Company Registration No. 04851172

BIBBY OFFSHORE LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2017

BIBBY OFFSHORE LIMITED

Annual report and financial statements 2017

Contents

BIBBY OFFSHORE LIMITED

Officers and professional advisers

Directors

Mark John Bessell
Nichola Etherson
David James Forsyth
Barry John Macleod
Graeme Wood
Neale John Stewart

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1 Park Row
Leeds
LS1 5AB

Legal advisers

Pinsent Masons LLP
Aberdeen
AB15 4YL

Bankers

Royal Bank of Scotland plc
Aberdeen
AB10 1YN

Standard Chartered Bank
London
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Independent auditor

Deloitte LLP
Statutory Auditor
Glasgow
G1 3BX

BIBBY OFFSHORE LIMITED

Strategic Report
Year ended 31 December 2017

The Directors present their Strategic Report for the year ended 31 December 2017.

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

2017 continued to present the Oil & Gas sector with significant challenges through which the company has experienced difficult trading conditions.

As a result of the proactive steps taken over the previous two years to manage the business and its cost base, Bibby Offshore entered 2017 with a more efficient and diversified business. The Board considered that the Group was well placed to take advantage of an expected improvement in market conditions which were heralded by an initial upturn in tendering activity. However, the early "green shoots" of improvement did not manifest into a market recovery and the Board is disappointed in the results for the year. The company's revenue reduced to £78.2m (2016: £154.9m) and gross loss widened to £(28.0)m from £(21.4)m.

Despite strong trading in early 2017, overall the company saw a very poor first half of the year with only some recovery in the core North Sea market during the second half of the year. Utilisation in 2017 was affected by poor performance in non-core markets and activities with the underlying utilisation of UKCS DSVs being 63%. The charter of the Olympic Ares completed in August 2017, providing further reduction in the fixed cost base, although the Group continued to have access to the vessel through a joint marketing arrangement.

Low levels of utilisation, continued pressure on margins and the short term nature of the tendering market all impacted the company's financial performance.

Whilst efforts continue to operate with an efficient and flexible cost base, the quality of service delivery we are able to provide our clients is unparalleled amongst our peers. Bibby Offshore received extremely positive client feedback in 2017 with an FPAL score of 8.0 out of 10 for the year.

In view of the ongoing market challenges described above, a primary objective of the Board throughout the year was to secure long term capital stability and access to appropriate levels of working capital to enable the Group to negotiate the economic conditions and to secure the long term success of the Group. As described more fully below, the Group achieved these objectives in the successful recapitalisation of its balance sheet in January 2018.

The Board is now confident that as the market improves, the Group will have the strength and flexibility to capitalise on new opportunities. Despite challenging market conditions, the Group has continued to secure new work, maintained service levels and has enjoyed the ongoing trust from its our customers. The Board looks forward to the future with confidence.

Strategic Report (continued)
Year ended 31 December 2017

Principal risks and uncertainties

Bibby Offshore's governance framework 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.

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.

The tables below set out how the key risks within our business are linked to our business strategy, how we have rated the risks and the Key Performance Indicators we use to monitor the risks. There are a number of other risks that are managed that are not considered to be key risks.

Principal risks and uncertainties	Mitigation	Performance Indicators
General economic conditions may impact on our clients' ability to raise capital and contract for services The ability of our clients to raise capital could result in project modifications, delays and/or cancellations. The inability to raise capital could adversely impact our ability to sustain our business and would likely increase our capital costs. Inability to raise sufficient capital and failure to make payments when due or take delivery of new assets could result in a default under our project contracts or expose us to penalties and damages under such contracts.	• We measure our backlog to ensure we have visibility of future revenues; • We monitor market activity through the use of market intelligence; • We continue to develop our service offering in the decommissioning and renewable markets; • We maintain a balance of fixed and variable costs to enable us to react to market changes; and • We employ Lean Six Sigma practices to reduce direct costs and enhance operating efficiencies.	• Order backlog
Reduced service delivery onshore and offshore The award of work is dependent on being able to offer new and existing customers the correct level of service delivery. Service delivery includes the quality of work delivered, the level of contractual risk retained and the price of services delivered. Failure to offer the correct service delivery may result in the group failing to secure budgeted utilisation. Failure to build the correct pricing and risk profile in our projects at tendering stage may result in operational losses.	• We take great care in building the correct risk profile at tendering stage; • We have high quality resource planning, scheduling and delivery through the implementation of robust process and procedure and defined roles and responsibilities; • Customer focused approach utilising stakeholder feedback and continuous improvement through monitoring, audit & review; • We utilise Project Delivery lessons learned data • We employ Lean Six Sigma practices to reduce direct costs and enhance operating efficiencies; and • We have rigorous supply chain management policies to reduce expenditure and enhance efficiencies.	• Tendering win rate • Percentage of repeat clients • Client Feedback (FPAL)
Unable to attract and retain sufficient skilled personnel to meet our operational requirements The inability to attract or retain highly skilled personnel for our manned diving and remote intervention operations could have a material adverse effect on our business, financial condition and results of operations.	• We use market intelligence to assist in resource & contingency planning; • We realise the talent of our people through dedicated learning and development programmes; and • We have developed offices across the UK to access new talent pools.	• Staff retention rates

BIBBY OFFSHORE LIMITED

Strategic Report (continued)
Year ended 31 December 2017

Principal risks and uncertainties	Mitigation	Performance Indicators
Vessel may have to be taken out of service for unexpected lengths of time or require extensive repairs or modifications The delay in the provisions of services to clients may have a material adverse effect on our business, results of operations, financial condition and prospects. Insufficient funds to cover costs of unpredictable and substantial dry-dock repairs. A delay in vessel maintenance could affect our contracted project schedule and have a material adverse effect on our business and results of operations.	• We adopt a robust asset management programme integrating asset integrity and assurance programmes, condition based monitoring and the adoption of a reliability centred maintenance approach; and • We use market intelligence to understand the availability of charter vessels.	• Offhire days
Financial risks The Group has in place short and long term finance arrangements to ensure liquidity for ongoing operations and future development. However the Group is operating in a challenging economic environment with limited visibility on order levels in the short term. The Group provides assets and services into international markets and it is therefore exposed to currency movements on such sales. The Group's credit risk is primarily attributable to its trade receivables and cash balances.	• The Group has robust internal procedures to monitor cash and to ensure liquidity constraints are identified and appropriate mitigation steps are taken; • Exchange rate exposure is managed as far as is possible through contractual terms or matching costs in the same currencies; • The Group enters forward contracts as considered appropriate; • The Group monitors the credit risk with customers. Receivables stated in the balance sheet are net of allowances for doubtful debts; • The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with recognised credit-ratings assigned by international credit-rating agencies; • Derivatives are not entered on a speculative basis; and • The Group prepares and updates trading and cash flow forecasts to monitor and manage projected liquidity and trading performance.	• Cashflow • Foreign exchange gains or losses • Bad debts • Debtor days

Future Developments and Post Period End

On 17 January 2018 Bibby Offshore Holdings Limited (parent company) announced the successful completion of the recapitalisation of its balance sheet. The agreement was reached with a majority 98.7% of noteholders of the £175 million 7.5% senior secured notes issued on the Luxembourg stock exchange in 2014. The noteholders, are 100% shareholders of newly incorporated Fara Holdco Limited and have acquired 100% of the share capital of Bibby Offshore Holdings Limited in exchange for the extinguishing of the senior secured notes. In addition, the noteholders have injected £50m of new equity into Fara Holdco Limited..

These transactions have resulted in the Group having a substantially debt-free balance sheet with a further £50 million of parent company support to enable it to reach its full potential by consolidating and expanding its position within the offshore inspection, repairs and maintenance and construction markets.

Approved by the Board on and signed on its behalf by:

Neale Stewart

Neale John Stewart
Director

Date: 21 September 2018

BIBBY OFFSHORE LIMITED

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2017.

The following sections have been included in the Strategic Report on pages 2 to 4 - principal activities, business review, principal risks and uncertainties and post end period.

Corporate governance

The Group strives to maintain the highest standards in corporate governance and bases its actions on the principles of openness, integrity and accountability.

Financial risk management objectives and policies

The Group'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 Group's operations and also financial risk management are discussed in the Strategic Report.

Environment

The Group 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 group's impact on the environment include recycling, reducing energy consumption and a carbon neutral company car policy.

Employees

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

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

Employee consultation

The Group 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 current or prior year.

BIBBY OFFSHORE LIMITED

Directors' report

Directors

The directors, who served throughout the year except as noted, were as follows:

Mark John Bessell (appointed 11 June 2018)
Howard Dennis Woodcock (resigned 12 June 2018)
Neale John Stewart
Fraser John Moonie (resigned 20 March 2017)
David James Forsyth
Barry John Macleod
Nicola Etherson
Graeme Wood
Andrew Duncan (resigned 14 February 2018)
Alan Owen Edwards (resigned 13 April 2017)

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 and political donations

No charitable donations were made during the current or prior year.

Going concern

The company's operating activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2. In addition, the Strategic Report sets out the principal risks and uncertainties which exist within the business and how these risks and uncertainties are managed.

As described more fully in the Business Review, the company and group has reported operating losses in the year as a result of continuing challenges in the market. In January 2018 the Group has successfully negotiated the recapitalisation of the Group balance sheet through negotiations with holders of the £175m senior secured notes. A proforma balance sheet reflecting this transaction as at 31 December 2017 is included in Bibby Offshore Holdings Limited Annual Report and Financial Statements, showing net reserves of £48m on a profoma basis. Furthermore, the shareholders of Fara Holdco have injected equity of an £50m into the ultimate parent company Fara Holdco Limited which has been made available to the Group to provide additional working capital facilities.

Furthermore, in July the shareholders agreed a new loan of £15m to increase the liquidity of the group and provided a signed letter of support confirming their willingness to support the Group for the foreseeable future.

The Group has considered the current performance in the year which is in line with budget and has carefully considered the level of cash reserves required to enable it to continue to operate for the foreseeable future. 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 available cash reserves and facilities available.

The directors have formed the judgment that at the time of approving the financial statements, that the Group and company have 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.

Existence of branches outside the UK

The company has branches, as defined in S1046(3) of the Companies Act 2006, outside the UK as follows:

Trinidad
Netherlands
Ireland

Directors' report

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 and signed on its behalf by:

Neale Stewart

Neale John Stewart

Director

Date: 21 September 2018

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bibby Offshore Limited (the 'company'):

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

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of BIBBY OFFSHORE LIMITED (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 strategic report or the directors' report.

Independent auditor's report to the members of BIBBY OFFSHORE LIMITED (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

David Mitchell CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom

Date: 25/9/18

BIBBY OFFSHORE LIMITED

Statement of total comprehensive income
For the year ended 31 December 2017

	Note	2017 £000	2016 £000
Turnover: continuing operations	3	78,239	154,900
Cost of sales		(106,241)	(176,256)
Gross loss		(28,002)	(21,356)
Administrative expenses		(13,178)	(14,076)
Operating loss: continuing operations		(41,180)	(35,432)
Finance costs (net)	4	(2,228)	(460)
Loss on sale of tangible fixed assets	5	(898)	-
Loss on ordinary activities before taxation	5	(44,306)	(35,892)
Tax on loss on ordinary activities	8	(1,374)	4,274
Loss for the financial year		(45,680)	(31,618)
Currency translation difference on foreign currency operations		1,257	(1,160)
Total comprehensive loss for the year		(44,423)	(32,778)

BIBBY OFFSHORE LIMITED

Balance sheet
As at 31 December 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	9	-	48
Tangible assets	10	14,838	19,111
		14,838	19,159
Current assets			
Stocks	11	945	1,303
Debtors	12	8,971	36,122
Cash and cash equivalents		1,751	7,113
		11,667	44,538
Creditors: amounts falling due within one year	13	(58,230)	(48,896)
Net current liabilities		(46,563)	(4,358)
Total assets less current liabilities		(31,725)	14,801
Creditors: amounts falling due after more than one year	14	(1,165)	-
Provisions for liabilities	16	(969)	(4,237)
Net (liabilities)/assets		(33,859)	10,564
Capital and reserves			
Called up share capital	17	17,000	17,000
Profit and loss reserve		(50,859)	(6,436)
Shareholders' (deficit)/funds		(33,859)	10,564

The financial statements of Bibby Offshore Limited, registered number 04851172 were approved and authorised by the Board on

Signed on behalf of the Board of Directors

Neale Stewart

Neale John Stewart

Director

Date: 21 September 2018

Statement of changes in equity
For the year ended 31 December 2017

	Called-up share capital £000	Profit and loss account £000	Total £000
At 1 January 2016	17,000	26,342	43,342
Loss for the year	-	(31,618)	(31,618)
Currency translation difference on foreign operations	-	(1,160)	(1,160)
Total comprehensive loss	-	(32,778)	(32,778)
At 31 December 2016	17,000	(6,436)	10,564
Loss for the year	-	(45,680)	(45,680)
Currency translation difference on foreign operations	-	1,257	1,257
Total comprehensive loss	-	(44,423)	(44,423)
At 31 December 2017	17,000	(50,859)	(33,859)

Notes to the financial statements
Year ended 31 December 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

(a) 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 2006 and is registered in England and Wales. 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 4.

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 7).

These financial statements are separate financial statements. The company is exempt from preparation of consolidated financial statements as it is a 100% subsidiary of Bibby Offshore Holdings Limited . Details of the parent in whose consolidated financial statements the company is included are shown in note 22 to the financial statements.

(b) Going concern

The company's operating activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2. In addition, the Strategic Report sets out the principal risks and uncertainties which exist within the business and how these risks and uncertainties are managed.

As described more fully in the Business Review, the company and group has reported operating losses in the year as a result of continuing challenges in the market. In January 2018 the Group has successfully negotiated the recapitalisation of the Group balance sheet through negotiations with holders of the £175m senior secured notes. A proforma balance sheet reflecting this transaction as at 31 December 2017 is included in Bibby Offshore Holdings Limited Annual Report and Financial Statements, showing net reserves of £48m on a profoma basis. Furthermore, the shareholders of Fara Holdco have injected equity of an £50m into the ultimate parent company Fara Holdco Limited which has been made available to the Group to provide additional working capital facilities.

Furthermore, in July the shareholders agreed a new loan of £15m to increase the liquidity of the group and provided a signed letter of support confirming their willingness to support the Group for the foreseeable future.

The Group has considered the current performance in the year which is in line with budget and has carefully considered the level of cash reserves required to enable it to continue to operate for the foreseeable future. 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 available cash reserves and facilities available.

The directors have formed the judgment that at the time of approving the financial statements, that the Group and company have 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.

1. Accounting policies (continued)

(c) 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:

Vessel fleet	From date of purchase to the age of the vessel of 25 years
Other:	
Plant and equipment	1 to 5 years
Leasehold improvements	Over the lease term

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life

(d) Dry dock 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

(e) Fixed Asset Investments

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

(f) Stock

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

(g) 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. Where a reversal of impairment occurs in respect of a cash-generating unit (CGU), the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis.

1. Accounting policies (continued)

(g) Impairment of assets (continued)

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.

(h) 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 company is able to control the reversal of the timing differences and it is probable that it will not reverse in the foreseeable future.

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 either the same taxable entity or different taxable entities which intend 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.

(i) 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.

1. Accounting policies (continued)

(j) 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.

(k) Finance lease agreements and operating leases

Assets held under finance lease agreements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future repayments are recorded as liabilities, while the interest element is charged to the profit and loss account over the period of the contract to produce a constant rate of charge on the balance of capital repayments outstanding.

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.

(l) Borrowings and finance costs

Borrowings are recorded at the proceeds received, net of direct issue costs. Finance costs, including direct issue costs, are recognised in the profit and loss account over the term of the related instruments.

(m) 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 two distinct geographical regions. A segmental analysis can be found in note 3 below.

(n) 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. Contract costs are recognised as expenses in the period in which they are incurred.

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

Notes to the financial statements (continued)
Year ended 31 December 2017

1. Accounting policies (continued)

(o) 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 statement of financial position 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.

(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).

1. **Accounting policies (continued)**

(o) Financial instruments (continued)

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.

Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

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 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.

(a) 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 2017 there were no long term contracts (2016: two) in the course of completion which required the determination of the stage of completion and expected profitability of the contracts 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 uncertainty

Provisions for tax liabilities

The financial statements include estimates in relation to tax uncertainties. In particular, the specific matters discussed at note 20 are identified as well as general 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.

Provisions for litigation

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.

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 £nil (2016: £2,545).

Depreciation rates

In applying the accounting policy outlined in note 1, the company 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.

Notes to the financial statements (continued)
Year ended 31 December 2017

3. Turnover

An analysis of the company's turnover by geographical market is set out below.

	2017 £000	20106 £000
Turnover		
Northern Europe	73,148	135,285
Rest of the world	5,091	19,615
	78,239	154,900

All turnover arises solely from project revenues.

4. Finance costs (net)

	2017 £000	20106 £000
Interest payable and similar charges	(2,231)	(486)
Interest receivable and similar income	3	26
	(2,228)	(460)

	2017 £000	2016 £000
Interest payable and similar charges		
Interest payable to group undertakings	(2,109)	(486)
Finance lease agreements interest	(122)	-
	(2,231)	(486)
Bank interest receivable and similar income	3	26
	(2,228)	(460)

Notes to the financial statements (continued)
Year ended 31 December 2017

5. Loss on ordinary activities before taxation

	2017 £000	2016 £000
Loss before taxation is stated after charging/(crediting):		
Depreciation of owned assets	3,099	2,902
Foreign exchange loss/(gain)	42	(237)
Loss on sale of tangible fixed assets	898	-
Operating lease expense - other	22,440	49,773
Operating lease expense - property	1,395	1,317

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

	2017 £000	2016 £000
Fees payable to the company's auditor and associates for the audit of the company's annual accounts	50	46

During the year and prior year the auditor did not provide non-audit services.

6. Staff numbers and costs

	2017 No	2016 No
The average monthly number of employees (including executive directors) during the year was:		
Management	49	56
Operations	143	158
Administration	61	64
	253	278

Their aggregate remuneration comprised:

	2017 £000	2016 £000
Wages and salaries	14,584	20,974
Social security costs	1,642	1,812
Other pension costs	988	1,591
	17,214	24,377

Notes to the financial statements (continued)
Year ended 31 December 2017

7. Emoluments of directors

	2017 £000	2016 £000
Aggregate emoluments	1,272	873
Loss of office	250	-
Total	1,522	873

Three (2016: nine) executive directors are members of money purchase pension schemes and company contributions in the year were £28k (2016: £66k).

Highest paid director	2017 £000	2016 £000
Total amount of emoluments (including loss of office)	590	258

Contributions of £Nil (2016: £23k) have been made to the money purchase scheme on behalf of the highest paid director.

8. Taxation

	2017 £000	2016 £000
Current tax on loss on ordinary activities		
Corporation tax receivable – UK	-	(2,035)
Corporation tax payable – overseas	-	21
Corporation tax adjustment in respect of prior years	1,333	-
Payments for group relief	(649)	-
Adjustments in respect of prior period - overseas	-	(269)
Total current tax	684	(2,283)
Deferred tax		
Origination and reversal of timing differences	(704)	(1,994)
Effect of change in tax rate on opening liability	(20)	3
Adjustment in respect of prior years	1,414	-
Total deferred tax (note 16)	690	(1,991)
Total tax on loss on ordinary activities	1,374	(4,274)

Notes to the financial statements (continued)
Year ended 31 December 2017

8. Taxation (continued)

Factors affecting the tax charge/(credit) for the year:
The tax charge is higher than the anticipated charge (2016: 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 before tax is as follows:

	2017 £000	2016 £000
Loss on ordinary activities before taxation	(44,306)	(35,892)
Tax on loss on ordinary activities before taxation at standard UK corporation tax rate of 19.25% (20106: 20.00%)	(8,529)	(7,178)
Effects of:		
Expenses not deductable for tax purposes	28	80
Costs incurred under the tonnage tax regime not deductable for tax purposes	-	2,602
Income taxable under tonnage tax regime	3,309	(2,218)
(Lower)/higher tax rates on overseas earnings	-	21
Effect of change in tax rate on opening timing differences	(20)	3
Prior year adjustments	1,328	(1,553)
Prior period adjustments in relation to deferred tax	1,414	-
Losses transferred to parent at no charge	1,916	-
Movement in deferred tax not recognised	(107)	-
Carry forward of current year losses to future years	2,220	74
Losses carried back to prior years	-	1,070
Unrelievable foreign tax losses	(185)	2,825
Total tax charge/(credit) for year	1,374	(4,274)

On 6 September 2016, the Finance Act 2016 was substantively enacted and provided for the main rate of UK corporation tax to reduce to 19% from 1 April 2017 and to 17% from 1 April 2020. 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 2017 has been recognised at the balance sheet date, which was between 17% and 20% depending on the expected timing of the reversal. During the year beginning 1 January 2018, the net reversal of deferred tax liabilities is expected to decrease the corporation tax charge for the year by £119k (2016: £169k). This is due to the net book value of qualifying assets being in excess of their tax written down value.

9. Fixed asset investments

	2017 £000	2016 £000
Subsidiary companies		
At 1 January 2017 and 31 December 2017	-	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 2017	2016
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

The profit for the financial period of Bibby Freighters Limited was £64k and the aggregate amount of capital and reserves at the end of the period was £23k. The company's registered address is 1 Park Row, Leeds, LS1 5AB

The loss for the financial period of Bibby Offshore Singapore Pte Limited was £(6,055)k and the aggregate amount of capital and reserves at the end of the period was £(30,133)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 £2,973k and the aggregate amount of capital and reserves at the end of the period was £9,061k. The company's registered address is 1 Park Row, Leeds, LS1 5AB

The profit for the financial period of Rumford Tankers Limited was £690k and the aggregate amount of capital and reserves at the end of the period was £2,043k. The company's registered address is 1 Park Row, Leeds, LS1 5AB

The loss for the financial period of Bibby North Star Limited was £(2,539)k and the aggregate amount of capital and reserves at the end of the period was £1,198k. The company's registered address is 1 Park Row, Leeds, LS1 5AB

Notes to the financial statements (continued)
Year ended 31 December 2017

10. Tangible fixed assets

	Vessel Fleet £000	Other £000	Total £000
Cost			
At 1 January 2017	34,010	7,554	41,564
Additions	56	385	441
Disposals	(1,872)	-	(1,872)
At 31 December 2017	32,194	7,939	40,133
Depreciation			
At 1 January 2017	18,554	3,899	22,453
Charge for the year	1,852	1,247	3,099
Disposal	(257)	-	(257)
At 31 December 2017	20,149	5,146	25,295
Net book amount			
At 31 December 2017	12,045	2,793	14,838
At 31 December 2016	15,456	3,655	19,111

Vessel fleet includes assets with a total net book value of £11,649k (2016: £15,456k) which are provided as collateral under a related group company's borrowing arrangements. Other tangible assets include assets with a total net book value of £1,149k (2016: £nil) which are pledged as security against related finance lease agreements.

11. Stocks

	2017 £000	20106 £000
Spares and consumables	945	1,303

There is no material difference between the balance sheet value of stocks and their replacement cost as at 31 December 2017.

Notes to the financial statements (continued)
Year ended 31 December 2017

12. Debtors: amounts falling due within one year

	2017 £000	2016 £000
Trade debtors	3,943	14,766
Corporation tax receivable	-	1,333
VAT recoverable	1,766	2,948
Other debtors	1,836	7,293
Prepayments and accrued income	1,426	9,782
	8,971	36,122

13. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Finance lease agreements (note 15)	729	-
Trade creditors	1,251	5,898
Amounts owed to other group companies	45,332	27,586
Corporation tax payable	313	313
Other creditors	-	779
Accruals and deferred income	10,605	14,320
	58,230	48,896

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

14. Creditors: amounts falling due after more than one year

	2017 £000	2016 £000
Finance lease agreements (note 15)	1,165	-
	1,165	-

15. Borrowings

Finance lease agreements

	2017 £000	2016 £000
In less than one year	729	-
Between one and two years	805	-
Between two and five years	360	-
	1,894	-

A breakdown of the total future minimum finance lease payments is disclosed in note 18.

16. Provisions for liabilities

	Deferred taxation £000	Other £000	Total £000
At 1 January 2017	1,000	3,237	4,237
Release to the profit and loss account	(723)	(2,545)	(3,268)
At 31 December 2017	277	692	969

Deferred taxation	2017 £000	2016 £000
Deferred tax is provided as follows:		
Deferred tax provision:		
Accelerated capital allowances	277	1,000
Deferred tax asset		
Accelerated depreciation	704	-
Losses available for offset against future profits	-	1,414
	704	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.

Other

Other provisions include the Trinidad and Tobago tax enquiry details of which can be found in note 2 and 20.

Notes to the financial statements (continued)
Year ended 31 December 2017

17. Called up share capital

	As at 31 December 2017 & 2016 £000
Company	
Authorised, allotted and fully paid	
17,000,000 Ordinary shares of £1 each	17,000

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

18. Financial commitments

The company have no capital commitments at 31 December 2017 (2016: £nil).

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

	2017		2016	
	Property £000	Other £000	Property £000	Other £000
- within one year	1,476	10,877	1,267	22,176
- between one and five years	6,219	10,895	6,154	21,568
- after five years	10,328	-	11,870	-
	18,023	21,772	19,291	43,744

Total future minimum lease payments under non-cancellable finance lease agreements are as follows:

	2017 Other £000	2016 Other £000
In less than one year	884	-
Between one and five	1,253	-
	2,137	-

19. Employee benefits - Defined contribution schemes

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 £991k (2016: £1,524k). There were outstanding pension contributions of £66k at 31 December 2017 (2016: £nil).

Notes to the financial statements (continued)
Year ended 31 December 2017

20. Contingent liabilities

As at 31 December 2017, performance guarantees outstanding to customers and suppliers amounted to £302k (2016: £2,926k).

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. Their enquiry has now been extended to 2010 and 2011. The company is contesting this assessment and does not consider there is risk of significant additional liability as at 31 December 2016.

21. 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, Fara Holdco Limited.

The company considers the directors to be key management personnel and their remuneration is disclosed in note 7.

22. Ultimate parent company and controlling party

The company is a wholly owned subsidiary undertaking of Fara Holdco Limited, the ultimate parent company, a company registered in Jersey. Bibby Offshore Holdings Limited is the parent undertaking of the largest and smallest group which consolidates these financial statements and of which the company is a member. A copy of these accounts are available at 1 Park Row, Leeds, LS1 5AB.