

Registration number: 2005619

# Bibby Supply Chain Services Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2017

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# **Bibby Supply Chain Services Limited**

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## **Bibby Supply Chain Services Limited**

### **Company Information**

<b>Directors</b>	Richard James Morson Duncan Ashley Eyre John Harold Cresswell
<b>Company secretary</b>	Bibby Bros. & Co. (Management) Limited
<b>Registered office</b>	105 Duke Street Liverpool L1 5JQ United Kingdom
<b>Auditor</b>	Deloitte LLP Statutory Auditor Liverpool United Kingdom

## **Bibby Supply Chain Services Limited**

### **Strategic Report for the Year Ended 31 December 2017**

The Directors present their strategic report for the year ended 31 December 2017.

#### **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 30th April 2018 the Group sold Packaging Logistic Services Limited, a wholly owned subsidiary of the Group engaged in the supply of returnable packaging services.

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 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.

#### **Review of the business**

As shown in the profit and loss account on page 11 the Group's turnover from continuing operations increased year on year from £194.9m to £198.4m. The Group's operating profit, excluding exceptionals, has improved by £2.1m from a loss of £0.6m to an operating profit of £1.5m.

Bibby Distribution Limited's turnover decreased by 0.3% from the prior year and the trading performance of the Company has increased from an operating loss of £0.2m (excluding exceptional items) to an operating profit of £1.2m. Continued efforts to reduce cost base have resulted in significant reduction in overheads of £1.2m and improvement in gross profit of £0.2m.

Bibby International Logistics Limited's turnover increased by 18.6% from the prior year and the trading performance of the Company has improved from an operating loss of £0.2m to an operating loss of £4k. Despite depressed trading conditions the Company's turnover increased and overheads reduced in the period in response to the market conditions.

Packaging Logistics Services Limited's turnover increased by 4.7% from the prior year and the operating loss of the Company has decreased from £249k to £168k.

Despite holding revenue at the same level as prior year, the dominant pooling business saw margins increase 1% to 17% in the year.

The balance sheet on page 13 of the financial statements shows that the net assets of the Group have decreased by 11.9% from £8.8m to £7.8m during the year.

The average number of employees decreased from 2,001 to 1,981.

## Bibby Supply Chain Services Limited

### Strategic Report for the Year Ended 31 December 2017 (continued)

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

	2017	2016	Change
	£'000	£'000	%
Turnover	198,438	200,774	(1.2)%
Gross profit	33,418	32,980	1.3%
Gross profit margin	16.8%	16.4%	0.4%
Operating profit *	1,535	(635)	341.7%
Operating profit margin *	0.8%	(0.3)%	1.1%
Average number of employees	1,981	2,001	(1.0)%

\* Excluding exceptional items (see note 4)

#### 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, 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 6 of the Directors' Report.

The Group has a receivables finance agreement which is in place until 31st December 2020 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.

## **Bibby Supply Chain Services Limited**

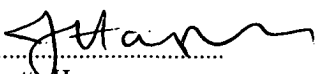
### **Strategic Report for the Year Ended 31 December 2017 (continued)**

#### **Future developments**

For the distribution business, following the restructure of the business in 2015/2016 the platform for further growth in both turnover and operating profit margins is well established, with positive new contract wins already awarded and a continuation of a culture of tight cost control as required in the logistics industry and investment in continuous improvement and technology.

The Group sold Packaging Logistic Services Limited, a wholly owned subsidiary of the Group engaged in the supply of returnable packaging services, on 30th April 2018. This was a strategic decision to enable the Group to concentrate on its core activities of contract distribution, warehousing and freight forwarding.

Approved by the Board on 2 July 2018 and signed on its behalf by:

  
.....  
Jeanette Hampson  
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**

### **Directors' Report for the Year Ended 31 December 2017**

The Directors present their annual report and the annual consolidated financial statements for the year ended 31 December 2017.

#### **Directors of the Group**

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

Michael Peter Brown (resigned 31 January 2018)

Richard James Morson

The following directors were appointed after the year end:

Michael James Bibby (appointed 31 January 2018 and resigned 9 May 2018)

Duncan Ashley Eyre (appointed 1 January 2018)

John Harold Cresswell (appointed 9 May 2018)

#### **Dividends**

The directors recommend a final dividend payment of £1,633,000 be made in respect of the financial year ended 31 December 2017 (2016 - £714k). This dividend has not been recognised as a liability in the financial statements. An interim dividend of £1,000k (2016 - £nil) was paid during the year.

#### **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.

#### **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.

## **Bibby Supply Chain Services Limited**

### **Directors' Report for the Year Ended 31 December 2017 (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.

At 31 December 2017, the Group had net current assets of £6.2m (2016 - £2.2m), a cash position of £0.8m (2016 - £0.6m) and borrowings of £16.6m (2016 - £15.3m).

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 £10.6m at year end (2016 - £8.8m). This facility is in place until 31st December 2020 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 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:

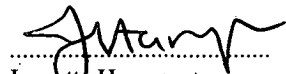
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's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

#### **Reappointment of auditor**

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

Approved by the Board on 2 July 2018 and signed on its behalf by:



Jeanette Hampson

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 Group and the Company and of the profit or loss of the Group 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 to the members of Bibby Supply Chain Services Limited**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group and of the Parent's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bibby Supply Chain Services Limited (the 'Parent') and its subsidiaries (the 'Group') which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated balance sheet;
- the parent company balance sheet;
- the consolidated statement of changes in equity;
- the parent company statement of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 26.

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

#### **Basis for opinion**

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

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

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

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

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

We have nothing to report in respect of these matters.

## **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 Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

#### **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.

## **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 the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

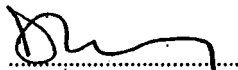
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

##### **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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Douglas King ACA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Liverpool  
United Kingdom

2 July 2018

**Bibby Supply Chain Services Limited**

**Consolidated Profit and Loss Account for the Year Ended 31 December 2017**

	Note	2017 Continuing operations £ 000	2017 Total £ 000	2016 Continuing operations £ 000	2016 Discontinued operations £ 000	2016 Total £ 000
Turnover	3	198,438	198,438	194,922	5,852	200,774
Cost of sales		<u>(165,020)</u>	<u>(165,020)</u>	<u>(163,046)</u>	<u>(4,748)</u>	<u>(167,794)</u>
Gross profit		33,418	33,418	31,876	1,104	32,980
Administrative expenses		(31,883)	(31,883)	(32,204)	(1,411)	(33,615)
Exceptional items	4	<u>-</u>	<u>-</u>	<u>2,762</u>	<u>-</u>	<u>2,762</u>
Operating profit/(loss)	5	1,535	1,535	2,434	(307)	2,127
Other interest receivable and similar income	6	-	-	19	-	19
Interest payable and similar charges	7	<u>(702)</u>	<u>(702)</u>	<u>(755)</u>	<u>(15)</u>	<u>(770)</u>
Profit/(loss) before tax		833	833	1,698	(322)	1,376
Taxation	11	<u>(171)</u>	<u>(171)</u>	<u>(594)</u>	<u>(1)</u>	<u>(595)</u>
Profit/(loss) for the financial year		<u>662</u>	<u>662</u>	<u>1,104</u>	<u>(323)</u>	<u>781</u>

The notes on pages 19 to 39 form an integral part of these financial statements.

**Bibby Supply Chain Services Limited**

**Consolidated Statement of Comprehensive Income for the Year Ended 31 December  
2017**

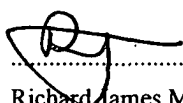
	<b>2017</b> <b>£ 000</b>	<b>2016</b> <b>£ 000</b>
Profit for the year	<u>662</u>	<u>781</u>
Total comprehensive income for the year	<u><u>662</u></u>	<u><u>781</u></u>

The notes on pages 19 to 39 form an integral part of these financial statements.

**Bibby Supply Chain Services Limited**  
**(Registration number: 2005619)**  
**Consolidated Balance Sheet as at 31 December 2017**

	Note	2017 £ 000	2016 £ 000
<b>Fixed assets</b>			
Intangible assets	12	3,367	4,564
Tangible assets	13	<u>14,588</u>	<u>17,516</u>
		<u>17,955</u>	<u>22,080</u>
<b>Current assets</b>			
Stocks	15	1,081	824
Debtors	16	40,162	38,494
Cash at bank and in hand		<u>765</u>	<u>594</u>
		42,008	39,912
<b>Creditors: Amounts falling due within one year</b>	22	<u>(35,821)</u>	<u>(37,683)</u>
<b>Net current assets</b>		<u>6,187</u>	<u>2,229</u>
<b>Total assets less current liabilities</b>		24,142	24,309
<b>Creditors: Amounts falling due after more than one year</b>	22	(14,384)	(12,496)
<b>Provisions for liabilities</b>	20	<u>(2,006)</u>	<u>(3,009)</u>
<b>Net assets</b>		<u><u>7,752</u></u>	<u><u>8,804</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	4,288	4,288
Profit and loss account		<u>3,464</u>	<u>4,516</u>
<b>Equity attributable to owners of the company</b>		<u>7,752</u>	<u>8,804</u>
<b>Total equity</b>		<u><u>7,752</u></u>	<u><u>8,804</u></u>

The consolidated financial statements of Bibby Supply Chain Services Limited, Registered number 2005619 were approved and authorised by the Board on 2 July 2018 and signed on its behalf by:



Richard James Morson  
Director

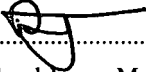
# **Bibby Supply Chain Services Limited**

**(Registration number: 2005619)**  
**Balance Sheet as at 31 December 2017**

	Note	2017 £ 000	2016 £ 000
<b>Fixed assets</b>			
Investments	14	32,012	32,012
<b>Current assets</b>			
Debtors	16	-	78
Creditors: Amounts falling due within one year	22	(26,467)	(26,545)
<b>Net current liabilities</b>		<b>(26,467)</b>	<b>(26,467)</b>
<b>Total assets less current liabilities</b>		<b>5,545</b>	<b>5,545</b>
<b>Net assets</b>		<b>5,545</b>	<b>5,545</b>
<b>Capital and reserves</b>			
Called up share capital	17	4,288	4,288
Retained earnings		1,257	1,257
<b>Total equity</b>		<b>5,545</b>	<b>5,545</b>

The Company has taken the exemption under s408 of the Companies Act 2006 not to publish the parent company profit and loss account. The profit for the year was £1,714k (2016 - £223k loss).

The financial statements of Bibby Supply Chain Services Limited, registered number 2005619, were approved by the Board on 2 July 2018 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 2017**

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2016	4,288	3,735	8,023
Profit for the year	-	781	781
Total comprehensive income	-	781	781
At 31 December 2016	4,288	4,516	8,804

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total equity £ 000</b>
At 1 January 2017	4,288	4,516	8,804
Profit for the year	-	662	662
Total comprehensive income	-	662	662
Dividends	-	(1,714)	(1,714)
At 31 December 2017	4,288	3,464	7,752

The notes on pages 19 to 39 form an integral part of these financial statements.

# **Bibby Supply Chain Services Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2017**

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2016	4,288	1,480	5,768
Loss for the year	-	(223)	(223)
Total comprehensive expense	-	(223)	(223)
At 31 December 2016	4,288	1,257	5,545

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2017	4,288	1,257	5,545
Profit for the year	-	1,714	1,714
Total comprehensive income	-	1,714	1,714
Dividends	-	(1,714)	(1,714)
At 31 December 2017	4,288	1,257	5,545

The notes on pages 19 to 39 form an integral part of these financial statements.

# Bibby Supply Chain Services Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £ 000	2016 £ 000
<b>Cash flows from operating activities</b>			
Operating profit / (loss) for the year		1,535	2,434
<i>Operating profit / (loss) for the year from discontinued operations</i>		-	(307)
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation		5,007	4,845
(Profit) / Loss on disposal of property plant and equipment		(695)	18
<i>Working capital adjustments</i>			
(Increase) / Decrease in stocks	15	(257)	245
(Increase) / Decrease in trade and other receivables		(1,674)	3,523
(Increase) / Decrease in trade and other payables		(961)	(1,833)
Increase / (decrease) in provisions	20	(1,003)	43
Income taxes paid / (received)		(514)	642
Net cash generated from continuing operations		1,438	9,610
Net cash generated from discontinued operations		-	754
<b>Net cash flow from operating activities</b>		<b>1,438</b>	<b>10,364</b>
 <b>Cash flows from investing activities</b>			
Interest received	6	-	19
Acquisitions of property plant and equipment	13	(3,715)	(3,835)
Proceeds from sale of property plant and equipment		3,572	300
Acquisition of intangible assets	12	(44)	(57)
<b>Net cash flows from investing activities</b>		<b>(187)</b>	<b>(3,573)</b>
 <b>Cash flows from financing activities</b>			
Interest paid		(702)	(754)
Dividends paid		(1,714)	-
Repayment of loans		(938)	(449)
Movement on bank borrowings		1,846	(4,733)
New hire purchase agreements		2,662	1,315
Repayment of hire purchase agreements		(2,234)	(1,661)
Net cash used in financing activities		(1,080)	(6,282)
Net cash used in financing discontinuing operations		-	(516)
<b>Net cash flows from financing activities</b>		<b>(1,080)</b>	<b>(6,798)</b>

The notes on pages 19 to 39 form an integral part of these financial statements.

**Bibby Supply Chain Services Limited**

**Consolidated Statement of Cash Flows for the Year Ended 31 December 2017**  
**(continued)**

Net increase/(decrease) in cash and cash equivalents	171	(7)
Cash and cash equivalents at 1 January	594	601
Cash and cash equivalents at 31 December	<u>765</u>	<u>594</u>

The notes on pages 19 to 39 form an integral part of these financial statements.

## **Bibby Supply Chain Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **1 General information**

The Company is incorporated and domiciled in the United Kingdom.

The address of its registered office is:

105 Duke Street

Liverpool

L1 5JQ

The Company is a private company that is limited by shared and registered in England.

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](http://www.bibbylinegroup.co.uk)).

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

#### **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 2017.

No profit and loss account or cashflow statement is presented for Bibby Supply Chain Services Limited as permitted by section 408 of the Companies Act 2006.

## **Bibby Supply Chain Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (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.

#### **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 6 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.

Based on this assessment and the continued financial support of the parent company, the Directors consider that the Company maintains an appropriate level of liquidity and access to funds sufficient to meet the demands of the business. The assessing the availability of the parent company support, the Directors are mindful of the risks and uncertainties disclosed in the financial statements of the parent company. The forecasts of the parent company of the Group, covering a period of at least the next twelve months, include assumptions around the timing and quantum of a number of significant cash inflows to the parent company, as well as identifying all reasonably possible cash outflows from the parent company to support its subsidiary undertakings.

## **Bibby Supply Chain Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **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 £3,367k (2016 -£4,564k).

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 £2,006k (2016 -£3,009k).

##### **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 excluding value added tax. Turnover is recognised at the time the relevant services are provided by the business to its customer. All turnover relates to continuing operations.

##### **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.

##### **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 and impairment.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
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%

## **Bibby Supply Chain Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

Assets under construction

Nil

#### **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.

For the year ending 31 December 2017, Bibby International Logistics Limited have taken exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

#### **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.

#### **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.



## **Bibby Supply Chain Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **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.

##### **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.

##### **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**

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. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## **Bibby Supply Chain Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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

##### **Financial instruments**

The Company used derivative financial instruments to reduce exposure to interest rate movements in current and prior year. The derivative matured during the year and was not held at the year end.

The Company 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.

##### **Impairment policy**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the Profit and loss account in those expense categories consistent with the function of the impaired asset.

## Bibby Supply Chain Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 2 Accounting policies (continued)

##### 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.

#### 3 Revenue

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

	2017 £ 000	2016 £ 000
UK	193,455	193,338
Europe	4,169	6,901
Rest of world	814	535
	<u>198,438</u>	<u>200,774</u>

#### 4 Exceptional items

	2017 £ 000	2016 £ 000
Exceptional profit /(loss) on sale of a discontinued operation	-	277
Legal settlement income	-	2,485
	<u>-</u>	<u>2,762</u>

The legal settlement in 2016 related to one off compensation received in relation to a historic contractual relationship.

## Bibby Supply Chain Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 5 Operating profit/(loss)

Arrived at after charging/(crediting)

	Note	2017 £ 000	2016 £ 000
Depreciation expense	13	3,766	3,640
Operating lease expense - property		8,376	8,715
Operating lease expense - plant and machinery		7,589	8,300
(Profit)/loss on disposal of property, plant and equipment		(695)	18
Amortisation of goodwill	12	1,111	1,112
Amortisation of intellectual property	12	130	111
		<u>          </u>	<u>          </u>

#### 6 Other interest receivable and similar income

	2017 £ 000	2016 £ 000
Interest income on bank deposits	-	19
	<u>          </u>	<u>          </u>

#### 7 Interest payable and similar charges

	2017 £ 000	2016 £ 000
Interest on receivable financing	551	596
Interest on other loans	151	154
Amortisation of issue costs on bank loans	-	20
	<u>          </u>	<u>          </u>
	<u>702</u>	<u>770</u>

#### 8 Staff costs

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

	2017 £ 000	2016 £ 000
Wages and salaries	57,121	57,141
Social security costs	5,534	5,451
Pension costs, defined contribution scheme	836	863
	<u>          </u>	<u>          </u>
	<u>63,491</u>	<u>63,455</u>

## Bibby Supply Chain Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 8 Staff costs (continued)

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

	2017 No.	2016 No.
Warehouse	529	521
Drivers and distribution	853	855
Managerial and administrative	599	625
	<u>1,981</u>	<u>2,001</u>

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £ 000	2016 £ 000
Remuneration	798	731
Contributions paid to money purchase pension schemes	62	53
	<u>860</u>	<u>784</u>

In respect of the highest paid director:

	2017 £ 000	2016 £ 000
Remuneration	197	193
Company contributions to money purchase pension schemes	15	14

#### 10 Auditor remuneration

	2017 £ 000	2016 £ 000
Audit of these financial statements	63	10
Audit of the financial statements of subsidiaries of the company pursuant to legislation	9	40
	<u>72</u>	<u>50</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 2017 (continued)

#### 11 Income tax

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

	2017 £ 000	2016 £ 000
<b>Current taxation</b>		
UK corporation tax	-	487
UK corporation tax adjustment to prior periods	(27)	6
	(27)	493
Overseas tax	64	8
Total current income tax	37	501
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	27	75
Arising from changes in tax rates and laws	33	95
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	74	(76)
Total deferred taxation	134	94
Tax expense in the profit and loss account	171	595

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Profit before tax	833	1,376
Corporation tax at standard rate	160	275
Effect of expense not deductible in determining taxable loss	146	310
Effect of foreign tax rates	16	-
UK deferred tax expense/(credit) relating to changes in tax rates or laws	33	82
Increase/(Decrease) in UK current tax from unrecognised temporary difference from a prior period	47	(72)
Group relief not paid for	(231)	-
Total tax charge	171	595

The UK Government announced in 2015 that the main rate of corporation tax would reduce to 19% from 1 April 2017. On 6 September 2016, the Finance Act 2016 was substantively enacted and provided for an additional reduction in the main rate of UK corporation tax to 17% from 1 April 2020.

## **Bibby Supply Chain Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **11 Income tax (continued)**

##### **Deferred tax**

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

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
At 1 January	731	830
Deferred tax charged to the P&L account	(134)	(94)
Deferred tax eliminated on sale of subsidiary	-	(5)
At 31 December	<u>597</u>	<u>731</u>

# **Bibby Supply Chain Services Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

### **12 Intangible assets**

#### **Group**

	<b>Goodwill £ 000</b>	<b>Intellectual property £ 000</b>	<b>Assets under construction £ 000</b>	<b>Total £ 000</b>
<b>Cost or valuation</b>				
At 1 January 2017	26,316	559	153	27,028
Additions	-	-	44	44
At 31 December 2017	<u>26,316</u>	<u>559</u>	<u>197</u>	<u>27,072</u>
<b>Amortisation</b>				
At 1 January 2017	22,222	242	-	22,464
Amortisation charge	<u>1,111</u>	<u>130</u>	<u>-</u>	<u>1,241</u>
At 31 December 2017	<u>23,333</u>	<u>372</u>	<u>-</u>	<u>23,705</u>
<b>Carrying amount</b>				
At 31 December 2017	<u>2,983</u>	<u>187</u>	<u>197</u>	<u>3,367</u>
At 31 December 2016	<u>4,094</u>	<u>317</u>	<u>153</u>	<u>4,564</u>



## Bibby Supply Chain Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 13 Property, plant and equipment

##### Group

	Freehold land and buildings £ 000	Short leasehold land and buildings £ 000	Vehicles and equipment £ 000	Assets under construction £ 000	Total £ 000
<b>Cost or valuation</b>					
At 1 January 2017	2,958	4,007	19,249	286	26,500
Additions	-	711	3,004	-	3,715
Disposals	(2,903)	(1,589)	(3,657)	-	(8,149)
Transfers	-	-	286	(286)	-
At 31 December 2017	<u>55</u>	<u>3,129</u>	<u>18,882</u>	<u>-</u>	<u>22,066</u>
<b>Depreciation</b>					
At 1 January 2017	717	2,247	6,020	-	8,984
Charge for the year	57	178	3,531	-	3,766
Eliminated on disposal	(774)	(973)	(3,525)	-	(5,272)
At 31 December 2017	<u>-</u>	<u>1,452</u>	<u>6,026</u>	<u>-</u>	<u>7,478</u>
<b>Carrying amount</b>					
At 31 December 2017	<u>55</u>	<u>1,677</u>	<u>12,856</u>	<u>-</u>	<u>14,588</u>
At 31 December 2016	<u>2,241</u>	<u>1,760</u>	<u>13,229</u>	<u>286</u>	<u>17,516</u>

Net book value of freehold land which is not depreciated is £55k (2016: £706k).

Included within the net book value of tangible fixed assets is £6,679k (2016 - £8,560k) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £1,612k (2016 - £1,292k).

## Bibby Supply Chain Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 14 Investments

##### Company

	2017 £ 000	2016 £ 000
Investments in subsidiaries	<u>32,012</u>	<u>32,012</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	
			2017	2016
Subsidiary undertakings				
Bibby Distribution Limited	United Kingdom *	Ordinary	100%	100%
Bibby International Logistics Limited	United Kingdom *	Ordinary	100%	100%
Packaging Logistics Services Limited	United Kingdom *	Ordinary	100%	100%
Packaging Logistics Services Polska Sp. z o. o. Ul. Wiejska 49, PL14-250, Czeladz, Poland	Poland	Ordinary	100%	100%
Bibby International Logistics (Singapore) PTE. Limited 6 Shenton way, #18-08A, OUE Downtown, Singapore (068809)	Singapore	Ordinary	100%	100%

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

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 Packaging Logistics Services Limited is returnable packaging solutions.

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

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

## Bibby Supply Chain Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 15 Stocks

	Group		Company	
	2017 £ 000	2016 £ 000	2017 £ 000	2016 £ 000
Stocks	1,081	824	-	-

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

#### 16 Debtors

		Group		Company	
	Note	2017 £ 000	2016 £ 000	2017 £ 000	2016 £ 000
Trade debtors		34,185	34,002	-	-
Intercompany tax debtor	11	-	-	-	3
Other debtors		222	270	-	75
Deferred tax assets	11	597	731	-	-
Prepayments		5,135	3,491	-	-
Amounts owed by group undertakings		23	-	-	-
Total current trade and other debtors		40,162	38,494	-	78

# Bibby Supply Chain Services Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

### 17 Share capital

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

	2017		2016	
	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>

#### 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.

### 18 Loans and borrowings

	Group	
	2017 £ 000	2016 £ 000
<b>Non-current loans and borrowings</b>		
Bank borrowings	10,621	8,775
Finance lease liabilities	<u>3,763</u>	<u>3,721</u>
	<u>14,384</u>	<u>12,496</u>

	Group	
	2017 £ 000	2016 £ 000
<b>Current loans and borrowings</b>		
Bank borrowings	-	938
Finance lease liabilities	<u>2,205</u>	<u>1,817</u>
	<u>2,205</u>	<u>2,755</u>

## Bibby Supply Chain Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 18 Loans and borrowings (continued)

##### Maturity of borrowings

The bank loans can be analysed as follows:

	2017 £ 000	2016 £ 000
Term loan	-	938
Receivable finance agreement	10,621	8,775
	<u>10,621</u>	<u>9,713</u>

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.

##### Maturities of obligations

	Bank loans £ 000	Obligations under finance lease contracts £ 000	Total £ 000
<b>As at 31 December 2017</b>			
In one year or less on demand	-	2,205	2,205
Between one and two years	10,621	1,628	12,249
Between two and five years	-	2,135	2,135
	<u>10,621</u>	<u>5,968</u>	<u>16,589</u>

##### Maturities of obligations

	Bank loans £ 000	Obligations under finance lease contracts £ 000	Total £ 000
<b>As at 31 December 2016</b>			
In one year or less on demand	938	1,817	2,755
Between one and two years	-	1,634	1,634
Between two and five years	8,775	2,087	10,862
	<u>9,713</u>	<u>5,538</u>	<u>15,251</u>

## Bibby Supply Chain Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 19 Obligations under finance leases and hire purchase contracts

##### Group

##### Finance leases

The total of future minimum lease payments is as follows:

	2017 £ 000	2016 £ 000
Not later than one year	2,205	1,817
Later than one year and not later than five years	3,754	3,652
Later than five years	9	69
	<u>5,968</u>	<u>5,538</u>

##### Operating leases

As at 31 December 2017 the Company had commitments under non-cancellable operating leases as follows:

Land and buildings	2017 £ 000	2016 £ 000
Within one year	7,116	7,794
Within two and five years	24,784	23,391
Over five years	24,856	18,550
	<u>56,756</u>	<u>49,735</u>

Other	2017 £ 000	2016 £ 000
Within one year	6,111	7,753
Within two and five years	4,893	8,156
Over five years	229	517
	<u>11,233</u>	<u>16,426</u>

## **Bibby Supply Chain Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **20 Provisions for liabilities**

##### **Group**

	<b>Vacant property provision £ 000</b>
At 1 January 2017	3,009
Increase (decrease) in existing provisions	(315)
Provisions used	<u>(688)</u>
At 31 December 2017	<u><u>2,006</u></u>

It is estimated that the property provisions will be substantially utilised in the period 2018-2020.

#### **21 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 £836,000 (2016 - £863,000).

Contributions totalling £Nil (2016 - £Nil) were payable to the scheme at the end of the year.

## Bibby Supply Chain Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 22 Creditors

	Group		Company	
	2017 £ 000	2016 £ 000	2017 £ 000	2016 £ 000
<b>Due within one year</b>				
Bank loans and overdrafts	-	938	-	-
Obligations under finance lease contracts	2,205	1,817	-	-
Trade creditors	11,816	14,856	-	-
Amounts due to related parties	-	335	26,467	26,510
Social security and other taxes	2,864	2,773	-	-
Other payables	981	941	-	-
Accrued expenses	17,955	15,590	-	35
Intercompany tax creditor	-	270	-	-
Deferred consideration	-	163	-	-
	<u>35,821</u>	<u>37,683</u>	<u>26,467</u>	<u>26,545</u>
<b>Due after one year</b>				
Bank loans and overdrafts	10,621	8,775	-	-
Obligations under finance lease contracts	<u>3,763</u>	<u>3,721</u>	<u>-</u>	<u>-</u>
	<u>14,384</u>	<u>12,496</u>	<u>-</u>	<u>-</u>

#### 23 Dividends paid

	2017 £ 000	2016 £ 000
Final dividend for prior year of £0.17 per ordinary share	714	-
Interim dividend of £0.23 per ordinary share	<u>1,000</u>	<u>-</u>
	<u>1,714</u>	<u>-</u>

The directors are proposing a final dividend of £0.38 (2016 - £0.17) per share totalling £1,633,000 (2016 - £714,000). This dividend has not been accrued in the Balance Sheet.

#### 24 Commitments

##### Group

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £827,000 (2016 - £1,413,000).



## **Bibby Supply Chain Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **25 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](http://www.bibbylinegroup.co.uk)) which is its registered office.

#### **26 Non adjusting events after the balance sheet date**

On 30th April 2018 the Group sold Packaging Logistic Services Limited, a wholly owned subsidiary of the Group engaged in the supply of returnable packaging services.