

Company Registration No. 07188049

BIBBY OFFSHORE HOLDINGS LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2016

BIBBY OFFSHORE HOLDINGS LIMITED

Annual report and financial statements 2016

Contents	Page
Officers and professional advisers	1
Chairman's statement	2
Strategic report	3
Directors' report	7
Directors' responsibilities statement	10
Independent auditor's report	11
Group statement of total comprehensive income	13
Group and company balance sheets	14
Group and company statement of changes in equity	15
Group cash flow statement	16
Notes to the financial statements	17

BIBBY OFFSHORE HOLDINGS LIMITED

Officers and professional advisers

Directors

Howard Dennis Woodcock
Neale John Stewart
Fraser John Moonie
David James Forsyth (appointed 14 June 2016)
Stuart Robert Jackson
Gaurav Batra (resigned 26 April 2016)
Michael Peter Brown
Michael Joseph Arnold (resigned 28 January 2016)
Archibald Wood Kennedy (appointed 1 April 2016)
Mark Joseph Lyons (appointed 26 April 2016)

Company secretary

Bibby Bros. & Co. (Management) Limited

Registered office

105 Duke Street
Liverpool
L1 5JQ

Legal advisers

Pinsent Masons LLP
Aberdeen
AB15 4YL

Bankers

Royal Bank of Scotland plc
Aberdeen
AB10 1YN

Credit Suisse
London
E14 4QJ

Barclays Bank plc
London
E14 4BB

Standard Chartered Bank
London
EC2V 5DD

Independent auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Aberdeen
United Kingdom

BIBBY OFFSHORE HOLDINGS LIMITED

Chairman's statement

Although 2016 was another challenging year for Bibby Offshore and the sector as a whole, the Group made significant progress in further reducing costs and maintained good utilisation. We made good progress in diversifying revenue through the development of a new market in North America, and also generated new revenues from air diving, decommissioning and flex lay work using the Bibby Polaris and her carousel.

Throughout 2016, we have continued to focus on ensuring the business model is optimised for the long term success of the Group. During Q4, we took further steps to ensure the business was appropriately sized in the current market following the completion of the busy summer period and also achieved significant cost savings through our supply chain, vessel running costs and streamlining the organisation which also improved internal efficiency. We ended the year with a much lower cost base and a more efficient and diversified business, and operationally, continue to achieve high levels of customer satisfaction and maintained good levels of utilisation. In particular, our DSV fleet has performed particularly well with utilisation of 77%.

Looking ahead, while the market outlook across the sector remains challenging, tendering activities in the early part of 2017 provide confidence around utilisation through the year, and Bibby Offshore continues to deliver an extremely high quality service for all clients. This has already manifested itself in the winning of longer term framework agreements. The Group is well placed to continue to take advantage of these opportunities as a result of the proactive steps taken over the last two years to manage the business and its cost base.

I would like to thank everyone at Bibby Offshore for their dedication over the last twelve months. The Group is well positioned to manage another challenging year, and it is down to the hard work of the team that we are in a position to capitalise on any new opportunities that the remainder of 2017 brings.

Mike Brown
Chairman
23 March 2017

BIBBY OFFSHORE HOLDINGS LIMITED

Strategic report

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

Principal activities

Bibby Offshore Holdings Limited (“Bibby Offshore” or “the Group”) is a wholly-owned subsidiary of Bibby Line Group Limited (“BLG”) and is the holding company for Bibby Line Group’s offshore and subsea activities. The Group’s principal activities are the project management and execution of offshore inspection, repair, maintenance and construction services to the offshore industry.

Business review

2016 was another challenging year for Bibby Offshore and the sector as a whole. Whilst operating levels were in line with our expectations, the Group has continued to experience difficult trading conditions, with financial results further impacted by the non-payment for work carried out for Emas Chiyoda Subsea in Trinidad. This was reflected in the Group’s revenue, which reduced to £154.7m (2015: £240.7m) and gross margin, which dropped to £(32.9)m from £43.1m after accounting for non underlying movements in the year of £14.7m (2015 £0.7m). Underlying administrative costs were reduced by 30% to £15.8m.

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

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

Bibby Offshore has also made strong progress in diversifying its revenue base through developing a new market in North America where it has successfully expanded its geographic reach. Its North American business is now well established with the Bibby Sapphire achieving utilisation of 70% in 2016. The Group’s North American financial results were heavily impacted as a result of not receiving payment from Emas Chiyoda Subsea for which a full provision has been made in the Group’s accounts. Bibby Offshore is actively tendering for a number of projects in 2017 and plans to build a similar summer campaign in Trinidad as undertaken in 2016.

The Asian region remains focused on the supply of work class ROVS. Reasonable levels of utilisation were achieved in 2016 and this has started to show signs of improving in 2017.

Throughout 2016 management have continued to focus on the cost base and to ensure the business model is optimised for the long term success of the Group. We also achieved significant savings through our supply chain, vessel running costs and streamlining the organisation which both reduced costs and improved internal efficiency. Overall, since the start of the industry wide downturn, the Group has removed over £50 million from the cost base of the business and moved a significant amount of fixed costs to variable costs.

Bibby Offshore received extremely positive client feedback in 2016 with an FPAL score of 8.2 for the year.

Bibby Offshore is well placed for 2017 as a result of the proactive steps taken over the last two years to manage the business and its cost base, including reducing the workforce by approximately 30%, restructuring internal management, and reviewing charter arrangements. The Group has also been proactive in identifying areas of opportunity and adapting the business model where possible to position the Group for long term success.

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

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

BIBBY OFFSHORE HOLDINGS LIMITED

Strategic report (continued)

To position ourselves ahead of the build-up of the summer campaign BLG, who remains a supportive and long term shareholder, has approved a £10 million additional liquidity line, which is expected to be in place within the next few weeks. BOHL and BLG are engaging with the RCF lenders to amend the existing RCF documentation. We do not anticipate the need to drawdown this additional liquidity during 2017 if the Group converts its existing order pipeline in line with its current forecasts but it is considered a prudent measure to put in place should order intake increase rapidly.

Principal risks and uncertainties

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

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

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

Principal risks and uncertainties	Mitigation	Key Performance Indicators
<p>General economic conditions may impact on our clients' ability to raise capital and contract for services</p> <p>The ability of our clients to raise capital could result in project modifications, delays and/or cancellations. The inability to raise capital could adversely impact our ability to sustain our business and would likely increase our capital costs. Inability to raise sufficient capital and failure to make payments when due or take delivery of new assets could result in a default under our project contracts or expose us to penalties and damages under such contracts.</p>	<ul style="list-style-type: none"> • We measure our backlog to ensure we have visibility of future revenues; • We monitor market activity through the use of market intelligence; • We continue to diversify our geographical presence and exposure to different regional markets; • We continue to develop our service offering in the decommissioning and renewable markets; • We maintain a balance of fixed and variable costs to enable us to react to market changes; and • We employ Lean Six Sigma practices to reduce direct costs and enhance operating efficiencies. 	<ul style="list-style-type: none"> • Order backlog
<p>Reduced service delivery onshore and offshore</p> <p>The award of work is dependent on being able to offer new and existing customers the correct level of service delivery. Service delivery includes the quality of work delivered, the level of contractual risk retained and the price of services delivered.</p> <p>Failure to offer the correct service delivery may result in the group failing to secure budgeted utilisation. Failure to build the correct pricing and risk profile in our projects at tendering stage may result in operational losses.</p>	<ul style="list-style-type: none"> • We take great care in building the correct risk profile at tendering stage; • We have high quality resource planning, scheduling and delivery through the implementation of robust process and procedure and defined roles and responsibilities; • Customer focused approach utilising stakeholder feedback and continuous improvement through monitoring, audit & review; • We utilise Project Delivery lessons learned data • We employ Lean Six Sigma practices to reduce direct costs and enhance operating efficiencies; and • We have rigorous supply chain management policies to reduce expenditure and enhance efficiencies. 	<ul style="list-style-type: none"> • Tendering win rate • Percentage of repeat clients • Client Feedback (FPAL)

BIBBY OFFSHORE HOLDINGS LIMITED

Strategic report (continued)

Principal risks and uncertainties	Mitigation	Key Performance Indicators
<p>Unable to attract and retain sufficient skilled personnel to meet our operational requirements</p> <p>The inability to attract or retain highly skilled personnel for our manned diving and remote intervention operations could have a material adverse effect on our business, financial condition and results of operations.</p>	<ul style="list-style-type: none"> • We use market intelligence to assist in resource & contingency planning; • We realise the talent of our people through dedicated learning and development programmes; and • We have developed offices across the UK to access new talent pools. 	<ul style="list-style-type: none"> • Staff retention rates
<p>Vessel may have to be taken out of service for unexpected lengths of time or require extensive repairs or modifications</p> <p>The delay in the provisions of services to clients may have a material adverse effect on our business, results of operations, financial condition and prospects. Insufficient funds to cover costs of unpredictable and substantial dry-dock repairs. A delay in vessel maintenance could affect our contracted project schedule and have a material adverse effect on our business and results of operations.</p>	<ul style="list-style-type: none"> • We adopt a robust asset management programme integrating asset integrity and assurance programmes, condition based monitoring and the adoption of a reliability centred maintenance approach; and • We use market intelligence to understand the availability of charter vessels. 	<ul style="list-style-type: none"> • Offhire days
<p>Financial risks</p> <p>The Group has in place short and long term finance arrangements to ensure liquidity for ongoing operations and future development. However the Group is operating in a challenging economic environment with limited visibility on order levels in the short term.</p> <p>The Group provides assets and services into international markets and it is therefore exposed to currency movements on such sales.</p> <p>The Group's credit risk is primarily attributable to its trade receivables and cash balances.</p>	<ul style="list-style-type: none"> • The Group has robust internal procedures to monitor cash and to ensure liquidity constraints are identified and appropriate mitigation steps are taken; • Exchange rate exposure is managed as far as is possible through contractual terms or matching costs in the same currencies; • The Group enters forward contracts as considered appropriate; • The Group monitors the credit risk with customers. Receivables stated in the balance sheet are net of allowances for doubtful debts; • The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with recognised credit-ratings assigned by international credit-rating agencies; • Derivatives are not entered on a speculative basis; and • The Group prepares and updates trading and cash flow forecasts to monitor and manage projected liquidity and trading performance. 	<ul style="list-style-type: none"> • Cashflow • Foreign exchange gains or losses • Bad debts • Debtor days

BIBBY OFFSHORE HOLDINGS LIMITED

Strategic report (continued)

Market outlook

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

The extension of the Topaz charter to the end of 2019 provides an indication of Bibby Offshore's confidence in maintaining market share under more flexible charter terms. The Group has a further opportunity to reduce charter costs in August 2017 as the firm period of the Olympic Ares charter comes up for renewal and are considering a number of options including replacing the vessel, renegotiating terms and identifying alternative solutions.

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

Post Period End

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

BLG, who remains a supportive and long term shareholder, has approved a £10 million additional liquidity line, which is expected to be in place within the next few weeks. BOHL and BLG are engaging with the RCF lenders to amend the existing RCF documentation. We do not anticipate the need to drawdown this additional liquidity during 2017 if the Group converts its existing order pipeline in line with its current forecasts but it is considered a prudent measure to put in place should order intake increase rapidly.

Approved by the Board of Directors
and signed on behalf of the Board

H D Woodcock
Director and Chief Executive
23 March 2017

BIBBY OFFSHORE HOLDINGS LIMITED

Directors' report

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

Corporate governance

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

Financial risk management objectives and policies

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

The principal risks and uncertainties associated with the Group's operations and also financial risk management are discussed in the Strategic Report.

Environment

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

Employees

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

It is the Group's policy to promote the understanding and involvement of all employees in its business and performance. Regular Town Hall meetings are held to fully inform and engage with the employees.

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

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the company.

Dividends

Interim dividends of £Nil were declared and paid in the year (2015:£20,110k).

Directors

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

Directors' indemnities

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

Charitable and political donations

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

BIBBY OFFSHORE HOLDINGS LIMITED

Directors' report (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 on pages 3 to 4. In addition, the Strategic Report sets out the principal risks and uncertainties which exist within the business and how these risks and uncertainties are managed.

As described more fully in the Business Review, the group has reported operating losses in the year as a result of current market conditions. Furthermore the Group expects market conditions to remain challenging for at least the next 12 months with continued limited visibility on order levels in the short term.

The Group has carefully considered the level of cash reserves required to enable it to continue to operate for the foreseeable future. The Group has cash reserves of £36.8m at 31 December 2016 and has limited short term debt maturity. The Group has developed forecasts and projections, including consideration of sensitised scenarios, which show that the Group and company is projecting to operate within the available cash reserves. Additionally the Group has access to a £20m committed Revolving Credit Facility, although only £5m is available to draw because of current leverage levels. To provide additional headroom Bibby Line Group Limited, who remain a supportive and long term shareholder, has approved a £10m additional liquidity line, which is expected to be in place within the next few weeks. Bibby Offshore and Bibby Line Group Limited are engaging the RCF lenders to amend the existing RCF documentation. Having held initial conversation with the RCF lenders, nothing has come to the directors' attention to suggest that acceptable terms will not be agreed.

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

The market conditions saw reduced margins throughout 2016 and the Group has continued focus on the cost base to ensure the business model is sustainable in these conditions. In 2016 the group secured significant savings through its supply chain, DSV running costs and management structure which reduces on-going operating costs and improves internal efficiency and the Group anticipates that further opportunities to reduce costs, specifically in charter rates, will be available in 2017.

The directors have formed the judgment that at the time of approving the financial statements, that the Group and company have adequate cash and liquid resources to continue in operational existence for the foreseeable future. For this reason the going concern basis continues to be adopted in preparing the financial statements.

BIBBY OFFSHORE HOLDINGS LIMITED

Directors' report (continued)

Auditor

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Approved by the Board of Directors
and signed on behalf of the Board

H D Woodcock
Director and Chief Executive

23 March 2017

BIBBY OFFSHORE 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 company and of the profit or loss of the group and company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor’s report to the members of BIBBY OFFSHORE HOLDINGS LIMITED

We have audited the financial statements of Bibby Offshore Holdings Limited for the year ended 31 December 2016 which comprise Group Statement of Total Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statement of Changes in Equity, the Group Cash Flow Statement and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

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 2016 and of the Group’s loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors’ Report.

Independent auditor's report to the members of BIBBY OFFSHORE HOLDINGS LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.

David Mitchell CA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Glasgow, United Kingdom

23 March 2017

BIBBY OFFSHORE HOLDINGS LIMITED

Group statement of total comprehensive income Year ended 31 December 2016

	Note	2016 Underlying £000	2016 Non - Underlying £000	2016 Total £000	2015 Underlying £000	2015 Non- Underlying £000	2015 Total £000
Group turnover: continuing operations	3	154,739	-	154,739	240,711	-	240,711
Cost of sales		(172,895)	(14,721)	(187,616)	(196,886)	(730)	(197,616)
Gross (loss)/profit		(18,156)	(14,721)	(32,877)	43,825	(730)	43,095
Administrative expenses		(15,755)	(2350)	(18,105)	(22,211)	(1,350)	(23,561)
Other income		-	-	-	40	-	40
Operating (loss)/profit: continuing operations		(33,911)	(17,071)	(50,982)	21,654	(2,080)	19,574
Loss on sale of tangible fixed assets	5	-	-	-	(108)	-	(108)
Finance costs (net)	4	(13,777)	-	(13,777)	(14,596)	-	(14,596)
(Loss)/profit on ordinary activities before taxation	5	(47,688)	(17,071)	(64,759)	6,950	(2,080)	4,870
Tax on (loss)/profit on ordinary activities	8	6,233	1,179	7,412	(5,054)	75	(4,979)
(Loss)/profit for the financial year		(41,455)	(15,892)	(57,347)	1,896	(2,005)	(109)
Currency translation difference on foreign operations		159	-	159	271	-	271
Total comprehensive (loss)/ income		(41,296)	(15,892)	(57,188)	2,167	(2,005)	162

The columnar presentation of the Group Statement of Total Comprehensive Income has been adopted as the directors are of the opinion that this presentation is more informative. Further details can be found in note 5 to the financial statements.

BIBBY OFFSHORE HOLDINGS LIMITED

Group and company balance sheets At 31 December 2016

	Note	Company 2016 £000	2015 £000	Group 2016 £000	2015 £000
Fixed assets					
Investments	11	23,444	23,444	-	-
Tangible assets	12	-	-	110,817	122,772
		<u>23,444</u>	<u>23,444</u>	<u>110,817</u>	<u>122,772</u>
Current assets					
Stocks	13	-	-	1,565	1,458
Debtors	14	149,089	111,014	44,631	28,429
Cash and cash equivalents		26,995	70,665	36,811	97,161
		<u>176,084</u>	<u>181,679</u>	<u>83,007</u>	<u>127,048</u>
Creditors: amounts falling due within one year	15	<u>(185,904)</u>	<u>(184,837)</u>	<u>(35,125)</u>	<u>(34,492)</u>
Net current (liabilities)/assets		<u>(9,820)</u>	<u>(3,158)</u>	<u>47,882</u>	<u>92,556</u>
Total assets less current liabilities		<u>13,624</u>	<u>20,286</u>	<u>158,699</u>	<u>215,328</u>
Creditors: amounts falling due after more than one year	16	-	-	(175,863)	(179,517)
Provisions for liabilities	18	-	-	(14,614)	(10,401)
Net assets/(liabilities)		<u>13,624</u>	<u>20,286</u>	<u>(31,778)</u>	<u>25,410</u>
Capital and reserves					
Called up share capital	20	17,000	17,000	17,000	17,000
Profit and loss reserve		(3,376)	3,286	(48,778)	8,410
Shareholders' (deficit)/funds		<u>13,624</u>	<u>20,286</u>	<u>(31,778)</u>	<u>25,410</u>

The loss for the financial year dealt with in the financial statements of the parent company was £6,662k (2015:Profit £23,376k).

The financial statements of Bibby Offshore Holdings Limited, registered number 07188049 were approved by the Board of Directors and authorised for issue on 23 March 2017.

Signed on behalf of the Board of Directors

H D Woodcock

Director and Chief Executive

BIBBY OFFSHORE HOLDINGS LIMITED

Group and company statement of changes in equity At 31 December 2016

Group

	Called-up share capital £000	Profit and loss account £000	Total £000
At 1 January 2015	17,000	28,358	45,358
Loss for the year	-	(109)	(109)
Dividends paid	-	(20,110)	(20,110)
Currency translation difference on foreign operations	-	271	271
	<hr/>	<hr/>	<hr/>
At 31 December 2015	17,000	8,410	25,410
Loss for the year	-	(57,347)	(57,347)
Currency translation difference on foreign operations	-	159	159
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<u>17,000</u>	<u>(48,778)</u>	<u>(31,778)</u>

Company

	Called-up share capital £000	Profit and loss account £000	Total £000
At 1 January 2015	17,000	20	17,020
Profit for the year	-	23,376	23,376
Dividends paid	-	(20,110)	(20,110)
	<hr/>	<hr/>	<hr/>
At 31 December 2015	17,000	3,286	20,286
Loss for the year	-	(6,662)	(6,662)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<u>17,000</u>	<u>(3,376)</u>	<u>13,624</u>

BIBBY OFFSHORE HOLDINGS LIMITED

Group cash flow statement Year ended 31 December 2016

	Note	2016 £000	2015 £000
Net cash (outflow)/inflow from operating activities	21	(37,341)	21,474
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		-	167
Purchase of tangible assets		(4,210)	(7,811)
Interest received		326	445
Net cash outflows from investing activities		(3,884)	(7,199)
Cash flows from financing activities			
Dividends paid		-	(20,110)
Repayments of finance lease agreements		(5,087)	(3,992)
New obligations under hire purchase agreements		-	4,745
Interest paid		(14,038)	(14,125)
Net cash outflows from financing activities		(19,125)	(33,482)
Net decrease in cash and cash equivalents		(60,350)	(19,207)
Cash and cash equivalents at beginning of year		97,161	116,368
Cash and cash equivalents at end of year		36,811	97,161
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand*		16,459	27,161
Short term money market investments**		20,352	70,000
		36,811	97,161

* Included within cash at bank and in hand is an amount of £321k (2015:£300k) held under agency agreement with V Ships (Liverpool) Limited, (formerly Bibby Ship Management Ltd, a subsidiary of the ultimate parent company Bibby line Group Limited until March 2016).

** The Group has short term money market investments maturing in periods ranging from 1 to 3 months and attracting interest rates ranging from 0.26% to 0.65% per annum

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies

(a) General information and basis of accounting

Bibby Offshore Holdings Limited is a company incorporated in the United Kingdom. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 3 to 6.

The financial statements are presented under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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

The functional currency of Bibby Offshore Holdings Limited is considered to be pounds sterling being the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Bibby Offshore Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to the presentation of a separate profit and loss account and cash flow statement.

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of the parent company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. 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. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(c) 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 on pages 3 to 4. In addition, the Strategic Report sets out the principal risks and uncertainties which exist within the business and how these risks and uncertainties are managed.

As described more fully in the Business Review, the group has reported operating losses in the year as a result of current market conditions. Furthermore the Group expects market conditions to remain challenging for at least the next 12 months with continued limited visibility on order levels in the short term.

The Group has carefully considered the level of cash reserves required to enable it to continue to operate for the foreseeable future. The Group has cash reserves of £36.8m at 31 December 2016 and has limited short term debt maturity. The Group has developed forecasts and projections, including consideration of sensitised scenarios, which show that the Group and company is projecting to operate within the available cash reserves. Additionally the Group has access to a £20m committed Revolving Credit Facility, although only £5m is available to draw because of current leverage levels. To provide additional headroom Bibby Line Group Limited, who remain a supportive and long term shareholder, has approved a £10m additional liquidity line, which is expected to be in place within the next few weeks. Bibby Offshore and Bibby Line Group Limited are engaging the RCF lenders to amend the existing RCF documentation. Having held initial conversation with the RCF lenders, nothing has come to the directors' attention to suggest that acceptable terms will not be agreed.

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies (continued)

(c) Going concern (continued)

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

The market conditions saw reduced margins throughout 2016 and the group has continued focus on the cost base to ensure the business model is sustainable in these conditions. In 2016 the group secured significant savings through its supply chain, DSV running costs and management structure which reduces on-going operating costs and improves internal efficiency and the group anticipates that further opportunities to reduce costs, specifically in charter rates, will be available in 2017.

The directors have formed the judgment that at the time of approving the financial statements, that the Group and company have adequate cash and liquid resources to continue in operational existence for the foreseeable future. For this reason the going concern basis continues to be adopted in preparing the financial statements.

(d) Tangible fixed assets and depreciation

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

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

Vessel fleet	From date of purchase to the age of the vessel of 25 years
ROV fleet	5 to 10 years
Other:	
Plant and equipment	1 to 5 years
Leasehold improvements	Over the lease term

(e) Dry dock costs

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

(f) Stock

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

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies (continued)

(g) Impairment of assets

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

Non-financial assets

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

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a cash-generating unit (CGU), the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis.

Financial assets

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

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

(h) Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. The deferred tax assets and liabilities are not discounted. Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted.

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

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the 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 using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

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

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies (continued)

(h) Taxation (continued)

Current tax assets and liabilities are offset only when there is 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.

(i) Foreign currencies

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

(j) Pension costs

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

(k) Finance lease agreements and operating leases

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

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

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

(l) Borrowings and finance costs

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

(m) Turnover

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

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies (continued)

(n) Long term contracts

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

Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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

(o) Financial instruments

Financial assets and financial liabilities are recognised when the Group 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 Group after deducting all of its liabilities.

Financial assets and liabilities

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

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

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

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies (continued)

(o) Financial instruments (continued)

- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

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

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

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

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

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

Derivative financial instruments

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

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

Fair value measurement

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

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies (continued)

(a) 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.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the group's accounting policies

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

Revenue and margin recognition on long term contracts

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

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

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

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

(b) Key sources of estimation uncertainty

Provisions for tax liabilities

The financial statements include estimates in relation to tax uncertainties. In particular, the specific matters discussed at note 26 are identified as well as general estimates and uncertainties. In estimating the tax provision required in respect of the Trinidad and Tobago matters, the directors have considered the likely outcome, having regard to ongoing correspondence with all parties including advice provided by local tax advisors.

Provisions for litigation

The financial statements reflect estimates in respect of the claims and litigation as outlined in note 26. In estimating whether provisioning is required, the directors have considered all available evidence including ongoing correspondence and advice received from legal representatives.

Impairment of assets

In determining whether assets are impaired consideration has been given to evidence of value. The carrying value of vessels has been compared to valuations conducted by independent 3rd party specialists and no impairment is identified. The value in use of the ROV fleet has been assumed on the basis of the future cash flows expected to arise from continuing use with a suitable discount rate applied in order to calculate net present value. The pre tax discount rate is estimated at 12%. In making this assessment, regard has been given to current market conditions and the prospects of recovery during the useful economic lives of the ROV fleet. This assessment identifies an impairment amounting to £2,143k (2015:£Nil). This has been included in fixed assets in note 12. The carrying value of vessels and ROVs at the balance sheet date was £106.7m (2015:£119.3m).

Onerous lease contracts

In assessing the future commitments under lease rentals the provisions of para 21.11 of FRS 102 have been considered and assessed as to whether the economic benefit derived from the remaining lease payments are outweighed by the lease obligations. This assessment, including consideration of vessel charter commitments, identifies an onerous lease contract amounting to £5,081k (2015:£305K). This has been included in provisions in note 18.

Depreciation rates

In applying the accounting policy outlined at 1(d), the group estimates the useful lives and residual value of the vessel and ROV fleet with a carrying value of £106.7m (2015:£119.3m). The current useful lives are estimated at 25 years for the vessel fleet and 5-10 years for the ROV fleet, together with a £nil residual value.

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

3. Turnover

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

	Group	
	2016	2015
	£000	£000
Turnover		
Northern Europe	105,186	231,970
Rest of the world	49,553	8,741
	<u>154,739</u>	<u>240,711</u>

All turnover arises solely from project revenues.

4. Finance costs (net)

	Group	
	2016	2015
	£000	£000
Interest payable and similar charges	14,103	15,041
Interest receivable and similar income	(326)	(445)
	<u>13,777</u>	<u>14,596</u>

	Group	
	2016	2015
	£000	£000
Interest payable and similar charges		
Bank and loan interest	13,187	14,041
Finance lease agreements interest	916	1,000
	<u>14,103</u>	<u>15,041</u>
Bank interest receivable and similar income	<u>(326)</u>	<u>(445)</u>
	<u>13,777</u>	<u>14,596</u>

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

5. (Loss)/profit on ordinary activities before taxation

	Group	
	2016	2015
	£000	£000
(Loss)/profit on ordinary activities before taxation is stated after charging		
Loss on sale of tangible fixed assets	-	108
Depreciation of owned assets	11,282	11,238
Depreciation of assets held under finance lease agreements	4,118	3,290
Impairment of assets	2,143	-
Foreign exchange loss	136	480
Operating lease costs		
Hire of plant and machinery	42,274	35,182
Other	1,926	2,152
	<u> </u>	<u> </u>

The loss on sale of tangible fixed assets in 2015 relates to equipment.

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

	Group	
	2016	2015
	£000	£000
Fees payable to the company's auditor and associates for the audit of the company's annual accounts	16	13
The audit of the company's subsidiaries	93	89
	<u> </u>	<u> </u>
Total audit fees	109	102
Other services	-	-
	<u> </u>	<u> </u>
Total fees	<u> </u>	<u> </u>

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

During the year the Group recognised a number of costs which are material to the overall results of the Group but which do not relate to the underlying business. The directors are of the opinion that it is appropriate to adopt a columnar presentation of the results which separately identifies underlying results and non-underlying results to assist the reader of the financial statements.

The non-underlying costs comprised:

	Group	
	2016	2015
	£000	£000
Provisions for bad debts and litigations	9,031	1,406
Impairments of assets	2,143	-
Impairments of contracts	5,081	305
Reductions in head count through redundancy	816	369
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

6. Staff numbers and costs

	Group	
	2016	2015
	No	No
The average number of employees (including executive directors) during the year was:		
Management, operations and administration staff	342	450

Their aggregate remuneration comprised:

	Group	
	2016	2015
	£000	£000
Wages and salaries	24,706	32,954
Social security costs	2,521	3,742
Other pension costs	1,703	2,208
	<u>28,930</u>	<u>38,904</u>

7. Emoluments of directors

	Group	
	2016	2015
	£000	£000
Aggregate emoluments	1,800	2,312

All executive directors are members of money purchase pension schemes and group contributions in the year were £46k (2015:£296k).

	Group	
	2016	2015
	£000	£000
Highest paid director		
Total amount of emoluments (including pension contributions)	<u>597</u>	<u>584</u>

Group contributions of £Nil (2015:£48k) have been made to the money purchase pension scheme on behalf of the highest paid director.

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

8. Taxation

	Group		Group	
	2016	2016	2015	2015
	£000	£000	£000	£000
Current tax on (loss)/profit on ordinary activities				
Corporation tax payable – UK	-		2,394	
Corporation tax(receivable)/ payable – overseas	131		4,173	
Corporation tax adjustment in respect of prior years	(1,613)		(271)	
Total current tax		(1,482)		6,296
Deferred tax				
Origination and reversal of timing differences	(6,072)		(719)	
Effect of change in tax rate on opening liability	142		(344)	
Adjustment in respect of prior years	-		(254)	
Total deferred tax (note 18)		(5,930)		(1,317)
Total tax on (loss)/profit on ordinary activities		(7,412)		4,979

Factors affecting the tax (credit)/charge for the year:

The tax credit is lower than the anticipated credit (2015:higher charge). The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Group	
	2016	2015
	£000	£000
(Loss)/profit on ordinary activities before taxation	(64,759)	4,870
Tax on (loss)/profit on ordinary activities before taxation at standard UK corporation tax rate of 20% (2015:20.25%)	(12,952)	986
Effects of:		
Expenses not deductible for tax purposes	50	170
Costs incurred under the tonnage tax regime not deductible for tax purposes	2,602	473
Income taxable under tonnage tax regime	(2,218)	(3,259)
Higher/ (lower) tax rates on overseas earnings	29	3,780
Unrelievable overseas tax losses	3,502	3,338
Effect of change in tax rate on opening timing differences	142	(344)
Prior year adjustments	(1,613)	(525)
Foreign exchange on consolidation	1,982	360
Losses carried back to prior years	1,069	-
Other	(5)	-
Group total tax (credit)/charge for year	(7,412)	4,979

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

8. Taxation (continued)

The UK Government announced in 2015 that the main rate of corporation tax will reduce to 19% from 1 April 2017. On 6 September 2016, the Finance Act 2016 was substantively enacted and provided for an additional reduction in the main rate of UK corporation tax to 17% from 1 April 2020. These rate changes will affect the size of the Group's deferred tax assets and liabilities in the future. Deferred tax as at 31 December 2016 has been recognised at the enacted rate at the balance sheet date, which was between 17% and 20% depending on the expected timing of the reversal. During the year beginning 1 January 2017, the net reversal of deferred tax liabilities is expected to decrease the corporation tax charge for the year by £234k (2015: £289k). This is due to the net book value of qualifying assets being in excess of their tax written down value.

Deferred tax assets for the taxable losses of Bibby Offshore Limited (Trinidad Branch) of £2,862k (2015:£38k), Bibby Offshore Singapore PTE of £2,694k (2015:£3,073k), Bibby Subsea of ROV LLC £7,001k (2015:£5,709k) and Bibby Offshore AS of £408k (2015:£594k) have not been recognised as recoverability is dependent on future profitability which is considered uncertain.

9. (Loss)/profit attributable to the company

The loss for the financial year dealt with in the financial statements of the parent company was £6,662k (2015:Profit £23,376k). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company.

10. Dividends

	Company	
	2016	2015
	£000	£000
Interim dividends paid in the year	-	20,110

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

11. Fixed asset investments

	Company £000
Subsidiary companies	
At 1 January 2016 and 31 December 2016	23,444

The parent company has investments in the following subsidiary undertakings:

Subsidiary undertakings	Percentage of equity share capital held %	Registered Office	Country of incorporation	Principal activity
Bibby Offshore Limited	100	(1)	United Kingdom	Offshore Oil and Gas Services
Bibby Project Personnel Pte Limited	100	(2)	Singapore	Crew Supply
Bibby Diving Services Pte Limited	100	(2)	Singapore	Crew Supply
Bibby Remote Intervention Limited	100	(1)	United Kingdom	ROV Services
Bibby Subsea Inc	100	(3)	USA	Subsea Services
Bibby Offshore AS	100	(4)	Norway	Subsea Services
Bibby Offshore Pty Limited	100	(5)	Australia	Subsea Services
Bibby Offshore Services Plc	100	(1)	United Kingdom	Bond Holding
Bibby Offshore Singapore Pte Ltd*	100	(2)	Singapore	Offshore Oil and Gas Services
Huskisson Shipping Limited*	100	(1)	United Kingdom	Ship Owning
Rumford Tankers Limited*	100	(1)	United Kingdom	Ship Owning
Bibby Freighters Limited*	100	(1)	United Kingdom	Ship Owning
Bibby North Star Limited*	100	(1)	United Kingdom	Ship Owning
Bibby Subsea ROV LLC**	100	(3)	USA	ROV Services

* Investment held through Bibby Offshore Limited.

** Investment held through Bibby Subsea Inc.

The Registered office of each subsidiary is as indicated by the key below:

- (1) 105 Duke Street, Liverpool L1 5JQ
- (2) 1 Kaki Bukit Road 1 , #02-47, Enterprise 1, 415934, Singapore
- (3) Capitol Services Inc 1675 South State Street, Suite B, City of Dover, County of Kent DE 19901
- (4) P.O Box 94 Forus, 4064 Stavanger, Norway
- (5) 72 Elder Place, Fremantle, WA 6160, Australia

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

12. Tangible fixed assets

Group	Vessel Fleet £000	ROV Fleet £000	Other £000	Total £000
Cost				
At 1 January 2016	131,230	41,192		179,327
Additions	2,614			4,210
Exchange differences	-	1,360	189	1,549
At 31 December 2016	<u>133,844</u>	<u>42,552</u>		<u>185,086</u>
Depreciation				
At 1 January 2016	44,095	8,998	3,462	56,555
Charge for the year	9,570	4,810	1,020	15,400
Impairment	-	2,143	-	2,143
Exchange differences	-	69	102	171
At 31 December 2016	<u>53,665</u>	<u>16,020</u>	<u>4,584</u>	<u>74,269</u>
Net book amount				
At 31 December 2016	<u>80,179</u>	<u>26,532</u>	<u>4,106</u>	<u>110,817</u>
At 31 December 2015	<u>87,135</u>	<u>32,194</u>	<u>3,443</u>	<u>122,772</u>

Tangible assets include ROV fleet with a total net book value of £22,563k (2015:£27,534k) pledged as security against related finance lease agreements.

Vessel fleet includes assets with a total net book value of £77,859k (2015:£86,679k) are pledged as security for the Bond (detailed in note 17).

13. Stocks

	Company		Group	
	2016 £000	2015 £000	2016 £000	2015 £000
Consumables	-	-	1,565	1,458

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

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

14. Debtors: amounts falling due within one year

	Company		Group	
	2016 £000	2015 £000	2016 £000	2015 £000
Trade debtors	-	-	18,097	10,230
Amounts owed by other group companies	148,697	110,765	-	-
Amounts owed by parent company	-	-	-	32
Corporation tax receivable	-	-	1,333	1,050
VAT recoverable	-	78	3,008	2,242
Other debtors	392	130	6,736	544
Prepayments and accrued income	-	41	15,457	14,331
	<u>149,089</u>	<u>111,014</u>	<u>44,631</u>	<u>28,429</u>

Amounts due from other Group companies have no set repayment terms and attract interest at rates of 0% to 7.5%

15. Creditors: amounts falling due within one year

	Company		Group	
	2016 £000	2015 £000	2016 £000	2015 £000
Finance lease agreements (note 17)	-	-	4,509	5,079
Trade creditors	-	-	7,146	2,470
Amounts owed to parent company	37	1	-	-
Amounts owed to other group companies	185,234	184,382	9	-
Corporation tax payable	-	-	50	4,440
Taxation and social security	-	-	739	1,058
Other creditors	159	33	780	2,139
Accruals and deferred income	474	421	21,892	19,306
	<u>185,904</u>	<u>184,837</u>	<u>35,125</u>	<u>34,492</u>

Amounts due to other Group companies have no set repayment terms and attract interest at rates of 0% to 7.5%

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

	Group	
	2016 £000	2015 £000
Other secured loans (note 17)	170,035	169,970
Finance lease agreements (note 17)	5,828	9,547
	<u>175,863</u>	<u>179,517</u>

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

17. Borrowings

Finance lease agreements

	Group	
	2016	2015
	£000	£000
In less than one year (note 15)	4,509	5,079
Between one and two years (note 16)	3,201	4,321
Between two and five years (note 16)	2,627	5,226
	<u>10,337</u>	<u>14,626</u>

A breakdown of the total future minimum finance lease payments is disclosed in note 24.

Other secured loans

	Group	
	2016	2015
	£000	£000
Due after more than five years (note 16)	175,000	175,000
Less: unamortised loan costs	(4,965)	(5,030)
	<u>170,035</u>	<u>169,970</u>

On 19 June 2014 Bibby Offshore Services Plc, a wholly owned subsidiary of Bibby Offshore Holdings Limited issued £175m of Bonds on the Luxembourg Stock Exchange's Euro MTF market.

The Bonds mature on 15 June 2021. Interest is fixed at 7.50% per annum, payable bi-annually on 15 June and 15 December. The Bond is secured on the shares and substantially all the assets of Bibby Offshore Services Plc and the vessels DSV Bibby Polaris and DSV Bibby Sapphire.

The Group may opt to redeem the Bond, in whole, prior to 15 June 2017 at a redemption price of 100% of the principal amount plus an applicable premium, decided by the Group, plus any accrued and unpaid interest. The Group may also redeem up to 35% of the Bond with net cash proceeds from specified equity offerings at a redemption price equal to 107.5% of the principal amount plus any accrued and unpaid interest provided that at least 65% of the aggregate original principal amount remains outstanding immediately after the occurrence of such redemption.

Post 15 June 2017 and prior to 15 June 2018, the Group may opt to redeem the Bond, in whole or in part, at a redemption price of 103.75% of the principal amount plus any accrued and unpaid interest.

Post 15 June 2018 and prior to 15 June 2019, the Group may opt to redeem the Bond, in whole or in part, at a redemption price of 101.875% of the principal amount plus any accrued and unpaid interest.

Post 15 June 2019 the group may opt to redeem the Bond, in whole or in part, at a redemption price of 100% of the principal amount plus any accrued and unpaid interest.

In the event of a change of control the Group will offer to redeem the Bond, in whole or in part, at a purchase price of 101% of the principal amount plus any accrued and unpaid interest.

Loan issue costs of £6.4m incurred are being amortised over the duration of the bond.

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

17. Borrowings (continued)

The Group has a revolving credit facility of £20m of which £2.1m is available for the group's use at 31 December 2016 (2015:£17.1m), with an amount of £2.9m (2015:£2.9m) being drawn in relation to performance bonds (note 26). The availability of the facility is subject to covenant obligations. The covenants are not tested until 25% of the facility is drawn.

18. Provisions for liabilities

Group	Deferred taxation £000	Other £000	Total £000
At 1 January 2016	7,186	3,215	10,401
(Credit)/charge to the profit and loss account	(1,876)	6,089	4,213
At 31 December 2016	<u>5,310</u>	<u>9,304</u>	<u>14,614</u>

There are no provisions in the company in the current or prior year.

<i>Deferred taxation</i>	2016 £000	2015 £000
Group		
Deferred tax is provided as follows:		
Deferred tax provision:		
Accelerated capital allowances	<u>5,310</u>	<u>7,186</u>
Deferred tax asset		
Accelerated depreciation	872	-
Losses available for offset against future profits	<u>3,182</u>	<u>-</u>
	<u>4,054</u>	<u>-</u>

Deferred tax assets and liabilities are offset only where the group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group. Deferred tax assets are included in other debtors and are expected to reverse in the next twelve months.

Other

Other provisions include the Trinidad and Tobago tax enquiry, an onerous lease contract and ongoing employee and contractor claims and litigations, details of which can be found in note 2 and 26.

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

19. Financial instruments

Derivatives not included at fair value

At 31 December 2016, the company and the group did not hold any derivative instruments (2015:£nil).

Categories of financial instruments

	Company		Group	
	2016	2015	2016	2015
	£000	£000	£000	£000
Financial assets				
Trade debtors		-	18,097	10,230
Amounts owed by other group companies	148,697	110,765	-	-
Amounts owed by parent company	-	-	-	32
Other debtors	392	130	6,736	544
Cash and cash equivalents	26,995	70,665	36,811	97,161
	<u>176,084</u>	<u>181,560</u>	<u>61,644</u>	<u>107,967</u>
Financial liabilities				
Finance lease agreements (note 17)	-	-	10,337	14,626
Trade creditors	-	-	7,146	2,470
Amounts owed to parent company	37	1	-	-
Amounts owed to other group companies	185,234	184,382	9	-
Other creditors	159	33	780	2,139
Accruals and deferred income	474	421	21,892	19,306
Other secured loans (note 17)	-	-	170,035	169,970
	<u>185,904</u>	<u>184,837</u>	<u>210,199</u>	<u>208,511</u>

20. Called up share capital

	As at 31 December 2016 & 2015 £000
Company	
Authorised, allotted and fully paid	
17,000,000 Ordinary shares of £1 each	<u>17,000</u>

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

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

21. Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	Group	
	2016	2015
	£000	£000
Operating (loss)/profit	(50,982)	19,574
Currency translation difference on foreign operations	(423)	3
Corporation tax paid	(2,675)	(11,082)
Depreciation and amortisation	15,400	14,528
Impairment of assets	2,143	-
	<hr/>	<hr/>
Operating cash flow before movement in working capital	(36,537)	23,023
(Increase)/decrease in stocks	(107)	692
(Increase)/decrease in debtors	(11,896)	30,682
Increase/(decrease) in creditors	5,111	(34,638)
Increase in other provisions	6,088	1,715
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	<u>(37,341)</u>	<u>21,474</u>

22. Reconciliation of Group net debt

	Group	
	2016	2015
	£000	£000
Decrease in cash and cash equivalents in the year	(60,350)	(19,207)
Cash (outflow)/inflow from decrease in net debt	5,086	(753)
	<hr/>	<hr/>
Increase in net debt resulting from cash flows	(55,264)	(19,960)
Exchange movement	(800)	-
Amortisation of issue costs	(62)	(916)
	<hr/>	<hr/>
Movement in net debt in the year	(56,126)	(20,876)
Net debt at 1 January	(87,435)	(66,559)
	<hr/>	<hr/>
Net debt at 31 December	<u>(143,561)</u>	<u>(87,435)</u>

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

23. Analysis of Group net funds

	1 January 2016 £000	Cash flow £000	Non-cash movement £000	31 December 2016 £000
Cash at bank and in hand	97,161	(60,350)	-	36,811
Debt due within 1 year	(5,079)	570	-	(4,509)
Debt due after more than 1 year	(179,517)	4,516	(862)	(175,863)
	(184,596)	5,086	(862)	(180,372)
	(87,435)	(55,264)	(862)	(143,561)

Non-cash movements arise from the amortisation of loan issue costs.

24. Financial commitments

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

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

	2016		2015	
	Property £000	Other £000	Property £000	Other £000
Group				
- within one year	1,841	31,713	1,760	35,628
- between one and five years	7,253	23,919	7,211	27,223
- after five years	12,288	-	13,184	-
	21,382	55,632	22,155	62,851

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

	2016 Other £000	2015 Other £000
Group		
In less than one year	5,119	5,964
Between one and five	6,276	10,488
	11,395	16,452

25. Employee benefits - Defined contribution schemes

The Group participates in various defined contribution schemes for eligible employees. The contributions made by the Group over the financial year to such schemes were £1,703k (2015:£2,208k). There were outstanding pension contributions of £72k at 31 December 2016 (2015:£57k).

BIBBY OFFSHORE HOLDINGS LIMITED

Notes to the financial statements Year ended 31 December 2016

26. Contingent liabilities

As at 31 December 2016, performance guarantees outstanding to customers and suppliers amounted to £2,926k (2015:£2,941k).

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

In conjunction with this matter, in 2012 the Trinidad and Tobago tax authorities reopened the corporate tax assessments relating to 2008 and 2009. The Group received a notice of assessment for £5.2m plus penalties and interest of £4.3m. Their enquiry has now been extended to 2010. The Group is contesting this assessment and does not consider there is risk of significant additional liability as at 31 December 2016.

As noted in prior year financial statements, in January 2016 notification was received of a citation from a US vessel owner seeking compensation for the “termination” of a three year charter agreement in October 2015. The Group’s position is that Bibby Subsea acted appropriately in cancelling the contract due to non delivery by the specified date and that no compensation is due. The citation stated that compensation in excess of \$20 million may be due based on the full daily charter rate for the original three year charter period less any mitigation by the vessel owner through charter to other parties. The Group believe this citation has no basis and obtained a court order referring the matter to arbitration, which commenced in February 2017. Having considered the circumstances and having taken advice on this matter the directors do not believe there is a risk of significant loss to the Group from this matter.

In March 2017, a further citation was served by the vessel owner on the Group’s parent company, Bibby Line Group Limited, holding company Bibby Offshore Holdings Limited, two trading subsidiaries of Bibby Offshore Holdings Limited and individual directors of Bibby Offshore Holdings Limited. The citation claims common law fraud and racketeering and seeks compensation (including pecuniary damages) of \$145m. The Group considers this to be a wholly spurious claim, based on vague and generic allegations, intended to cause maximum disruption to the Group’s on-going business. Having taken advice on this matter the Group believes there is a strong and compelling argument for dismissal. No provision is recognised in respect of this claim as at 31 December 2016.

27. Related party transactions

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

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

28. Ultimate parent company and controlling party

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

The ultimate controlling party is disclosed in the financial statements of Bibby Line Group Limited. Copies of the Group financial statements may be obtained from Bibby Line Limited, 105 Duke Street, Liverpool L1 5JQ (www.bibbylinegroup.co.uk).