Registration number: 04851172

Bibby Offshore Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

Bibby Offshore Limited

Contents

Bibby Offshore Limited

Officers and Professional Advisers

Directors	Howard Dennis Woodcock Fraser John Moonie Neale John Stewart Barry John MacLeod Graeme Wood Alan Owen Edwards Nichola Etherson David Forsyth Andrew Duncan
Company secretary	Bibby Bros. & Co. (Management) Limited
Registered office	105 Duke Street Liverpool L1 5JQ
Legal advisers	Pinsent Masons LLP Aberdeen AB15 4YD
Bankers	Royal Bank of Scotland plc Aberdeen AB10 1YN
Independent auditor	Deloitte LLP Statutory Auditor Glasgow, United Kingdom

Bibby Offshore Limited

Strategic Report for the Year Ended 31 December 2016

The Directors present their Strategic Report for the year ended 31 December 2016.

Principal activity
Bibby Offshore Limited ("Bibby Offshore" or "the company") is a wholly-owned subsidiary of Bibby Offshore Holdings Limited ("the group"). The company's principal activities are the project management and execution of offshore inspection, repair, maintenance and construction services to the offshore industry.

Business review
2016 was another challenging year for Bibby Offshore and the sector as a whole. Whilst operating levels were in line with our expectations, the company has continued to experience difficult trading conditions. This was reflected in the company's revenue, which reduced to £155m (2015: £232m) and gross margin, which dropped to £(21.4)m from £40m. Administrative costs were reduced by 19% to £14.1m

Despite this the company made significant progress in further reducing costs and maintained good utilisation. Across the fleet, Bibby Offshore achieved DSV utilisation of 77% with overall utilisation of 71% for the year. Whilst as a percentage, DSV utilisation was down on 2015, vessel availability was greater in 2016. Utilisation in 2016 was also affected by the peak season starting later than expected.

In the North Sea. The company executed 111 days of air diving work in 2016 for clients including Enquest, Dong, BP, and Conoco Phillips. Decommissioning projects accounted for 18% of the 2016 revenue with projects undertaken for Conoco Phillips, CNR, and Shell. In the renewables sector, the Group completed two wind farm projects and a tidal project in 2016. There is clear scope to further grow this area of the business in 2017 and tenders are currently in progress for three large projects in this market.

Throughout 2016 management have continued to focus on the cost base and to ensure the business model is optimised for long term success of the company. We also achieved significant savings through our supply chain, vessel running costs and streamlining the organisation which both reduced costs and improved internal efficiency.

Bibby Offshore received extremely positive client feedback in 2016 with an FPAL score of 8.2 for the year (2015; 8.3).

Bibby Offshore has taken proactive steps taken over the last two years to manage the business and its cost base, including reducing the workforce by approximately 11% on prior year, restructuring internal management, and reviewing charter arrangements.

Aside from this, we ended 2016 with a much lower cost base and a more efficient and diversified business. Good progress has been made in diversifying our revenue through air diving, decommissioning and also flex lay using the Bibby Polaris Carousel.

In the early part of 2017 we have seen the anticipated upturn in tendering activity. Bibby Offshore is well placed to compete for this work, as a direct result of the way we have proactively managed both the business and its cost base. The quality of service delivery we are able to provide our clients is unparalleled amongst our peers.

Principal risks and uncertainties
Bibby Offshore Limited's governance framework is incorporated within that of Bibby Offshore Holdings Limited and includes clear and delegated authorities on business performance monitoring and ensuring appropriate insurance for a wide range of potential risks. The framework for risk management governance is defined by the group leadership team, regional executive committees and the global support functions including Finance, QHSE, IT and HR. These committees and functions apply risk management processes and controls and also develop global policies and standards which the regional entities align to their processes.

Competitive pressure in international markets is a continuing risk for the group. To manage this risk, the group strives to provide well maintained and safe assets, added value services, prompt responses to customer requirements, and the continuation of strong relationships with customers.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The company has a level of concentration of credit risk, with all customers concentrated in the oil and gas sector.

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

Liquidity is managed on a group wide basis. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations as future developments, the group uses a mixture of long-term and short-term debt finance. The company prepares and updates trading and cashflow forecasts to monitor and manage projected liquidity and trading performance.

The company provides assets and services into international markets and is therefore exposed to currency movement, which is managed as far as possible through contractual terms or matching costs and revenues in the same currencies.

Pricing risks are managed by negotiating supplier costs with reference to end customer pricing as far as possible.

Demand risk is influenced by changes in the oil price which feeds through to the level of planned operating or capital expenditure by customers. The risk is managed via consideration of the contracts available, utilising contracts of differing length and margin to ensure utilisation of the vessels being managed to be cash generative and profitable.

Risk is monitored and reported through monthly leadership team and regional senior management team meetings. Monthly Finance and QHSE reports are provided to the group and executive committee boards. The Corporate Risk Register (CRR) is used to capture risk, controls, monitor risk realisation and risk assurance and verification activities. The CRR is reviewed and revised at least quarterly and is tabled at the quarterly group board meetings.

Market outlook

The market outlook across the sector remains challenging with asset overcapacity and no improvement on margins. However, tendering activities in the early part of 2017 provide some confidence around utilisation through the year, and Bibby Offshore continues to deliver an extremely high quality of service for all clients which is a differentiator at the time of tender awards. Whilst visibility remains very short term we are receiving and responding to more enquiries for longer term framework agreements. We have been successful in winning three of these agreements in 2017 which provide an effective conduit for clients to award work to the company.

The extension of the Topaz charter to the end of 2019 provides an indication of Bibby Offshore's confidence in maintaining market share under more flexible charter terms. The company has taken the opportunity to reduce charter costs from August 2017 with the end of the firm charter period on Olympic Ares, chartering the vessel on renegotiated terms until booked work is complete.

Whilst we have seen early signs of an upturn in tendering activity, we remain conservative in our expectations for improvement in market conditions in 2017 and have ensured the company is positioned to manage another challenging year. We have retained the flexibility within the business to capitalise on new opportunities and any improvement in market conditions.

Post Period End

Post period end, the company extended its charter of the Bibby Topaz on improved terms to reflect the current market conditions. The new charter arrangement until end of 2019 reduces the fixed cost base and provides a more mutual sharing of risk and reward with the owner. The commitment together with investment in our recently delivered ERP system demonstrates our positioning for the longer term.

Approved by the Board on 6 October 2017 and signed on its behalf by:

Neale Stewart

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Neale John Stewart
Director

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

Corporate governance
The company strives to maintain the highest standards in corporate governance and bases its actions on the principles of openness, integrity and accountability. Audit and Remuneration Committees exist within Bibby Line Group which cover the activities of this company.

Directors
The present membership of the board and changes during the year and to the date of this report are set out on page 1.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including foreign exchange risk, credit risk and liquidity risk.

The principal risks and uncertainties associated with the company's operations and also financial risk management are discussed in the Strategic Report on pages 2-4.

Going Concern
The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and above.

The company has net current liabilities of £4.4m as at 31 December 2016, which includes net amounts due to parent company, Bibby Offshore Holdings Limited of £27.6m. The company's cash requirements over the next 12 months are forecast to be met through a combination of cash generated from operations and access to cash resources available from the parent company, Bibby Offshore Holdings Limited and its subsidiaries, (together "the group"). Therefore the Directors of the company have assessed the performance of the group as a whole in their assessment of the appropriateness of the going concern of the company.

Careful consideration has been given to the level of cash reserves required to enable the group to continue to operate for the foreseeable future, including servicing the intercompany interest obligations to the company. The group has cash resources of £37m at year end and limited short term debt maturing over the next 12 month at the time of signing the accounts. The group has developed forecasts and projections, including consideration of sensitised scenarios, under which the group is projecting to require working capital support during the 12 month period subsequent to approval of the financial statements. In March 2017 the group secured an amendment to its existing Revolving Credit Facility ("RCF") with the support of Bibby Line Group ("BLG"), the company's ultimate parent company. Under the Amended RCF agreement, availability of funding increased from £5.0m to £13.125m, of which £0.3m of performance guarantees are currently outstanding. Barclays are the sole lender under the Amended RCF, which is collateralised by £10.0m of support from BLG. The RCF comprises a £5m tranche A and an £8.125m tranche B. Tranche A remains available through to June 2019 and tranche B is available through to November 2017.

BLG has agreed in principle to support the extension of the availability of tranche B through to 24 May 2018. This, when put in place following ongoing discussions with the RCF lender, will ensure the full £13.1m facility remains available to the group till May 2018 by which time the Directors have reasonable expectations that the ongoing recapitalisation of the group (discussed further below) will have successfully completed and will provide working capital support to enable the group to meet its ongoing obligations. Any drawdowns under the facility will be subject to BLG depositing with the RCF lender its agreed proportion of the relevant tranche of the RCF. In the case of drawdowns under tranche B, which the Directors would expect to receive in the normal course of business, the approval by the BLG Board of Directors remains a requirement.

Maintaining sustainable cash reserves in the longer term relies on the group continuing to secure and deliver additional further awards in line with forecast levels of activity. Tendering levels and current win rates indicate there is reasonable expectation of winning such awards in line with previous years. However, it should be noted that contracting in the current market is very short term in nature and as a consequence business forecasts rely more heavily on assumptions related to contract awards and tendering levels than they do in relation to contracted work. This is a change relative to previous market conditions when the group had higher levels of contracted work.
The market conditions saw reduced margins throughout 2016 and the group has continued to focus on the cost base to ensure the business model is sustainable in these conditions. In 2017 the group continues to seek further opportunities to reduce costs, specifically in charter rates.

The group has developed forecasts and projections, including consideration of sensitised scenarios, which show that the group and company is projecting to operate within the expected facilities until May 2018 by which time the Directors have reasonable expectations that the ongoing recapitalisation of the group will have successfully completed and will provide working capital support to enable the group to meet its ongoing obligations. As explained above, the group has the continued support of BLG who have commenced discussions with the RCF lenders to extend the current RCF agreement beyond its current term. The Directors are also pursuing alternative sources of funding. Whilst the Directors have instituted these measures to preserve cash, and increase headroom the short term order visibility and limited cash headroom creates uncertainties over future trading results and cash flows.

In light of the ongoing challenging market conditions, as previously announced, the group has been reviewing and developing a broad range of options aimed at addressing the group's' capital structure and creating a platform from which to explore growth opportunities. As part of the ongoing evaluation of a range of options, the group's Board, alongside its adviser EY, have been now intends to actively commenced a process to secure explore a recapitalisation of the company in conjunction with support from BLG and have a range of options which are at an advanced stage and ready for execution. Whilst these options are not yet concluded the Directors have no reason to believe at this time that they will not be successfully completed.

The Directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and that therefore the group company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have formed the judgment that at the time of approving the financial statements, there is a reasonable expectation that the group company has adequate cash and liquid resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements. The financial statements do not include any adjustments that would result if the going concern basis were not appropriate.

Future developments and events after the balance sheet date
Details of future developments and events that have occurred after the balance sheet date can be found in the Market outlook on page 4.

Environment
The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to mitigate any adverse impact that might be caused by its activities. Initiatives aimed at minimising the company's impact on the environment include recycling, reducing energy consumption and a carbon neutral company car policy.

Employees
The company is committed to the continuing development of effective employee communication, including regular publication of group magazines. It is the policy of the company to ensure that all sections of the community have an equal opportunity in matters related to employment. The company participates in various defined contribution schemes for employees.

It is the company's policy to promote the understanding and involvement of all employees in its business and performance.

Regular town hall meetings are held to fully inform and engage with the employees. The policy of the company is to give full and fair consideration to applications for employment made by disabled persons. If any employee becomes disabled whilst employed by the 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 consultation
The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group and the company.

Dividends
No dividends were declared or paid in the year (2015: £1.75 per share).

Directors' indemnities
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.

Charitable donations
No charitable donations were made during the year (2015: £4k).

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 6 October 2017 and signed on its behalf by:

Neale Stewart

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Neale John Stewart

Director

Bibby Offshore Limited

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent Auditor's Report to the members of Bibby Offshore Limited

We have audited the financial statements of Bibby Offshore Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 21. 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 9), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report to the members of Bibby Offshore Limited

Emphasis of matter
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The working capital requirements of the company are met by cash generated from operating activities and access to cash resources available from the wider Bibby Offshore Holdings Limited and subsidiaries, together "the group".

The group is experiencing challenging market conditions, and whilst the Directors of the group have instituted measures to preserve cash, and increase headroom the short term order visibility and limited cash headroom creates uncertainties over future trading results and cash flows. The Directors of the group have been actively exploring the recapitalisation of the group, without which, they may not be able to continue to provide support to the company.

Whilst the Directors have reasonable expectations that group trading performance will be in line with forecasts and a successful recapitalisation achieved, the Directors of the company consider that the company may be unable to continue as a going concern if current trading forecasts for the group are not met, or a successful recapitalisation is not achieved.

These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

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

Bibby Offshore Limited

Independent Auditor's Report to the members of Bibby Offshore Limited

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.

David Mitchell

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David Mitchell CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

Glasgow, United Kingdom

Date: 6/10/17

Bibby Offshore Limited

Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Turnover: continuing operations	3	154,900	231,992
Cost of sales		(176,256)	(191,565)
Gross (loss)/profit		(21,356)	40,427
Administrative expenses		(14,076)	(17,287)
Other income		-	15
Operating (loss)/profit: continuing operations	5	(35,432)	23,155
Income from shares in group undertakings		-	4,413
Net finance (costs)/income	4	(460)	978
(Loss)/profit on ordinary activities before taxation		(35,892)	28,546
Taxation on (loss)/profit on ordinary activities	8	4,274	(5,374)
(Loss)/profit for the financial year		(31,618)	23,172

The company has no recognised gains or losses for the current and prior year other than the results above. Accordingly no statement of comprehensive income is presented.

Bibby Offshore Limited

Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
(Loss)/profit for the year		(31,618)	23,172
Currency translation difference on foreign currency operations		(1,160)	-
Total comprehensive income for the year		(32,778)	23,172

The notes on pages 17 to 34 form an integral part of these financial statements.

Bibby Offshore Limited

(Registration number: 04851172)
Balance Sheet as at 31 December 2016

	Note	2016 £ 000	2015 £ 000
Fixed assets			
Investments	10	48	48
Tangible assets	11	19,111	17,836
		19,159	17,884
Current assets			
Stocks	12	1,303	1,458
Debtors	13	36,122	49,225
Cash and cash equivalents		7,113	19,240
		44,538	69,923
Creditors: Amounts falling due within one year	14	(48,896)	(42,154)
Net current (liabilities)/assets		(4,358)	27,769
Total assets less current liabilities		14,801	45,653
Provisions for liabilities	15	(4,237)	(2,311)
Net assets		10,564	43,342
Capital and reserves			
Called up share capital	16	17,000	17,000
Profit and loss account		(6,436)	26,342
Shareholders' funds		10,564	43,342

The financial statements of Bibby Offshore Limited, registered number 04851172 were approved and authorised by the Board on 6 October 2017 and signed on its behalf by:

Neale Stewart

Neale John Stewart

Director

The notes on pages 17 to 34 form an integral part of these financial statements.

Bibby Offshore Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £ 000	Profit and loss reserve £ 000	Total £ 000
At 1 January 2015	17,000	32,939	49,939
Profit for the year	-	23,172	23,172
Total comprehensive income for the year	-	23,172	23,172
Dividends paid	-	(29,769)	(29,769)
At 31 December 2015	17,000	26,342	43,342

	Share capital £ 000	Profit and loss reserve £ 000	Total £ 000
At 1 January 2016	17,000	26,342	43,342
Loss for the year	-	(31,618)	(31,618)
P&l reserve - Foreign currency translation	-	(1,160)	(1,160)
Total comprehensive loss for the year	-	(32,778)	(32,778)
At 31 December 2016	17,000	(6,436)	10,564

The notes on pages 17 to 34 form an integral part of these financial statements.

1 Accounting policies

The principal accounting policies are summarised below.

General information and basis of accounting

Bibby Offshore Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The principal accounting policies have been applied consistently in dealing with items considered to be material to the company's financial statements in the current and prior year.

The functional currency of Bibby Offshore Limited is considered to be pound sterling being the currency of the primary economic environment in which the company operates. The financial statements are also presented in thousands of pound sterling unless stated otherwise.

Bibby Offshore Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to the presentation of the cash flow statement, related party transactions, financial instruments and remuneration of key management personnel (see note 20).

The company is exempt from preparation of consolidated financial statements as it is a 100% subsidiary of a group which prepares publicly available consolidated financial statements.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report.

The company has net current liabilities of £4.4m as at 31 December 2016, which includes net amounts due to parent company, Bibby Offshore Holdings Limited of £27.6m. The company's cash requirements over the next 12 months are forecast to be met through a combination of cash generated from operations and access to cash resources available from the parent company, Bibby Offshore Holdings Limited and its subsidiaries, (together "the group"). Therefore the Directors of the company have assessed the performance of the group as a whole in their assessment of the appropriateness of the going concern of the company.

1 Accounting policies (continued)

Careful consideration has been given to the level of cash reserves required to enable the group to continue to operate for the foreseeable future, including servicing the intercompany interest obligations to the company. The group has cash resources of £37m at year end and limited short term debt maturing over the next 12 month at the time of signing the accounts. The group has developed forecasts and projections, including consideration of sensitised scenarios, under which the group is projecting to require working capital support during the 12 month period subsequent to approval of the financial statements. In March 2017 the group secured an amendment to its existing Revolving Credit Facility ("RCF") with the support of Bibby Line Group ("BLG"), the company's ultimate parent company. Under the Amended RCF agreement, availability of funding increased from £5.0m to £13.125m, of which £0.3m of performance guarantees are currently outstanding. Barclays are the sole lender under the Amended RCF, which is collateralised by £10.0m of support from BLG. The RCF comprises a £5m tranche A and an £8.125m tranche B. Tranche A remains available through to June 2019 and tranche B is available through to November 2017.

BLG has agreed in principle to support the extension of the availability of tranche B through to 24 May 2018. This, when put in place following ongoing discussions with the RCF lender, will ensure the full £13.1m facility remains available to the group till May 2018 by which time the Directors have reasonable expectations that the ongoing recapitalisation of the group (discussed further below) will have successfully completed and will provide working capital support to enable the group to meet its ongoing obligations. Any drawdowns under the facility will be subject to BLG depositing with the RCF lender its agreed proportion of the relevant tranche of the RCF. In the case of drawdowns under tranche B, which the Directors would expect to receive in the normal course of business, the approval by the BLG Board of Directors remains a requirement.

Maintaining sustainable cash reserves in the longer term relies on the group continuing to secure and deliver additional further awards in line with forecast levels of activity. Tendering levels and current win rates indicate there is reasonable expectation of winning such awards in line with previous years. However, it should be noted that contracting in the current market is very short term in nature and as a consequence business forecasts rely more heavily on assumptions related to contract awards and tendering levels than they do in relation to contracted work. This is a change relative to previous market conditions when the group had higher levels of contracted work.

The market conditions saw reduced margins throughout 2016 and the group has continued to focus on the cost base to ensure the business model is sustainable in these conditions. In 2017 the group continues to seek further opportunities to reduce costs, specifically in charter rates.

The group has developed forecasts and projections, including consideration of sensitised scenarios, which show that the group and company is projecting to operate within the expected facilities until May 2018 by which time the Directors have reasonable expectations that the ongoing recapitalisation of the group will have successfully completed and will provide working capital support to enable the group to meet its ongoing obligations. As explained above, the group has the continued support of BLG who have commenced discussions with the RCF lenders to extend the current RCF agreement beyond its current term. The Directors are also pursuing alternative sources of funding. Whilst the Directors have instituted these measures to preserve cash, and increase headroom the short term order visibility and limited cash headroom creates uncertainties over future trading results and cash flows.

In light of the ongoing challenging market conditions, as previously announced, the group has been reviewing and developing a broad range of options aimed at addressing the group's capital structure and creating a platform from which to explore growth opportunities. As part of the ongoing evaluation of a range of options, the group's Board, alongside its adviser EY, have been now intends to actively commenced a process to secure explore a recapitalisation of the company in conjunction with support from BLG and have a range of options which are at an advanced stage and ready for execution. Whilst these options are not yet concluded the Directors have no reason to believe at this time that they will not be successfully completed.

1 Accounting policies (continued)

The Directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and that therefore the group company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have formed the judgment that at the time of approving the financial statements, there is a reasonable expectation that the group company has adequate cash and liquid resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements. The financial statements do not include any adjustments that would result if the going concern basis were not appropriate.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over their expected useful economic lives, as follows:

Asset class	**Depreciation method and rate**
Vessel fleet	From date of purchase to vessel age of 25 years
Other:	
Plant and machinery	1 to 5 years
Leasehold improvements	Over the lease term

Drydock costs

For all vessels non-enhancement costs associated with their periodic dry docking are written off in the year in which the dry dock takes place. Enhancement costs are capitalised and depreciated over the useful life of the enhancement.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any impairment.

Stocks

Stock comprises spares and consumables and is stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate. Cost is calculated using the FIFO (first in, first out) method.

1 Accounting policies (continued)

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below:

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates 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. The deferred tax assets and liabilities are not discounted. Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted.

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

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the group is able to control the reversal of the timing differences and it is probable that it will not reverse in the foreseeable future.

1 Accounting policies (continued)

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign currencies
Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates ruling at the balance sheet date.

Pension costs
The company participates in various defined contribution schemes for employees. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating leases
Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Turnover
Turnover is largely derived from the provision of project management and execution of offshore inspection, repair, maintenance and construction services to the oil and gas sector, recognised when provided to customers, and is stated net of discounts and sales taxes. The directors consider all activities of the company to fall within the offshore sector within one distinct geographical region. A segmental analysis can be found in note 3 below.

1 Accounting policies (continued)

Long term contracts
Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

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

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

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

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

1 Accounting policies (continued)

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) 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.

(e) 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 the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

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

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

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

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

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2 Critical accounting judgements and key sources of estimation and uncertainty

In the application of the company's accounting policies, which are described in note 1, 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies
The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue and margin recognition on long term contracts
Revenue and attributable profit on long term contracts in progress is recognised based on the estimated stage of completion and only when the outcome of the contract can be estimated reliably. At 31 December 2016 there were two long term contracts in the course of completion which required the determination of the stage of completion and expected profitability of the contract when assessing the level of revenue and margin to be recognised.

In making this judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 Revenue. The directors are satisfied that the assessment of the stage of completion of works and associated recognition of the revenue in the current year is appropriate.

Key sources of estimation and uncertainty
Provisions for tax liabilities
The financial statements include estimates in relation to tax uncertainties. In particular, the specific matters discussed at note 19 are identified as well as agreed estimates and uncertainties. In estimating the tax provision required in respect of the Trinidad and Tobago matters, the directors have considered the likely outcome, having regard to ongoing correspondence with all parties including advice provided by local tax advisors.

Impairment of assets
In determining whether assets are impaired consideration has been given to evidence of value. The carrying value of vessels has been compared to valuations conducted by independent 3rd party specialists and no impairment is identified. The carrying value of the vessel fleet at 31 December 2016 was £15.5m (2015- £15m).

Depreciation rates
In applying the accounting policy outlines in note 1, the group estimates the useful lives and residual value of the vessel fleet. The directors have determined the current useful life of 25 years for the vessel fleet, together with a £nil residual value to be appropriate based on current conditions of the assets and market conditions.

2 Critical accounting judgements and key sources of estimation and uncertainty (continued)

Onerous lease contracts

In assessing the future commitments under lease rentals the provisions of para 21.11 of FRS 102 have been considered and assessed as to whether the economic benefit derived from the remaining lease payments are outweighed by the lease obligations. This assessment, including consideration of vessel charter commitments, identified onerous leases amounting to £2,545k (2015: £nil).

Recoverability of amounts due from group companies

Determining the recoverability of amounts due from group companies requires judgement on the ability of the counterparty to meet its obligations as they fall due. In this regard, management has assessed the projected performance of its counterparties and are satisfied they will have adequate resources to settle the receivables amounting to £2.7m.

3 Turnover

The analysis of the company's turnover by geographical market is set out below:

	2016 £ 000	2015 £ 000
Turnover		
Northern Europe	135,285	231,992
Rest of World	19,615	-
	154,900	231,992

An analysis of the company's turnover by activity is as follows:

	2016 £ 000	2015 £ 000
Project revenue	154,900	231,992

Project revenue consists of project management and execution of offshore inspection, repair, maintenance and construction services to the offshore industry.

4 Net finance (costs)/income

	2016 £ 000	2015 £ 000
Interest payable and similar charges		
Interest payable to group undertakings	(486)	-
Interest receivable and similar income		
Bank interest receivable	26	76
Interest receivable from group undertakings	-	902
	26	978
	(460)	978

5 Profit on ordinary activities before taxation

	2016 £ 000	2015 £ 000
(Loss)/profit before taxation is stated after charging/(crediting):		
Depreciation of owned assets	2,902	2,946
Onerous contract	2,504	-
Inventories expensed	209	-
Foreign exchange loss	(237)	600
Operating lease expense - other	49,773	37,863
Operating lease expense - property	1,317	1,414

The analysis of the auditor's remuneration is as follows:

	2016 £ 000	2015 £ 000
Fees payable to the company's auditor and associates for the audit of the company's annual accounts	46	37

During the year the auditor did not provide non-audit services (2015: £nil).

6 Staff numbers and costs

The average number of persons employed by the company (including executive directors) during the year was as follows:

	2016 No.	2015 No.
Management, operations and administration staff	278	314

The aggregate remuneration comprised:

	2016 £ 000	2015 £ 000
Wages and salaries	20,974	25,968
Social security costs	1,812	2,405
Pension costs, defined contribution scheme (note 18)	1,591	1,605
	24,377	29,978

7 Emoluments of directors

	2016 £ 000	2015 £ 000
Aggregate emoluments	873	1,376

All executive directors are members of money purchase pension schemes and company contributions in the year were £66k (2014: £144k).

In respect of the highest paid director:

	2016 £ 000	2015 £ 000
Total amount of emoluments (including pension contributions)	258	311

Contributions of £23k (2015: £106k) have been made to the money purchase scheme on behalf of the highest paid director.

8 Taxation on (loss)/profit before taxation

	2016 £ 000	2015 £ 000
Current tax on profit		
Corporation tax payable - UK	(2,035)	2,394
Corporation tax payable - overseas	21	3,848
Adjustments in respect of prior periods	-	(363)
Adjustments in respect of prior period- overseas	(269)	-
Total current tax	(2,283)	5,879
Deferred tax		
Origination and reversal of timing differences	(1,994)	(172)
Effects of change of tax rate on opening liability	3	(79)
Adjustment in respect of prior years	-	(254)
Total deferred tax	(1,991)	(505)
Total tax on (loss)/profit before taxation	(4,274)	5,374

8 Taxation on (loss)/profit before taxation (continued)

Factors affecting current tax charge for the year:
The tax charge is lower than the anticipated charge (2015: lower). The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

	2016 £ 000	2015 £ 000
(Loss)/Profit on ordinary activities before tax	(35,892)	28,546
Tax on profit on ordinary activities at standard UK Corporation tax of 20.00% (2015: 20.25%)	(7,178)	5,781
Expenses not deductable for tax purposes	80	97
Costs incurred under the tonnage tax regime not deductable for tax purposes	2,602	473
Income taxable under tonnage tax regime	(2,218)	(3,259)
Higher tax rates on overseas earnings	21	3,848
Effect of change in tax rate on opening timing differences	3	(79)
Prior period adjustments	(1,553)	(617)
Other	-	(870)
Carry forward of current year losses to future years	74	-
Carry back of current year losses to prior years	1,070	-
Unrelievable foreign tax losses	2,825	-
Total tax (credit)/charge for the year	(4,274)	5,374

The UK Government announced in 2015 that the main rate of corporation tax will reduce to 19% from 1 April 2017 and 18% from 1 April 2019. A further announcement was made in March 2016 that the main rate of corporate tax will reduce further to 17% from 1 April 2020 with the acceleration in payments dates planned to take effect from 1 April 2017 for very large companies to be delayed by two years. These rate changes will affect the size of the group's deferred tax assets and liabilities in the future. Deferred tax as at 31 December 2016 has been recognised at the enacted rate at the balance sheet date, which was between 18% and 20% depending on the expected timing of the reversal. During the year beginning 1 January 2017, the net reversal of the deferred tax liabilities is expected to decrease the corporation tax charge for the year by 169k. The is due to the net book value of qualifying assets being in excess of their tax written down value.

9 Dividends on equity shares

	2016 £ 000	2015 £ 000
Final dividend paid	-	29,769

10 Fixed asset investments

	£ 000
Subsidiary companies	
At 1 January 2016 and 31 December 2016	48

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:

Subsidiary undertaking	Country of incorporation	Percentage of ordinary equity share capital held 2016	2015
Bibby Freighters Limited	United Kingdom	100%	100%
Bibby Offshore Singapore Pte Limited	Singapore	100%	100%
Huskisson Shipping Limited	United Kingdom	100%	100%
Rumford Tankers Limited	United Kingdom	100%	100%
Bibby North Star Limited	United Kingdom	100%	100%

The principal activity of Bibby Freighters Limited is Ship Owning

The principal activity of Bibby Offshore Singapore Pte Limited is Offshore Oil & Gas Services

The principal activity of Huskisson Shipping Limited is Ship Owning

The principal activity of Rumford Tankers Limited is Ship Owning

The principal activity of Bibby North Star Limited is Ship Owning

10 Fixed asset investments (continued)

The profit for the financial period of Bibby Freighters Limited was £134k and the aggregate amount of capital and reserves at the end of the period was £(41)k. The company's registered address is 105 Duke Street, Liverpool, L1 5JQ.

The profit for the financial period of Bibby Offshore Singapore Pte Limited was £2,136k and the aggregate amount of capital and reserves at the end of the period was £(26,432)k. The company's registered address is 1 Kaki Bukit Road 1, #02-44 Enterprise 1, 415934, Singapore.

The profit for the financial period of Huskisson Shipping Limited was £1,932k and the aggregate amount of capital and reserves at the end of the period was £6,088k. The company's registered address is 105 Duke Street, Liverpool, L1 5JQ.

The profit for the financial period of Rumford Tankers Limited was £446k and the aggregate amount of capital and reserves at the end of the period was £1,353k. The company's registered address is 105 Duke Street, Liverpool, L1 5JQ.

The profit for the financial period of Bibby North Star Limited was £1,573k and the aggregate amount of capital and reserves at the end of the period was £3,738k. The company's registered address is 105 Duke Street, Liverpool, L1 5JQ.

11 Tangible fixed assets

	Vessel fleet £ 000	Other £ 000	Total £'000
Cost			
At 1 January 2016	31,396	5,991	37,387
Additions	2,614	1,563	4,177
At 31 December 2016	34,010	7,554	41,564
Depreciation			
At 1 January 2016	16,432	3,119	19,551
Charge for the year	2,122	780	2,902
At 31 December 2016	18,554	3,899	22,453
Net book amount			
At 31 December 2016	15,456	3,655	19,111
At 31 December 2015	14,964	2,872	17,836

Vessel fleet includes assets with a total net book value of £15,456k (2015: £14,964) which are provided as collateral under a related group company's borrowing arrangements.

12 Stocks

	2016 £ 000	2015 £ 000
Spares and consumables	1,303	1,458

There is no material difference between the carrying value of stocks and their replacement cost as at 31 December 2016.

13 Debtors: amounts falling due within one year

	2016 £ 000	2015 £ 000
Trade debtors	14,766	9,905
Amounts owed by other group companies	-	21,315
Corporation tax receivable	1,333	1,050
VAT recoverable	2,948	2,062
Other debtors	7,293	1,366
Prepayments and accrued income	9,782	13,527
	36,122	49,225

14 Creditors: amounts falling due within one year

	2016 £ 000	2015 £ 000
Trade creditors	5,898	2,332
Amounts owed to other group companies	27,586	19,618
Corporation tax payable	313	3,938
Other creditors	779	169
Accruals and deferred income	14,320	16,097
	48,896	42,154

Intercompany loan balances attract interest at a rate of 7.5%. Interest is not charged on Intercompany trading balances settled within terms.

15 Provisions for liabilities

	Deferred tax £ 000	Other provisions £ 000	Total £000
At 1 January 2016	1,578	733	2,311
(Credit)/charge to the profit and loss account	(578)	2,504	1,926
At 31 December 2016	1,000	3,237	4,237

Deferred taxation

	2016 £ 000	2015 £ 000
Deferred tax is provided as follows:		
Deferred tax provision:		
Accelerated capital allowances	1,000	1,578

	2016 £ 000	2015 £ 000
Deferred tax asset:		
Losses available for offset against future profits	1,414	-

Deferred tax assets and liabilities are offset only where the company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority. The deferred tax asset is included in other debtors in note 13 and the Directors are satisfied there will be sufficient future taxable profits to offset the estimated tax losses.

Other

Other provisions include the Trinidad and Tobago tax enquiry details of which can be found in note 2 and 19.

16 Called up share capital

Allotted, called up and fully paid shares

	2016 No. 000	2016 £ 000	2015 No. 000	2015 £ 000
Ordinary shares of £1 each	17,000	17,000	17,000	17,000

The company has one class of ordinary shares which do not carry right to fixed income.

17 Financial commitments

The company has no capital commitments at 31 December 2016 (2015: £nil).

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Property 2016 £000	Other 2016 £000	Property 2015 £000	Other 2015 £000
Within one year	1,267	22,176	1,324	26,087
Between one and five years	6,154	21,568	5,861	15,336
After five years	11,870	-	12,732	-
	19,291	43,744	19,917	41,423

18 Employee benefits - defined contribution scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,524k (2015: £1,605k). There were outstanding pension contributions of £nil at 31 December 2016 (2015: £nil).

19 Contingent liabilities

As at 31 December 2016, performance guarantees outstanding to customers and suppliers amounted to £2,910k (2015: £2,910k).

As noted in prior year financial statements the company received notification from the Trinidad and Tobago tax authorities as to past indirect liabilities in the amount of £3.4m plus interest and penalties of a further £3.4m. Through the course of 2011 the company negotiated and paid what it believed to be the full and final settlement of all past liabilities in this regard. The notification also indicated associated interest and penalties, which substantially related to a period when the company was in discussion with the authorities on this matter and during which it was accepted that no interest and penalties would be levied. The status of this matter has not progressed significantly and the directors continue to believe there is no remaining liability. Accordingly no provision is made in the financial statements as at 31 December 2016.

In conjunction with this matter, in 2012 the Trinidad and Tobago tax authorities reopened the corporate tax assessments relating to 2008 and 2009. The company received a notice of assessment for £5.2m plus penalties and interest of £4.3m. The company is contesting this assessment and does not consider there is risk of significant additional liability as at 31 December 2016. In 2016, the company received notification of reopening of the income tax filings for 2011. The directors do not expect a material loss from this.

20 Related party transactions

Under Financial Reporting Standard 102, the company is exempt from disclosing related party transactions with fellow group undertakings, as 100% of the voting rights are controlled by the ultimate parent undertaking, Bibby Line Group Limited.

21 Ultimate parent company and controlling party

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

The immediate parent undertaking is Bibby Offshore Holdings Limited, a company registered in England and Wales. Bibby Offshore Holdings Limited is the parent undertaking of the 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 Limited, 105 Duke Street, Liverpool L1 5JQ (www.bibbylinegroup.co.uk).