

Registration number: 00020535

Bibby Marine Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2020

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Bibby Marine Limited

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Bibby Marine Limited

Company Information

Directors

Sir Michael Bibby Bt. DL

Geoffrey Bibby

John Hughes

Jonathan Lewis

Nigel Quinn

Susan Worden

Company secretary

Bibby Bros. & Co. (Management) Limited

Registered office

3rd Floor

Walker House

Exchange Flags

Liverpool

L2 3YL

United Kingdom

Auditor

Mazars LLP

One St Peters Square

Manchester

M2 3DE

Bibby Marine Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the company is to act as the holding company for Bibby Line Group Limited's specialist marine assets and services division. In this context, the Group refers to Bibby Marine Limited and its subsidiaries. Group activities were structured around three divisions during 2020 relating to the ownership and operation of floating accommodation vessels ('Accommodation Services'), the provision of hydrographic survey services ('Hydrographic Survey') and the ownership of walk to work vessels ('Walk to Work').

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 6 vessels (with one purchased after the year end) that operate in international markets and has a branch registered in Australia. The Hydrographic Survey division, which entered administration on 3 April 2020, 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, servicing the renewables and oil and gas markets, predominantly in Europe.

Business Review

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

Accommodation services

	2020	2019
	£'000	£'000
Turnover	7,500	4,880
Operating loss	(1,931)	(3,352)

The accommodation services business continues to be affected by macro factors in the energy and raw material sectors, with 5 vessels working at various points during the year. 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 we have also been successful in deploying our vessels to act as additional accommodation as part of 'circuit-breaker' mitigations during the ongoing pandemic.

Management considers the business to be well 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.

Bibby Marine Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Business Review (*continued*)

Hydrographic survey

	2020 £'000	2019 £'000
Turnover	1,624	12,465
Operating profit/(loss)	(1,757)	(10,018)

The hydrographic survey business faced extremely challenging conditions in their traditional market during 2019, resulting in a lower level of turnover compared to the prior year. The shift in hydrographic survey work further offshore, where our vessels are not so suited, and the arrival of Covid-19 led the directors of Bibby Hydromap Limited to take the decision to place the company into administration on 3 April 2020.

The disposal of Hydromap's assets as a result of the administration impacted Marine's consolidated profit before tax by a £5.5m exceptional gain (2019: £4.2m impairment loss). Impairment provisions had been made in the prior year against assets and the gain reflects the effect of the administration on outstanding creditor and debtor balances at that date.

Walk to work

	2020 £'000	2019 £'000
Turnover	16,467	9,828
Operating profit	2,831	751

The vessel, Bibby WaveMaster I, experienced high utilisation levels in 2020 despite Q1 being impacted by bad weather. The vessel continues to expand its client base as well as maintaining existing contractual relationships. Our increasing market presence and reputation gives the directors confidence of maintaining these utilisation levels going forwards. Bibby WaveMaster Horizon completed its first full year of service on a 10-year contract in the offshore wind sector for the Hohe See and Albatross offshore windfarms in the North Sea, performing in line with expectations.

The coronavirus pandemic has resulted in additional measures being introduced to ensure each vessel can operate in a covid-safe manner 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 the vessels and crew.

Marine's consolidated pre-exceptional operating loss for the year was £0.9m (2019: £8.4m loss) and consolidated profit before tax was £1.4m (2019: £15.1m loss).

Bibby Marine Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Principal risks and uncertainties

The financial performance of the Group is dependent upon each trading subsidiary's performance. Each business has its own board of directors with an executive team responsible for the day-to-day management of that business. The *Bibby Marine Limited* board determines what matters are reserved for the Marine Group board and subsidiary boards. Each subsidiary within the Group has established its own risk management framework encompassing both financial and non-financial risks. The individual subsidiary boards are responsible for managing those risks. In addition, regular management reporting disciplines, including annual budgets, three-year strategic planning, monthly management accounts and quarterly board meetings ensure that the board of Bibby Marine Limited can adequately oversee the performance of each business.

Accommodation services

Competitive pressures in international markets continued to be challenging during 2020 and the impact on vessel utilisation remains the key risk for the company. To manage this risk and to take advantage of opportunities, the company looks to react quickly to market conditions to achieve its growth objectives and proactively engages with the global broker network as well as direct contacts. The company provides well maintained and safe assets; added value services; prompt responses to customer queries; and develops strong relationships with customers.

Walk to work

The principal risk for the business is the identification of charter opportunities for Bibby Wavemaster 1 providing adequate utilisation throughout the year at attractive charter rates. The company will provide industry-leading, well-maintained and safe assets; added value services; prompt responses to customer queries; and develop strong relationships with customers.

Brexit

The Group has not experienced any significant impact from the Brexit transition period ending in December 2020. The 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. We continue to work with the relevant authorities to ensure that the impact is minimised, and mitigation actions are implemented where possible.

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. The impact of Covid-19 on the public's health and the economy was significant during the year and continues to rapidly evolve. It has so far resulted in quarantines, restrictions on travel and business closures worldwide. Many governments continue to take stringent steps to help contain or delay the spread of the virus. Currently, there is a significant economic uncertainty which is, for example, evidenced by more volatile commodity prices and currency exchange rates.

Following the UK Government's announcement of the Covid19 lockdown, the Group triggered its business continuity plans to ensure that it could continue to carry out activities during the pandemic, implementing a working from home strategy on 20 March 2020 for all staff for whom this was possible.

The Group has carried out a review of its crewing and ship management processes and has worked closely with its clients to ensure its ability to deliver in line with contractual requirements and the various legislative changes

Bibby Marine Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Principal risks and uncertainties (continued)

Covid-19 (continued)

made in response to the pandemic by countries in which its vessels operate. It has business continuity plans in place should any issues arise. Monitoring of crew and key suppliers is in place linked to the impacts of the pandemic with regular checks being carried out on vessels, with clients and within the supply chain.

The effects of Covid-19 and the measures taken by the UK and other Governments continue to evolve and hence, whilst the directors consider the Group to be in a good financial position given its strong pipeline, improving cash position and positive net assets, it is not possible to fully quantify the full impact that Covid-19 will have on the Group in the longer-term. As the pandemic continues, due to the resulting financial and economic market uncertainty, the Group's ability to reasonably estimate the impact this will have on its financial position, operational results, or cash flows in the future, is limited.

Although some activity of the Group has been negatively impacted because of deferral of clients' projects, it has been able to assist in humanitarian activities in "circuit breaker" type mitigations, providing quarantine accommodation particularly in Asia. The Group has also built Covid-19 safe working practices into its existing processes on board vessels and on-shore. As a result, the directors consider the Group will be significantly less impacted moving forward. The Group has continued its bid activities during the pandemic and has been successful in winning new charters from a strengthening pipeline.

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

Financial instruments

Objectives and policies

The Group's activities expose it to a number of financial risks including liquidity risk, cash flow risk, price risk and credit risk. The use of financial derivatives within each subsidiary is governed by the company's policies approved by the Group board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Price risk, credit risk, liquidity risk and cash flow risk

Liquidity risk:

Bibby Marine Limited does not have any long-term bank borrowings of its own but guarantees certain debt of its subsidiary undertakings. These credit facilities require us to maintain a minimum adjusted net worth ratio, interest cover and liquidity. A breach of these covenants would constitute an event of default under our credit facilities and if not cured within the applicable grace period set forth under the facility, would provide our lenders with the right to require us to pay down the indebtedness to a level where we are in compliance with our loan covenants or provide additional security. The Group continues to comply with all debt covenants.

The Group manages liquidity risk by adherence to strict cash flow forecasting procedures to ensure sufficient funds are available to meet liabilities as they fall due, including any servicing obligations of bank debt.

Bibby Marine Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Financial instruments (continued)

Price risk, credit risk, liquidity risk and cash flow risk (continued)

Cash flow:

The Group provides assets and services in international markets and is therefore exposed to currency movements on sales and purchases made in foreign currencies. This exposure is mitigated by matching costs in the same currency where possible and through the use of forward currency exchange contracts from time to time.

Price risk:

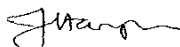
The Group secures a proportion of its earnings on long-term international charters and its functional currency is sterling. The Group enters into forward currency contracts to hedge contracted forward income where appropriate.

Credit risk:

The Group's principal financial assets are bank balances, and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The assessment of customers' financial condition and reliability is an important factor when negotiating employment for the vessels. The Group evaluates the counterparty risk of potential customers based on management's experience in the industry combined with the additional input of independent advisors. Charter hire is typically paid in advance of underlying hire periods in the accommodation services business, with a credit period more typical for the hydrographic survey business.

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

Approved by the Board on 27 September 2021 and signed on its behalf by:



.....
Jeanette Hampson

Bibby Bros. & Co. (Management) Limited

Company secretary

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

Bibby Marine Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2020.

Directors of the group

The directors who held office during the year and up to the date of signing were as follows:

Sir Michael Bibby Bt. DL (appointed 1 January 2021)
Geoffrey Bibby (appointed 1 January 2021)
John Cresswell (resigned 31 December 2020)
John Hughes
Stephen Bolton (resigned 9 July 2021)
Jonathan Lewis
Helen Samuels (appointed 31 January 2020, resigned 30 October 2020)
Susan Worden (appointed 21 April 2020)
Gary Collins (resigned 3 April 2020)
Nigel Quinn (appointed 30 October 2020)
Ian Crook (resigned 31 January 2020)
Simon Kitchen (resigned 8 May 2020)

Dividend

No dividend was paid during the year ended 31 December 2020 (2019: £nil).

Matters included in the Strategic Report

In accordance with s414C(11) of the Companies Act 2006, included within the strategic report is information relating to future developments and the financial instruments policies and risks of the business, which would otherwise be required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' to be contained in the directors' report.

Branches outside the United Kingdom

The Maritime business has branches registered in Australia, Sweden and Norway. The Walk-to-Work business has branches registered in The Netherlands and Germany.

Directors' liabilities

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

Disclosure of information to the auditor

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

Bibby Marine Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Going concern

The Group's operating activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review of the business on pages 2 and 3. 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 in the Strategic Report, market conditions for accommodation services remained challenging in 2020 and whilst 2020 trading was affected by the coronavirus pandemic, trading has improved, particularly towards the end of the year. In October 2020 the accommodation services division secured a 1 year £1.5m bank overdraft facility to accommodate working capital cashflows related to mobilising contracts which has been renewed for another 12 months until October 2022.

Our second walk to work vessel, Wavemaster Horizon, completed its first operational year under a 10-year charter, financed under a structure which delivers consistent cashflows throughout the contract period. Bibby Wavemaster 1 continues to operate in the short-term charter market.

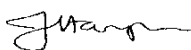
Maintaining sustainable cash reserves in the longer term also relies on securing and delivering additional further work, in line with forecast levels of activity. Enquiry and tendering levels and current win rates indicate there is every expectation of winning the required work across the fleet. The 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 Bibby Wavemaster 2 Limited 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 Group also restructured the Bibby Wavemaster 1 Limited 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 normal cycle of quarterly forecasting over the period to the end of the calendar year following the date of signing the accounts, 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 accordingly ongoing support for intercompany facilities, consisting of loans advanced and still outstanding at the date of signing the accounts, has been confirmed by Bibby Line Group.

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.

Approved by the Board on 27 September 2021 and signed on its behalf by:



.....
Jeanette Hampson, Bibby Bros. & Co. (Management) Limited

Company secretary

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

Bibby Marine 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 applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) 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 company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Bibby Marine Limited

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

Opinion

We have audited the financial statements of Bibby Marine Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Bibby Marine Limited

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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 this regard.

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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Bibby Marine Limited

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and the parent company, and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and

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

Auditor's responsibilities for the audit of the financial statements (continued)

- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.



Timothy Hudson (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Manchester

27 September 2021

Bibby Marine Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2020

		2020			2019		
	Note	Continuing	Discontinued	Total	Continuing	Discontinued	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Turnover	3	23,967	1,624	25,591	14,708	12,465	27,173
Cost of sales		(19,890)	(2,791)	(22,681)	(14,839)	(15,854)	(30,693)
Gross profit/(loss)		4,077	(1,167)	2,910	(131)	(3,389)	(3,520)
Administrative expenses		(3,228)	(590)	(3,818)	(2,469)	(2,465)	(4,934)
Impairment	4	-	-	-	-	(4,188)	(4,188)
Other operating income	4	51	-	51	-	32	32
Operating profit/(loss)		900	(1,757)	(857)	(2,600)	(10,010)	(12,610)
Profit on disposal of subsidiary	4	-	5,507	5,507	-	-	-
Profit before interest		900	3,750	4,650	(2,600)	(10,010)	(12,610)
Interest receivable	5	-	-	-	-	-	-
Interest payable	6	(2,975)	(270)	(3,245)	(1,462)	(1,002)	(2,464)
Profit/(loss) before tax		(2,075)	3,480	1,405	(4,062)	(11,012)	(15,074)
Taxation	10	461	(30)	431	155	(158)	(3)
Profit/(loss) for the financial year		(1,614)	3,450	1,836	(3,907)	(11,170)	(15,077)

The notes on pages 19 to 42 form an integral part of these financial statements.

Bibby Marine Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020	2019
	£'000	£'000
Profit/(loss) for the year	1,836	(15,077)
Other	-	3
Foreign currency translation losses	(71)	(1,064)
Total comprehensive profit/(loss) for the year	<u>1,765</u>	<u>(16,138)</u>
Total comprehensive profit/(loss) attributable to:		
Owners of the company	<u>1,765</u>	<u>(16,138)</u>

The notes on pages 19 to 42 form an integral part of these financial statements.

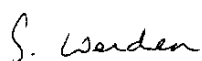
Bibby Marine Limited

(Registration number: 00020535)

Consolidated Balance Sheet as at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	12	73,521	80,550
Current assets			
Stocks	14	198	229
Debtors	15	13,335	10,221
Cash at bank and in hand	16	402	1,755
		13,935	12,205
Creditors: Amounts falling due within one year	17	(15,692)	(13,410)
Net current liabilities		(1,757)	(1,205)
Total assets less current liabilities		71,764	79,345
Creditors: Amounts falling due after more than one year	18	(68,563)	(77,909)
Net assets		3,201	1,436
Capital and reserves			
Called up share capital	19	2,500	2,500
Retained earnings		701	(1,064)
Shareholder's funds		3,201	1,436

Approved and authorised by the Board on 27 September 2021 and signed on its behalf by:



.....
Susan Worden
Director

The notes on pages 19 to 42 form an integral part of these financial statements.

Bibby Marine Limited

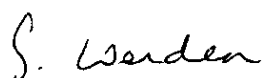
(Registration number: 00020535)

Company Balance Sheet as at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Investments	13	1	1
		<u>1</u>	<u>1</u>
Current assets: Debtors	15	10,837	10,316
Creditors: Amounts falling due within one year	17	(14,135)	(13,582)
Net Current Liabilities		<u>(3,298)</u>	<u>(3,266)</u>
Net Liabilities		<u>(3,297)</u>	<u>(3,265)</u>
Capital and reserves			
Called up share capital	19	2,500	2,500
Retained earnings		<u>(5,797)</u>	<u>(5,765)</u>
Shareholder's funds		<u>(3,297)</u>	<u>(3,265)</u>

The Company's loss for the year was £32,333 (2019: loss £6,913,828).

Approved and authorised by the Board on 27 September 2021 and signed on its behalf by:



.....
Susan Worden
Director

The notes on pages 19 to 42 form an integral part of these financial statements.

Bibby Marine Limited

Consolidated Statement of Changes in Equity

	Share capital £'000	Retained earnings £'000	Total Equity £'000
At 1 January 2019	2,500	15,073	17,573
Loss for the year	-	(15,077)	(15,077)
Other comprehensive loss	-	(1,060)	(1,060)
Total comprehensive loss	-	(16,138)	(16,138)
At 1 January 2020	2,500	(1,064)	1,436
Profit for the year	-	1,836	1,836
Other comprehensive loss	-	(71)	(71)
Total comprehensive profit	-	1,765	1,765
At 31 December 2020	2,500	701	3,201

Company Statement of Changes in Equity

	Share Capital £'000	Retained earnings £'000	Total £'000
At 1 January 2019	2,500	1,149	3,649
Loss for the year and total comprehensive loss	-	(6,914)	(6,914)
At 1 January 2020	2,500	(5,765)	(3,265)
Loss for the year and total comprehensive loss	-	(32)	(32)
At 31 December 2020	2,500	(5,797)	(3,297)

The notes on pages 19 to 42 form an integral part of these financial statements.

Bibby Marine Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Profit/(loss) for the year		1,836	(15,077)
<i>Adjustments to cash flows from non-cash items:</i>			
Depreciation	4	6,054	6,132
Impairment of tangible fixed assets		-	4,188
Profit on disposal of subsidiary	4	(5,507)	-
Profit on disposal of property, plant and equipment	4	(88)	(8)
Foreign exchange (gains)/losses	4	(1,393)	502
Finance charges		3,245	2,464
Taxation	10	(431)	3
Increase in stock		(11)	(2)
Increase/(decrease) in trade and other payables		2,524	(1,224)
Increase in trade and other debtors		(4,698)	(2,412)
Cash generated from/(used in) operations		1,531	(5,434)
Cash flows from investing activities			
Acquisitions of tangible fixed assets		(923)	(23,283)
Proceeds from disposal of tangible fixed assets		577	25
Cash transfer on disposal of subsidiary		(471)	-
Net cash flows from investing activities		(817)	(23,258)
Taxation			
Tax paid		(16)	(253)
Cash flows from financing activities			
Interest paid		(1,300)	(1,199)
Proceeds from bank borrowing draw downs		-	17,699
Proceeds from hire purchase and finance leases		-	28,079
Proceeds from inter-company borrowings		2,991	14,687
Repayment of bank borrowings		(2,088)	(30,200)
Capital element of hire purchase and finance lease payments		(2,505)	(165)
Net cash flows from financing activities		(2,902)	28,901
Net decrease in cash and cash equivalents		(2,204)	(43)
Cash and cash equivalents at 1 January	16	1,755	1,798
Cash and cash equivalents at 31 December	16	(449)	1,755

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

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

The Company is a wholly-owned subsidiary of Bibby Holdings Limited, which is the smallest group that prepares consolidated accounts that include Bibby Marine Limited, and which itself is a wholly-owned subsidiary of Bibby Line Group Limited ('BLG'), both of which are registered in England. Bibby Line Group Limited is the parent undertaking of the largest group which consolidates the financial information of the Company. The ultimate controlling party is therefore considered to be Bibby Line Group Limited. Copies of the Bibby Marine and Bibby Line Group's financial statements may be obtained from the registered office of these entities at Bibby Line Group Limited, 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL (www.bibbylinegroup.co.uk).

The principal activity of the Company is to act as the holding company for the Bibby Line Group's niche marine assets and services division. The activities of Group are the ownership and operation of floating accommodation vessels and marine surveying services, and the ownership of walk to work vessels.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and applicable legislation as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The primary economic environment in which the company operates is governed by Pounds Sterling, and as such the company financial statements have been prepared and presented in this currency. The consolidated financial statements are also presented in Pounds Sterling. Foreign operations are included in accordance with the policies set out below.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2020.

Subsidiaries are included within the consolidation where the company has control over such entities, thereby having the power to govern the financial and operation policies of the entity so as to obtain benefits from its activities. The financial statements of subsidiaries that are acquired or disposed of within the financial year are included within, or excluded from, the consolidation from the date that the Company obtains, or loses, control.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Basis of consolidation (continued)

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. In 2020 the accounting periods of subsidiaries are coterminous with those of the company.

The parent company has taken advantage of the exemption not to present a separate profit and loss account or a statement of comprehensive income, as permitted by Section 408 of the Companies Act 2006. The Company's loss for the financial year was £32,333 (2019: £6,913,828 loss).

Going concern

The financial statements have been prepared on the going concern basis.

As described more fully in the Strategic Report, although market conditions are improving for both the accommodation services and short term W2W sectors, some challenges remain; competitive pressures is a key challenge, along with the impact this has on utilisation which itself needs to be balanced with attractive charter rates. In response, the directors have carefully considered these risks, including an assessment of uncertainties and the mitigating actions that are available to respond to those uncertainties, on forward trading projections 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. The forecasts assume that facilities currently provided will be maintained, and accordingly ongoing support for intercompany facilities, consisting of loans advanced and still outstanding at the date of signing the accounts, has been confirmed by Bibby Line Group.

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.

Revenue recognition

Revenue arising from principal activities provided to customers for accommodation vessels represents hire receivable from charterers for the charter or hire of its vessels. Revenue is recognised on a time accrual basis.

For the hydrographic survey business revenue was recognised by reference to the stage of completion.

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.

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.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group and Company with no future related cost are recognised in the profit or loss in the period in which they become receivable.

Government grants relating to the Coronavirus Job Retention Scheme (CJRS) are presented separately in the statement of comprehensive income within "other operating income".

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

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, to its net carrying amount on initial recognition.

Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date the transactions took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities are reported in the profit or loss account.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's subsidiaries, which prepare their financial statements in a foreign denominated currency, are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising on re-presentation are recognised through other comprehensive income within equity and presented within the Group's retained earnings reserve.

Tax

Current tax, including UK corporation 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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice. The group is a member of the UK Tonnage Tax regime.

UK Tonnage Tax is an alternative method of calculating corporation tax profits by reference to the net tonnage of the ship operated. The tonnage tax profit replaces both the tax-adjusted commercial profit/loss on a shipping trade and the chargeable gains/losses made on tonnage tax assets.

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

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Tax (continued)

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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

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 difference 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. Deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 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.

Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use and borrowing costs capitalised. Depreciation is provided to allocate the cost of the assets less their estimated residual values, over their expected useful economic life using a straight line basis as follows:

Fleet: 5% - 20% Straight line

Plant & Machinery: 6.66% - 33.3% Straight line

Short leasehold and buildings: 50% Straight line

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Impairment of fixed assets

At each reporting date the Group reviews the carrying value of its property, plant and equipment and intangible assets, including goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. For the purposes of testing goodwill for impairment, goodwill is allocated to each cash-generating unit.

The recoverable amount of an asset, or cash-generating unit, is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash-generating unit, and the present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset, or cash-generating unit, is less than the carrying amount of the asset, or cash-generating unit, an impairment loss is recognised immediately within the profit and loss account to reduce the carrying amount of the asset, or cash-generating unit, to its recoverable amount.

Where an impairment loss has been recognised, the Group assesses at each reporting date whether there has been any indication that an impairment loss recognised in a prior period may no longer exist or may have decreased. An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any permanent diminution in value.

Business combinations

Business combinations are included in the financial statements using the acquisition method of accounting. The cost of the acquisition is measured at the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs that are directly attributable to the business combination. The acquiree's identifiable assets (including intangible assets), liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date.

Intangible assets – Goodwill

Goodwill arising on the acquisition of subsidiaries represents any excess of the cost of the business combination over the interest in the net amount of the identifiable assets (including any intangible assets) liabilities and contingent liabilities acquired.

Goodwill is initially recognised within intangible assets and subsequently amortised on a straight-line basis over its useful economic life.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Stock

Stock comprises of fleet stores and is valued at the lower of cost and net realisable value.

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probably that the obligation will be required to be settled, 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 end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Leases

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

Assets held under finance lease arrangements are recognised as assets within property, plant and equipment at their fair value, or if lower at the present value of the minimum lease payments, each determined at the inception of the lease. The assets are subsequently depreciated over the shorter of the lease term and their useful life. The corresponding finance lease liability is recognised as a finance lease obligation, with lease payments being apportioned between finance charges and a reduction to the lease obligation so as to achieve a constant rate of interest on the remaining amount of the liability. Finance charges are recognised within profit or loss.

Payments made under operating lease arrangements are charged to profit or loss on a straight-line basis over the lease term. Benefits receivable as operating lease incentives are recognised within profit or loss on a straight-line basis over the lease term.

Defined contribution pension obligation

For defined contribution schemes, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The amounts that become payable during the financial year are recognised in profit or loss. Differences between contributions payable during the financial year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Financial instruments

Financial assets and 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.

(i) 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 finance 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. Non-current debt instruments which meet the following conditions, are subsequently measured at amortised cost using the effective interest method:

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Financial instruments (continued)

- (a) Returns to the holder are:
 - (i) a fixed amount; or
 - (ii) a fixed rate of return over the life of the instrument; or
 - (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or
 - (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect 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 relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year 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. 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 significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) 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, an entity estimates the fair value by using a valuation technique.

(iii) 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.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Financial instruments (continued)

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.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, overdrafts and call deposits.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if the 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 Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Derivative financial instruments

Derivatives

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk arising in relation to foreign denominated sales invoices. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recognised at fair value at the date the derivative contract is entered into and are subsequently re-measured to fair value at each reporting date. The resulting gain or loss is recognised in profit or loss.

Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Critical judgements in applying the Group's accounting policies

The critical judgements 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

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

The Group has applied an asset life of 20 years to the vessel, 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.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Assessing indicators of impairment of property, plant and equipment and intangible assets

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. The carrying value of the Group's property, plant and equipment at 31 December 2020 is £ 73,521k (2019: £79,882k).

(ii) Fleet residual value

Management considers 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.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Revenue

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

	2020 £'000	2019 £'000
Continuing		
Accommodation services	7,500	4,880
Walk to Work	16,467	9,828
	<hr/> 23,967	<hr/> 14,708
Discontinued		
Hydrographic surveying	1,624	12,465
	<hr/> 25,591	<hr/> 27,173

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

	2020 £'000	2019 £'000
Continuing		
UK	-	-
Rest of world	23,967	17,345
Discontinued		
UK	1,624	5,626
Rest of world	-	4,202
	<hr/> 25,591	<hr/> 27,173

4. Operating profit/(loss)

	2020 £'000	2019 £'000
Operating profit/(loss) is arrived at after charging/(crediting)		
Depreciation	6,054	6,132
Amortisation of government grants	-	32
Impairment of tangible fixed assets	-	4,188
Foreign exchange (gains)/losses	(1,393)	502
Operating lease expense – land & buildings	-	85
Operating lease expense – other	-	229
Operating income	-	32
Operating income – furlough payments received	51	-
Gain on disposal of property, plant and equipment	(88)	(8)

The receipt of furlough payments relates to the first half of the year. No other furlough payments were received. The impairment of fixed assets relates to assets within the hydrographic survey division, following the administration of Bibby Hydromap Limited which occurred on 3 April 2020 which was treated as an adjusting event in 2019. The impairment reflects consideration of vessel carrying values and impairment of survey kit based on amounts received.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

4. Operating profit/(loss) (continued)

Discontinued operations

The gain in respect of Bibby Hydromap Limited as at the date of administration has been calculated as follows:

	2020 £'000
<i>Net liabilities transferred on administration</i>	
Tangible fixed assets	(5,600)
Inventory	(41)
Debtors	(2,387)
Cash	(471)
Creditors	14,305
Net liabilities transferred	5,806
Debtors relating to the company	(299)
Profit on disposal	5,507

5. Interest receivable and similar income

	2020 £'000	2019 £'000
Interest income on bank deposits	-	-

6. Interest payable and similar charges

	2020 £'000	2019 £'000
Interest on bank overdrafts and borrowings	609	901
Interest on obligations under finance leases and hire purchase contracts	888	89
Interest payable to Bibby Line Group companies	1,748	1,475
	3,245	2,464

7 Staff costs

	2020 £'000	2019 £'000
The aggregate payroll costs (including directors' remuneration) were as follows:		
Wages and salaries	7,443	7,064
Social security costs	445	650
Pension costs, defined contribution scheme	179	318
	8,067	8,033

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

7 Staff costs (continued)

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

	2020	2019
	No.	No.
Hydrographic surveying	29	110
Accommodation services	49	46
Walk to Work	5	6
	83	162

The company does not have any employees.

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£'000	£'000
Remuneration	733	714
Contributions paid to money purchase pension schemes	53	82
	786	796

During the year the number of directors who were receiving benefits was as follows:

	2020	2019
	No.	No.
Accruing benefits under money purchase pension schemes	5	6

In respect of the highest paid director:

	2020	2019
	£'000	£'000
Remuneration	187	241
Company contributions to money purchase pension scheme	12	20
	199	261

The company directors' remuneration was borne in both years by subsidiary companies.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

9 Auditors' remuneration

	2020 £'000	2019 £'000
Fees payable to the company's auditor for:		
Audit of the company's financial statements	12	12
Audit of the financial statements of subsidiaries of the company pursuant to legislation	55	57
	<u>67</u>	<u>69</u>

No non-audit fees were payable to the company's auditor

10 Tax on profit

	2020 £'000	2019 £'000
Tax charged/(credited) in the profit and loss account comprises:		
Current tax on profit on ordinary activities		
UK corporation tax	-	2
UK corporation tax adjustment to prior periods	(20)	-
Tonnage tax	2	-
	<u>(18)</u>	<u>2</u>
Foreign tax	125	329
Foreign tax adjustment to prior periods		2
	<u>125</u>	<u>331</u>
Total current tax	<u>107</u>	<u>333</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(184)	(369)
Effect of change in tax rate	(181)	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(173)	40
Total deferred taxation	<u>(538)</u>	<u>(329)</u>
Total tax on loss on ordinary activities	<u>(431)</u>	<u>3</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

10 Tax on profit (continued)

The Finance Bill 2016 had previously 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 will not occur and the Corporation Tax rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020. The Finance Act 2021 has now changed the mainstream corporation tax rate to 25% for the financial year 2023. However, as this was only enacted after the balance sheet date, no change has been made. The impact on the deferred tax asset would be an increase of £420,000.

The differences are reconciled below:

	2020 £'000	2019 £'000
Profit/(loss) before tax	1,405	(15,074)
Corporation tax at standard rate	267	(2,864)
Losses subject to tonnage tax regime	1	1
Effect of expense not deductible in determining taxable profit (tax loss)	(1,271)	1,765
Other timing differences	494	-
Effect of foreign tax rates	9	40
Deferred tax expense/(credit) relating to changes in tax rates or laws	(181)	35
Adjustments in respect of previous years	(193)	43
Tax increase (decrease) arising from group relief	443	983
Total tax (credit)/charge for the year	431	3

There is no expiry date on timing differences, unused tax losses or tax credits.

11 Intangible assets – Group

	Goodwill £'000
Cost or valuation	
At 1 January and 31 December 2020	2,324
Depreciation	
At 1 January and 31 December 2020	2,324
Carrying amount	
At 31 December 2020 and 31 December 2019	-

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

12 Tangible Fixed Assets

Group	Short leasehold land & buildings £'000	Plant and machinery £'000	Fleet £'000	Total £'000
Cost or valuation				
At 1 January 2020	310	8,681	144,749	153,740
Additions	-	47	875	922
Disposals	(310)	(8,681)	(12,791)	(21,782)
Foreign exchange movements	-	-	4,522	4,522
At 31 December 2020	-	47	137,355	137,402
Depreciation				
At 1 January 2020	310	7,790	65,090	73,190
Charge for the year	-	420	5,634	6,054
Disposals	(310)	(8,201)	(7,183)	(15,694)
Foreign exchange movements	-	-	331	331
At 31 December 2020	-	9	63,872	63,881
Carrying amount				
At 31 December 2020	-	38	73,483	73,521
At 31 December 2019	-	891	79,659	80,550

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:

	2020 £'000	2019 £'000
Plant and machinery	36,755	35,906

Capitalised borrowing costs

Within Fleet are capitalised borrowing costs of £1,371,339 (2019 - £1,294,456). The capitalisation rate used to determine the amount of finance costs capitalised was EURIBOR +1.45% and EURIBOR +3.15%. There was no interest capitalised during the year.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

13 Investments

Company

Subsidiaries £

Cost

At 31 December 2019 and 31 December 2020 500

Group

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
Principal activity: ownership and operation of a floating accommodation vessel			2020	2019
Bibby Maritime Limited	UK	Indirect	100%	100%
Bibby Bergen Limited	UK	Indirect	100%	100%
Bibby Progress Limited	UK	Indirect	100%	100%
Bibby Challenge Limited	UK	Indirect	100%	100%
Bibby Stockholm Limited	UK	Indirect	100%	100%
Principal activity: ownership and operation of hydrographic survey vessels				
Bibby Tethra Limited	UK	Indirect	-	100%
Bibby Athena Limited *	UK	Indirect	-	100%
Bibby Hydromap Limited *	UK	Direct	-	100%
Principal activity: provision of crew services				
Bibby Maritime Crewing Services Limited	UK	Indirect	100%	100%

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

13 Investments (continued)

Bibby Wavemaster 1 Limited	UK	Indirect	100%	100%
Bibby Wavemaster 2 Limited	UK	Indirect	100%	100%
Bibby Marine Services Limited	UK	Direct	100%	100%

Principal activity: provision of marine management services

Bibby Marine Management Limited	UK	Direct	100%	100%
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Principal activity: dormant company

Bibby Marine Survey Services Limited	UK	Direct	100%	100%
Hydromap Limited	UK	Direct	100%	100%
Bibby Renewables Limited	UK	Direct	100%	100%
Bibby Maritime Nigeria Limited ^	UK	Indirect	100%	100%
Bibby Pioneer Limited (formerly Bibby Renaissance Limited)	UK	Indirect	100%	100%

The class of shares held in all the above entities is ordinary.

* Bibby Hydromap Limited entered administration on 3 April 2020. Bibby Athena was sold as part of the administration process.

All entities except for those marked with ^ are registered at 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL. The entity marked ^ is registered at 25 Adeyemo Alakija Street, Victoria Island, Lagos, Nigeria.

For the year ended 31 December 2020, with the exception of Bibby Wavemaster 2 Limited and Bibby Maritime Limited, each of the remaining trading subsidiary companies within the group were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies. As for the year ended 31 December 2019, the company has provided a parental guarantee enabling the exemption for those remaining subsidiary companies.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

14 Stocks

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Other inventories	198	229	-	-

15 Debtors

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	4,154	2,282	-	-
Amounts owed by group undertakings	-	-	10,335	10,313
Other debtors	4,873	1,834	502	3
Prepayments	2,426	4,770	-	-
Deferred tax assets	1,882	1,334	-	-
Total	13,335	10,221	10,837	10,316

Amounts due to group undertakings are unsecured, interest free and are repayable on demand.

16 Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cash at bank	402	1,755	-	-
Overdraft	(851)	-	-	-
	(449)	1,755	-	-

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

17 Creditors

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Due within one year				
Bank overdraft	851	-	-	-
Loans and borrowings (note 18)	9,255	7,313	-	-
Trade creditors	2,292	3,032	20	2
Amounts due to group undertakings	158	158	14,115	13,580
Other payables	437	96	-	-
Accrued expenses	2,310	2,506	-	-
Corporation tax	389	306	-	-
	<u>15,692</u>	<u>13,410</u>	<u>14,135</u>	<u>13,582</u>
Due after one year				
Loans and borrowings (note 18)	<u>68,563</u>	<u>77,909</u>	<u>-</u>	<u>-</u>

The Group uses forward foreign exchange contracts to manage exposure to foreign exchange risk associated with foreign denominated income. The valuation techniques use contracted exchange rates and current forward rates as determined by the bank/issuer of the derivative contract.

18 Loans and borrowings

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Current loans and borrowings				
Bank borrowings	6,632	4,902	-	-
Finance lease liabilities	2,623	2,411	-	-
Amounts due to group undertakings	-	-	14,152	13,580
	<u>9,255</u>	<u>7,313</u>	<u>14,152</u>	<u>13,580</u>

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Non-current loans and borrowings				
Bank borrowings	21,965	29,002	-	-
Finance lease liabilities	23,586	24,818	-	-
Amounts owed to group undertakings	23,012	24,089	-	-
	<u>68,563</u>	<u>77,909</u>	<u>-</u>	<u>-</u>

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

18 Loans and borrowings (continued)

Group

Bank borrowings

Bibby Wavemaster 1 Limited has a Euro denominated bank loan that is repayable €7,381,217 within one year (2019: €4,588,010), €4,801,240 due between 1-2 years (2019: €4,588,010), €9,451,397 due within 2-5 years (2019: €10,404,030) and €10,192,242 due after more than 5 years respectively (2019: €14,540,051). The loan is secured by statutory mortgages on its fleet. The interest rates range between EURIBOR plus 1.45% and EURIBOR plus 3.15%.

Finance lease obligations

Bibby Wavemaster 2 Limited has a 10-year finance lease facility relating to the Bibby Wavemaster Horizon vessel, as a result of a sale and lease back arrangement entered into on 19 November 2019. The future minimum finance lease payments, payable in quarterly instalments, fall due are as follows:

	Group	
	2020	2019
	£'000	£'000
No later than 1 year	3,271	3,088
Between 1-2 years	6,543	3,088
Between 2-5 years	9,814	9,264
Later than 5 years	9,815	15,440
Total gross payments	29,443	30,880
Less: finance charges	(3,234)	(3,651)
	26,209	27,229

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.

Subsequent to the end of the financial year, in February 2021 Bibby Wavemaster 2 Limited secured an additional Junior Loan note facility secured against the Bibby Wavemaster Horizon vessel, realising £6.6m net proceeds to repay other existing debt obligations. In March 2021, the Group also restructured the Bibby Wavemaster 1 Limited loan facilities, extending the repayment profile to better match the cashflows generated by the vessel, and recognising the life of the underlying asset.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

19 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	2,500,152	2,500,152	2,500,152	2,500,152

20 Financial commitments

Group

Land and buildings operating leases

	2020 £'000	2019 £'000
The total of future minimum lease payments is as follows:		
Not later than one year	-	85
Later than one year and not later than five years	-	255
	-	340

Other operating leases

The total of future minimum lease payments are as follows:

	2020 £'000	2019 £'000
Not later than one year	-	14
	-	14

21 Deferred tax and other provisions

Group	Total £'000
At 1 January 2020	(1,334)
Movement in fair value	(10)
Profit and Loss	(538)
	(1,882)

Deferred tax relates to accelerated capital allowances and is included within debtors (Note 14).

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

22 Pension and other schemes

Defined contribution pension scheme

The group operates defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £176,614 (2019 - £266,763).

There were no amounts outstanding at the year-end (2019: £nil).

23 Financial instruments

Group

Categorisation of financial instruments

	2020	2020
	£'000	£'000
Financial assets measured at amortised cost	13,335	10,642
Financial liabilities measured at amortised cost	(84,255)	(91,013)
	<u>(70,920)</u>	<u>(80,371)</u>

24 Analysis of changes in net debt

	2019	Cash flows	Disposal of subsidiary	Exchange movements	Other non-cash changes	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Cash & cash equivalents	1,755	(2,204)	(471)	-	471	(449)
Bank loans	(33,904)	2,679	4,865	(1,569)	(668)	(28,597)
Finance leases	(27,229)	3,207	-	(1,299)	(888)	(26,209)
Inter-company loans	(24,089)	(2,843)	5,668	-	(1,748)	(23,012)
Net (debt) / cash	<u>(83,467)</u>	<u>839</u>	<u>10,062</u>	<u>(2,868)</u>	<u>(2,833)</u>	<u>(78,267)</u>

25 Related party transactions

The group and company have taken advantage of the exemption in FRS102 section33 'Related Party Disclosures' from disclosing transactions with other wholly-owned members of the ultimate party.

Bibby Marine Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

26 Ultimate controlling party

The immediate parent company is Bibby Holdings Limited, a company incorporated in England and Wales which owns 100% of the company's shares. The ultimate parent company, ultimate controlling party and largest group into which results are incorporated is Bibby Line Group, a company also incorporated in England and Wales.

27 Post balance sheet events

In February 2021 Bibby Wavemaster 2 Limited 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 Group also restructured the Bibby Wavemaster 1 Limited loan facilities, extending the repayment profile by 2 years. *The new profile of repayments better matches the cashflows generated by the vessel and better recognises the remaining life of the underlying asset.*

In June 2021 the Group purchased the ASV Pioneer (renamed Bibby Pioneer) for £1.5m which was funded directly via a loan from Bibby Line Group secured on the vessel.