,732</u>
		<u>31,159</u>	<u>(1,073)</u>	<u>30,086</u>
Current assets				
Stocks		1,179	-	1,179
Debtors		51,089	-	51,089
Cash at bank and in hand		<u>1,417</u>	<u>-</u>	<u>1,417</u>
		53,685	-	53,685
Creditors: Amounts falling due within one year		<u>(56,228)</u>	<u>(123)</u>	<u>(56,351)</u>
Net current liabilities		<u>(2,543)</u>	<u>(123)</u>	<u>(2,666)</u>
Total assets less current liabilities		28,616	(1,196)	27,420
Creditors: Amounts falling due after more than one year		(5,111)	-	(5,111)
Provisions for liabilities		<u>(3,229)</u>	<u>-</u>	<u>(3,229)</u>
Net assets/(liabilities)		<u>20,276</u>	<u>(1,196)</u>	<u>19,080</u>
Capital and reserves				
Called up share capital		4,288	-	4,288
Retained earnings		<u>15,988</u>	<u>(1,196)</u>	<u>14,792</u>
Total equity		<u>20,276</u>	<u>(1,196)</u>	<u>19,080</u>

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to FRS 102 (continued)

The FRS102 Transition adjustments are as follows:

Holiday pay accruals relates to holiday pay to staff where it is deemed to be accumulating at the end of the reporting period. As at 1 January 2014 the transition adjustment was to recognise an extra accrual of £30k with a debit being made to administrative expenses.

The Group has an interest rate swap contract on the term loan which matures on 1 August 2017 in line with the expected maturity of the term loan. At 1 January 2014 the contract had a fair value of £92k liability. The above transition adjustment has been made under FRS 102 where derivatives are recognised on the balance sheet and measured at fair value through the profit and loss account. Previously under UK GAAP the derivative was held off balance sheet until the related transaction occurred and only disclosed in the financial statements. This resulted in a debit being made to retained earnings of £92k

The Group holds goodwill relating to business acquisitions which are amortised between 5 and 10 years. Under FRS 102 parts of the goodwill from the acquisitions were considered separately compared to their treatment under UK GAAP and the period over which they were being amortised also considered separately. This resulted in a debit being made to retained earnings of £1,073k.

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to FRS 102 (continued)

Consolidated Balance Sheet at 31 December 2014

	Note	As originally reported £ 000	Remeasurement £ 000	As restated £ 000
Fixed assets				
Intangible assets		7,974	(941)	7,033
Tangible assets		<u>23,000</u>	<u>-</u>	<u>23,000</u>
		<u>30,974</u>	<u>(941)</u>	<u>30,033</u>
Current assets				
Stocks		1,270	-	1,270
Debtors		52,899	-	52,899
Cash at bank and in hand		<u>937</u>	<u>-</u>	<u>937</u>
		55,106	-	55,106
Creditors: Amounts falling due within one year		<u>(39,417)</u>	<u>(175)</u>	<u>(39,592)</u>
Net current assets/(liabilities)		<u>15,689</u>	<u>(175)</u>	<u>15,514</u>
Total assets less current liabilities		46,663	(1,116)	45,547
Creditors: Amounts falling due after more than one year		(28,138)	-	(28,138)
Provisions for liabilities		<u>(3,409)</u>	<u>-</u>	<u>(3,409)</u>
Net assets/(liabilities)		<u>15,116</u>	<u>(1,116)</u>	<u>14,000</u>
Capital and reserves				
Called up share capital		4,288	-	4,288
Retained earnings		<u>10,828</u>	<u>(1,116)</u>	<u>9,712</u>
Total equity		<u>15,116</u>	<u>(1,116)</u>	<u>14,000</u>

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to FRS 102 (continued)

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

Note	As originally reported £ 000	Remeasurement £ 000	As restated £ 000
Turnover	252,337	-	252,337
Cost of sales	<u>(210,781)</u>	<u>-</u>	<u>(210,781)</u>
Gross profit	41,556	-	41,556
Administrative expenses	(44,593)	80	(44,513)
Other operating income	<u>70</u>	<u>-</u>	<u>70</u>
Operating loss	(2,967)	80	(2,887)
Other interest receivable and similar income	42	-	42
Interest payable and similar charges	<u>(723)</u>	<u>-</u>	<u>(723)</u>
Loss before tax	(3,648)	80	(3,568)
Taxation	<u>(110)</u>	<u>-</u>	<u>(110)</u>
Loss for the financial year	<u><u>(3,758)</u></u>	<u><u>80</u></u>	<u><u>(3,678)</u></u>

The FRS102 Transition adjustments are as follows:

Holiday pay accruals relates to holiday pay to staff where it is deemed to be accumulating at the end of the reporting period. For the year ended 31 December 2014 the movement in the holiday pay accrual resulted in a credit being made to administrative expenses of £4k.

The Group has an interest rate swap contract on the term loan which matures on 1 August 2017 in line with the expected maturity of the term loan. At December 2015 the contract had a fair value of £103k liability (2014: £149k liability). The above transition adjustment has been made under FRS 102 where derivatives are recognised on the balance sheet and measured at fair value through the profit and loss account. Previously under UK GAAP the derivative was held off balance sheet until the related transaction occurred and only disclosed in the financial statements. This resulted in a debit being made to administrative expenses of £56k

The Group holds goodwill relating to business acquisitions which are amortised between 5 and 10 years. Under FRS 102 parts of the goodwill from the acquisitions were considered separately compared to their treatment under UK GAAP and the period over which they were being amortised also considered separately. This resulted in a credit being made to administrative expenses of £132k.