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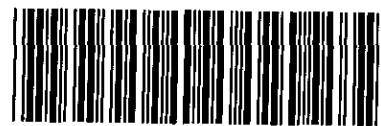
Registration number: 00989531

Bibby Holdings Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2019

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Bibby Holdings Limited

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Bibby Holdings Limited

Company Information

Directors

Andrew Goody

Jonathan Lewis

Company secretary

Bibby Bros. & Co. (Management) Limited

Registered office

3rd Floor Walker House
Exchange Flags
Liverpool
United Kingdom
L2 3YL

Auditor

Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow
United Kingdom
G1 3BX

Bibby Holdings Limited

Strategic Report for the Year Ended 31 December 2019

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

Principal activity

The principal activity of the company is to act as a holding company for the group's two business units: Marine and Garic.

The Marine business unit is structured around three divisions relating to the ownership and operation of floating accommodation vessels ('Accommodation Services'), the provision of hydrographic survey services ('HydroMap') and the ownership of walk to work vessels ('Walk to Work'). The HydroMap business entered into Administration on 3 April 2020.

Bibby Marine Limited is incorporated and headquartered in the United Kingdom and undertakes its operations through a number of trading subsidiaries. The Accommodation Services division owns 5 vessels that operate in international markets. The HydroMap division owned 5 vessels, and operated predominantly in the United Kingdom providing services to clients in the renewables, oil and gas, telecommunications and ports and harbours sectors. The Walk to Work business owns 2 vessels, with the second vessel, Bibby Wavemaster Horizon, entering service late 2019, servicing the renewables and oil and gas markets, predominantly in Europe.

Garic is a specialist company involved in the design, fabrication and purchase of plant and machinery for sale or hire by the company.

Review of the business – Marine

Key financial and other performance indicators for the Marine business were as follows:

Accommodation services

	2019	2018
	£	£
Turnover	4,880,186	6,084,446
Operating loss	(3,351,680)	(3,380,847)

The accommodation services business continues to be affected by macro factors in the energy and raw material sectors, with 91.8% utilisation of the three barges based in Europe (FY18: 53%) but no long term charters of the two Asian based barges. Reduction in trading activity has been mitigated by prudent management of the cost base.

The global pandemic has had a mixed impact on the business during 2020. In part, contracts for charters have been deferred pending better visibility on end-market demand, but the business has also been successful in deploying two vessels to act as additional accommodation in Singapore to house foreign workers as part of 'circuit-breaker' mitigations. At the end of 2020, four of the five vessels were on charter.

Management remain cautious with expectations regarding general market conditions, but the business is positioned to react flexibly and quickly to any new opportunities and market improvement.

Our safety record continued to be excellent and our focus on a strong safety culture will remain.

HydroMap

	2019	2018
	£	£
Turnover	12,465,191	21,034,566
Operating (loss) / profit	(10,017,797)	2,184,587

The HydroMap business faced extremely challenging conditions in their traditional market during 2019, resulting in a lower level of turnover compared to the prior year. A combination of unprecedented weather

Bibby Holdings Limited

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

Review of the business – Marine (continued)

conditions in the 4th quarter, mechanical failure and a large onerous contract created a substantial pre-impairment loss before tax of £6.8m, of which £0.7m constituted an onerous contract provision. The shift in hydrographic survey work further offshore, where the vessels are not so suited, and the arrival of Covid-19 led the directors of Bibby Hydromap Ltd to take the decision to place the company into Administration on 3 April 2020. This represented an adjusting subsequent event and resulted in a write down of HydroMap assets, impacting HydroMap's 2019 loss before tax by a further £4.2m.

Walk to work

	2019 £	2018 £
Turnover	9,827,471	9,051,174
Operating profit	751,538	1,833,353

The vessel, Bibby WaveMaster 1, continued to achieve high utilisation rates throughout the year (87%; 2018: 98%), expanding the client base as well as maintaining existing contractual relationships. Our increasing market presence and reputation gives the directors confidence of maintaining high utilisation levels in line with or ahead of the investment business case. Building on this success, our second vessel, Bibby WaveMaster Horizon entered service in 2019 and is on a 10 year charter in the offshore wind sector for the Hohe See and Albatross offshore windfarms in the North Sea. In November 2019, the vessel was refinanced through a sale and leaseback arrangement.

The coronavirus pandemic has resulted in additional measures being introduced to ensure the vessels can operate in a covid-safe environment, and to date, operations have not been significantly interrupted. We are continuing to ensure that the potential impact of the coronavirus is mitigated as much as possible through the safe operation of vessel and crew.

The write down of HydroMap's assets as a result of the administration also impacted Marine's consolidated loss before tax by £4.2m. Marine's consolidated pre-exceptional operating loss for the year was £8.4m (2018: £0.6m profit) and consolidated loss before tax was £15.1m (2018: £0.7m loss).

Review of the business – Garic

Key financial and other performance indicators for the Garic business were as follows:

- Turnover growth: 24.3% (2018: 18.2%)
- EBITDA: £6.4m (2018: £5.0m)
- EBITDA margin: 18.9% (2018: 18.2%)
- Operating profit: £1.7m (2018: £0.8m)
- Hire fleet net book value: £26.5m (2018: £25.3m)
- Ratio of net external debt to EBITDA: 3.2 (2018: 3.9)
- Shareholders' funds: £6.3m (2018: £5.6m)

Turnover in the year was 24% ahead of the previous year at £34m (2018: £27.3m). This growth was achieved by increased penetration of the company's core road, rail and infrastructure contractor markets, a record level of new product sales and strong revenues from servicing hire assets at customer sites. Growth was supported by investment of nearly £6m in new hire assets and further expansion of the depot network with the opening of a site at Falkirk in April. Asset investment in the year was focused on the company's core welfare fleet and eco range of products.

Bibby Holdings Limited

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

Review of the business – Garlic (continued)

Earnings before interest, tax and depreciation (EBITDA) was 28% above the previous year at £6.4m (2018: £5.0m) reflecting the growth in revenue and ongoing cost efficiency actions. Operating profit of £1.7m was £0.9m ahead of the previous year.

Strong cash and working capital management enabled a reduction in the ratio of net external debt to EBITDA to 3.2 (2018: 3.9).

Further details on the performance of the business units is given in their respective accounts.

Principal risks and uncertainties

The financial performance of the group is largely dependent upon each trading subsidiary performing in line with expectations. Each business has its own board of directors with executive teams responsible for the day to day management of that business. Each subsidiary within the group has established its own risk management framework encompassing both financial and non-financial controls. The individual business boards are responsible for managing those risks.

Further details concerning financial instruments and the principal risks and uncertainties of each business are disclosed within their own Financial Statements.

Brexit

Marine:

The Marine Group has not experienced any significant impact from the Brexit transition period ending in December 2020. The Marine Group continues to monitor the impact that Brexit will have on the business in the longer term, but the international nature of the trade means that it has so far been relatively unaffected by changes in working arrangements. The Marine Group continues to work with the relevant authorities to ensure that the impact is minimised and mitigation actions are implemented where possible.

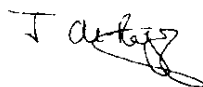
Garlic:

Partly as a result of the UK's departure from the European Union there has been some disruption in supply lines. However, the Directors expect the company's core UK infrastructure market to remain reasonably stable.

Section 172 (1) statement

The directors have the duty to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on employees, communities, suppliers, customers, investors and the environment. As the Company is an indirect subsidiary of Bibby Line Group Limited all stakeholder considerations are managed at a group level. Further details of policies in relation to the section 172 (1) duties can be found in the Annual report and financial statements of Bibby Line Group Limited which may be obtained from the Company Secretary at the registered office detailed on page 1.

Approved by the Board on 1 April 2021 and signed on its behalf by:



.....
Janine Al-Kazaz
Bibby Bros. & Co. (Management) Limited
Company secretary

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

Bibby Holdings Limited

Directors' Report for the Year Ended 31 December 2019

The Directors present their annual report and the consolidated audited financial statements for the year ended 31 December 2019.

Directors of the Group

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

Ian Crook (resigned 31 January 2020)
Andrew Goody
Mark Lyons (resigned 1 September 2019)
Jonathan Lewis (appointed 1 September 2019)

Dividends

No dividend was proposed during the year (2018 - same).

Branches outside the United Kingdom

The Maritime business has branches registered in Australia, Sweden and Norway. The Walk to Work business has a branch registered in The Netherlands and is in the process of setting up a German branch.

Going concern

In carrying out their duties in respect of going concern, the Directors have carried out a review of the Group's financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. The forecast was based on a detailed review of revenue, expenditure and cash flows, taking into account specific business risks and uncertainties about the economic environment and events in the wider construction sector, including the potential future impact on the company of ongoing disruption as a result of the Covid-19 virus.

Garic:

Following the lockdown announced by the UK government on 23 March 2020, in response to the Covid-19 virus, the Company's daily hire revenue fell by 14% over a two-week period. However, since then daily hire revenue has seen a steady improvement as construction sites re-opened. Covid-19 social distancing requirements have also led to an increase in asset hire. In response to the actual and potential impact on the company of disruption as a result of the Covid-19 virus the company took a number of actions to improve liquidity, including putting in place a £1.5m unsecured overdraft with HSBC. These actions, together with the Directors' best estimate of the likely impact of future Covid-19 related disruption, have been taken into account in the Directors' review of the company's financial position and cash flow forecast.

The company has an ABL facility with HSBC UK Bank that was, at the year end, due to expire on 31 October 2021. This has been renegotiated post year end, now expiring on 25 February 2024. The ABL facility comprises:

- a rolling inventory facility secured on qualifying fixed assets; availability is based on the net book value of the assets (and on net orderly liquidated value of the assets from December 2020), now capped at £25m following renegotiation (2019: £30m); £19.5m was drawn on this facility at 31 December 2019 (2018: £17.25m);
- a rolling invoice discounting facility secured on the company's debtor balances, now capped at £7m following renegotiation (2019: £10m); £2.3m was drawn on this facility at 31 December 2019 (2018: £3.7m).

At 31 December 2019 the company owed £6.6m (2018: £6.6m) to Bibby Line Group Limited, all of which was due in more than one year.

Bibby Holdings Limited

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

Marine:

As described more fully in the Strategic Report, market conditions for accommodation services remained challenging in 2019 and whilst 2020 trading was affected by the coronavirus pandemic, trading has improved, particularly towards the end of 2020. In October 2020 the accommodation services division secured a 1 year £1.5m bank overdraft facility to accommodate working capital cashflows related to mobilising charters.

In late 2019 our second walk to work vessel, Wavemaster Horizon, commenced a 10-year charter. The vessel has been financed under a structure which delivers consistent cashflows throughout the contract period and provides the Group with a framework to grow our fleet in the future. Bibby Wavemaster 1 continues to operate in the short-term charter market.

Maintaining sustainable cash reserves in the longer term also relies on securing and delivering additional further work, in line with forecast levels of activity. Enquiry and tendering levels and current win rates indicate there is every expectation of winning the required work. The growing renewables sector offers more longer-term contract opportunities, although contracting in the current market remains more short-term in nature for Bibby Wavemaster 1 and as a consequence business forecasts for this vessel rely more heavily on assumptions related to contract awards than they do in relation to contracted work. The Group has continued focus on the cost-base to ensure the business model is sustainable in the current conditions.

In February 2021 Wavemaster Horizon secured a Junior Loan note facility secured against the Wavemaster Horizon vessel, realising £6.6m net proceeds to re-pay other existing debt obligations. In March 2021, the Marine Group also restructured the Bibby WaveMaster 1 loan facilities, extending the repayment profile to better match the cashflows generated by the vessel, and recognising the life of the underlying asset.

Forecasts of future cash generation from both businesses have been prepared as part of the annual operating plan process, and these have been updated to take account of subsequent changes in the commercial environment. The forecasts assume that facilities currently provided will be maintained, and additional support has been confirmed by Bibby Line Group to support the Walk to Work business over the forecast period.

On the basis of the above approach, the directors have formed the judgement at the time of approving the financial statements, that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies statement in Notes to the Financial Statements.

Bibby Holdings:

The company, Bibby Holdings Limited, is financed by dividends from the trading businesses and accumulated current assets.

In order to manage liquidity risk the Group's two principal business units prepare daily, weekly and monthly cash flow forecasts, with the monthly forecasts looking forward for a rolling 15 month period. The key sensitivities are the level of cash expected to be generated from future trading, the timing of future capital expenditure, and the debt repayment profile. Capital expenditure commitments are at the discretion of the Directors.

Having made enquiries and considering the uncertainties referred to above, including the support required from the ultimate parent company, the directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the statutory financial statements.

Directors' liabilities

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

Bibby Holdings Limited

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

Disclosure of information to the auditor

Each of the directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director 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.

Adjusting events after the financial period

Marine:

Following a difficult year for the HydroMap business, given a continued lack of charters, an inability to raise alternative funds, and after the BLG Board determined it could no longer continue to fund losses in the business given a continued lack of profitable charters, Bibby HydroMap Limited was placed into Administration on 3 April 2020. Bibby Marine Limited has impaired its loan of £6.8m with this company to £Nil as a result.

As stated in the Business Review, the administration led to an impairment of Bibby Hydromap's assets with a resulting £4.8m impact on profit before tax.

Important non adjusting events after the financial period

On 11 March 2020, the World Health Organisation declared the Coronavirus (Covid-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the year ended 31 December 2019, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities at the year end. Due to the uncertainty of the outcome of the current events, the Group cannot reasonably estimate the impact these events will have on the Group's financial position, results of operations or cash flows in the future. Notwithstanding this, the diversity of the Group's portfolio and exposure to Covid-19 resistant sectors (such as infrastructure) has provided a level of financial protection.

This, coupled with support from HSBC (the lender to both businesses), should allow us to respond well to the challenges and opportunities that may arise.

The Directors will continue to monitor the impact of the Covid-19 pandemic on the activities of the Group.

Approved by the Board on 1 April 2021 and signed on its behalf by:



Janine Al-Kazaz
Bibby Bros. & Co. (Management) Limited
Company secretary

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

Bibby Holdings 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 Group and Parent company and of the profit or loss of the group and parent company for that period. In preparing these financial statements, the Directors are required to:

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

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

Bibby Holdings Limited

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity; and
- the related notes 1 to 23.

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

Basis for opinion

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

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's ('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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Bibby Holdings Limited

Independent Auditor's Report to the members of Bibby Holdings 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Bibby Holdings Limited

Independent Auditor's Report to the members of Bibby Holdings Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

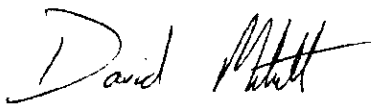
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



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

Date: 1 April 2021.....

Bibby Holdings Limited

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

	<i>Note</i>	2019 £000	2018 £000
Turnover	3	61,168	63,515
Cost of sales		<u>(55,261)</u>	<u>(50,708)</u>
Gross profit		5,907	12,807
Administrative expenses		(12,560)	(12,693)
Impairment of tangible fixed assets	4	<u>(4,188)</u>	-
Operating (loss) / profit	4	(10,841)	114
Interest payable and similar charges	5	<u>(3,755)</u>	<u>(2,321)</u>
Loss before tax		(14,596)	(2,207)
Taxation	8	<u>201</u>	<u>22</u>
Loss for the financial year		<u>(14,395)</u>	<u>(2,185)</u>
Loss attributable to:			
Owners of the company		<u>(14,395)</u>	<u>(2,185)</u>
		<u>(14,395)</u>	<u>(2,185)</u>

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

	2019 £000	2018 £000
Loss for the year	(14,395)	(2,185)
Foreign currency translation losses	<u>(1,060)</u>	<u>(297)</u>
Total comprehensive expense for the year	<u>(15,455)</u>	<u>(2,482)</u>
Total comprehensive expense attributable to:		
Owners of the company	<u>(15,455)</u>	<u>(2,482)</u>
	<u>(15,455)</u>	<u>(2,482)</u>

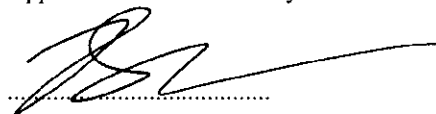
Bibby Holdings Limited

(Registration number: 00989531)

Consolidated Balance Sheet as at 31 December 2019

	<i>Note</i>	2019 £000	2018 £000
Fixed assets			
Tangible assets	9	109,505	98,728
Current assets			
Stocks	11	1,848	1,333
Debtors	12	43,200	36,785
Cash at bank and in hand		2,715	5,370
		47,763	43,488
Creditors: Amounts falling due within one year	13	(21,495)	(21,582)
Net current assets		26,268	21,906
Total assets less current liabilities		135,773	120,634
Creditors: Amounts falling due after more than one year	13	(103,722)	(73,106)
Provisions for liabilities	15	(33)	(55)
Net assets		32,018	47,473
Capital and reserves			
Called up share capital	16	5,000	5,000
Retained earnings		27,018	42,473
Equity attributable to owners of the company		32,018	47,473
Non-controlling interests		-	-
Total equity		32,018	47,473

Approved and authorised by the Board on 1 April 2021 and signed on its behalf by:



Jonathan Lewis

Director

Bibby Holdings Limited

(Registration number: 00989531)

Company Balance Sheet as at 31 December 2019

	<i>Note</i>	2019 £000	2018 £000
Fixed assets			
Investments	10	2,500	2,500
Current assets			
Debtors	12	38,133	35,126
Cash at bank and in hand		5	3,036
		<u>38,138</u>	<u>38,162</u>
Creditors: Amounts falling due within one year	13	(82)	(79)
Net current assets		<u>38,056</u>	<u>38,083</u>
Total assets less current liabilities		40,556	40,583
Provisions for liabilities	15	(22)	(41)
Net assets		<u>40,534</u>	<u>40,542</u>
Capital and reserves			
Called up share capital	16	5,000	5,000
Retained earnings		<u>35,534</u>	<u>35,542</u>
Total equity		<u>40,534</u>	<u>40,542</u>

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. The loss for the financial year was £8,000 (2018: profit of £85,000).

Approved and authorised by the Board on 1 April 2021 and signed on its behalf by:



Jonathan Lewis

Director

Bibby Holdings Limited

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

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2019	5,000	42,473	47,473
Loss for the year	-	(14,395)	(14,395)
Other comprehensive expense	-	(1,060)	(1,060)
Total comprehensive expense	-	(15,455)	(15,455)
At 31 December 2019	5,000	27,018	32,018

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2018	5,000	44,955	49,955
Loss for the year	-	(2,185)	(2,185)
Other comprehensive expense	-	(297)	(297)
Total comprehensive expense	-	(2,482)	(2,482)
At 31 December 2018	5,000	42,473	47,473

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

	Share capital £000	Retained earnings £000	Total £000
At 1 January 2019	5,000	35,542	40,542
Loss for the year and Total Comprehensive Expense	-	(8)	(8)
At 31 December 2019	5,000	35,534	40,534

	Share capital £000	Retained earnings £000	Total £000
At 1 January 2018	5,000	35,457	40,457
Profit for the year and Total Comprehensive Income	-	85	85
At 31 December 2018	5,000	35,542	40,542

Bibby Holdings Limited

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

1 General information

Bibby Holdings Limited ('the Company') is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The address of its registered office and principal place of business is 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

Basis of preparation

These financial statements have been prepared using the historical cost convention modified to include certain items at fair value.

Bibby Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the reduced disclosure framework available to it in respect of its separate financial statements. Exemptions have been taken in relation to the presentation of a separate profit and loss account, key management personnel disclosures and a cash flow statement.

Basis of consolidation

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

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or sold during the year are consolidated for the periods from or to the date on which control passed.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. The loss for the financial year was £8,000 (2018: profit of £85,000).

Business combinations are accounted for under the purchase method. The accounting periods of subsidiary undertakings are coterminous with those of the company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Bibby Holdings Limited

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

Going concern

In carrying out their duties in respect of going concern, the Directors have carried out a review of the company's financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. The forecast was based on a detailed review of revenue, expenditure and cash flows, taking into account specific business risks and uncertainties about the economic environment and events in the wider marine and construction sectors.

Garic:

The business has an ABL facility with HSBC UK Bank that was, at the year end, due to expire on 31 October 2021. This has been being renegotiated post year end, for a further 3 years now expiring on 25 February 2024. The ABL facility comprises:

- a rolling inventory facility secured on qualifying fixed assets; availability is based on the net book value of the assets (and on net orderly liquidated value of the assets from December 2020), now capped at £25m following renegotiation (2019: £30m); £19.5m was drawn on this facility at 31 December 2019 (2018: £17.25m);
- a rolling invoice discounting facility secured on the company's debtor balances, now capped at £7m following renegotiation (2019: £10m); £2.3m was drawn on this facility at 31 December 2019 (2018: £3.7m).

In addition, on 7 May 2020 the Plant hire business agreed a £1.5m unsecured overdraft facility with HSBC UK Bank, repayable on demand, due for review on 7 May 2021.

At 31 December 2019 the company owed £6.6m (2018: £6.6m) to Bibby Line Group Limited, all of which was due in more than one year.

Marine:

As described more fully in the Strategic Report, market conditions for accommodation services remain challenging. In response to such conditions, the directors have carefully considered these risks, including an assessment of uncertainty on forward trading projection for a period of at least twelve months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

The directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities. In addition, the Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis. Furthermore, the Bibby Line Group has agreed to provide an amount of financial support which the Directors consider is sufficient to adopt the going concern basis.

On that basis the directors believe that there are no material uncertainties that would lead to significant doubt upon the company's ability to continue as a going concern.

Bibby Holdings:

The company, Bibby Holdings Limited, is financed by dividends from the trading businesses and accumulated current assets.

In order to manage liquidity risk the Group's two principal business units prepare daily, weekly and monthly cash flow forecasts, with the monthly forecasts looking forward for a rolling 12 month period. The key sensitivities are the level of cash expected to be generated from future trading and the timing of future capital expenditure. Capital expenditure commitments are at the discretion of the Directors.

Having made enquiries and considering the uncertainties referred to above, including the support required from the ultimate parent company, the directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the statutory financial statements.

Bibby Holdings Limited

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

Revenue recognition

Revenue is recognised when the significant risks and rewards are considered to have been transferred to the customer, and in the same period in which the assets or services are made available to customers. Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services performed in the normal course of business, net of discounts and other sales-related taxes.

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.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Finance income

Interest income is recognised when it is probable that the economic benefits will flow and the amount of revenue can be measured reliably. Income is recognised using the effective interest method, which discounts estimated future cash flows through the expected life of the financial asset to which the interest income is derived, so tis net carrying amount on initial recognition.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of subsidiary undertakings who prepare their financial statements in foreign currencies are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets, transactions entered into to hedge certain foreign currency risks, results of overseas operations, and on foreign currency borrowings to the extent that they hedge the group's investment in such operations, are reported in other comprehensive income or accumulated in equity (attributed to non-controlling interests as appropriate). All other exchange differences are included in the profit and loss account.

Bibby Holdings Limited

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

Tax

Current tax, including UK Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation 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 payless 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.

Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised. 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 a legally enforceable right to set off the amounts and the Group 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 Group 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.

Property, plant and equipment

Tangible assets are included at cost, less depreciation and any provisions for impairment.

Depreciation

Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful economic lives. Residual values are calculated at the amount currently expected to be obtained on disposal, less costs of disposal.

The annual rates of depreciation are:

Asset class	Depreciation rate
Fleet	Varying rates between 5% and 20%
Furniture, fittings and equipment	Varying rates between 4% and 20%
Land and buildings	Varying rates between nil and 50%

Bibby Holdings Limited

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

Impairment of fixed 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. Value in use is calculated by consideration of the future cash flows related to the assets. The judgments involved in these impairment reviews are set out in the critical accounting judgments and key sources of estimation uncertainty on page 22.

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 and then to any goodwill allocated to that CGU.

Financial assets

For other 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 recoverable amount. Debts are written off when there is no realistic prospect of recovery. Specific provisions are made to reduce all impaired balances to their expected realisable values. A further provision is made for losses not specifically identified, based on past experience, knowledge of the Group's exposure and other relevant factors. The charge for the year for bad debts is included in operating costs.

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.

Investments

Investments are shown at cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on deposit less overdrafts which are repayable on demand.

Inventories

Stock is stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Cost includes the direct costs of bringing the stock to its current condition and location, including procurement, direct labour costs and attributable overheads where appropriate. Provision is made for obsolete and slow moving stock where appropriate.

Trade payables

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

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

Bibby Holdings Limited

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

Liabilities

Financial liabilities are classified according to the substance of the contractual arrangement entered into.

Provisions

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

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.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives.

The capital elements of future lease obligations are recorded as liabilities, with the interest elements being charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

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.

Financial instruments

The Group has elected to apply the recognition and measurement provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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. 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.

Bibby Holdings Limited

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

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors are required to make judgments, 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.

Key sources of estimation uncertainty

Tangible fixed assets

Assessing indicators of impairment of property, plant and equipment and intangibles assets - Marine

In assessing whether there have been any indicators of impairment associated with the Group's property, plant and equipment and goodwill, the directors have considered both external and internal sources of information such as asset market values, changes in technological, economic and legal environments, evidence of obsolescence or physical damage of assets and any changes in economic performance of assets. Following the end of the financial period, and related to the administration of Bibby HydroMap Limited, vessels Bibby Athena and Bibby Tethra together with their associated equipment were disposed for less than their carrying value. Accordingly an impairment provision amounting to £4,188k has been made against the carrying value of the vessel. The carrying value of the Marine Group's property plant and equipment is £79,882k (2018: £70,940k).

Fleet residual value - Marine

Management consider the residual value of the vessels not to be material on the basis that the cost of dismantling the asset is estimated to be equivalent to any value remaining in the vessel at the end of its life.

Depreciation of tangible assets - Garic

Determining the most appropriate useful economic life of tangible fixed assets hired to customers requires an estimation of their useful life and residual value of disposal.

The useful economic life and subsequent depreciation charge and net book value are estimated by the directors based on the historic useful life and residual value of each asset class with allowance made for the risk of technical charge.

Bibby Holdings Limited

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

Critical judgments in applying Group's accounting policies

The critical judgments that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below.

Revenue recognition - Marine

Revenue relating to the hydrographic surveying business is adjusted for work in progress. Revenue is recognised when the outcome of a transaction can be estimated reliably, by reference to the stage of completion of the transaction at the end of the reporting period. When the outcome cannot be estimated reliably revenue is recognised only to the extent of the costs recognised that are recoverable. The amount of revenue recognised in the profit or loss in the period is based on the percentage completion method. The estimates of total revenue and costs are reviewed and revised where appropriate as the service progresses but at least on an annual basis.

In making its judgement, management considered the detailed criteria for the recognition of revenue from the rendering of services set out in FRS 102 Section 23 Revenue and, in particular, whether the Group could reliably measure the outcome of the transaction and determine the stage of completion.

Finance lease asset - Marine

The Marine business has applied an asset life of 20 years to the vessel, MV Bibby Wavemaster Horizon, which is recognised as a finance leased fixed asset. The finance lease is for a period of ten years, with a nominal consideration of €1 to repurchase the vessel at the end of the lease term. The vessel is being treated as a fixed asset with a life of 20 years as in the judgement of the Directors, it is highly likely that the option to repurchase the vessel will be exercised, given that the asset is expected to be operational for 20 years.

3 Turnover

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

	2019 Total £000	2018 Total £000
Marine	27,173	36,170
Plant hire	33,995	27,345
	61,168	63,515

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

	2019 Total £000	2018 Total £000
UK	39,621	50,907
Rest of World	21,547	12,608
	61,168	63,515

Bibby Holdings Limited

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

4 Operating (loss)/profit

Operating profit/(loss) is stated after charging:

	2019	2018
	£000	£000
Depreciation expense	10,877	9,788
Amortisation expense	-	1,332
Impairment of tangible fixed assets	4,188	-
Foreign exchange losses	716	281
Operating lease expense - plant and machinery	1,286	1,364
Operating lease expense – other	716	913
(Profit) / loss on disposal of property, plant and equipment	<u>(85)</u>	<u>144</u>

The impairment of fixed assets related to assets within Bibby Marine (HydroMap division), following the Administration of Bibby HydroMap which occurred on 3 April 2020. The impairment reflects consideration of vessel carrying values and impairment of survey kit based on the Administrator's estimate of recoverable amounts (as shows as an impairment of tangible fixed assets in note 9).

5 Interest payable and similar charges

	2019	2018
	£000	£000
Interest on bank overdrafts and borrowings	1,022	916
Interest on obligations under finance leases and hire purchase contracts	901	588
Interest payable to group companies	1,477	586
Amortisation of debt issuance costs	<u>355</u>	<u>231</u>
	<u>3,755</u>	<u>2,321</u>

6 Staff costs

The aggregate payroll costs were as follows:

	2019	2018
	£000	£000
Wages and salaries	15,334	13,581
Social security costs	1,550	1,450
Other pension costs	<u>647</u>	<u>528</u>
	<u>17,531</u>	<u>15,559</u>

Directors' emoluments are borne by fellow group undertakings and are not recharged to the company.

Bibby Holdings Limited

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

6 Staff costs (continued)

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

	2019 Total No.	2018 Total No.
Marine	162	151
Plant Hire	266	245
	428	396

7 Auditor's remuneration

	2019 £000	2018 £000
Audit of these financial statements	8	8
Audit of the financial statements of subsidiaries of the company pursuant to legislation	107	67
	115	75

Other fees to auditor

There were no other fees payable to the auditor in the year (2018 – same).

8 Taxation

Tax charged in the profit and loss account:

	2019 £000	2018 £ 000
Current taxation		
UK corporation tax	1	1
UK corporation tax adjustment in respect of prior periods	-	274
	1	275
Foreign tax	329	164
Foreign tax adjustment in respect of prior periods	2	-
Total current income tax	332	439
Deferred taxation		
Deferred tax charge on pension scheme costs	2	4
Arising from origination and reversal of timing differences	(575)	1,863
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	40	(2,328)
Total deferred taxation	(533)	(461)
Tax credit in the income statement	(201)	(22)

Bibby Holdings Limited

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

The tax on loss before tax for the year is lower (2018 - lower) than the standard rate of corporation tax in the UK of 19.00% (2018 – 19.00%).

The differences are reconciled below:

	2019 £000	2018 £000
Loss before tax	<u>(14,596)</u>	(2,207)
Corporation tax at standard rate of 19%	(2,773)	(419)
Group relief surrendered for nil consideration	106	(386)
Non-taxable expenses / (income) not deductible for tax purposes	1,928	(45)
Effect of foreign tax rates	39	31
UK deferred tax expense relating to changes in tax rates or laws	55	103
Adjustment for prior periods	43	(2,054)
Tax increase from effect of capital allowances and depreciation	401	2,636
Tax increase from effect of unrelieved tax losses carried forward	-	112
Total tax credit	<u>(201)</u>	(22)

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £000
2019	
Accelerated capital allowances	837
Pensions	6
Other timing differences	979
Trading losses	-
	<u>1,822</u>
	Asset
2018	£000
Accelerated capital allowances	494
Pensions	9
Other timing differences	147
Trading losses	637
	<u>1,287</u>

Finance Act 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur. Following the UK budget announcement on 3 March 2021, a 25% corporation tax rate will apply for the period ending 31 December 2023. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2019 continue to be measured at a rate of 17%.

Bibby Holdings Limited

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

9 Tangible assets

Group

	Land and buildings £000	Furniture, fittings and equipment £000	Fleet £000	Total £000
Cost or valuation				
At 1 January 2019	346	54,485	126,573	181,404
Additions	-	6,804	22,940	29,744
Disposals	-	(3,799)	-	(3,799)
Transfers	-	-	-	-
Foreign exchange movements	-	-	(3,597)	(3,597)
At 31 December 2019	346	57,490	145,916	203,752
Depreciation				
At 1 January 2019	346	23,247	59,083	82,676
Charge for the year	-	5,528	5,349	10,877
Impairment (see note 4)	-	2,447	1,741	4,188
Disposals	-	(3,234)	-	(3,234)
Transfers	-	70	(70)	-
Foreign exchange movements	-	-	(260)	(260)
At 31 December 2019	346	28,058	65,843	94,247
Carrying amount				
At 31 December 2019	-	29,432	80,073	109,505
At 31 December 2018	-	31,238	67,490	98,728

Assets held under finance leases and hire purchase contracts

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

	2019 £	2018 £
Plant and machinery	35,906	979

There are no tangible fixed assets held by the parent company.

Bibby Holdings Limited

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

10 Investments

Company

	2019	2018
	£000	£000
Investments in subsidiaries	<u>2,500</u>	<u>2,500</u>

The subsidiaries of the group are set out below. All parent companies of the trading businesses' subgroups are UK incorporated companies. All interests are in ordinary share capital (or the equivalent) with voting rights.

* interest not held directly by Bibby Holdings Limited

Company Name	Country of Incorporation	Registered Office	% Equity Share Capital Held	Type of Business
1. Bibby Taurus Limited	England & Wales	α	100%	Holding company
2. Garic Limited	England & Wales	α	100%*	Equipment hire
3. Bibby Marine Limited	England & Wales	α	100%	Holding company
4. Bibby WaveMaster I Limited	England & Wales	α	100%*	Ownership and operation of marine vessels
5. Bibby WaveMaster 2 Limited	England & Wales	α	100%*	Ownership and operation of marine vessels
6. Bibby Marine Services Limited	England & Wales	α	100%*	Holding company
7. Bibby Renewables Limited	England & Wales	α	100%*	Dormant
8. Bibby Marine Management Limited	England & Wales	α	100%*	Vessel Management
9. Bibby Marine Survey Services Limited	England & Wales	α	100%*	Non-trading
10. Bibby Athena Limited	England & Wales	α	100%*	Ownership and operation of hydrographic survey vessels

Bibby Holdings Limited

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

10 Investments (continued)

11.	Bibby Tethra Limited	England & Wales	α	100%*	Ownership and operation of hydrographic survey vessels
12.	Bibby HydroMap Limited	England & Wales	β	100%*	Ownership and operation of hydrographic survey vessels
13.	Hydromap Limited	England & Wales	β	100%*	Dormant
14.	Bibby Maritime Limited	England & Wales	α	100%*	Ownership and operation of floating accommodation vessels
15.	Bibby Bergen Limited	England & Wales	α	100%*	Ownership and operation of floating accommodation vessels
16.	Bibby Challenge Limited	England & Wales	α	100%*	Ownership and operation of floating accommodation vessels
17.	Bibby Maritime Crewing Services Limited	England & Wales	α	100%*	Provision of crew services
18.	Bibby Maritime Nigeria Limited	Nigeria	π	100%*	In liquidation
19.	Bibby Progress Limited	England & Wales	α	100%*	Ownership and operation of a floating accommodation unit
20.	Bibby Renaissance Limited	England & Wales	α	100%*	Dormant
21.	Bibby Stockholm Limited	England & Wales	α	100%*	Ownership and operation of a floating accommodation unit
22.	Bibby Ship Management (Eastern Europe)	Russian Federation	⚓	85.71%*	Non-trading

Registered offices:

- α 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL, United Kingdom
- β Maritime House, 4 Brunel Road, Croft Business Park, Bromborough, CH62 3NY, United Kingdom
- π 25 Adeyemo Alakija Street, Victoria Island, Lagos, Nigeria
- ⚓ 1/2 Atarbekova str, 350062, Krasnodar, Krasnodar

Bibby Taurus Limited has taken advantage of an exemption from audit under section 479A of the Companies Act 2006. As the immediate parent, Bibby Holdings Limited, has provided a statutory guarantee for any outstanding liabilities of Bibby Taurus Limited.

Bibby Holdings Limited

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

11 Stocks

	Group	
	2019	2018
	£000	£000
Work in progress	717	35
Finished goods and goods for resale	<u>1,131</u>	<u>1,298</u>
	<u>1,848</u>	<u>1,333</u>

12 Debtors

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade debtors	9,426	9,950	-	-
Amounts owed by group undertakings	24,388	21,377	38,133	35,122
Other debtors	1,866	912	-	4
Prepayments	5,698	3,259	-	-
Deferred tax asset	<u>1,822</u>	<u>1,287</u>	<u>-</u>	<u>-</u>
Total current trade and other receivables	<u>43,200</u>	<u>36,785</u>	<u>38,133</u>	<u>35,126</u>

The amounts owed by group undertakings relate to amounts owed from other Bibby Line Group companies outside of the Holdings sub-group, arising from loans provided to support the relevant businesses. The loans are non-interest bearing with no scheduled date for repayment, hence repayable on demand.

13 Creditors

		Group		Company	
		2019	2018	2019	2018
	Note	£000	£000	£000	£ 000
Due within one year					
Loans and borrowings	16	9,630	10,852	-	-
Trade creditors		5,650	5,629	-	-
Amounts due to related parties		236	237	79	79
Other payables		1,308	1,631	3	-
Accrued expenses		4,365	3,003	-	-
Corporation tax liability	9	<u>306</u>	<u>230</u>	<u>-</u>	<u>-</u>
		<u>21,495</u>	<u>21,582</u>	<u>82</u>	<u>79</u>

Bibby Holdings Limited

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

13 Creditors *(continued)*

		Group		Company	
	Note	2019 £000	2018 £000	2019 £000	2018 £000
Due after one year					
Loans and borrowings	16	73,066	58,179	-	-
Amounts due to related parties		30,656	14,739	-	-
Other non-current financial liabilities		-	188	-	-
		103,722	73,106	-	-

Amounts due to related parties relate to vessel funding and working capital funding provided by group companies together with consideration for tax losses. The loans bear interest at a rate of 8%.

The Marine business uses forward foreign exchange contracts to manage exposure to foreign exchange risk associated with foreign denominated loans. The fair value of the derivative instruments have been estimated using valuation techniques which use market and non-market inputs to estimate the expected discounted cash flows. The valuation techniques use contracted exchange rates and current forward rates as determined by the bank/issuer of the derivative contract.

14 Loans and borrowings

	Group	
	2019 £000	2018 £000
Non-current loans and borrowings		
Bank borrowings	29,002	58,179
Finance lease liabilities	44,064	-
	73,066	58,179

	Group	
	2019 £000	2018 £000
Current loans and borrowings		
Bank borrowings	7,219	10,687
Bank overdrafts	-	-
Finance lease liabilities	2,411	165
	9,630	10,852

Bibby Holdings Limited

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

14 Loans and borrowings *(continued)*

	2019 £000	2018 £000
Bank loans are repayable:		
Within one year	7,219	10,687
Between one and two years	4,902	9,559
Between two and five years	11,768	36,957
After five years	12,333	11,663
	<u>36,221</u>	<u>68,866</u>
	2019 £000	2018 £000
Finance leases are repayable		
Within one year	2,410	165
Between one and two years	2,556	-
Between two and five years	27,064	-
After five years	14,445	11,663
	<u>46,475</u>	<u>165</u>

The rates of interest payable on bank loans vary with either Euro or UK short term LIBOR or UK base rates. Obligations under finance leases are secured on the assets they finance. Within Bibby Marine Group Limited, Bibby Wavemaster 2 Limited has a 10 year finance lease facility relating to the Wavemaster Horizon vessel, as a result of a sale and lease back arrangement entered into on 19 November 2019. The finance lease includes an option to purchase for a nominal €1 at the end of the lease period, which, given the expected life of the vessel, it is expected to be exercised.

15 Provisions for liabilities

Group

	Deferred Tax £000	MNOFF £000	Total £000
At 1 January 2019	1	54	55
Profit and loss account	536	(21)	515
Reclassification to debtors	(537)	-	(537)
At 31 December 2019	<u>-</u>	<u>33</u>	<u>33</u>

The MNOFF provision related to the Merchant Navy Officers' Pension Fund defined benefit scheme, see note 20 for further detail.

	Deferred Tax £000	MNOFF £000	Total £000
Company			
At 1 January 2019	(13)	54	41
Reclassification from creditors	-	-	-
Profit and loss account	2	(21)	(19)
At 31 December 2019	<u>(11)</u>	<u>33</u>	<u>22</u>

Bibby Holdings Limited

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

16 Share capital

Allotted, called up and fully paid shares

Group and Company

	2019		2018	
	Number (000s)	£000	Number (000s)	£000
Ordinary shares of £1 each	5,000	5,000	5,000	5,000

17 Dividends

The directors are proposing a final dividend of £Nil (2018 - £Nil).

18 Pensions

Defined contribution pension scheme

The group operates defined contribution pension schemes. The pension costs for the year represents contributions payable by the division to the scheme and amounted to £596,000 (2018 - £528,000). There are no contributions outstanding to the scheme at the end of the financial year (2018 – same).

Multi-employer pension scheme

The group contributes to the Merchant Navy Officers' Pension Fund (MNOF) which is a multi-employer defined benefit scheme. The group is unable to identify its share of the underlying assets and liabilities of the MNOF, but has agreed a schedule of contributions to the overall scheme deficit as set out below. These have been recognised in the pension liability on the balance sheet. The provision will unwind as contributions are paid and will increase if a revised, increased, schedule of contributions is agreed with the MNOF. The latest actuarial valuation of the scheme, at March 2012, identified the scheme deficit of £492,000,000. The Group has agreed to make annual contributions, based on the scheme's deficit, of £28,000 per annum from 2017 – 2020. The contributions made by the Group to the MNOF scheme over the financial year amounted to £21,000 following an agreement with the MNOF trustees to defer a proportion of the FY19 contribution to FY20.

19 Commitments

Group

Capital commitments

The total amount of property, plant and equipment expenditure for which contracts have been placed but which are not otherwise provided for in these financial statements was £767,000 (2018 - £2,508,000).

Company

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2018 - £Nil).

Bibby Holdings Limited

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

19 Commitments *(continued)*

Operating lease commitments

Group

As at 31 December 2019 the group had total minimum leases payments under non-cancellable operating leases as follows:

Operating leases which expire:

	2019 £000	2018 £000
Land and Buildings		
Within one year	712	893
Within two and five years	2,241	1,791
Over five years	299	-
	<u>3,252</u>	<u>2,684</u>
Other		
Within one year	1,215	703
Within two and five years	2,718	2,473
Over five years	-	613
	<u>3,933</u>	<u>3,789</u>

20 Financial instruments

Group

Categorisation of financial instruments

	2019 £000	2018 £000
Financial assets measured at amortised cost	44,092	40,868
Financial liabilities measured at amortised cost	(125,217)	(94,688)
	<u>(81,125)</u>	<u>(53,820)</u>

21 Related party transactions

The company has taken advantage of the exemption in FRS 102 Section 33 "Related Party Disclosures" from disclosing transactions with wholly owned subsidiaries of Bibby Line Group Limited.

Bibby Holdings Limited

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

22 Control

The company is controlled by Bibby Line Group Limited a Company which is registered in England. Bibby Line Group Limited is the parent undertaking of the largest and smallest group which consolidates these accounts and of which the company is a member.

The ultimate controlling party is Bibby Line Group Limited and further detail is disclosed in the financial statements of Bibby Line Group Limited. These may be obtained from Bibby Line Group Limited, 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL (www.bibbylinegroup.co.uk).

23 Post balance sheet events

Non-adjusting events after the balance sheet period

Coronavirus (Covid-19)

On 11 March 2020, the World Health Organisation declared the Coronavirus (Covid-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries affected. Many governments have taken increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the year ended 31 December 2019, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Group and Company cannot reasonably estimate the impact these events will have on the Group's and Company's financial position, results of operations or cash flows in the future. Notwithstanding this, the diversity of the Group's portfolio and exposure to Covid-19 resistant sectors (such as infrastructure) has provided a level of financial protection. This, coupled with support from our lenders, should allow us to respond well to the challenges and opportunities that may arise. The Directors will however continue to monitor the impact of the Covid-19 pandemic on the activities of the Group.

Bibby Line Group Pension Scheme – Flexible Apportionment Arrangement

As part of Bibby Line Group Ltd's disposal of its Distribution business on 11 December 2020, a Flexible Apportionment Arrangement (FAA) was entered into in respect of the Bibby Line Group Ltd defined benefit pension scheme. As part of the FAA, Bibby Line Group Ltd, Bibby Holdings Ltd and the Trustees of the pension scheme, agreed that Bibby Distribution Ltd would cease to be an Employer in the Scheme from the date of disposal and that Bibby Holdings Ltd would take over responsibility for all of the relevant liabilities. No additional payments are expected to be made by Bibby Holdings Ltd as a result of this arrangement.

Adjusting events after the balance sheet period

Subsidiary company administration

As highlighted within the Strategic report on page 2, following a difficult year for Bibby HydroMap, together with a shift in hydrographic survey work further offshore, where the vessels are not so suited, and the arrival of Covid-19, the Directors of Bibby HydroMap Ltd made the decision to place the company into Administration on 3 April 2020. This represented an adjusting subsequent event and resulted in a write down of HydroMap assets and impacted Marine's 2019 loss before tax by a further £4.2m.