

Registration number: 2005619

Bibby Supply Chain Services Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2019



Bibby Supply Chain Services Limited

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Bibby Supply Chain Services Limited

Company Information

Directors	John Harold Cresswell Richard James Morson Peter James Clarkson Jonathan Gareth Lewis
Company secretary	Bibby Bros. & Co. (Management) Limited
Registered office	3rd Floor Walker House Exchange Flags Liverpool L2 3YL
Auditors	Deloitte LLP Statutory Auditor Manchester United Kingdom

Bibby Supply Chain Services Limited
Strategic Report for the Year Ended 31 December 2019

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

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.

The group's principal activities are contract distribution, warehousing and freight forwarding. 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.

The group continues to seek 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.

Bibby Supply Chain Services Limited

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

Fair review of the business

As shown in the profit and loss account on page 13 the group's turnover from continuing operations reduced year on year from £192.4m to £170.2m.

The group's operating profit (excluding restructuring costs and profit on sale of assets or investments), has improved by £4.9m from an operating loss of £5.4m to an operating loss of £0.5m.

Organisational restructure costs in the period were £1.0m and were mainly offset by deferred consideration received of £0.9m relating to the sale of PLS in 2018.

The profit on disposal of fixed assets and investments in the year was £0.3m, mainly as a result of the disposal of assets relating to a contract exit during 2019.

The group's profit on ordinary activities before interest has therefore improved by £2.8m from a loss of £3.2m to a loss of £0.3m.

Bibby Distribution Limited

2019 was a year of turnaround for the business, which saw the business reduce in size, but reduce operating losses significantly.

The company's turnover reduced by 10% from 2018 to 2019 following the exit from transactional milk collection operations, but the trading performance of the company improved from an operating loss of £5.5m to an operating loss of £0.5m excluding restructure costs.

The operating loss included the £0.2m impact of bad debts in the year.

The £1.0m of funding from Bibby Line Group received in December 2018 was fully repaid during the year.

The business turnaround has been achieved by the following:

- Significant overhead savings as a result of an aggressive rightsizing process
- The strengthening of the operational management team with a number of new appointments in H2 2018 with vast industry (and company) experience giving significant service improvements in 2019
- The move from a regional operating model to a service based offering with focus on core competencies
- Reducing the fixed cost base of the business operations driven by greater interaction between operating sites
- Exit from milk operations

Bibby International Logistics

The company's turnover has decreased by 24.8% from the prior year as a result of the loss of one key customer.

The trading performance of the company was adversely impacted by a £50k bad debt charge and was the main reason for the performance reducing from an operating profit in 2018 to £76k to £20k in 2019.

The underlying trading performance was therefore almost in line with that of the prior year, with administration costs being reduced to offset the reduction in turnover.

Bibby Supply Chain Services Limited

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

The group's key financial and other performance indicators during the year were as follows:

	2019	2018	
	£'000	£'000	Change
Turnover	170,175	192,416	(11.6)%
Gross profit	26,357	25,433	3.6%
Gross profit margin	15.5%	13.2%	2.3%
Adjusted operating profit/(loss) *	685	(2,036)	133.6%
Adjusted operating profit/(loss) margin *	0.4%	(1.1)%	1.5%
* Excluding restructuring costs and profit on sale of assets or investments			
Operating loss	(323)	(3,171)	89.8%
Operating loss margin	(0.2)%	(1.6)%	1.4%
Loss before taxation	(930)	(3,725)	75%
Average number of employees	1,567	1,918	(18.3)%

Bibby Supply Chain Services Limited

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

Principal risks and uncertainties

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.

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, 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 8 of the Directors' Report.

The group has a receivables finance agreement which is in place until 31st December 2021 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 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.

The group has assessed the effect of Brexit and concluded that as it is predominantly a UK only logistics business there is minimal activity outside of the UK. The main two potential impacts of Brexit on the group are lower customer volumes mitigated by the flexing of own assets and ensuring a variable cost base, and reduced access to drivers mitigated by the outsourced agency solution (GRI), the owned driver academy which started April 2018 and access to a large agency network.

Bibby Supply Chain Services Limited

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

Principal risks and uncertainties (continued)

This report was prepared at a time of unprecedented uncertainty due to the global COVID-19 pandemic, which was declared a pandemic by the World Health Organisation on 11 March 2020 and only after that date did major governments, such as the UK, start taking significant mitigating steps. As such the group considers this to be a non-adjusting post balance sheet event. The full impact of the COVID-19 pandemic on medium- and long-term economic activity is not yet known. Whilst this did not affect the financial performance for the year ended 31 December 2019 it is clearly important to explain to users of the financial statements how we have responded as a business.

The Group plays an essential role in ensuring that staple products such as food and fuel reach people, especially those that are in particular need at this time.

Paramount to our operations are our people and their health and safety. First and foremost we have complied with government guidelines, ensuring that the wide variety of tasks that are undertaken on a daily basis have been modified as required to accord with the guidance. In addition, the business is providing support to all its employees to ensure they can continue to work, with those whose roles permit them to working from home. For colleagues in key operational roles, we have strict safety, hygiene and two metre social distancing measures. We have also taken steps to protect our colleagues who are considered most vulnerable across the group.

The business has also been working closely with customers and suppliers to ensure that where possible service levels and payment practices continue on a 'business as usual' basis. Our teams remain operational and we are grateful to the efforts our whole workforce are making as well as our supply chain partners who support us.

Bibby Supply Chain Services Limited

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

Section 172 statement

This section covers how the directors of the group have acted in the way they have considered, in good faith, most likely to promote the success of the group for the benefit of its members as a whole, and in doing so have regarded (amongst other matters):

(a) The likely consequences of any decision in the long term

The board has a formal business case sign off process / policy. Any investment decision must be signed off by the executive team or board of directors and the long term future of the business is taken into account within this process. If any of the board of directors rejects the proposal, the business case will not be accepted or progressed.

There is also a monthly performance review process between the board of directors, with any significant decisions discussed, and these are formalised at the quarterly formal board meetings with all directors present and minutes taken.

(b) The interests of the group's employees

The group's 1,400+ employees are at the forefront of any decisions taken by the board of directors. Given the challenging financial performance in 2018, a number of difficult decisions had to have been made with regard to organisational rightsizing. However, the number of employees affected was minimised and these decisions were made to safeguard the employment of the remaining employees. The decisions have been vindicated by the significantly improved financial performance of the business in 2019.

In addition, the board of directors has actively tried to improve engagement with the company employees with a project called 'working together'. The 'working together' project involved a number of senior management visiting each site and listening to any issues regardless of size and scale and fixing as many of the issues as possible. This remains an ongoing project but has been a good start on the journey.

Social media platforms have also been used to further understand any key issues experienced by the company employees and these provide an open forum for constructive feedback.

(c) The need to foster the group's business relationships with suppliers, customers and others

The group relies heavily on the long terms relationships with suppliers and customers.

The board has invested in a central procurement team to ensure all major supplier relationships are managed centrally. There are central procurement arrangements with the major cost lines within the group and these are closely managed to ensure these relationships remain for the mutual benefit of both organisations.

The board of directors has a 'customer service first' policy in operation, focussed on ensuring solid foundations for any customer relationship. Customers are now account managed with operations at the forefront, with the board of directors focussed on given operations the best conditions to succeed. The group has a number of extremely long term customers and hopes this continues going forward.

Bibby Supply Chain Services Limited

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

Section 172 statement (continued)

(d) The impact of the group's operations on the community and the environment

The board of directors have invested heavily in a dedicated SHEQ (safety, health, environmental and quality) team. The team has a significant industry experience and plays a significant part in the decisions of the business.

In terms of environment, the group has invested in new fleet and is 95+% compliant with the imminent clean air zone introductions in the UK, minimising environmental impact.

The board of directors also actively promote the 'giving something back' charitable programme, where charitable fundraising organised by employees is matched up to £500 per event.

(e) The desirability of the group maintaining a reputation for high standards of business conduct

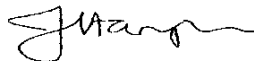
The board of directors of the business employs suitably qualified and trained employees within each department as well as investing in the necessary IT systems. Despite the challenging financial performance in 2018, the board has continued to invest in new fleet, properties and systems to ensure high standards of business conduct are achieved. The Bibby Line Group Internal Audit team also provides further assistance in ensuring the group maintains high standards of business conduct.

(f) The need to act fairly between members of the group

The board of directors understands the need to act fairly between members of the group. The board continues to invest in a whistleblowing hotline for any activity deemed unfair, unprofessional or illegal behaviour, with any incidents fully investigated.

There is also a formal grievance policy in operation, with any allegations again formally investigated.

Approved by the Board on 2 July 2020 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 Supply Chain Services Limited

Directors' Report for the Year Ended 31 December 2019

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

Directors of the group

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

John Harold Cresswell

Richard James Morson

Peter James Clarkson (appointed 3 January 2019)

David John Haworth (appointed 3 January 2019 and resigned 1 July 2020)

Jonathan Gareth Lewis (appointed 10 September 2019)

Financial instruments

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.

Employment of disabled persons

The group is an equal opportunity employer which recognises and values the strength and contribution of a diverse workforce. The policy of the group is to give full and fair consideration to applications for employment made by all people including disabled persons.

If any employee becomes disabled whilst employed by a group company, every effort is made to find suitable continuing employment, with re-training as necessary. Disabled persons share equally in the opportunities available for training, career development and promotion.

Employee involvement

The group is committed to attracting, motivating and retaining high quality personnel. It is the group's policy to train and develop each individual to maximise their contribution to the group's performance, whilst providing satisfying and fulfilling career opportunities. It is the group's policy to promote the understanding and involvement of all employees in its business aims and performance. To do this, the group continually develops 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.

Future developments

The business is now on a stable financial and operational footing ready to move from the turnaround phase to growth.

The progress made in 2019 is expected to be both consolidated and continued, focussing on being a lean and agile business ready to react to customer needs whilst offering excellent customer service.

Bibby Supply Chain Services Limited

Directors' Report for the Year Ended 31 December 2019 (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 Review of the business.

The £1.0m of funding from Bibby Line Group received in December 2018 was fully repaid during the year and it is not anticipated that Bibby Distribution Limited will require any further financial assistance from Bibby Line Group going forward.

At 31 December 2019, the group had net current assets of £5.5m (2018 - £5.1m), a cash position of £0.2m (2018 - £0.1m), borrowings of £20.6m (2018 - £19.5m) and net liabilities of £3.6m (2018 - £2.5m).

The group's main funding facility provided by its principal banker being a receivables finance arrangement secured on its trade debtors.

The borrowings under the receivables finance arrangement facility had a value of £16.1m at year end (2018 - £16.1m). This facility is in place until 31st December 2021 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'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 due enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. While there remains significant uncertainty as to the future impact of the COVID-19 pandemic, the group and its ultimate parent entity Bibby Line Group continues to conduct ongoing risk assessments of the potential impact of the pandemic on its business operations and liquidity. To date, given the group is c85% food supply chain related or operates cost plus contracts in the impacted industrial sector, there has not been a material financial impact of the pandemic. However, reduced warehouse occupancy has been offset by higher full load transport volumes. Having undertaken these assessments, the directors consider that the group will be able to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Bibby Supply Chain Services Limited

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

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.

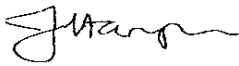
Disclosure of information to the auditor

Each 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.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 2 July 2020 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 Supply Chain Services Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Bibby Supply Chain Services Limited

Independent Auditor's Report to the Members of Bibby Supply Chain Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bibby Supply Chain Services Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's 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 which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of accounting policies; and
- the related notes.

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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 group's or the parent 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.

Bibby Supply Chain Services Limited

Independent Auditor's Report to the Members of Bibby Supply Chain Services Limited (continued)

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.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the parent 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 group or the parent 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. This description forms part of our auditor's report.

Bibby Supply Chain Services Limited

Independent Auditor's Report to the Members of Bibby Supply Chain Services Limited (continued)

Report on other legal and regulatory requirements

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

In the light of our knowledge and understanding of the group and the parent 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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

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.



.....
Douglas King (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

Manchester
United Kingdom

2 July 2020

Bibby Supply Chain Services Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2019

	Note	Continuing operations 2019 £ 000	Continuing operations 2018 £ 000	Discontinued operations 2018 £ 000	Total 2018 £ 000
Turnover	3	170,175	189,672	2,744	192,416
Cost of sales		(143,818)	(165,839)	(1,144)	(166,983)
Gross profit		26,357	23,833	1,600	25,433
Restructuring costs		(1,007)	(1,136)	-	(1,136)
Administrative expenses		(26,573)	(28,764)	(2,003)	(30,767)
Profit on disposal of operations		900	3,299	-	3,299
Operating loss	4	(323)	(2,768)	(403)	(3,171)
Interest payable and similar expenses	5	(607)	(487)	(67)	(554)
Loss before tax		(930)	(3,255)	(470)	(3,725)
Taxation	9	(198)	1,181	(49)	1,132
Loss for the financial year		(1,128)	(2,074)	(519)	(2,593)

The group has no recognised gains or losses for the year other than the results above.

Bibby Supply Chain Services Limited

**Consolidated Statement of Comprehensive Income for the Year Ended 31 December
2019**

	2019 £ 000	2018 £ 000
Loss for the year	<u>(1,128)</u>	<u>(2,593)</u>
Total comprehensive expense for the year	<u>(1,128)</u>	<u>(2,593)</u>

The notes on pages 23 to 41 form an integral part of these financial statements.

Bibby Supply Chain Services Limited

(Registration number: 2005619)

Consolidated Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Intangible assets	10	759	1,870
Tangible assets	11	<u>9,860</u>	<u>10,071</u>
		<u>10,619</u>	<u>11,941</u>
Current assets			
Stocks	13	523	1,108
Debtors	14	34,767	39,016
Cash at bank and in hand		<u>153</u>	<u>129</u>
		35,443	40,253
Creditors: Amounts falling due within one year	15	<u>(29,561)</u>	<u>(35,110)</u>
Net current assets		<u>5,882</u>	<u>5,143</u>
Total assets less current liabilities		16,501	17,084
Creditors: Amounts falling due after more than one year	15	(19,126)	(18,006)
Provisions for liabilities	16	<u>(977)</u>	<u>(1,552)</u>
Net liabilities		<u>(3,602)</u>	<u>(2,474)</u>
Capital and reserves			
Called up share capital	18	4,288	4,288
Profit and loss account		<u>(7,890)</u>	<u>(6,762)</u>
Equity attributable to owners of the company		<u>(3,602)</u>	<u>(2,474)</u>
Total equity		<u>(3,602)</u>	<u>(2,474)</u>

Approved and authorised by the Board on 2 July 2020 and signed on its behalf by:



Peter James Clarkson
Director

Bibby Supply Chain Services Limited

(Registration number: 2005619)

Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Investments	12	32,013	32,013
Creditors: Amounts falling due within one year	15	<u>(21,521)</u>	<u>(22,421)</u>
Net assets		<u>10,492</u>	<u>9,592</u>
Capital and reserves			
Called up share capital	18	4,288	4,288
Profit and loss account		<u>6,204</u>	<u>5,304</u>
Total equity		<u>10,492</u>	<u>9,592</u>

The company made a profit after tax for the financial year of £899,997 (2018 - profit of £11,679,701).

Approved and authorised by the Board on 2 July 2020 and signed on its behalf by:



Peter James Clarkson
Director

The notes on pages 23 to 41 form an integral part of these financial statements.

Bibby Supply Chain Services Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019
Equity attributable to the parent company

	Share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2019	4,288	(6,762)	(2,474)
Loss for the year	-	(1,128)	(1,128)
Total comprehensive expense	-	(1,128)	(1,128)
At 31 December 2019	<u>4,288</u>	<u>(7,890)</u>	<u>(3,602)</u>

	Share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2018	4,288	3,464	7,752
Loss for the year	-	(2,593)	(2,593)
Total comprehensive expense	-	(2,593)	(2,593)
Dividends	-	(7,633)	(7,633)
At 31 December 2018	<u>4,288</u>	<u>(6,762)</u>	<u>(2,474)</u>

Bibby Supply Chain Services Limited

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

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	4,288	5,304	9,592
Profit for the year	-	900	900
Total comprehensive income	-	900	900
At 31 December 2019	4,288	6,204	10,492

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	4,288	1,257	5,545
Profit for the year	-	11,680	11,680
Total comprehensive income	-	11,680	11,680
Dividends	-	(7,633)	(7,633)
At 31 December 2018	4,288	5,304	9,592

The notes on pages 23 to 41 form an integral part of these financial statements.

Bibby Supply Chain Services Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Loss for the year		(1,128)	(2,593)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	3,099	4,209
Profit on disposal of tangible assets		(251)	(24)
Profit from disposals of investments		(900)	(3,299)
Finance costs	5	607	554
Income tax expense/(income)	9	198	(1,132)
		1,625	(2,285)
Working capital adjustments			
Decrease/(increase) in stocks	13	585	(106)
Decrease in trade receivables	14	4,032	3,000
(Decrease)/increase in trade payables	15	(5,526)	963
Decrease in provisions	16	(574)	(349)
Cash generated from operations		142	1,223
Income taxes received/(paid)		18	(105)
Net cash flow from operating activities		160	1,118
Cash flows from investing activities			
Acquisitions of tangible assets		(2,974)	(2,068)
Proceeds from sale of tangible assets		1,447	68
Proceeds from sale of intangible assets		-	348
Proceeds from disposal of investments		900	5,295
Net cash flows from investing activities		(627)	3,643
Cash flows from financing activities			
Interest paid	5	(607)	(554)
Repayment of loans		(122)	-
Movement on bank borrowings		385	5,509
New hire purchase agreements		2,906	582
Repayment of hire purchase agreements		(2,071)	(3,202)
Dividends paid	21	-	(7,633)
Net cash flows from financing activities		491	(5,298)
Net increase/(decrease) in cash and cash equivalents		24	(537)
Net debt transferred on sale of operations		-	(99)
Cash and cash equivalents at 1 January		129	765
Cash and cash equivalents at 31 December		153	129

The notes on pages 23 to 41 form an integral part of these financial statements.

Bibby Supply Chain Services Limited

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

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

3rd Floor
Walker House
Exchange Flags
Liverpool
L2 3YL

These financial statements were authorised for issue by the Board on 2 July 2020.

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.

The financial statements are prepared in pound sterling which is the functional currency of the company and rounded to the nearest thousand.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2019.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £899,997 (2018 - profit of £11,679,701).

Bibby Supply Chain Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (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.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

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.

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 8 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.

Bibby Supply Chain Services Limited

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

2 Accounting policies (continued)

Judgements

In the application of the company's accounting policies, which are described in this note, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 estimates and underlying assumptions are reviewed on an ongoing 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.

In the opinion of the directors there are no critical accounting judgements.

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 £759,142 (2018 - £1,870,000).

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 £977,440 (2018 - £1,551,906).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Turnover is recognised at the time the relevant services are provided by the business to its customer and specific criteria have been met for each of the group's activities.

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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Bibby Supply Chain Services Limited

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

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short leasehold land and buildings	Straight line over the life of the lease
Vehicles and equipment	Straight line with varying rates from 7% to 33%

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

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.

For the Year Ended 31 December 2019, Bibby International Logistics Limited have taken exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Cash and cash equivalents

Cash and cash equivalents comprise cash on 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.

Trade receivables

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

Trade receivables 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 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.

Bibby Supply Chain Services Limited

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

2 Accounting policies (continued)

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 the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

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

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

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.

Restructuring costs

Restructuring costs 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

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. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

Bibby Supply Chain Services Limited

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

2 Accounting policies (continued)

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 declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group 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. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Bibby Supply Chain Services Limited

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

2 Accounting policies (continued)

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the company considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method. Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Bibby Supply Chain Services Limited

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

3 Turnover

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

	2019 £ 000	2018 £ 000
UK	165,563	187,525
Europe	3,811	4,095
Rest of world	801	796
	<u>170,175</u>	<u>192,416</u>

4 Operating loss

Arrived at after charging/(crediting)

	2019 £ 000	2018 £ 000
Depreciation expense	1,988	3,061
Amortisation expense	1,111	1,148
Operating lease expense - property	6,879	7,284
Operating lease expense - plant and machinery	6,813	5,346
Profit on disposal of property, plant and equipment	<u>(251)</u>	<u>(24)</u>

5 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest on bank overdrafts and borrowings	-	4
Interest on obligations under finance leases and hire purchase contracts	166	203
Interest on receivable financing	333	347
Interest payable on loans from group undertakings	108	-
	<u>607</u>	<u>554</u>

6 Staff costs

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

	2019 £ 000	2018 £ 000
Wages and salaries	50,285	56,093
Social security costs	4,901	5,518
Pension costs, defined contribution scheme	1,216	1,076
	<u>56,402</u>	<u>62,687</u>

Bibby Supply Chain Services Limited

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

6 Staff costs (continued)

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

	2019 No.	2018 No.
Managerial and administrative	505	573
Drivers and distribution	709	849
Warehouse	353	496
	<u>1,567</u>	<u>1,918</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £ 000	2018 £ 000
Remuneration	587	660
Contributions paid to money purchase schemes	41	36
	<u>628</u>	<u>696</u>

In respect of the highest paid director:

	2019 £ 000	2018 £ 000
Remuneration	218	255
Company contributions to money purchase pension schemes	14	15

8 Auditor's remuneration

	2019 £ 000	2018 £ 000
Audit of these financial statements	102	89
Audit of the financial statements of subsidiaries of the company pursuant to legislation	5	5
	<u>107</u>	<u>94</u>

There have been no non-audit services provided during the year.

Bibby Supply Chain Services Limited

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

9 Taxation

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

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax adjustment to prior periods	(18)	338
Foreign tax	-	49
Total current income tax	<u>(18)</u>	<u>387</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(290)	(424)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>506</u>	<u>(1,095)</u>
Total deferred taxation	<u>216</u>	<u>(1,519)</u>
Tax expense/(receipt) in the income statement	<u>198</u>	<u>(1,132)</u>

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

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Loss before tax	<u>(930)</u>	<u>(3,725)</u>
Corporation tax at standard rate	(177)	(708)
Effect of revenues exempt from taxation	(171)	(769)
Effect of expense not deductible in determining taxable profit (tax loss)	289	794
UK deferred tax expense relating to changes in tax rates or laws	34	50
Increase/(decrease) in UK and foreign current tax from unrecognised temporary difference from a prior period	488	(752)
Tax increase from effect of capital allowances and depreciation	-	18
Tax increase from effect of unrelieved tax losses carried forward	-	12
Tax (decrease)/increase arising from group relief	<u>(265)</u>	<u>223</u>
Total tax charge/(credit)	<u>198</u>	<u>(1,132)</u>

Finance Act 2016, which was substantively enacted on 6 September 2016, included provisions to reduce the rate of corporation tax to 17% from 1 April 2020. Accordingly, deferred tax balances have been revalued to the lower rate of 17% in these accounts. To the extent that the deferred tax reverses before 1 April 2020 then the impact on the net deferred tax asset will be reduced.

Bibby Supply Chain Services Limited

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

9 Taxation (continued)

Deferred tax

Group

Deferred tax asset

2019	Asset £ 000
Accelerated capital allowances	1,889
Trading losses	31
Other timing differences	28
	<u>1,948</u>

2018	Asset £ 000
Accelerated capital allowances	2,120
Trading losses	27
Other timing differences	18
	<u>2,165</u>

10 Intangible assets

Group

	Goodwill £ 000
Cost or valuation	
At 1 January 2019	<u>26,315</u>
At 31 December 2019	<u>26,315</u>
Amortisation	
At 1 January 2019	24,445
Amortisation charge	<u>1,111</u>
At 31 December 2019	<u>25,556</u>
Carrying amount	
At 31 December 2019	<u>759</u>
At 31 December 2018	<u>1,870</u>

Bibby Supply Chain Services Limited

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

11 Tangible assets

Group

	Land and buildings £ 000	Vehicles and equipment £ 000	Total £ 000
Cost or valuation			
At 1 January 2019	3,235	9,324	12,559
Additions	31	2,943	2,974
Disposals	(252)	(6,491)	(6,743)
Transfers	-	7,370	7,370
At 31 December 2019	<u>3,014</u>	<u>13,146</u>	<u>16,160</u>
Depreciation			
At 1 January 2019	1,490	998	2,488
Charge for the year	283	1,706	1,989
Eliminated on disposal	(150)	(5,397)	(5,547)
Transfers	-	7,370	7,370
At 31 December 2019	<u>1,623</u>	<u>4,677</u>	<u>6,300</u>
Carrying amount			
At 31 December 2019	<u>1,391</u>	<u>8,469</u>	<u>9,860</u>
At 31 December 2018	<u>1,745</u>	<u>8,326</u>	<u>10,071</u>

Included within the net book value of land and buildings above is £Nil (2018 - £55,200) in respect of freehold land and buildings and £1,391,088 (2018 - £1,689,418) in respect of short leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2019 £ 000	2018 £ 000
Vehicles	4,319	3,112
Plant and machinery	<u>932</u>	<u>1,091</u>
	<u>5,251</u>	<u>4,203</u>

Bibby Supply Chain Services Limited

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

12 Investments

Company

	2019 £ 000	2018 £ 000
Investments in subsidiaries	<u>32,013</u>	<u>32,013</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Bibby Distribution Limited	3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL United Kingdom	Ordinary	100%	100%
Bibby International Logistics Limited	3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL United Kingdom	Ordinary	100%	100%

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

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

For the year ending 31 December 2019 the subsidiary Bibby International Logistics Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

13 Stocks

	Group		Company	
	2019 £ 000	2018 £ 000	2019 £ 000	2018 £ 000
Raw materials and consumables	<u>523</u>	<u>1,108</u>	<u>-</u>	<u>-</u>

Bibby Supply Chain Services Limited

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

14 Debtors

	Note	Group		Company	
		2019 £ 000	2018 £ 000	2019 £ 000	2018 £ 000
Trade receivables		28,856	33,351	-	-
Amounts owed by related parties	23	187	-	-	-
Other debtors		384	21	-	-
Prepayments		3,392	3,479	-	-
Deferred tax assets	9	1,948	2,165	-	-
		<u>34,767</u>	<u>39,016</u>	<u>-</u>	<u>-</u>

15 Creditors

		Group		Company	
	Note	2019 £ 000	2018 £ 000	2019 £ 000	2018 £ 000
Due within one year					
Loans and borrowings	19	1,449	1,472	-	-
Trade payables		12,416	14,084	-	-
Amounts due to related parties	23	-	940	21,521	22,417
Social security and other taxes		2,742	3,985	-	-
Other payables		1,326	1,248	-	-
Accruals		11,628	13,381	-	4
		<u>29,561</u>	<u>35,110</u>	<u>21,521</u>	<u>22,421</u>
Due after one year					
Loans and borrowings	19	19,126	18,006	-	-

Bibby Supply Chain Services Limited

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

16 Provisions

Group

	Vacant property and dilapidations provision £ 000
At 1 January 2019	1,552
Additional provisions	487
Provisions used	(761)
Unused provision reversed	(301)
At 31 December 2019	<u>977</u>

£147,517 of the amount provided is due to be paid during the next 12 months (2018 - £532,893), the remainder will be expected to be paid by 2023.

17 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 £1,216,280 (2018 - £1,075,785).

18 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
Authorised Shares of £1 each	<u>4,288</u>	<u>4,288</u>	<u>4,288</u>	<u>4,288</u>

Rights, preferences and restrictions

Authorised Shares have the following rights, preferences and restrictions:

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Bibby Supply Chain Services Limited

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

19 Loans and borrowings

	Group		Company	
	2019	2018	2019	2018
	£ 000	£ 000	£ 000	£ 000
Non-current loans and borrowings				
Bank borrowings	16,230	16,130	-	-
Finance lease liabilities	2,896	1,876	-	-
	<u>19,126</u>	<u>18,006</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2019	2018	2019	2018
	£ 000	£ 000	£ 000	£ 000
Current loans and borrowings				
Bank borrowings	162	-	-	-
Finance lease liabilities	1,287	1,472	-	-
	<u>1,449</u>	<u>1,472</u>	<u>-</u>	<u>-</u>

20 Obligations under leases and hire purchase contracts

Group

Finance leases

The company has leased vehicles and racking on leases which are considered to meet the definition of finance leases and are accounted for accordingly.

The total of future minimum lease payments is as follows:

	2019	2018
	£ 000	£ 000
Not later than one year	1,287	1,472
Later than one year and not later than five years	2,580	1,746
Later than five years	316	130
	<u>4,183</u>	<u>3,348</u>

Operating leases

The total of future minimum lease payments is as follows:

	2019	2018
	£ 000	£ 000
Not later than one year	12,884	11,862
Later than one year and not later than five years	31,471	29,053
Later than five years	19,223	20,070
	<u>63,578</u>	<u>60,985</u>

Bibby Supply Chain Services Limited

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

20 Obligations under leases and hire purchase contracts (continued)

The amount of non-cancellable operating lease payments recognised as an expense during the year was £13,691,419 (2018 - £12,629,856).

21 Dividends

	2019	2018
	£ 000	£ 000
Final dividend of £Nil (2018 - £0.38) per ordinary share	-	1,633
Interim dividend of £Nil (2018 - £1.39) per ordinary share	-	6,000
	<u>-</u>	<u>7,633</u>

22 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £427,529 (2018 - £226,460).

Bibby Supply Chain Services Limited

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

23 Related party transactions

Group

Summary of transactions with parent

Intercompany recharges between Bibby Distribution Limited and Bibby Line Group Limited, repayable on normal invoice terms £155,874 (2018 - £3,790)

Corporation tax group relief due to Bibby Distribution Limited from Bibby Line Group £40,036 (2018 - £40,036)

Summary of transactions with subsidiaries

Invoices for services between Bibby Distribution Limited and Bibby International Limited, repayable on normal invoice terms £1,704 (2018 - £19,488)

Summary of transactions with other related parties

Invoices between Bibby Distribution Limited and Bibby International Limited with various parent subsidiaries, repayable on normal invoice terms.

Bibby Bros & Co (Management) Limited and Bibby Distribution Limited £24,780 (2018 - £Nil)

Bibby Bros & Co (Management) Limited and Bibby International Limited £Nil (2018 - 1,417)

Garic and Bibby Distribution Limited £328 (2018 £467)

Bibby Distribution Limited and Bibby Financial Services £6,209 (2018 - (£2,000))

Bibby Distribution Limited and Bibby Marine £8,227 (2018 - £55)

Bibby Distribution Limited and Bibby Wavemaster £Nil (£121)

Loans from related parties

2019

At start of period

Repaid

At end of period

Parent

£ 000

1,000

(1,000)

-

2018

Advanced

Parent

£ 000

1,000

Terms of loans from related parties

Repayable by 2019

Bibby Supply Chain Services Limited

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

24 Parent and ultimate parent undertaking

The parent of the smallest group in which these financial statements are consolidated is Bibby Line Group Limited.

The parent of the largest group in which these financial statements are consolidated is Bibby Line Group Limited.

The company's immediate parent is Bibby Line Group Limited, incorporated in United Kingdom.

The most senior parent entity producing publicly available financial statements is Bibby Line Group Limited. These financial statements are available upon request from Bibby Line Group Limited, 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL (www.bibbylinegroup.co.uk).

25 Non adjusting events after the financial period

The outbreak of the covid-19 coronavirus was confirmed to be a global pandemic by the World Health Organisation on 11 March 2020 and only after that date did major governments, such as the UK, start taking significant mitigating steps. As such the group considers this to be a non-adjusting post balance sheet event.

The full impact of the covid-19 pandemic on medium- and long-term economic activity is not yet known and the group cannot reasonably quantify the impact these events might have on the group's future financial position, asset carrying values, results or cash flows. However, the directors continue to monitor the impact of the covid-19 pandemic on the group. Further details are set out in the Strategic Report.