

Registration number: 03530463

# Bibby Trade Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016



## **Bibby Trade Services Limited**

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## **Bibby Trade Services Limited**

### **Directors' Report for the Year Ended 31 December 2016**

The Directors present their report and the financial statements for the year ended 31 December 2016.

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

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

Ian David Lomas

Philip Anthony Tobin (appointed 14 November 2016)

Ian Downing

Mark John Lindsay (resigned 14 November 2016)

#### **Directors' liabilities**

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

#### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies statement in the Notes to the Financial Statements.

#### **Disclosure of information to the auditors**

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 10 May 2017 and signed on its behalf by:



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

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

## **Bibby Trade Services Limited**

### **Directors' Responsibilities Statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Bibby Trade Services Limited**

### **Independent Auditor's Report**

We have audited the financial statements of Bibby Trade Services Limited for the year ended 31 December 2016, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement (set out on page 2), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

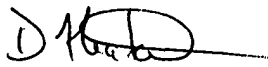
## **Bibby Trade Services Limited**

### **Independent Auditor's Report (continued)**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



David Heaton (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Statutory Auditor  
Chartered Accountants and Statutory Auditor  
Liverpool  
United Kingdom

10 May 2017

## Bibby Trade Services Limited

### Statement of Income and Retained Earnings for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		2,697,128	2,346,524
Operating costs		<u>(1,351,619)</u>	<u>(613,633)</u>
Operating profit	3	1,345,509	1,732,891
Other interest receivable and similar income	5	-	6,482
Interest payable and similar charges	6	<u>(319,219)</u>	<u>(270,025)</u>
Profit before tax		1,026,290	1,469,348
Taxation	7	<u>(213,802)</u>	<u>(294,478)</u>
Profit for the year		812,488	1,174,870
Retained earnings brought forward		3,129,570	2,354,700
Dividends paid		<u>-</u>	<u>(400,000)</u>
Retained earnings carried forward		<u><u>3,942,058</u></u>	<u><u>3,129,570</u></u>


The notes on pages 7 to 14 form an integral part of these financial statements.

**Bibby Trade Services Limited**  
**(Registration number: 03530463)**  
**Balance Sheet as at 31 December 2016**

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors	8	23,756,401	25,593,649
Cash at bank and in hand		<u>1,702,355</u>	<u>1,013,318</u>
		25,458,756	26,606,967
<b>Creditors: Amounts falling due within one year</b>	10	<u>(2,754,909)</u>	<u>(2,954,123)</u>
<b>Total assets less current liabilities</b>		22,703,847	23,652,844
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>(15,561,789)</u>	<u>(17,323,274)</u>
<b>Net assets</b>		<u>7,142,058</u>	<u>6,329,570</u>
<b>Capital and reserves</b>			
Called up share capital	11	3,200,000	3,200,000
Profit and loss account		<u>3,942,058</u>	<u>3,129,570</u>
<b>Shareholders' funds</b>		<u>7,142,058</u>	<u>6,329,570</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

Approved and authorised by the Board on 10 May 2017 and signed on its behalf by:

  
 .....  
 Ian Downing  
 Director

The notes on pages 7 to 14 form an integral part of these financial statements.



## **Bibby Trade Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **1 General information**

Bibby Trade Services Limited is a private limited company incorporated in England, registration number 03530463. The address of its registered office is 105 Duke Street, Liverpool, L1 5JQ.

The Company is a wholly-owned subsidiary of Bibby Financial Services UK Limited. Bibby Financial Services Limited is the parent of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The registered office of all parent companies is 105 Duke Street, Liverpool, L1 5JQ.

These financial statements were authorised for issue by the Board on 10 May 2017.

#### **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**

The financial statements have been prepared in accordance with the small entities regimes of both the Companies Act 2006 and FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention except for any derivative financial instruments which are stated at their fair values.

The primary economic environment in which the Company operates is governed by the Great British Pound, its functional currency. As such the Company financial statements have been prepared in this currency.

##### **Going concern**

The financial statements are prepared on a going concern basis.

In reaching their view on the preparation of the financial statements on a going concern basis, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The continuing uncertain economic conditions present increased risks for all businesses. In response to such conditions the Directors have carefully considered these risks, including an assessment of any uncertainty on the viability of the Company's business model and the extent to which they may affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the Directors consider that the Company maintains an appropriate level of capital and liquidity, sufficient to meet the demands of the business and the requirements which might arise in stressed circumstances. The Company remains compliant with all banking covenants.

In addition, the Company's assets are assessed for recoverability on a regular basis and provision is made where appropriate. The Directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

## **Bibby Trade Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)**

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

##### **Revenue recognition**

Turnover represents service charges to clients net of value added tax. Service and other income is measured at the fair value of consideration received or receivable and is recognised when services are delivered, and when it is probable that future economic benefits will flow to the entity.

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

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing rate at the reporting date and any exchange difference is included in profit or loss.

##### **Leases**

Operating lease rentals are charged to profit or loss on a straight line basis over the lease term.

##### **Tax**

Tax for the period comprises current tax and deferred tax.

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 Company operates and generates taxable income.

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

##### **Financial instruments**

The Company has considered the provisions of FRS 102 Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' in accounting for its financial instruments.

##### **Classification**

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments only, which comprise cash and cash equivalents, trade and other debtors, and trade and other creditors.

Financial asset and liability debt instruments are classified as basic financial instruments where they meet all of the following conditions:

(A) Returns to the holder are (i) a fixed amount, or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive;

(B) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods;

## **Bibby Trade Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)**

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

(C) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect: (i) the holder against the credit deterioration of the issuer, or a change in control of the issuer; or (ii) the holder or issuer against changes in relevant taxation or law; and

(D) There are no conditional returns or repayment provisions except for the variable rate return described in (A) and prepayment provisions described in (C).

#### **Recognition and measurement**

Financial assets, classified as basic financial instruments are cash and cash equivalents and trade and other debtors. Financial liabilities, classified as basic financial instruments are trade and other creditors, including loans and borrowings. All specific recognition and measurement policies of each component are presented in the individual policies below.

Equity instruments are classified in accordance with the substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

#### **Impairment of financial assets**

The Company assesses whether there is objective evidence that any trade or other debtor may be impaired. A provision for impairment is established when the objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtor. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

#### **Cash at bank and in hand**

Cash and cash equivalents comprise cash at bank and in hand.

#### **Trade debtors**

Trade debtors represent advances to clients net of impairment provisions. They are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost.

#### **Borrowings**

Loans and borrowings are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## **Bibby Trade Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)**

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

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

##### **Retirement benefits**

The Company is a member of the Bibby Line Group Limited Defined Benefit Pension Scheme. The scheme was closed to new entrants from 1 April 2000 and closed to future accruals for existing members from 30 September 2011. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As a result, the Company accounts for the scheme as if it were defined contribution.

The Company pays contributions to other publicly or privately administered defined contribution pension insurance plans on a contractual basis.

Under all pension schemes accounted for as defined contribution the amounts that become payable during the financial year are recognised in profit or loss. Differences between contributions payable during the financial year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Critical accounting policies and key sources of estimation uncertainty**

The critical judgement that the Directors have made in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in financial statements is within the impairment of financial assets. In considering indications of impairment the Directors consider a number of qualitative and quantitative factors including but not limited to measurement and valuation of asset and client provided security, general debtor days, and other market led intelligence.

#### **3 Operating profit**

Arrived at after charging

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Impairment of financial assets	388,558	28,137
Operating lease expenses	55,396	63,343
Auditor's remuneration	<u>6,600</u>	<u>6,600</u>

#### **4 Staff numbers**

The average number of persons employed by the company during the year, analysed by category was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Administration and support	<u>23</u>	<u>20</u>

# **Bibby Trade Services Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)**

### **5 Other interest receivable and similar income**

	2016 £	2015 £
Interest receivable from group undertakings	<u>-</u>	<u>6,482</u>

### **6 Interest payable and similar charges**

	2016 £	2015 £
Interest on bank overdrafts and borrowings	272,726	270,025
Interest payable on loans from group undertakings	<u>46,493</u>	<u>-</u>
	<u>319,219</u>	<u>270,025</u>

### **7 Taxation**

#### **Tax charged**

	2016 £	2015 £
<b>Current taxation</b>		
UK corporation tax	203,258	306,322
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>10,544</u>	<u>(11,844)</u>
Total tax charge for the year	<u>213,802</u>	<u>294,478</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>1,026,290</u>	<u>1,469,348</u>
Corporation tax at standard rate	205,258	297,543
Other tax effects for reconciliation between accounting profit and taxable income	<u>8,544</u>	<u>(3,065)</u>
Total tax charge for the year	<u>213,802</u>	<u>294,478</u>

## Bibby Trade Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

#### 8 Debtors

	2016 £	2015 £
Trade debtors	23,496,354	21,870,888
Amounts owed by group undertakings	-	3,500,000
Other debtors	260,047	212,217
Deferred tax assets	-	10,544
	<u>23,756,401</u>	<u>25,593,649</u>

#### 9 Cash at bank and in hand

	2016 £	2015 £
Cash at bank	<u>1,702,355</u>	<u>1,013,318</u>

#### 10 Creditors

	2016 £	2015 £
<b>Due within one year</b>		
Trade creditors	90,500	66,748
Amounts due to group undertakings	2,035,548	2,124,216
Social security and other taxes	227,544	181,193
Corporation tax	203,258	484,178
Accrued expenses	198,059	97,788
	<u>2,754,909</u>	<u>2,954,123</u>
<b>Due after one year</b>		
Loans and borrowings	12,561,789	17,323,274
Amounts owed to group undertakings	3,000,000	-
	<u>15,561,789</u>	<u>17,323,274</u>

The company has a multi-currency overdraft and revolving credit facility with maturity in 2018 and carrying interest at variable rates above interbank rates. The facilities are secured against the client advance book, floating charge over the remaining assets of the company and parent guarantee.

## **Bibby Trade Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)**

#### **11 Called up share capital**

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

	<b>2016</b>		<b>2015</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>3,200,000</u>	<u>3,200,000</u>	<u>3,200,000</u>	<u>3,200,000</u>

#### **12 Pension and other schemes**

##### **Defined benefit pension schemes**

The Company is a member of the Bibby Line Group Limited Defined Benefit Pension Scheme. The principal employer of the Scheme, has recognised the full deficit in the Scheme and makes contributions in line with a schedule of contributions agreed with the Trustees of the pension scheme.

A Scheme deficit of £23,999,000 (2015: £12,976,000) is noted in the financial statements of the principal employer, Bibby Line Group Limited. In being unable to identify its share of the underlying assets and liabilities of the scheme, the Company accounts for the scheme as if it were defined contribution, however the scheme was closed to new entrants in April 2000 and closed to future accrual for existing members in September 2011.

##### **Defined contribution pension scheme**

There are no outstanding contributions payable to publicly or privately administered defined contribution pension plans at the balance sheet date.

#### **13 Contingent liabilities**

The Company has provided £371,000 (2015; £709,000) of unrepresented letters of credit to client suppliers. These guarantees have been issued by banks on behalf of the Company.

## **Bibby Trade Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)**

#### **14 Obligations under leases**

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Not later than one year	46,481	3,187
Later than one year and not later than five years	45,065	30,004
Later than five years	37,454	21,000
	<u>129,000</u>	<u>54,191</u>

#### **15 Related party transactions**

The Company has taken advantage of the exemption in FSR 102 from disclosing transactions with other wholly owned members of the group controlled by its parent undertaking.