BIBBY
LINE GROUP

Annual Report & Financial Statements
2016

A diverse and forward-looking family business delivering personal, responsive and flexible customer solutions for over 200 years

Our Values

People are the most important part of our business; we deliver on our objectives by **living our values**. This means each of us, at all times, strives to:

Work together

We understand the common long-term goals across our businesses, customers, suppliers and people and we work towards them as a team

Be better

We challenge ourselves to be the best, finding new ways to improve everything we do today

Trust each other

We trust and empower our people to deliver the right outcomes for our customers and our business

Be innovative

We do everything possible to look ahead, to anticipate customer needs and deliver innovative solutions

Do the right thing

At all times we do the right thing, providing a quality and safe service, acting responsibly for our people, customers and the communities in which we work

Living our Values enables us to deliver **excellent customer service**. We give our people the right environment, role and tools to deliver excellence and quality in everything we do.

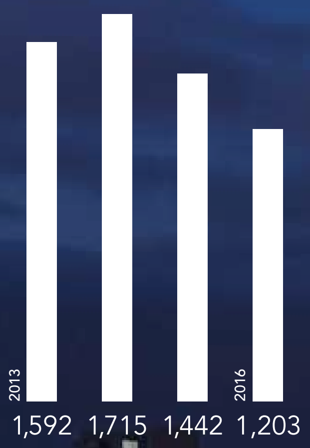
Contents

Navigate to section by clicking on the title

Chairman's Statement 2016

KPIs at a glance

Turnover (£ million)



Profit before tax (£ million)

Capital investment (£ million)

£467,000

of charitable giving

Whilst our 2016 results are adversely impacted by challenging conditions in Offshore, we saw significant improvement in the majority of our businesses.

FINANCIAL RESULTS

As expected, 2016 was a challenging year for Bibby Line Group, principally because of tough conditions in our Offshore business. Notwithstanding the difficult conditions in Offshore our focus has remained on improving performance across our portfolio of businesses, on developing our products where we have real points of difference, and on consolidating markets where there are opportunities to do so.

As a result, there were significant improvements in the like for like performance of our Financial Services, Distribution and Retail businesses.

Divestment of a number of businesses in 2015 and early 2016 also contributed to a reduced turnover for the Group. The Group incurred a loss before tax of £65.6 million (2015 – profit before tax of £29.6 million), our first loss since 1987.

While Bibby Offshore has consumed some of its cash reserves in sustaining those losses, it has not affected the rest of the Group's balance sheet, cash availability or funding.

The Group holding company ended the year with cash balances of £19.9 million (2015 – £11.8 million).

CORPORATE TRANSACTIONS

In March 2016 Bibby Ship Management was sold to a market leader in the global ship management sector.

In December 2016 we took advantage of an offer from another recruitment specialist to dispose of Direct Workforce, a sub-division of Bibby Distribution focused on recruitment in the transport and logistics sector.

BIBBY LINE GROUP BOARD

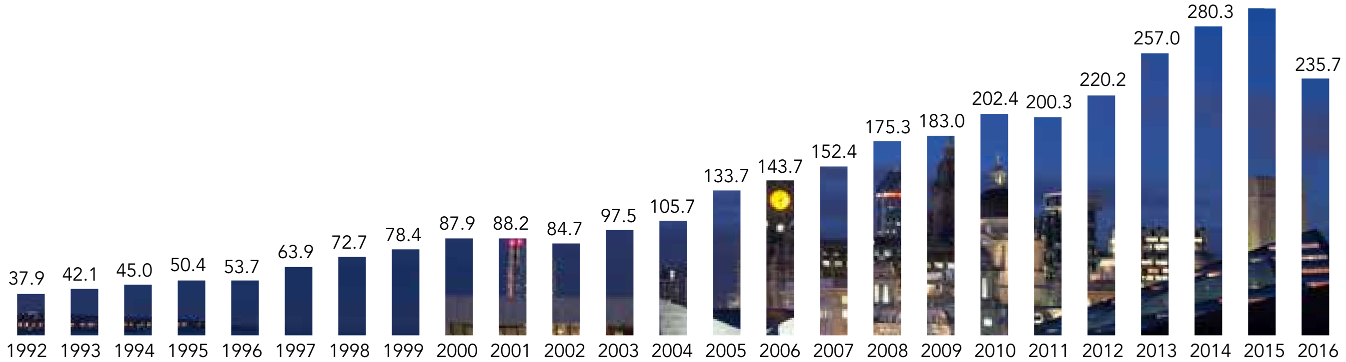
As noted in last year's accounts, 2016 saw our Finance Director, Jon Haymer, step down from the board, the appointment of Mark Lyons as Chief Financial Officer, and Caroline Hoare joining as a Non-Executive Director.

The board conducted a performance assessment which concluded that the board is finding the right balance between support and challenge of the executive. The diversity of experience and perspectives of board members contributes to high quality consideration of issues and opportunities.

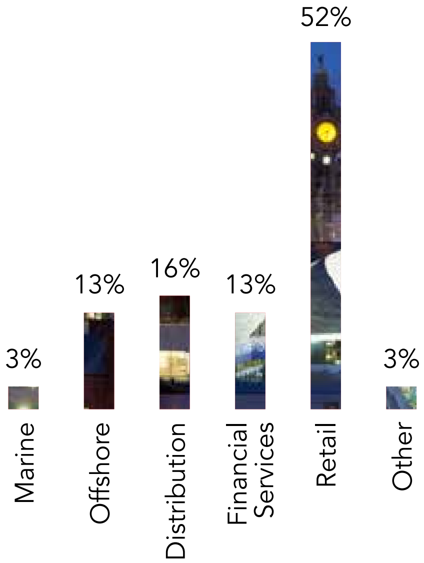
CORPORATE SOCIAL RESPONSIBILITY

Bibby Line Group's 'Giving Something Back' programme is a source of immense pride within the company, with our colleagues across the globe making a huge difference to their local communities through their volunteering

Net assets (£ million)



Turnover by class of business



Bibby Line Group has benefited from being a family business for over 200 years, bringing stability and a long-term perspective to the company, great strengths to have in these turbulent times.

and fundraising. Together with our employees in 2016, £412,000 was donated to charity through the Giving Something Back programme (plus an additional £55,000 of corporate donations), bringing the total since the programme was launched in 2007 to over £9.3 million. 2017 marks the 10th anniversary of the programme, and we hope to break the £10 million level in the near future.

BIBBY LINE GROUP VALUES

The challenges faced by a number of our businesses has inevitably meant that they have had to reduce their workforce with the overall average number of persons employed during the year falling from 6,224 to 4,934 (or a reduction from 5,097 to 4,747 if the Bibby Ship Management staff are excluded). Implementing these decisions in the best way possible while maintaining the commitment and motivation of remaining colleagues has been a priority for leadership across all the businesses. Our values have never been so important.

Against this background I have been really impressed by the passion and commitment of the staff I have met in whichever part of the business they work. Our corporate values are evidently well embedded in our ways of working, with our people demonstrating them on a daily basis to offer personal, responsive and flexible customer solutions across our different markets. I would like to thank all my Bibby Line Group colleagues across the world for all of their efforts in 2016.

A FAMILY BUSINESS

Bibby Line Group has benefited from being a family business for over 200 years, bringing stability and a long-term perspective to the company, great strengths to have in these turbulent times.

The family is directly involved in the business, with Sir Michael Bibby at the helm of the company and Geoffrey Bibby as a non-executive family director on the main Group Board.

We welcomed the opportunity to have members of the 7th generation of the Bibby family spend time in the business gaining work experience, as well as taking part in specific events, designed to develop a deeper understanding and engagement with our activities.

BUSINESS RISKS

Recent world events, notably the UK triggering Article 50 to leave the European Union and the US presidential election, have created considerable uncertainty for UK-based businesses. The weak pound has encouraged exports but made goods and services more expensive to import. We will continue to assess the impact of leaving the EU single market on our businesses as negotiations progress over the next two years.

We are determined to make a success of our business as the country goes through the Brexit process, and the opportunities it may bring. However the impact on access to international

labour, customs and tariffs in moving our vessels, goods and people across borders, and “passporting” in financial services all remain uncertain and represent potential risks that will need to be actively managed.

Given the losses over 2016 and the poor state of the offshore oil services market today, particular risks surround the future outlook for our offshore business, and these risks need to be carefully managed through 2017.

OUTLOOK

We approach 2017 with confidence in our strategy. While we expect that energy related markets will remain extremely challenging, we confidently expect further improvements in financial performance of our key subsidiaries. We will continue to be prudent in managing our cash, cost base and risks, but we are ready to take advantage of market opportunities as they arise.

Paul Drechsler CBE
Chairman

Bibby Offshore Remotely Operated Vehicle (ROV) entering the water

Strategy and Operations

Corporate Strategy Objectives

Bibby Line Group Limited is the parent company of a group of trading businesses. The Group is 88.9% owned by the Bibby family, principally through family trusts, and these corporate strategic objectives have been set by the board in consultation with them. The nature of the shareholding enables the Group to take a long term view of its trading businesses and provides the rationale for the diversification within the portfolio.

The Group's corporate governance approach to managing the trading businesses in line with these objectives is set out in the governance section of this report.

TARGET PORTFOLIO

The Group aims for a 'Target Portfolio' of businesses within the Group. The Target Portfolio should deliver wealth preservation, earnings, and growth in order to meet the Group's objective of building long term shareholder value within acceptable risk parameters. The Group aims to maintain a diversified portfolio of businesses providing multiple, uncorrelated, sources of earnings. It should also avoid excessive exposures to individual risks to provide security against downturns in any particular market or sector. The directors consider that the Group can take patient, long term decisions and tolerate earnings volatility in pursuit of maximum lifetime value creation. The business model for Bibby Line Group is to maintain a portfolio of businesses which provide dividend income to the holding company from which a consistent dividend is paid to shareholders, leaving a significant portion of profits and cash available for reinvestment in the businesses in pursuit of the Group's corporate strategic objectives.

The Corporate Strategic Objectives are:

1. To maximise the long term value of shareholders' funds by achieving a compound growth rate in shareholders' funds over a seven year cycle of not less than 12%.
2. To keep a business portfolio capable of generating recurring earnings and a dividend flow to the holding company to provide security against cyclical downturns in any particular market.
3. To attract, motivate and retain high quality personnel.
4. To maintain our excellent reputation for high quality, integrity and safety of operations.
5. To be aware of the impact on society of our operations and to continually improve the environment for all.
6. To continually strive for excellence in our service to customers through our flexible, personal and responsive approach.
7. To ensure Bibby Line Group values flow through the company and its individual businesses in order to protect and nurture the Group's reputation as a diverse and forward looking family business.

Managing Director's Review

2016 was a year of upheaval and major change in the world, with people around the globe expressing their dissatisfaction with the political elite through the ballot box – most notably with the Brexit vote in June, and then the election of Donald Trump as President of the United States in November. Along with the continued slowdown in China, tension with Russia and the ongoing military action in the Middle East, we are living through a period of uncertainty unprecedented in modern times, with significant risks to global trade.

Our businesses cannot be immune from this uncertainty, but having survived numerous cycles and market changes for over 200 years we have a sense of perspective. We will continue to ensure that we understand our customer's changing requirements, and innovatively design value added solutions for them, so we can expertly assess and manage the risks to best position the business to benefit from the changing markets in which we find ourselves.

For Bibby Line Group, 2016 was as tough a year as I can remember. As anticipated in the 2015 Annual Report and Financial Statements, the continued slump in oil and gas investment and repair and maintenance in the North Sea meant the demand for our services in Bibby Offshore remained depressed; revenue reduced by 36%, and despite significantly reducing its cost base, the offshore support services operating loss was £51.0 million (2015 – profit £19.6 million). Improved results from most of the other businesses, including strong underlying profits at Bibby Financial Services, were not sufficient to offset the significant loss for Bibby Offshore.

As stated previously *"Profitable activities are seeing increased competition as new money seems to be investing in businesses or assets irrespective of the forward demand outlook"*. Market conditions remain challenging in most areas as the supply of goods or services increases due to quantitative easing continuing to pump surplus cash into the financial system without creating the compensating stimulus of increased demand. There are however signs in the offshore and shipping markets that the tide is turning with the final order book of ships and equipment from the more profitable previous years likely to be delivered in 2017 and owners showing restraint on placing new contracts.

In other markets technology, as well as surplus funding, is introducing new competition. In retail, distribution, and financial services, our businesses are responding well to develop innovative products and services to increase efficiency and customer satisfaction and are marketing and selling them effectively through all channels. Costcutter made a positive EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) as it proactively managed its range, price and promotions with suppliers whilst Financial Services became the number one factor in the UK by customer numbers as it increased market share through developing new products and services.

One of our outstanding contracts ended in August when Bibby Renaissance redelivered from housing workers for the Gorgon LNG project on Barrow Island, Australia after 5 years on site. The standard of service in this remote location has been excellent and after a refit and repairs in Singapore we look forward to returning to work at some stage in the future in Australia where we know we can meet the exacting environmental and union requirements. Bibby Maritime was recognised for its outstanding work with The Queen's Award for Enterprise in 2016.

On a smaller scale GreenAcres continued to deliver outstanding service with a Net Promoter Score of +92.

As noted in 2014 and 2015 the key actions to respond to these difficult overall conditions remain:

- Increase productivity
- Develop unique service offerings
- Consolidate markets

INCREASING PRODUCTIVITY

Costcutter worked effectively with its suppliers to reduce costs while improving service to the retailers. After two difficult years, delivering a positive EBITDA was primarily due to the improved operational performance. However, despite considerable gains, availability issues did recur during the year and remain a key focus for the management team.

Further significant reductions in workforce at Bibby Offshore were necessary to manage costs, while customer feedback scores and customer service standards were maintained at a high level. Further vessel renegotiations should be possible in 2017, as existing charters expire, to tailor costs to the new environment.

In Distribution alignment of the overhead with activity levels improved efficiency, not only moving the company back into profitable trading but also laying the foundations for future growth with investment in new systems, project management, property and legal resource.

Cost efficiencies also contributed to increased profits in Bibby Financial Services, as revenue increased without significant additional overhead being taken on. IT and process infrastructure projects were delivered during the year to allow this to continue going forward. Our profit before tax was up over 20% on a like for like basis (excluding the Australian and New Zealand businesses which were sold in December 2015). Our European expansion continued, with the completion of a €150 million funding agreement which reduced costs and increased available facilities on a longer term basis to support our growth across Europe.

UNIQUE SERVICE OFFERINGS

The Bibby Wavemaster 1 "walk-to-work" vessel is now close to completion, with the final fit-out and trials taking place over the summer after which it is planned to work in the offshore renewables support market.

Bibby HydroMap continues to develop the latest technology to deploy on subsea surveys not only promoting the d'ROP system during the year but, for instance, deploying 3 scanners in parallel on one survey run to further reduce client costs.

Garic's support of tier one contractors in delivering major projects has been enhanced through the company's range of innovative eco products and increased number of locations. The eco welfare cabins, with patented technology, slash running costs and carbon emissions by completely omitting the use of a generator, with the power drawn from solar panels on the roof.

At PLS, the technology assisted asset tracking system is now being operated in several major retail groups, with the potential to significantly reduce costs for customers in optimising the use of their pools of pallets and/or cages in closed loop supply chains.

Bibby Financial Services developed a number of new products, including a market leading construction finance package. A Foreign Exchange service, offering a simplified approach to currency transactions, was launched during the year and has quickly moved into profit.

Costcutter refreshed its brand and customer proposition under the new "Shop the way you live" strapline, and the first stores have already converted to the new livery and layouts. We are confident that, along with a unique customer insight programme for each store, we can drive additional footfall and sales going forward.

Bibby Distribution have developed new trailer configurations to enable the more efficient movement of customers' goods around the country and continue to develop multi user warehouses to lower customers' storage costs.

MARKET CONSOLIDATION

Consolidation remains a feature in a number of our markets, as well as a strategic driver for the company.

As previously noted both Bibby Ship Management and Direct Workforce were sold during the year.

Considerable work was also undertaken to identify the synergies possible through consolidating our businesses with other players in their respective markets. Having identified the prize, work is now being undertaken to realise the opportunities to grow the profitability of the Group.

HEALTH, SAFETY AND ENVIRONMENT

Good progress has been made in further improving the Group's HSE record.

Distribution's RIDDORs (reportable incidents) fell by 39% in 2016 and environmental performance continues to improve driven by use of telematics across our fleet to increase fuel efficiency, and safer driver behaviour resulting in a 15% reduction in vehicle accidents.

In Bibby Offshore across all regions incidents included 3 LTIs leading to an increase in the Lost Time Injury Frequency rate (LTIF). There were also three High Potential Near Misses (HiPos). Outputs from these along with feedback from clients, the Health & Safety Executive and internal audits have been used to develop an overall Diving Improvement Project, designed to improve overall safety.

Bibby Line had no pollution incidents and very low accident rates with only one Lost Time Injury (LTI) in the year.

Bibby Maritime had just two recorded injury incidents in 2016, one "restricted work" case and one first aid case. A healthy reporting culture has been established, with about 1,200 near-misses also being reported during the year.

Garic improved significantly with accident frequency rates showing a sustained reduction throughout the year.

PEOPLE

Following the appointment to the board of Caroline Hoare in January 2016 and of Mark Lyons as Chief Financial Officer and the departure of Finance Director Jon Haymer in 2016, there have been no further changes to the board.

Our values continue to be central to the way we work. Each subsidiary is adopting the Group's values and are at various stages of rolling these out within their organisations. This will no doubt help generate better association of all our colleagues with the Group and help deliver a more consistent excellent experience to our many and valued customers.

COMMUNITY

2016 was another good year for our Giving Something back programme, raising a further £412,000 for the charities concerned together with an additional £55,000 of corporate donations.

The programme began during our Bicentenary year in 2007, and has developed year on year to become an integral part of who we are as a business today. This programme continues to garner the support and passion of our people, and since its beginning, has donated an incredible £9.3 million to over 1,000 charitable causes.

2017 represents the 10th anniversary of the programme, and we will be challenging our teams to continue their fantastic efforts to reach the £10 million landmark.

We were also able to continue our support for young people in Birkenhead, through a donation to the Wirral Youth Zone, a brand new activity centre, which helps to build upon the Bibby family's strong links with Youth Clubs in the area since 1953.

2017 OUTLOOK

Challenging conditions in a number of our markets are expected to continue in 2017.

We expect strong growth in some markets, including Financial Services and Garic, but for the challenging conditions to continue in our marine and offshore businesses.

Through this difficult trading period, the benefits of having substantially autonomous operating subsidiaries each responsible for their own strategy, balance sheet, cash flow and profit and loss, with no cross guarantees between the group holding company and subsidiaries, are clear to see, as losses in one part of the Group remain ringfenced.

We do expect the offshore markets to improve but, as always, timing is everything and the future remains uncertain as to when this will happen. In the meantime focus remains on minimising costs and preserving cash in this business. Other areas have seen significant progress and Financial Services in particular is back on the front foot looking to grow profitably across its portfolio of countries and products.

Overall, we emerge from 2016 in good shape and well placed to take advantage as markets recover.

Sir Michael Bibby, Bt., DL
Managing Director
16 May 2017

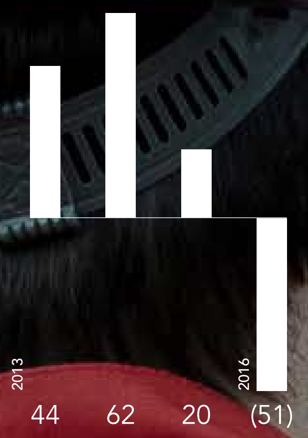
Diving chamber aboard the Bibby Topaz

Business Review
Bibby Offshore

KPIs at a glance

Turnover (£ million)

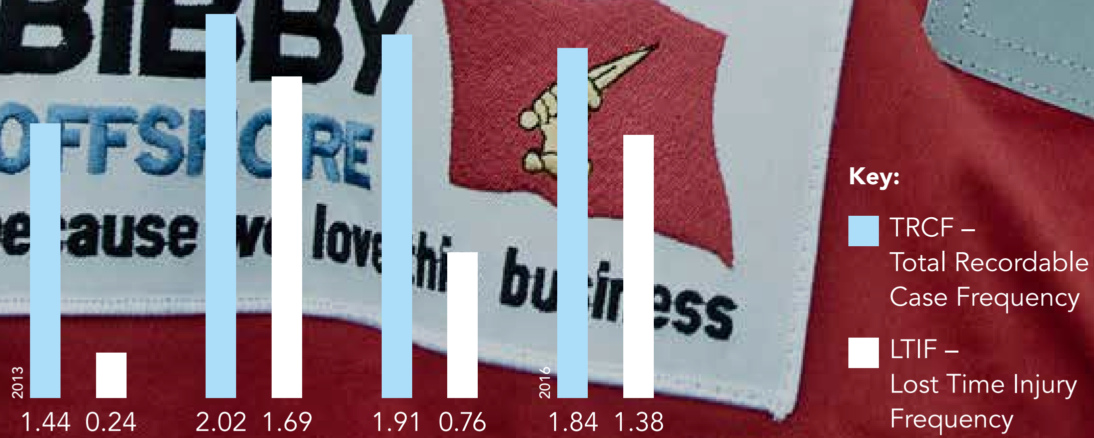
Operating profit (£ million)



Capital investment (£ million)

Vessel utilisation (%)

Health and Safety



Business Review
Bibby Offshore

WHAT WE DO

Bibby Offshore is a leading provider of subsea installation and inspection, repair and maintenance services to the offshore oil and gas industry. Bibby Offshore offers an integrated service portfolio to a diversified client and contract base; including project management, engineering, procurement and subsea intervention services to construct, maintain and extend the life of subsea oil fields.

Headquartered in Aberdeen, Bibby Offshore also has regional offices in Newcastle, UK, Norway, Singapore and Houston, USA.

With a leading position in the UK North Sea, the ability to deliver highly complex subsea scopes of work safely and efficiently from a fleet of owned and chartered vessels including dive support vessels (DSVs), construction and ROV support vessels (CSV/ROVSVs), together with a fleet of subsea Remotely Operated Vehicles (ROVs) remains Bibby Offshore's overriding strength.

OPERATIONAL REVIEW

2016 was a highly challenging year for the sector and for Bibby Offshore it was no different. Despite market conditions Bibby Offshore had good DSV utilisation, albeit with smaller, lower margins, and with excellent client feedback for quality of work. They have consistently scored 8 or above, defined as 'very good', and outperform when benchmarked against competitors. Overhead and DSV running costs were reduced through a targeted approach on the management of the cost base and increased flexibility on chartering arrangements was achieved.

During 2016 Bibby Offshore concentrated on its core North Sea and DSV markets and expansion in the US Gulf of Mexico, where there has been strong growth following the decision to reposition the Bibby Sapphire to the region.

Key operational highlights during 2016 included significant improvement in Q2 due to an excellent tender conversion rate and seasonal variations, investment in the air dive market which led to work with three major clients in late 2016, and contract wins for carousel flex lay work in Q4. The business has continued to gather momentum with their renewables strategy with a second job awarded.

FINANCIAL PERFORMANCE AND KPIS

2016 was one of the most challenging years in recent memory, following on from a difficult 2015. Revenues fell 36% to £154.7 million (2015 – £240.7 million), with rates continuing to be depressed. Offshore achieved further reductions in its cost base totalling £15.1 million through sustainable business changes such as lower vessel running costs, supply chain savings, managing capacity and reductions in workforce.

EBITDA declined to £(33.5) million (2015 – £34.1 million), with one-off items including a write-off due to the non-payment for work carried out for EMAS Chiyoda Subsea, who have subsequently entered Chapter 11 administration. One-off costs, including bad debts, provisions for litigation, contract impairments, asset impairments and redundancy costs totalled £17.1 million. Cash flow from operations for the year was £(37.4) million (2015 – £21.5 million) and the cash position at year end was £36.8 million.

DSV utilisation was 87% in Q4 and 77% for the year (2015 – 92%), with overall fleet utilisation of 71% during 2016 (2015 – 74%), reflecting the late start to the 2016 peak season and improved vessel availability. Improved vessel reliability was achieved as a result of planned maintenance, and led to extremely high availability during the year.

OUTLOOK

While there is no question that 2016 was a challenging year for everyone involved in the oil and gas sector, Bibby Offshore retains the capability to deliver excellent project execution for its clients as we look forward to 2017. Across the sector as a whole, the market outlook is still challenging with very short-term visibility

A Remotely Operated Vehicle being prepared for deployment

on contract tenders and reduced day rates. However, utilisation is good in the current market and the business has been awarded longer term framework agreements. Bibby Offshore continues to deliver an extremely high quality service for all our clients, both in the UK and internationally.

The business is well prepared for 2017 as a result of the proactive steps taken over the last two years to manage its cost base, including reducing the workforce to reflect lower demand, restructuring internal management, and reviewing charter arrangements.

Bibby Offshore has also made strong progress in diversifying its revenue base through air diving and decommissioning, while also taking advantage of opportunities in the U.S. market. Bibby Offshore is optimistic about the longer-term market outlook from 2018 onwards, and is well positioned for that growth when it comes.

HEALTH AND SAFETY RISK MANAGEMENT

Bibby Offshore's goal is to have its workforce leading its effort to maintain injury and incident free operations. Operating safely is the number one priority at Bibby Offshore. A comprehensive set of safety processes, initiatives and KPIs are in place, with a transparent culture of reporting all incidents and near-misses as part of an ongoing drive for continuous improvement.

In 2016 many global projects were delivered safely and maintained injury free operations. This included 12 months of injury free operations, onshore and offshore, in South East Asia and Norway. Recordable incidents in 2016 included 3 Lost Time Injuries (LTIs) and 3 High Potential Near Misses (HiPos). This led to an increase in the Lost Time Injury Frequency rate (LTIF) and Total Recordable Case Frequency (TRCF) on 2015. Root Cause Analysis from these LTIs and HiPos along with feedback from clients, the Health & Safety Executive and internal audits have been used to develop a Diving Improvement Project.

This project addresses Bibby Offshore's governance framework in line with industry standards, a Dive Operations structure to support global diving operations including recruitment of a Director of Diving, improved performance management and personnel development processes and improved reporting and communication lines. As well as the Diving Improvement Project, focus areas for 2017 include standardisation & simplification of QHSE governance documentation, verification of the effectiveness of corrective actions, robust root cause analysis, and embedding the Safety Leadership tools and initiatives.


BIBBY POLARIS

Business Review
Bibby Financial Services

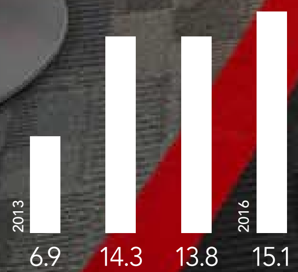
KPIs at a glance

Debts factored (£ billion)

Funds out (£ million)

Operating profit (£ million)

Capital investment (£ million)



All figures shown exclude Australia, New Zealand and Verus360.

Business Review
Bibby Financial Services

WHAT WE DO

Bibby Financial Services (BFS) provides invoice finance, asset finance, trade finance and foreign exchange services to small and medium sized businesses across the world.

Products and services provided by BFS help businesses to unlock working capital for a range of scenarios, including cash flow funding, new equipment purchase, growth and expansion, management buy-ins and buy-outs, and corporate restructuring. Globally, BFS supports more than 10,000 business customers in over 300 industry sectors. The business operates in 14 countries across Europe, North America and Asia.

STRATEGY

BFS's vision is to be the independent financial services company with which every ambitious company would love to work. To deliver this vision and achieve its corporate objectives, its global strategy is to 'focus and grow'.

The growth strategy is based on three key pillars, referred to as the three 'Cs':

- Colleagues ('being a great place to work')
- Clients ('setting the standard for service and value')
- Contribution ('growing profitably')

BFS puts its people at the heart of everything it does. By having highly engaged, motivated people – powered by technology – it provides a leading, multichannel experience to its clients, helping to achieve a balanced and global portfolio of businesses.

The focus of its strategy relates to the prioritisation of investment in key geographical locations. This involves the classification and review of 'Accelerate', 'Build' and 'Manage' markets to focus investment and grow the business profitability.

OPERATIONAL REVIEW

In line with its strategy, 2016 was a year of significant growth and investment for BFS.

Following the 2015 sale of the BFS business in Australia and New Zealand, investment in 2016 was prioritised in the 'Accelerate' markets of Germany, the UK and the US, and across the 'Build' portfolio of France, Poland and Ireland. Following a strategic review of the North American business, a new, highly experienced executive team was appointed to drive forward the strategy in the US and Canada. This is already paying dividends and client numbers have steadily increased. Following successful refinancing of the UK business through securitisation, funding was secured to grow the European businesses in 2016 and beyond. A new three-year €150 million funding agreement was signed with HSBC, and €45 million secured through the Strategic Banking Corporation of Ireland, bringing global funding capability to over £1 billion.

A new foreign exchange business began trading in May, following regulatory approval from the UK Financial Conduct Authority in 2015. Adding foreign exchange services to invoice finance and asset finance solutions enables BFS to support clients who trade overseas, protect against currency fluctuations and lock-in future contract profitability, which were key concerns for many businesses in 2016.

The quality of service provided to clients is key to the success of BFS. The business believes that the most effective support for clients is a combination of digital technology and personal relationships. To achieve this mix, digital technology will be fully integrated within the core financial services operation. As a result, in 2016 the decision was taken to close Verus360, an online SME finance platform launched in 2015.

To support the integration of a relationship-based approach to funding, and omni-channel ambitions (where clients can interact with BFS through their choice of media), more than £10 million was invested in people, systems and processes in 2016.

BFS was named in the Times Top 100 companies to work for, for the sixth consecutive year

Consistent with our growth strategy, employee numbers grew by almost 10% globally and BFS now employs more than 1,300 people worldwide.

This investment has helped to grow customer numbers and improve the level of service provided to existing clients. BFS ended the year with over 10,000 business customers worldwide; overall client satisfaction of 94% and an impressive Net Promoter Score of +35. Placing 33rd in the Sunday Times Best Companies to Work For in 2017 validates the commitment of BFS to its people and to being a great place to work. This was the sixth time BFS has featured in the top 100 companies and represents two consecutive years placed in the top 35. This award, coupled with a strong performance throughout the year, is testament to the hard work and dedication of the BFS team across the world.

FINANCIAL PERFORMANCE

In 2016 debts factored grew by 6.6% on a like for like basis to £8.2 billion globally, with funds advanced increasing to £814 million (2015 – £714 million). Revenue grew to £156.7 million (2015 – £144.5 million excluding Australia/NZ), an increase of 7.7% over the year on a like for like basis. Profit before tax (PBT) has also grown, with PBT excluding the write-down of Verus360 being £18.5 million, up from £14.8 million in 2015.

RISK MANAGEMENT

Risk management, robust governance and internal control are central to the way the business is managed. Responsible practices underpin the Bibby values, behaviours and culture and they enable BFS to grow in a sustainable way.

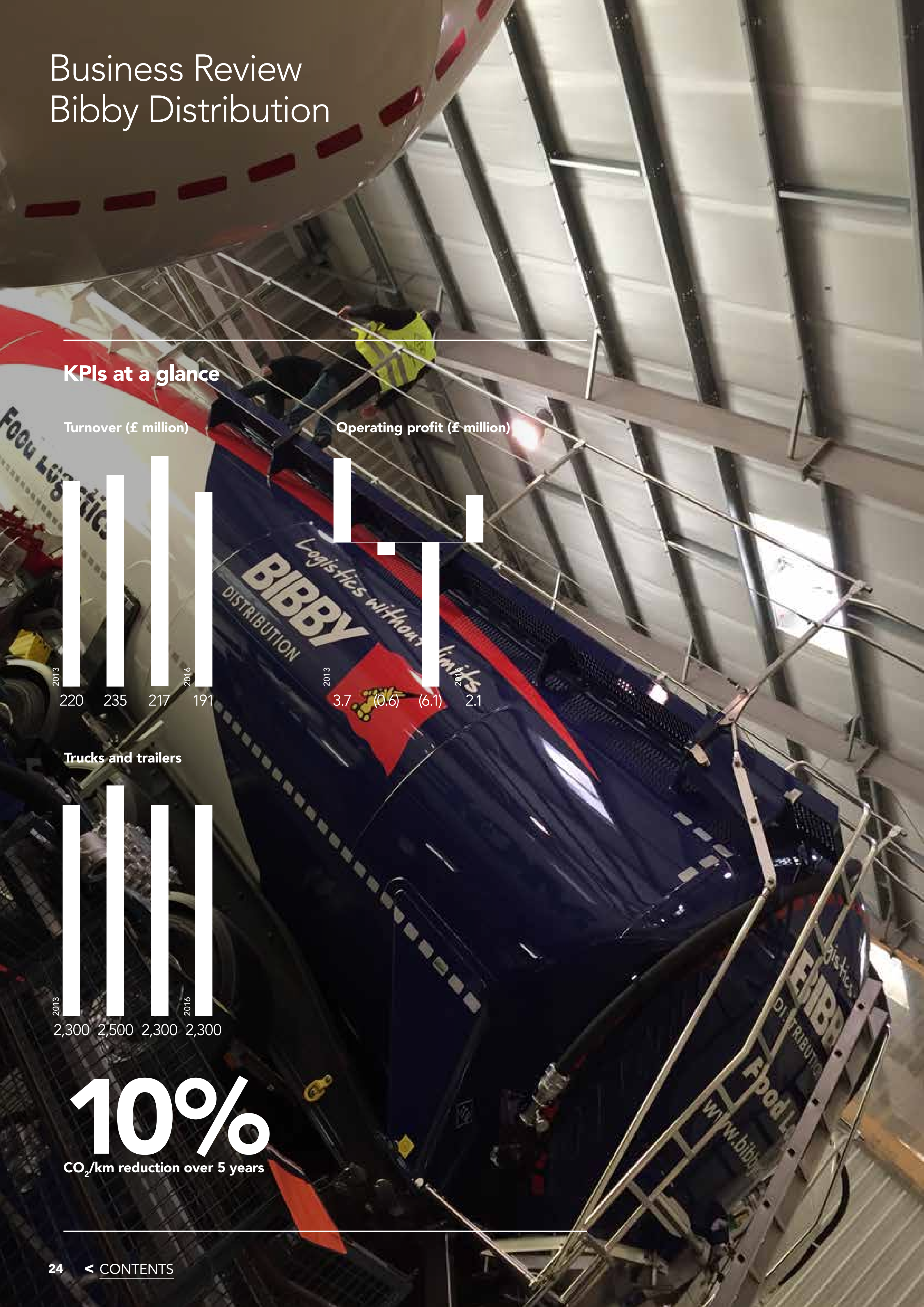
BFS risk management processes and systems manage, rather than eliminate, risk. The risk framework is overseen by a Global Risk team on behalf of the BFS board and is represented by the 'three lines of defence' model:

- Ownership of risk at a an operational level
- Central management support and board oversight
- Independent review

This framework enables key risks to be reviewed, and outcomes managed and mitigated to promote the continued profitability and success of BFS. The first line of defence for risk management within BFS is placed at the operational level. A significant role of all business managers throughout our global operations is to ensure risk is managed appropriately and effectively.

Central management support forms the second line of defence and independently assesses all material risks. The third line, which includes internal audit and the BFS Audit Committee, independently reviews and challenges BFS' risk management controls, processes and systems.


Logistics without limits
BIBBY
DISTRIBUTION
DAF



Business Review
Bibby Distribution

KPIs at a glance

Turnover (£ million)

2013
2016
220
235
217
191

Operating profit (£ million)

2013
2016
3.7
(0.6)
(6.1)
2.1

Trucks and trailers

2013
2016
2,300
2,500
2,300
2,300

10%

CO_2/km reduction over 5 years

Business Review
Bibby Distribution

WHAT WE DO
Bibby Distribution provides logistics and warehousing services covering the entire supply chain from delivering raw materials into manufacturing plants to working alongside customers to manage their finished product storage and distribution. The business operates from 90 locations with more than 1,800 staff and over 2,300 trucks and trailers. Bibby Distribution transports products ranging from fresh milk to car parts, coffee to cardboard, as well as bulk powders, palletised and non-standard freight.

OPERATIONAL PERFORMANCE
2016 has been a transformational year for Bibby Distribution, a year that has seen a return to profitability as a result of new leadership and the support of our dedicated colleagues. Investment in people, property and technology has seen operational performance turn around, resulting in greater efficiency and an improved customer experience across the business.

Two new locations were opened, one at Wakefield and one at Corby, which has seen almost 500,000 square feet of warehouse space added to the estate, and significant contract wins with Tangerine Confectionery, Roberts Bakery and organic baby food maker HiPP.

Externally, progress was acknowledged through the Food and Ingredients business being recognised as Tanker Operator of the Year, and our excellent environmental performance was recognised in winning the Freight Transport Association Leadership in Carbon Reduction Award.

STRATEGY
Bibby Distribution's strategy is to provide an outstanding customer experience to clients in niche markets within the consumer goods, industrial manufacturing, bulk and food ingredients, paper, packaging and industrial sectors to deliver organic growth. Investment in people and technology has been used to drive operational efficiency that has increased warehouse productivity and reduced empty mileage travelled by the fleet.

HEALTH & SAFETY
The 'Road to Zero' – aiming for Zero Harm, Zero Waste and Zero Emissions – forms the core of Bibby Distribution's safety and environmental strategy. There were improvements across all safety performance measures over the year, with RIDDORs (reportable incidents) falling by 39%. Environmental performance continues to improve driven by use of telematics across the fleet to increase fuel efficiency and facilitate safer driver behaviour which resulted in vehicle accidents falling, together with a driver education programme, by 15%.

TURNAROUND AND FINANCIAL PERFORMANCE
Following a change in the leadership in August 2015 a fundamental review of the business was launched and a structured Profit Improvement Programme commenced, based around the following four pillars of improvement:

- Organisational Right Sizing – right sizing of the overhead of the business in line with the activity levels and implementing a solid support structure for future growth, with investment in project management, property and legal resource.
- Procurement – review of the major spend contracts in the business to both improve cash flow through a structured renegotiation of payment terms and a cost reduction on major spend areas, including a fundamental review of the property portfolio to deliver a significantly reduced cost per slot in more modern facilities in improved geographic locations.
- Commercial review – review of key customer contracts and a profitability review to ensure rate increases were secured or business exited if in a loss making position.
- Transport Optimisation – following the implementation of one transport management system across the shared user fleet, improved visibility of empty running and introduction of a central planning function has driven improved asset utilisation. A focus on subcontractor procurement has delivered a reduced cost per mile of transport subcontractors.

Overall the business has responded well to the improvement programme, with an improvement in EBITDA of £4.6 million and continued profit improvement in 2017.

Business Review
Costcutter

KPIs at a glance

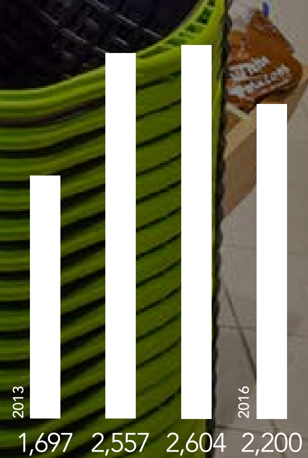
Turnover (£ million)

Operating profit (£ million)

EBITDA

Capital investment (£ million)

Store numbers



Business Review
Costcutter

WHAT WE DO
Costcutter Supermarkets Group (CSG) operates as a convenience retail symbol group in the UK. CSG supports multiple fascias including Costcutter, Mace, Simply Fresh, Kwiksave and Supershop. CSG owns and operates a small number of stores directly and owns the rights to the Independent own label food brand.

STRATEGY
CSG's aspiration is to be the leading symbol operator in the UK. At the core of the strategy is the delivery of market leading solutions to independent convenience retailers, to enable them to service the needs of their consumers, to maximise their sales and to optimise their profitability within a highly competitive but growing segment of the grocery market.

Based on a deep understanding of the retailers' and consumers' needs, CSG focuses on supplying the right product range at competitive prices with strong promotional offers, whilst providing a frequent and flexible delivery service. A wide range of value added services is provided to our retailers, including marketing to their consumers, helping them to maximise the effectiveness of their store space and promotional activity.

The strategy continues to be founded on four key pillars:

- A retailer proposition that best meets retailers' and consumers' needs
- The best consumer/ brand proposition which attracts consumers and makes it clear what to expect from a store operating under one of our fascias
- An efficient and effective operating model
- Driving growth to maximise the value potential for all stakeholders.

OPERATIONAL REVIEW
In November 2016, the Costcutter Group celebrated 30 years of helping independent retailers thrive. From modest beginnings, Costcutter has

developed into one the leading symbol groups in the UK. Over the past 30 years, CSG has worked with independent retailers enabling their businesses to prosper, and through them proudly served millions of consumers in England, Wales, Scotland and Northern Ireland with affordable, quality products.

The CSG business model has been continuously adapted to offer the right products for the right price to retailers. In line with this, CSG is focused on working with retailers who want to create a mutually beneficial partnership and the reduction in store numbers in part reflects the termination of some retailer agreements.

In 2016, profitability continued to improve achieving a positive EBITDA by eliminating non-value adding costs and curtailing business with unprofitable retailers. This impacted negatively on 2016 turnover of £628 million, as the company lost a single high volume, nil margin customer and stopped serving retailers with low store standards or who only bought opportunistically on particular promotions. The owned store estate is now stronger and more successful, which will benefit all of CSG's retailers, suppliers and the long-term growth of CSG.

In the past 12 months, CSG's retailer and customer proposition has been significantly strengthened. CSG is competitive on price and provides tailored support to enable retailers to succeed, resulting in continued strong retailer recruitment.

Throughout the year, CSG's focus was on four core areas:

- To deliver improved availability to retailers;
- To develop and improve the offer in terms of range, promotions, price and retailer support;
- To transform marketing execution to drive footfall and sales; a new Costcutter brand proposition and store design was created, tested and launched, to delight shoppers and enable our independent retailers to remain competitive in a changing retail landscape; and
- To recruit new retailers, while ceasing to work with those retailers who have continually failed to meet our required store standards.

Further plans to improve profitability and reduce costs will allow continuous investment in the commercial offering and help retailers to thrive for the next 30 years and beyond.

PRINCIPAL RISKS AND UNCERTAINTIES

Economic conditions and competition within the convenience segment of the grocery market led to fluctuations in sales volumes and the number of retail members. The UK has experienced significant changes in consumer shopping habits in recent years with the growth of limited range discounters and an increased propensity to shop-around for the best value.

There is further uncertainty due to the unknown parameters of Brexit and increasing inflation. With Tesco seeking to merge with Booker, further strategic consolidation in the sector is probable. This is likely to further increase the pressure to buy effectively and operate efficiently to survive in the long-term.

Costcutter continually reviews its proposition and offer to retailers to ensure that the product, pricing and range are competitive and that service levels are high. As well as employing a responsive, skilled and experienced field force, CSG's Retailer Board improves communication and engagement between CSG and its retailers, ensuring that customers' concerns are at the forefront of planning and execution.


Costcutter
WHAT'S IN
RON'S
DARFIELD STORE:
Mon-Fri: 7.00 - 22.00
Sat & Sun: 8.00 - 22.00
COSTA
EXPRESS
FREE ATM

Business Review
Marine

KPIs at a glance

Turnover (£ million)

2013 2016

82 105 88 40

Operating profit (£ million)

2013 2016

4 13 (2) (4)

Capital investment (£ million)

2013 2016

10.7 9.2 2.5 25.1

Photo courtesy of Fotoflite

Business Review
Marine

WHAT WE DO

The Marine businesses incorporate a fleet of near shore accommodation vessels (coastels), a new vessel specifically designed to support workers on offshore wind farm projects, hydrographic (subsea) surveying, and the ownership and chartering of shipping vessels.

The coastels offer flexible accommodation in remote coastel locations, including supporting construction, mining and oil and gas projects, that enable up to 350 workers to live near the project site in a safe, high quality environment. All vessels offer single berth en-suite accommodation, set-up, serviced and operated by Bibby Maritime.

Bibby Marine Services is building a Service Operations Vessel (SOV) with Walk to Work capability in Damen shipyard, Galati, Romania. The vessel is nearing completion, and when delivered will have on-site work and storage facilities plus accommodation for up to 90 maintenance personnel, management and crew.

Bibby HydroMap produces high quality survey reports mapping the seabed and undertaking cable pipeline inspections. The company owns and operates a fleet of survey vessels and other specialist equipment to acquire the data and has numerous blue chip clients in the Renewables, Oil & Gas and Cable sectors.

The Bibby Line shipping fleet comprises two supramax dry bulk carriers and one product tanker operating principally in South East Asia.

Bibby WaveMaster 1 takes to the sea

BIBBY MARINE SERVICES

The new SOV vessel, Bibby WaveMaster 1, will be delivered in the third quarter of 2017. Construction to date is on schedule and on budget. We anticipate it will initially support the construction of wind farms in Northern Europe before commencing its main role in operations and maintenance. As the vessel has yet to be delivered the business generated no income in 2016, with the only running costs relating to the initial start-up of the management and service team.

Bibby Renaissance (foreground) at Barrow Island, Australia

BIBBY MARITIME

Utilisation of the coastels in 2016 reduced as some of the oil and gas projects on which we were working were completed. The business continues to be profitable despite the lower levels of activity. The focus on safe operations delivered another year with no lost time safety incidents. Bibby Maritime's strategy is to take more utilisation risk on the vessels as clients may not be able to fill the coastel during the period of reduced activity and to ensure that our assets are maintained to the highest standards to deliver excellent customer service.

Bibby Maritime was recognised for its outstanding work with The Queen's Award for Enterprise in 2016.

BIBBY HYDROMAP

In common with most organisations serving the energy sector, HydroMap had a difficult 2016 with rates down roughly 25% on the previous period, although utilisation of our own vessels was broadly maintained at similar levels.

There were no lost time safety incidents in the year. The strategy is to further develop innovative products and deliver best in class quality to differentiate HydroMap in this difficult market.

The combination of lower rates and fewer third party charter opportunities saw turnover fall by 28% from 2015. The business has instigated a number of cost control measures which has seen costs fall by 13% year on year, and a new CEO was appointed in early 2017.

BIBBY LINE

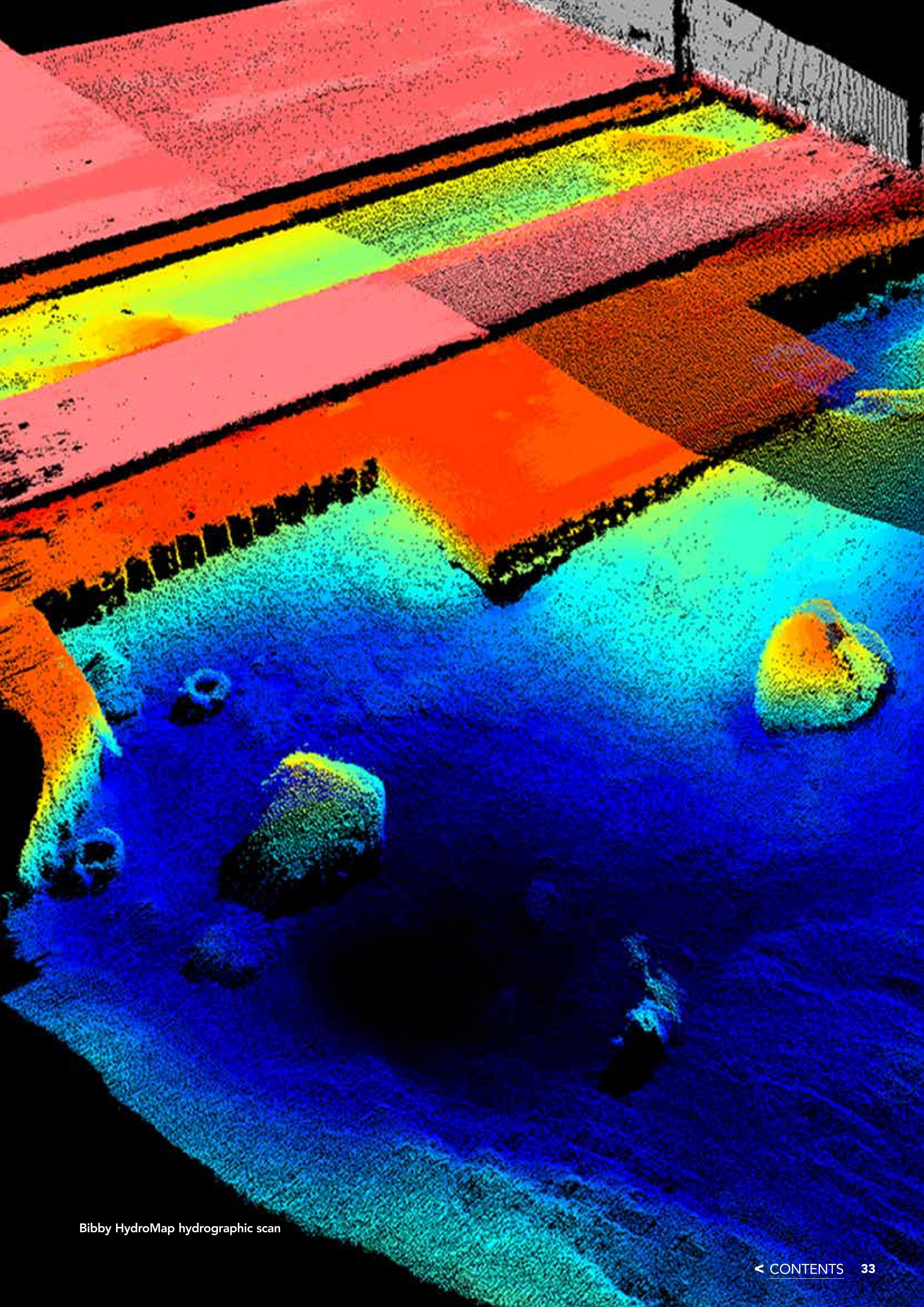
An increase in the pace of new supply coming into the market and a short-term faltering of demand at the beginning of 2016 resulted in the Baltic Dry Index reaching a historic low of 290 in February. In anticipation of prolonged low charter rates the vessel Shropshire was laid up. Conditions in this market sector improved slightly through the year and Shropshire is being re-activated in early 2017. Cargo holds on both dry bulk vessels are being upgraded to enable them to carry a broader range of materials.

The short-sea market was exited through the sale of the Hertfordshire in February 2016 generating a profit of US$ 0.9 million. Efforts to complete the disposal of the product tanker fleet were frustrated through a lack of market interest, however trading in the regional market in oil products has remained supportive.

The strategy is focused on retaining ownership of the bulk carriers, along with further re-investment, either speculative or of a long-term industrial nature.

The business retains its strong focus on safety and the environment, with no pollution incidents and very low accident rates with only one lost time incident in the year (2015 – nil LTI's).

The main focus for re-investment lies within the anticipation of a sustainable recovery in the fortunes of the dry-bulk market, with a stable outlook in demand and further constraints on new supply due to a lack of available credit.



Bibby HydroMap hydrographic scan

Business Review
Other businesses

Garic's innovative solar eco platform

GARIC

During the year Garic invested £6.5 million in new hire assets, increased turnover at the new depot in Dudley and achieved further growth in its cross-hire division. As a result turnover increased by 7% and EBITDA grew by 12%. The second half of the year was particularly encouraging with a robust market and a number of operational improvements enabling the company to achieve record yield and utilisation levels.

Garic's product range has been rationalised and re-focused to offer a comprehensive product solution to clients while concentrating investment on higher yielding assets. Asset investment in the year was focused on the core welfare business and eco range of products. The fleet of accommodation and modular units was also expanded.

Garic further enhanced operational and support capabilities during the year, including the appointment of a new Operations Director, recruitment of a senior Health and Safety manager and the implementation of a new operating system.

Health & Safety performance has improved significantly, with accident frequency rates showing a sustained reduction throughout the year. Garic achieved ISO 14001 Environmental Management System and 19001 Quality Management System accreditation for the first time, and an excellent first year NPS (net promoter score) result of +62 reflecting the focus on customer service.

Garic's strategy is to grow the business by investing in new assets and establishing a UK wide depot network to deliver outstanding customer service to its growing national, regional and local client base.

Garic strategically targets customers in the infrastructure and energy & renewables industries, which have lower cyclical volatility than construction and are poised to benefit from potential government-led fiscal stimulus over the medium term.

GreenAcres Celebrate now offer weddings

PLS

PLS is a provider of technology-enabled supply chain asset management solutions, via two distinct services: technology solutions for asset tracking; and returnable asset pooling and management.

The strategic objective is to build a market-leading technology business in the fast-growing supply chain asset tracking space, with a current focus in UK retail and manufacturing. The PLS solution incorporates consultancy, hardware, software, deployment and maintenance, with a compelling financial proposition to customers with typical payback within 6 months.

PLS made significant progress in 2016, continuing to invest in the development of the technology platform and securing the first two technology contracts. Considerable headway was made across a range of other opportunities including the agreement of two significant pilot projects with major UK retailers that are expected to lead to full solution deployments in 2017.

A strong commercial push saw the formation of a healthy sales pipeline, with potential technology projects in a range of increasingly-engaged sectors, including automotive, aerospace and port logistics. Asset pooling also saw strong growth, resulting in the opening of two new PLS sites in Poland. Total revenue grew by 15% in the year.

GREENACRES

GreenAcres Celebrate sites offer customers the opportunity to celebrate the journey through life in a beautiful, tranquil woodland setting, whether it be for a wedding or a funeral. GreenAcres operates from five environmentally sustainable parks in Norfolk, Hampshire, the Chilterns, Essex and Merseyside with stunning ceremonial buildings.

2016 saw an overhaul of the business strategy and brand to make more of our venues by offering customers the opportunity to mark important moments in life. In addition to celebrating the life of a loved one through a funeral, the business is starting to offer civil ceremonies such as weddings and baby namings in 2017.

Net Promoter Scores remain outstanding, consistently in excess of 90. This was also reflected in the 2016 staff survey with satisfaction levels measured at 92%. Business performance improved well with turnover up 7% and overheads down 13%, which resulted in the business generating positive operating cashflows for the first time.

DIRECT WORKFORCE

Following an approach for the business the decision was taken to sell to another industry player in December 2016 enabling increased focus on the core logistics business of Bibby Distribution.

Giving Something Back
Corporate Social Responsibility

Victoria Smith of Bibby Distribution celebrates the completion of a challenging assault course

The Giving Something Back (GSB) programme is the Group's ongoing initiative to give back to the communities it works and operates in by supporting our employees' fundraising and volunteering efforts. Employees support the causes that they are most passionate about and Bibby Line Group provides match funding and exciting fundraising and volunteering opportunities to enhance the benefit received by hundreds of charities each year.

Since its creation in 2007, the GSB Programme has donated over £9.3 million to causes across the globe, a testament to our employees' dedication and their commitment to living the Group's values.

The company's target is to allocate 1% of the Group's pre-tax profit to CSR activities. Given the difficult trading conditions this was adapted to support only the core activities in the year, focused around employee matched funding activities. It was therefore a significant achievement that in 2016 our employees' efforts enabled £412,000 to reach over 200 charities chosen by our employees themselves, along with £55,000 of additional corporate donations.

CENTRAL EVENTS PROGRAMME

The GSB Central Events programme encourages and enables employees to take part in exciting challenges which helps to maximise fundraising opportunities and often provide life changing experiences for those who take part. In 2016 a total of 67 employees took part in two events; a 25 mile trek along the UNESCO World Heritage site Hadrian's wall, and a 90km trek exploring the Escambray Mountains of Cuba. Katie Bibby, a member of the 7th Generation of the Bibby family joined Bibby Line Group employees to complete the Cuban trek raising funds for her chosen charity and between them the events raised over £65,000 in employee fundraising and match funding.


Giving Something Back: trekking in the Cuban mountains

EMPLOYEE FUNDRAISING AND VOLUNTEERING

In 2016 employees trekked, rowed, completed assault courses, and shaved their hair in support of charities as diverse as Macmillan Cancer Support, Royal Air Forces Association, The Meningitis Research Foundation, and RSPCA, as well as helping many beneficial yet difficult to reach causes such as local hospices, school and sports groups and small charities. Employees also choose to regularly support their favourite charities through the Group's Payroll Giving scheme, and in 2016 employees donated over £25,000 from their salaries for their chosen charities, with an additional £17,000 matched by Bibby Line Group.

The Group's top fundraisers were invited to celebrate their successes at the annual Giving Something Back Awards in November, where Sir Michael Bibby presented awards in categories such as Top Volunteer and Most Innovative Idea whilst giving his personal thanks to individuals for their inspiring charitable efforts.

ENVIRONMENTAL POLICY

Many of our businesses operate in carbon intensive industries, and the Group is cognisant that normal operations including travelling by car or air, heating and lighting our buildings and using electrical equipment all consume energy.

Carbon offsetting is used to compensate for some of our emissions, funding carbon dioxide reductions elsewhere, and the Group supports efforts to reduce the impact on the environment by eliminating unnecessary business travel and making best use of technology to communicate across the Group.

The Group expects each subsidiary to bring an Environmental Report to their board on an annual basis. A number of our businesses are leaders in their industries, with Garic developing an innovative range of eco-friendly products such as the solar-powered toilet, and Distribution winning the 2016 Freight Transport Association Leadership in Carbon Reduction Award.

Within the GSB Programme we have supported over 500 of our employees to Cycle to Work.

Risk Management

Risk Framework

The Group's businesses operate in a wide range of industries and countries. The benefit of maintaining a portfolio of businesses in diverse sectors with no cross-guarantees is to reduce the group's sensitivity to any particular market or performance risk.

We have a risk management framework that aligns to the principles of the three lines of defence model, tailored across the Group so as to be appropriate for each division, given the size and spread of operations.

The risk management framework is overseen by the Bibby Line Group audit committee. The cornerstones of the framework are the requirement for each division to apply a suitable framework of internal controls, regular review of management accounts and KPI dashboards, consistent risk registers, Bibby Line Group attendance on divisional boards, and an annual review of strategy and risk within the annual operating plan process.

This governance framework within which Bibby Line Group practices risk management is overseen at divisional boards, supported by divisional audit committees within the four largest subsidiary businesses, and by the Group audit committee as set out in the Corporate Governance section on page 42, and implemented by the executive management team.

THREE LINES OF DEFENCE MODEL

The first line of defence is the business line management who have the primary risk and control responsibility. As day to day risk managers and owners of the risk management processes the line management have responsibility for the implementation of risk mitigation and control measures. They are also responsible for promoting and embedding a strong and robust risk management culture.

The second line of defence defines the risk management policies which are set by the executive team and support functions such as Finance, Quality, Health, Safety and Environment (QHSE), Information Technology (IT) and Human Resources (HR). These functions define risk management processes and controls. They also develop policies and standards to which the business line management adhere. The second line of defence monitor and report on risk and maintain the risk register.

The third line of defence is internal audit and the audit committee. These functions provide and oversee the independent assurance that our processes are effective and operating as designed to appropriately mitigate and control risks. The Group internal audit plan is prepared following an annual group-wide risk assessment process which involves the review of each division's risk register and discussions with Group and divisional management teams.

ANNUAL OPERATING PLAN PROCESS

Each business prepares a three-year operating plan which sets out the strategic position of the business, including customer requirements and competitive position, to identify the opportunities and how and when these might be achieved. Within this process the risks affecting the strategy are identified and used to inform decisions on the relevant course of action. As the operating plan strategy is adopted the risks identified are reviewed in further detail, documented on the risk register and either accepted, mitigated or insured.

Bibby Line Group prepares an annual review of the operating plans of the divisions to assess their quality, and whether they fit in with the strategy of the Group (see page 11), the values by which we operate and the risk appetite of the board.

RISK REGISTERS

The risks identified by the operating plan process, in the preparation of budgets, and through ongoing reviews by management, are documented in the corporate risk registers for each business.

The risk register structure and format captures the strategic, operational, reporting, and compliance risks of each division and aligns with the best practice COSO framework with the likelihood and impact of each risk assessed on a 5x5 risk matrix.

The risk registers identify the 'raw' unmitigated risk and its potential impact, allocate a risk owner, set out the relevant mitigating controls, identify the monitoring required to assess whether the controls are operating as required, grade the net risk after controls, and catalogue current actions required. These risk registers are reviewed at each board meeting and annually by internal audit. This process is supplemented by project-specific and function-specific risk registers in some divisions and dedicated risk management processes for significant projects within the Group.

The principal risks the Group is exposed to are set out on pages 40 to 41.

Principal Risks and Uncertainties

The principal risks and uncertainties which are considered to have a potentially material impact on the Group are shown in the table below along with the mitigating actions taken by management to manage these risks and the strategic objective (see page 11) affected by the risk.

Risk area	Principal risks and uncertainties	Mitigation	Relevant strategic objective
Strategic	**Composition of the portfolio**		
	An imbalance in the portfolio may leave the Group with too much risk, or create over-dependence on one sector/country.	The annual review of operating plans includes a review by the Bibby Line Group executive of the balance of the portfolio to facilitate discussion by the board of the desired shape of the portfolio with regard to both present market conditions and future expectations. Investment and divestment plans are appraised with regard to improving the balance in the portfolio with reference to the shape of the target portfolio.	1, 2
Strategic / Operational	**Acquisitions**		
	Buying the wrong business, over-paying for a business or failing to integrate it effectively.	The Bibby Line Group strategy team are involved in all material acquisitions across the Group, providing expertise on M&A activity. Future investment plans are collated and reviewed by the Group board to optimise resource allocation between competing projects. Material acquisitions are a matter reserved for Bibby Line Group board approval which is only given after suitable review of the options and risks associated with the proposition and other alternatives.	1, 7
Operational	**Transformational projects**		
	Change programmes within the operating businesses risk reducing shareholder value if they are not implemented effectively.	Investments in significant projects are a matter reserved for Bibby Line Group board approval which is only given after suitable review of the options and risks associated with them. Bibby Line Group executives chair each of the divisional boards to monitor performance of the division, including progress on material projects. They report developments as necessary to the Group board.	1, 2, 6
	Divisional underperformance		
	Divisional businesses underperform relative to their potential and to expectations due to errors in strategy or operations, or through market forces.	The annual operating plans of each division are reviewed by their own boards and critiqued by the Bibby Line Group strategy team before being discussed at a dedicated annual meeting of the Group board. An update on business performance is provided to each Bibby Line Group board meeting and the monthly management accounts for all businesses are circulated to the Group board. Bibby Line Group executives chair each of the divisions to monitor performance of the division and its chief executive, together with at least one other representative of the Group office.	1, 6
	Reputation		
	An event occurs which adversely affects the Bibby Line Group brand and affects our divisional operations.	Bibby Line Group's values are integral to the way the Group does business and we expect all staff to do the right thing. Risks with a potential reputational impact are identified on the relevant risk register and appropriate controls put in place.	All
	Technology		
	A cyber-attack or operational IT failure results in an adverse impact on customer service.	Educational programmes are in place to equip staff with awareness of IT security issues and security policies. Cyber security and system resilience are an area of focus and investment for Bibby Line Group and divisional management teams. Business continuity policies and Disaster Recovery plans are in place including response plans for IT security events.	1, 2, 6, 7

Risk area	Principal risks and uncertainties	Mitigation	Relevant strategic objective
People	**Talent retention**		
	Failure to recruit or retain sufficient talent within Bibby Line Group or one of the divisions would result in business underperformance.	The remuneration committee sets the remuneration packages of senior executive staff and divisional chief executives with regard to the external market for such individuals and aligns the remuneration to the results of the business through the annual and long term bonus arrangements. Regular individual appraisals are undertaken to provide feedback and identify development needs and opportunities, which are delivered through bespoke and business-wide development programmes. Succession plans are in place to cover all senior positions.	1, 3, 6
	Health & safety		
	Our people work in potentially hazardous situations in many of our businesses, where failure to protect our staff, customers and the public could injure those involved, breach our own objectives, laws and regulations, and result in financial penalties, and possible imprisonment.	Due to the diverse nature of our operations this risk is managed within each division with systems appropriate to each industry. Each of our businesses have appropriate Health and Safety policies, with rigorous reporting mechanisms for informing the board of both incidents and near-misses, together with feedback processes for continuous improvement, backed up by external audits in many of the businesses. Key performance indicators are reviewed at each subsidiary and Group board.	4, 7
Financial	**Liquidity and financial risks**		
	Failure to maintain liquidity across the Group would impact value creation within the Group by curtailing investment in future projects or by threatening the solvency of a division. Liquidity would be adversely affected by credit risk losses to which the Group is primarily exposed in respect of counter parties holding bank balances or owing trade receivables.	The Group monitors weekly and monthly cash flow forecasts of individual businesses to identify cash requirements. Future investment plans are collated and reviewed by the Group board to optimise resource allocation between competing projects. A Group wide treasury policy imposes a fixed cash deposit limit with any one financial institution and restricts the acceptable credit rating of such counterparties to A/A2 and above. Credit limits are in place for customers. There are no cross-default clauses or cross-guarantees in place between divisions and Bibby Line Group does not give parent company guarantees to third parties for the obligations of the divisions. This minimises the risk of contagion arising from the failure (however unlikely) of any one division. The Group manages its significant foreign exchange trading exposures through forward contracts. The Group accepts the risk of its exposure to foreign exchange movements on the consolidation of its net investment in overseas subsidiaries. The Group holding company, Bibby Line Group, is financed by dividends paid by the divisional trading companies, currently augmented by a £30 million term bank loan (balance at 31 December 2016 – £9.2 million) which has been drawn to provide additional liquidity for investment in the trading businesses. The Group holding company aims to maintain sufficient cash to meet all contractual obligations and dividend payments for at least the next 12 months, with surplus cash available for reinvestment in the divisions. It also has available an undrawn £10 million overdraft facility (currently undrawn) to manage unexpected calls on working capital.	1
	Pensions		
	The Group has liabilities in respect of two defined benefit pension schemes for which deficit contributions consume Group cash. There is a risk that future financial performance of the schemes will underperform expectations leading to increased deficit payments.	The Bibby Line Group Pension Fund is closed to new entrants and future accrual, limiting the gross liabilities to which the Group is exposed. The currently agreed deficit contributions to both the Bibby Line Group Pension Fund and the Merchant Navy Officers Pension Fund (MNOPF) (see note 23) are included within the cash flow forecasts of the Group when calculating future headroom on facilities. The MNOPF is a multi-employer defined benefit pension scheme for the maritime industry (also now closed to new entrants and future accrual) and the Group has agreed funding contribution levels with the scheme until the next actuarial valuation (see note 23).	1

The Strategic Report as set out on pages 6 to 41 was approved by the board on 16 May 2017 and signed on its behalf by Sir Michael Bibby, Bt., DL, Managing Director.

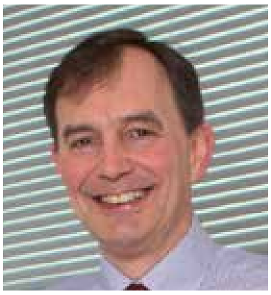
Corporate Governance

BOARD OF DIRECTORS

The board of directors during the year, and to the date of this report, comprised:

Paul Drechsler, CBE
Chairman, independent non-executive director
Appointed to the board
1 July 2014
– Nominations committee chairman

David Anderson
Independent non-executive director
Appointed to the board
1 August 2012
– Audit committee chairman
– Remuneration committee
– Nominations committee



Geoffrey Bibby
Non-executive director
Appointed to the board
1 April 2015
– Audit committee
– Remuneration committee
– Nominations committee

Caroline Hoare
Independent non-executive director
Appointed to the board
1 January 2016
– Audit committee
– Remuneration committee
– Nominations committee

Timothy Lebus
Senior independent non-executive director
Appointed to the board
1 March 2009
– Audit committee
– Remuneration committee chairman
– Nominations committee

Sir Michael Bibby Bt., DL
Managing director
Appointed to the board
26 June 1992

Gaurav Batra
Strategy director
Appointed to the board
1 July 2013

Mike Brown
Group portfolio director
Appointed to the board
3 November 2014

Mark Lyons
Chief financial officer
Appointed to the board
1 April 2016

Jon Haymer, Finance director, was appointed to the board 1 January 1997, and resigned from the board 9 May 2016.

ROLE OF THE BOARD

The board works with management to review, challenge, and agree the strategy of the business, monitor progress against the strategy and review the mitigation of risks that may affect the strategy. The board is collectively responsible for ensuring that the Group is well governed and there is an appropriate portfolio of companies to spread risk effectively. It also reviews trading performance, funding facilities, talent management, and maintains oversight of the Group's systems of risk management and internal control.

The non-executive directors are responsible for bringing independent scrutiny and judgement to bear on the decisions taken by the board.

The executive team is responsible for day to day management, with certain restrictions on their powers set out in the company's 'matters reserved for board approval' schedule. The executive is held accountable for the outcomes of such decisions through performance targets and subsequently the review of outcomes in 'Post Investment Reviews'.

The schedule of matters reserved for the board includes the appointment of Group directors or divisional chief executives, significant acquisitions, significant capital expenditure or leases, financial guarantees and bank facilities, and changes to Group accounting policies.

The Bibby Line Group board met formally six times during 2016, supplemented by regular executive team meetings, regular communication via email, and conversations between the executive and non-executive directors. During 2016 there was full attendance by the directors at all board meetings. There are five board meetings with broad agendas and an annual meeting that solely focuses on the review of the Group and divisional strategy as set out in the operating plans.

DIVISIONAL BOARDS

The holding companies heading the Group's trading divisions are each governed by a board of directors which includes at least two representatives of the Group holding company as non-executive directors, at least one of whom is an executive director of Bibby Line Group who chairs the board. The Group board is responsible for the appointment of the divisional chief executives who are granted significant autonomy as to how to run their division, with oversight from their divisional board. The Group has cascaded the governance structure to the divisional boards providing clarity on which decisions require divisional, and Group, board approval.

AUDIT COMMITTEE

The audit committee's purpose is to review the application of corporate governance, corporate reporting, risk management, and internal control activities within the Bibby Line Group and advise the Group board on such matters. The audit committee also oversees the Group's relationship with the Group's external auditor.

The audit committee members are the non-executive directors of the company (apart from the chairman), who are considered to have appropriate financial expertise. The external auditor, managing director, chief financial officer and head of internal audit are invited to attend meetings of the committee as required.

During 2016 the committee met in January, April, July and November, in line with the company's financial reporting cycle and to review the annual internal audit plan. There was full attendance by the committee members at all meetings. The audit committee reviewed the work of internal audit within Bibby Line Group and met with the external auditors to review the completion of the 2015 statutory audit and the planning for the 2016 statutory audit.

The audit committee has set guidelines for the pre-approval of all non-audit services to be provided by the external auditors. The audit committee reviewed the external audit fee arrangements and concluded that they are appropriate.

REMUNERATION COMMITTEE

The remuneration committee's purpose is to review and approve the remuneration (including all salary, bonus and other benefits) of the holding company executive directors, any divisional managing director, and other senior managers with salary over a certain level. The members of the remuneration committee are the non- executive directors of the company except the Chairman. The Group Managing Director and HR Director are in attendance at each remuneration committee meeting.

The remuneration committee met three times during 2016 with full attendance.

In determining these remuneration packages the committee has regard to:

- the importance of recruiting and retaining management of the quality required;
- aligning the objectives of management with those of the shareholders; and
- giving every encouragement to enhancing the Group's performance through innovation and achievement in the very competitive markets in which the Group operates.

All executive directors have service contracts with the company which are terminable within twelve months by either party. Details of directors' remuneration are given in note 2 to the financial statements.

The Group operates a long term incentive plan for the executive directors of the Group board and certain executive directors and key employees of the main operating subsidiaries. Prior to 2015 Performance Unit Plans (PUPs) were awarded. Notional units are allocated to members of the plan each year proportionate to their salary by the remuneration committee. Dependent upon certain financial criteria being met these units are redeemed in cash three years later. For executives assessed against the Group performance the financial test is growth in the Group's shareholders' funds with units available for redemption on a pro-rata basis for growth between 6% and 15% per annum.

The long term incentive plans for executive directors of the Group board and certain divisions awarded in 2015 changed to schemes based on the notional enterprise values of the businesses rather than shareholders' funds. In the first phase of the new scheme the change in value will be assessed over three years, and a proportion of the increase in value above a required compound rate of return of 7.5% will be payable to the scheme participants over the following four years. Subsequent phases of this scheme will be recommended to the Remuneration Committee for approval in 2017 with effective date of 2018.

The existing schemes continue in operation for those units allocated prior to 2015 and for other subsidiaries.

Payments under all schemes are at the discretion of the remuneration committee.

NOMINATIONS COMMITTEE

The Nominations Committee met in 2016 to approve director appointments to the BLG board and to review the Talent & Succession plans for the executive teams of Bibby Line Group and its subsidiaries.

Directors' Report

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

Details of the principal activities, business review, directors and charitable donations are included within the Strategic Report on pages 6 to 41 and are included in the Directors' Report by reference.

GROUP RESULTS

The Group loss for the year after taxation and minority interests amounts to £59.7 million (2015 – £20.4 million profit). After taking account of movements through the statement of changes in equity, total shareholders' funds have decreased from £297.8 million to £235.7 million.

GOING CONCERN STATEMENT

The current market conditions are volatile, particularly for our Offshore division where the sustained low oil prices have put pressure on the sector. There are also increasing levels of market disruption in retail with market consolidation and demographic shifts.

Additionally, the current levels of political uncertainty, both in the UK and internationally, have proved capable of delivering shocks to the economy and give rise to risks for all of our businesses. In response the directors have considered these risks, including an assessment of any uncertainty on the viability of the Group's business models and the extent to which they might affect the preparation of the financial statements on a going concern basis. The review includes consideration of cash flow forecasts for at least the next fifteen months for all businesses in the Group and includes downside sensitivities prepared with recognition of the current levels of volatility.

Based on this assessment the directors consider that the Group maintains an appropriate level of capital, borrowing facilities and liquidity, sufficient to meet both the normal demands of the divisions and the requirements which might reasonably be expected to arise in a downside scenario.

The company, Bibby Line Group Limited, is financed by dividends from the trading businesses and a three year amortising term loan facility, supported by a currently undrawn overdraft facility available to supplement liquidity, if required.

Taking into account reasonable potential changes in trading performance, the directors consider that this funding is likely to continue and be sufficient to meet the requirements of the company for the foreseeable future. Each division has external financing and there are no banking guarantees in place between the divisions and Bibby Line Group Limited. Although Bibby Line Group does provide support to certain divisional businesses for capital expenditure, working capital, and, when appropriate, to fund losses, these are not contractual obligations.

On the basis that the board of directors consider the Group to be sufficiently funded and will continue in operational existence for the foreseeable future, the financial statements continue to be prepared on a going concern basis.

DIVIDENDS

Interim dividends of £56.45 and £112.90 per share to the holders of the £1,000 Ordinary Shares were paid on 4 January 2016 and 24 March 2016 respectively, constituting a total dividend for the year ended 31 December 2015 of £169.35 per Ordinary share.

An interim dividend of £57.58 per share to the holders of the £1,000 Ordinary shares was paid on 3 January 2017.

Interim dividends of £191.68 and £383.36 per share to the holders of the £1 Ordinary A Shares were paid on 4 January 2016 and 24 March 2016, constituting a total dividend for the year ended 31 December 2015 of £575.04 per Ordinary A share.

An interim dividend of £195.52 per share to the holders of the £1 Ordinary A shares was paid on 3 January 2017.

A final dividend of £115.16 per share to the holders of the £1,000 Ordinary shares will be proposed at the forthcoming AGM.

A final dividend of £391.04 per share to the holders of the £1 Ordinary A shares will be proposed at the forthcoming AGM.

Dividends on the preference shares were paid on 30 June 2016 and 31 December 2016.

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.

EMPLOYMENT POLICIES

The Group is committed to attracting, motivating and retaining high quality personnel. It is the Group's policy to train and develop each individual to maximise their contribution to the Group's performance, whilst providing satisfying and fulfilling career opportunities. It is the Group's policy to promote the understanding and involvement of all employees in its business aims and performance. To do this, the Group continually develops effective employee communication, consultation and involvement, including the regular publication of company magazines.

The Group is an equal opportunity employer which recognises and values the strength and contribution of a diverse workforce. The policy of the Group is to give full and fair consideration to applications for employment made by all people including 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.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that 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. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the board

Bibby Bros. & Co. (Management) Limited, Secretary
16 May 2017

Registered Office
105 Duke Street
Liverpool
L1 5JQ

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and 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 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 status may differ from legislation in other jurisdictions.

Independent Auditor's Report to the members of Bibby Line Group Limited

We have audited the financial statements of Bibby Line Group Limited for the year ended 31 December 2016 which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statement of Changes in Equity, the Group Cash Flow Statement, the related notes 1 to 34, and the Accounting Policies. 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 Statement of Directors' Responsibilities, 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.

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.

Christopher Robertson
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool, United Kingdom
16 May 2017

Consolidated Financial Statements

Group Profit and Loss Account

for the year ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	1	1,203,296	1,441,619
Cost of sales		(1,116,657)	(1,278,143)
Gross profit		86,639	163,476
Administration expenses		(143,888)	(154,038)
Operating (loss)/profit	1	(57,249)	9,438
Profit on disposal of fixed assets	4	1,513	3,749
Profit on disposal of investments	4	7,833	36,578
(Loss)/profit on ordinary activities before interest		(47,903)	49,765
Finance costs (net)	5	(17,674)	(20,199)
(Loss)/profit on ordinary activities before taxation	6	(65,577)	29,566
Tax on (loss)/profit on ordinary activities	7	5,865	(9,127)
(Loss)/profit for the financial year		(59,712)	20,439
Attributable to:			
Non-controlling interests		(14)	-
Equity Shareholders		(59,698)	20,439
		(59,712)	20,439

The above results are in respect of continuing operations.

Group Statement of Comprehensive Income

for the year ended 31 December 2016

	Note	2016 £000	2015 £000
(Loss)/profit for the financial year		(59,712)	20,439
Remeasurement of net defined benefit on pension liabilities	23	(12,134)	4,863
Currency translation differences on foreign currency net investments		10,482	(3,949)
Unrealised gain on cash flow hedges		276	226
Deferred tax credit /(charge) on items of other comprehensive income		2,063	(973)
Total (losses)/gains recognised relating to the year		(59,025)	20,606

Group Balance Sheet

as at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets:			
Intangible assets	8	70,463	76,328
Tangible assets	9	256,776	245,789
Investments	10	253	281
		327,492	322,398
Current assets:			
Stock	11	4,734	5,585
Debtors	12	1,162,146	1,062,828
Cash and cash equivalents		104,852	153,279
		1,271,732	1,221,692
Creditors (amounts falling due within one year)	13	(490,308)	(475,391)
Net current assets		781,424	746,301
Total assets less current liabilities		1,108,916	1,068,699
Creditors (amounts falling due after more than one year)	14	(829,721)	(738,525)
Provisions for liabilities	16	(16,781)	(16,032)
Pension liability	23	(26,742)	(16,320)
Net assets	1	235,672	297,822
Capital and reserves:			
Called-up share capital	18	18,005	18,005
Capital redemption reserve		275	275
Hedging reserve		-	(276)
Profit and loss account		217,392	279,784
Total shareholders' funds		235,672	297,788
Non-controlling interests		-	34
		235,672	297,822

The financial statements of Bibby Line Group Limited have been approved and authorised for issue by the board on 16 May 2017.

SIR MICHAEL BIBBY, Bt., DL

MARK LYONS

Directors of Bibby Line Group Limited, Registered No. 34121

Group Cash Flow Statement

for the year ended 31 December 2016

	Note	£000	2016 £000	£000	2015 £000
Net cash (outflow)/inflow from non-financial services operating activities	20		(33,953)		26,378
Net cash outflow from financial services operating activities	20		(58,464)		(75,411)
Net cash outflow from operating activities	20		(92,417)		(49,033)
Cash flows from investing activities					
Purchase of tangible and intangible fixed assets		(58,691)		(45,062)	
Proceeds on sale of tangible fixed assets		4,101		23,032	
Purchase of fixed asset investments		-		(50)	
Interest received		414		936	
Sale of subsidiary		(2,780)		-	
Proceeds on sale of participating interest		-		167	
Proceeds on sale of subsidiary		10,834		50,657	
Deferred consideration settled		-		(14,005)	
Net cash flows from investing activities			(46,122)		15,675
Cash flows from financing activities					
Equity dividends paid		(3,105)		(3,025)	
Dividends paid on preference shares		(15)		(15)	
Interest paid		(17,701)		(19,799)	
Repayment of amounts borrowed		(36,050)		(432,436)	
Capital element of hire purchase and finance lease payments		(10,678)		(7,779)	
New loans		147,606		448,152	
New hire purchase and finance lease agreements		6,813		13,519	
Net cash flows from financing activities			86,870		(1,383)
Net decrease in cash and cash equivalents	21,22		(51,669)		(34,741)
Cash and cash equivalents at beginning of the year			151,740		186,354
Effect of foreign exchange rate changes			1,782		127
Cash and cash equivalents at end of the year			101,853		151,740

Group Statement of Changes in Equity

for the year ended 31 December 2016

	Called-up share capital £000	Capital redemp-tion £000	Profit and loss account £000	Hedging reserve £000	Total £000	Non-controlling interest £000	Total equity £000
At 1 January 2016	18,005	275	279,784	(276)	297,788	34	297,822
Loss for the financial year	-	-	(59,698)	-	(59,698)	(14)	(59,712)
Hedges of variable interest rate risk and foreign exchange risk	-	-	-	276	276	-	276
Currency translation differences	-	-	10,482	-	10,482	-	10,482
Remeasurement of net defined benefit pension liabilities	-	-	(12,134)	-	(12,134)	-	(12,134)
Tax relating to items of other comprehensive income	-	-	2,063	-	2,063	-	2,063
Total comprehensive income	-	-	(59,287)	276	(59,011)	(14)	(59,025)
Dividends paid on equity shares	-	-	(3,105)	-	(3,105)	-	(3,105)
Eliminated on disposal	-	-	-	-	-	(20)	(20)
At 31 December 2016	18,005	275	217,392	-	235,672	-	235,672
At 1 January 2015	18,005	275	262,413	(481)	280,212	91	280,303
Profit for the financial year	-	-	20,439	-	20,439	-	20,439
Hedges of variable interest rate risk and foreign exchange risk	-	-	-	226	226	-	226
Currency translation differences	-	-	(3,925)	(21)	(3,946)	(3)	(3,949)
Remeasurement of net defined benefit pension liabilities	-	-	4,863	-	4,863	-	4,863
Tax relating to items of other comprehensive income	-	-	(973)	-	(973)	-	(973)
Total comprehensive income	-	-	20,404	205	20,609	(3)	20,606
Share buy back of non-controlling interest in subsidiary	-	-	(8)	-	(8)	(54)	(62)
Dividends paid on equity shares	-	-	(3,025)	-	(3,025)	-	(3,025)
At 31 December 2015	18,005	275	279,784	(276)	297,788	34	297,822

Notes to the Financial Statements

for the year ended 31 December 2016

1. Analysis by class of business

Turnover

Class of business	2016	2015
	£000	£000
Offshore oil & gas services	154,739	240,711
Financial services	156,659	167,434
Contract distribution	191,243	216,561
Retail	627,915	698,318
Marine	40,428	88,049
Other	32,312	30,546
	1,203,296	1,441,619
Deriving in:		
United Kingdom	1,049,450	1,244,760
Rest of the world	153,846	196,859
	1,203,296	1,441,619

The turnover of the financial services business is the income earned from this activity and not the amount of clients' debts factored. The amount of these debts factored and transactions financed during the year was £8,186 million (2015 – £9,349 million).

Prior year revenue (and cost of sales) have been restated for the retail business to account for £8.6 million of rebates paid to retailers as a reduction in turnover rather than a cost. There is no impact on gross profit.

There is no material difference between the origin and destination of turnover.

Operating (loss)/profit

Class of business	2016	2015
	£000	£000
Offshore oil & gas services	(50,982)	19,574
Financial services	17,672	22,223
Contract distribution	2,054	(6,166)
Retail	(10,650)	(15,660)
Marine	(3,711)	(1,990)
Other	(3,920)	(2,873)
Head office	(7,712)	(5,670)
	(57,249)	9,438
Deriving in:		
United Kingdom	(42,008)	18,514
Rest of the world	(15,241)	(9,076)
	(57,249)	9,438

Net assets/(liabilities)

Class of business	2016	2015
	£000	£000
Offshore oil & gas services	(31,778)	25,410
Financial services	192,845	209,358
Contract distribution	7,049	5,876
Retail	(87,820)	(70,317)
Marine	42,534	43,146
Other	12,030	15,986
Head office	100,812	68,363
	235,672	297,822
Deriving in:		
United Kingdom	243,335	286,443
Rest of the world	(7,663)	11,379
	235,672	297,822

2. Emoluments of directors

	Salary & Fees £000	Benefits in Kind £000	Annual Bonus £000	2016 Total £000	2015 Total £000
Paul Drechsler	150			150	122
Tim Lebus	39			39	39
David Anderson	39			39	39
Geoffrey Bibby	33			33	25
Caroline Hoare	33			33	-
Sir Michael Bibby	400	65	-	465	543
Jon Haymer	78	14	-	92	338
Gaurav Batra	275	44	62	381	350
Mike Brown	370	12	59	441	434
Mark Lyons	290	50	81	421	-
Jennifer Smith	-			-	10
Simon Sherrard	-			-	59
	1,707	185	202	2,094	1,959

Benefits in kind include the provision of a company car (or cash equivalent), fuel, medical insurance and the cash equivalent paid to a director in lieu of pension scheme contributions.

Pensions

Sir Michael Bibby and Jon Haymer were members of the Bibby Line Group Pension Scheme, a defined benefit scheme, which closed to future accruals in 2011. Details of pension benefits accrued in this scheme at the year end are:

	Additional pension earned in the year £	Accrued pension entitlement £
Sir Michael Bibby	-	101,343

Loans to directors

On 10 June 2015 the shareholders of Bibby Line Group Limited approved the provision of a £100,000 loan to Mike Brown as part of his employment arrangements.

The £100,000 was advanced to Mike Brown on 21 August 2015. No amount of principal was repaid in the year. Interest is charged and paid annually on the loan at the HMRC approved rate for beneficial loans (currently 3%) from the date of advance of the loan.

3. Particulars of employees

	2016 Number	2015 Number
The average number of persons employed (including directors) during the year was:		
Marine	336	1,261
Offshore oil & gas services	341	450
Contract distribution	1,853	2,132
Financial services	1,334	1,211
Retail	621	770
Other	403	358
Head office	46	42
	4,934	6,224

	2016 £000	2015 £000
Staff costs (for the above employees):		
Wages and salaries	173,395	228,527
Social security costs	18,709	22,359
Other pension costs	6,182	9,331
	198,286	260,217

4. Profit on disposal of fixed assets and investments

	2016 £000	2015 £000
Profit on disposal of tangible assets	1,513	3,749
The net tax effect of the above transactions is a tax charge of	303	758
Profit on disposal of subsidiary undertaking	7,833	36,411
Profit on disposal of participating interest	-	167
	7,833	36,578
The net tax effect of the above transactions is a tax charge of	-	-

5. Finance costs (net)

	2016 £000	2015 £000
Interest receivable and similar income		
Other interest receivable	426	805
Exchange difference on foreign borrowings	1,190	305
	1,616	1,110
Interest payable and similar charges		
On bank loans, overdrafts and other secured loans	(16,113)	(17,708)
On loan notes	(187)	(448)
On other debt financing	(400)	(590)
On £100 preference shares at 9.75% of nominal value	(15)	(15)
On hire purchase and finance leases	(1,761)	(1,359)
Net interest cost on defined benefit pension liability	(464)	(646)
Amounts reclassified from equity to profit & loss in respect of derivative financial instruments as cash flow hedges	(275)	(329)
Ineffectiveness of derivative financial instruments designated as cash flow hedges caused by changes in the hedged item	-	(32)
Change in fair value of other derivative financial instruments measured through profit & loss	(75)	(182)
	(19,290)	(21,309)
	(17,674)	(20,199)

In addition, interest payable by the Financial Services division is included in the Group Profit and Loss Account within cost of sales. The amounts charged in the year were:

	2016 £000	2015 £000
On bank loans and overdrafts	17,017	19,266

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

(Loss)/profit on ordinary activities before taxation is stated after charging the following amounts:

	2016 £000	2015 £000
Depreciation – owned tangible fixed assets (see note 9)	27,003	29,667
Depreciation – leased tangible fixed assets (see note 9)	8,028	5,298
Impairment losses on tangible fixed assets (see note 9)	5,010	6,142
Amortisation of intangible fixed assets (see note 8)	16,012	11,318
Foreign exchange losses	348	797
Charitable donations	235	498
Operating lease costs		
Plant and machinery	55,602	47,350
Other	12,873	14,494
Non-recurring costs (excluding £2.1 million asset impairment) incurred in the Offshore business	14,928	2,080
Auditor's remuneration:		
Fees payable to the company's auditor for:		
– the audit of the company's current year accounts	82	89
– the audit of the company's prior year accounts	-	50
– the audit of the company's subsidiaries' current year accounts	738	866
– the audit of the company's subsidiaries' prior year accounts	104	150
Total audit fees	924	1,155
Auditor's remuneration for non-audit services:		
Tax services	84	113
Other services	-	3
Total non-audit fees	84	116

7. Tax on (loss)/profit on ordinary activities

	2016 £000	2015 £000
The taxation (credit)/charge comprises:		
Current year UK corporation tax charge/(credit)	7	(1,112)
Adjustments in respect of prior years	(2,693)	(42)
Current year charge for foreign corporate and withholding taxes	4,711	11,460
Current tax charge for the year	2,025	10,306
Deferred tax charge on pension scheme costs	291	511
Effect of change in tax rate on opening liability	324	(525)
Adjustments in respect of prior years	198	(337)
Origination and reversal of timing differences	(8,703)	(828)
Deferred tax credit for the year (see note 16)	(7,890)	(1,179)
Total tax (credit)/charge for the year	(5,865)	9,127

Factors affecting the tax (credit)/charge for the year:
The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax are as follows:

	2016 £000	2015 £000
(Loss)/profit on ordinary activities before taxation	(65,577)	29,566
(Loss)/profit on ordinary activities multiplied by the weighted average rate of UK corporation tax of 20% (2015 – 20.25%)	(13,115)	5,987
Effects of:		
Non taxable capital gains	(238)	(7,861)
Trading losses carried forward	120	363
Expenses not deductible for tax purposes including amortisation of goodwill	1,215	2,234
Other timing differences	2,779	802
Adjustments in respect of prior years	(2,495)	(379)
Difference in tonnage tax rate to weighted average tax rate	1,140	(1,799)
Different rates of overseas tax	4,543	9,794
Deferred tax on pension scheme	(138)	511
Change in deferred tax rate	324	(525)
Total tax (credit)/charge for the year	(5,865)	9,127

8. Intangible assets

	Goodwill	Intangible assets	Total
	£000	£000	£000
Cost			
At 1 January 2016	139,954	22,177	162,131
Additions	-	8,396	8,396
Disposals	(2,299)	(5,883)	(8,182)
Reclassification	1,073	4,556	5,629
At 31 December 2016	138,728	29,246	167,974
Amortisation			
At 1 January 2016	82,050	3,753	85,803
Charge for the year	8,714	7,298	16,012
Disposals	(1,642)	(4,132)	(5,774)
Reclassification	1,073	397	1,470
At 31 December 2016	90,195	7,316	97,511
Net book amount at 31 December 2016	48,533	21,930	70,463
Net book amount at 31 December 2015	57,904	18,424	76,328

9. Tangible assets

	Vehicles and equipment		Land and buildings			
	Fleet	Other	Freehold	Short Leasehold	Long Leasehold	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2016	298,878	114,565	10,175	6,338	14,006	443,962
Additions	27,072	24,622	3	287	-	51,984
Disposals	(3,310)	(18,208)	(73)	(451)	(855)	(22,897)
Disposal on sale of subsidiary	-	(4,188)	-	-	-	(4,188)
Reclassification	-	(4,556)	-	-	-	(4,556)
Exchange differences	13,415	386	-	51	-	13,852
At 31 December 2016	336,055	112,621	10,105	6,225	13,151	478,157
Depreciation						
At 1 January 2016	126,692	55,908	3,952	4,162	7,459	198,173
Charge for the year	21,227	12,800	279	454	271	35,031
Impairment	2,143	-	464	-	2,403	5,010
Disposals	(3,079)	(15,503)	(42)	(429)	(684)	(19,737)
Disposal on sale of subsidiary	-	(2,935)	-	-	-	(2,935)
Reclassification	-	(397)	-	-	-	(397)
Exchange differences	5,690	526	-	20	-	6,236
At 31 December 2016	152,673	50,399	4,653	4,207	9,449	221,381
Net book amount at 31 December 2016	183,382	62,222	5,452	2,018	3,702	256,776
Net book amount at 31 December 2015	172,186	58,657	6,223	2,176	6,547	245,789
Net book value of leased assets included above:						
At 31 December 2016	22,564	24,846	-	-	-	47,410
At 31 December 2015	27,534	19,483	-	-	-	47,017

10. Investments

	£000
At 1 January 2016	281
Additions	46
Disposals	(74)
At 31 December 2016	253

11. Stock

	2016 £000	2015 £000
Finished goods and consumables	4,734	5,585

There is no material difference between the balance sheet value of stock and its replacement value.

12. Debtors

	2016 £000	2015 £000
Amounts falling due within one year:		
Trade debtors – financial services	904,106	810,944
Trade debtors – other	97,791	107,960
Taxation and social security	3,021	2,691
Deferred taxation asset – other timing differences	5,975	2,038
Net investment in finance leases	68,203	64,649
Other debtors	30,144	27,468
Corporation tax	3,704	-
Prepayments and accrued income	49,202	47,078
	1,162,146	1,062,828

Included in the net investment in finance leases is £30,989,000 (2015 – £32,556,000) which is due after more than one year. Included in other debtors is an amount of £680,000 (2015 – £590,000) which is due after more than one year.

The cost of assets acquired for the purpose of leasing under finance leases was £20,503,000 (2015 – £27,449,000).

The aggregate rentals receivable during the year in respect of finance leases was £24,941,000 (2015 – £21,859,000).

The deferred tax balance recognised above relates to timing differences and tax losses carried forward which the directors consider to be recoverable based on the expected future taxable profits.

13. Creditors (amounts falling due within one year)

	2016 £000	2015 £000
Bank loans (see note 15)	146,189	97,173
Loan notes (see note 15)	-	5,600
Bank overdrafts	2,999	1,539
Hire purchase and finance leases (see note 15)	10,111	9,748
Trade creditors – financial services	158,266	161,939
Trade creditors – other	79,203	88,241
Taxation and social security	10,804	12,205
Other creditors	6,345	11,796
Corporation tax	-	1,205
Deferred consideration	163	270
Accruals and deferred income	75,743	85,291
Derivative financial instruments	485	384
	490,308	475,391

14. Creditors (amounts falling due after more than one year)

	2016 £000	2015 £000
Bank loans (see note 15)	642,451	547,599
Other secured loans (see note 15)	170,035	169,970
Hire purchase and finance leases (see note 15)	16,565	19,995
9.75% Preference shares of £100 each (see note 18)	154	154
Other creditors	516	702
Derivative financial instruments	-	105
	829,721	738,525

15. Debt instruments

	2016 £000	2015 £000
Bank loans are repayable:		
Within one year	146,189	97,173
Between one and two years	27,503	104,798
Between two and five years	582,050	441,664
After five years	32,898	1,137
	788,640	644,772
Hire purchase and finance leases are repayable:		
Within one year	10,111	9,748
Between one and two years	7,998	11,192
Between two and five years	8,498	8,803
After five years	69	-
	26,676	29,743
Other debt is repayable:		
Within one year	-	5,600
After five years	170,035	169,970
	170,035	175,570

The rates of interest payable on bank loans, vary with either US, Euro or UK short term LIBOR or UK base rates.

Obligations under hire purchase and finance leases are secured on the assets they finance.

Other debt:

Bibby Offshore is financed by a £175,000,000 bond issued on the Luxembourg market. The bond carries interest of 7.5%, payable every six months, is non-amortising and repayable in 2021. It is recognised net of unamortised issuance costs.

16. Provisions for liabilities

	Other	Fleet Re-instatement	Vacant Property	Deferred Taxation	Total
	£000	£000	£000	£000	£000
At 1 January 2016	-	2,100	7,567	6,365	16,032
Profit and loss account	9,624	-	452	(7,890)	2,186
Utilised	-	(2,100)	(862)	-	(2,962)
Reclassification to debtors	-	-	-	3,914	3,914
Elimination on sale of subsidiary	-	-	-	16	16
Exchange differences	-	-	-	(342)	(342)
Statement of comprehensive income	-	-	-	(2,063)	(2,063)
At 31 December 2016	9,624	-	7,157	-	16,781

The fleet re-instatement provision related to an asset held under an operating lease and was settled on expiry of the lease. The vacant property provision will be substantially utilised in the period to 2017. Other provisions reflect onerous contract provisions and estimated costs relating to legal claims and litigation across a variety of our businesses, including provision for legal costs in defending these claims. It is expected that these provisions will be substantially utilised during 2017.

Deferred taxation is provided at the rates substantively enacted at the year end being 20% (to April 2017), 19% (to April 2020), and 17% thereafter depending on the expected duration of the timing difference (2016 – 20%, 19% and 18% respectively). These amounts are as follows:

	2016	**2015**
	£000	£000
Accelerated capital allowances	5,658	9,173
Pensions	(4,556)	(2,933)
Other timing differences	(2,995)	(1,913)
Trading Losses	(4,082)	-
	(5,975)	4,327

17. Financial instruments and risk management

The following disclosures relate solely to Bibby Financial Services Limited and its direct subsidiaries.

Credit risk

The objective of credit risk management is to enable Bibby Financial Services to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved appetite for the risk that customers will be unable to meet their obligations to Bibby Financial Services.

The key principles of Bibby Financial Services' Credit Risk Management Framework are set out below:

- Approval of all credit exposure is granted prior to any advance or extension of credit.
- An appropriate credit risk assessment of the customer and credit facilities is undertaken prior to approval of credit exposure. This includes a review of, amongst other things, the purpose of credit and sources of repayment, compliance with affordability tests, repayment history, capacity to repay, sensitivity to economic and market developments and risk-adjusted return.
- Credit risk authority is delegated by the board of Bibby Financial Services and specifically granted in writing to all individuals involved in the granting of credit approval. In exercising credit authority, the individuals act independently of any related business revenue origination.
- All credit exposures, once approved, are effectively monitored and managed and reviewed periodically against approved limits. Lower quality exposures are subject to a greater frequency of analysis and assessment.

The following table provides an analysis of the credit quality of third party financial assets and commitments based on the performing/ impaired status of the asset.

Trade and other receivables	**2016**	**2015**
	£000	£000
Performing	893,747	821,312
Impaired	33,960	26,632
Impairment provision	(25,738)	(18,846)
	901,969	829,098

17. Financial instruments and risk management (continued)

The following table shows the movement in the provision for impairment of trade and other receivables.

	2016 £000	2015 £000
At 1 January	18,846	20,194
Charged to the Profit and Loss Account	7,416	5,318
Amounts written off	(604)	(5,510)
Recoveries	272	8
Eliminated on sale of subsidiary	-	(1,117)
Exchange differences	(192)	(47)
At 31 December	25,738	18,846

For invoice financing Bibby Financial Services lends to clients against approved invoices that are legally assigned to Bibby Financial Services and therefore act as security for lending. For leasing, Bibby Financial Services holds security over the assets financed by the lease.

Currency risk
Bibby Financial Services undertakes certain transactions denominated in foreign currencies, hence exchange rate fluctuations arise. Bibby Financial Services' policy is normally to match foreign currency receivables with borrowings in the same currency. Where necessary exchange rate transaction risk is addressed by taking out forward cover in the form of a currency derivative contract.

Liquidity risk
The risk is the risk that Bibby Financial Services is unable to meet its obligations as they fall due.

The table below analyses financial instrument liabilities of Bibby Financial Services, into relevant maturity groupings based on the remaining period at the balance sheet date.

	Up to 12 months £000	1 – 5 years £000	Over 5 years £000	Total £000
Financial liabilities				
Trading and other payments	151,136	-	-	151,136
Bank loans	78,309	569,573	20,000	667,882
Derivative financial instruments	113	-	-	113
	229,558	569,573	20,000	819,131

Exchange rate risk
At 31 December 2016, if Sterling had weakened 10% against the world's major currencies with all other variables held constant, Bibby Financial Services' shareholders' funds for the year would have been £5.1 million (2015 – £4.3 million) higher. Conversely, if Sterling had strengthened 10% against the world's major currencies with all other variables held constant, shareholders' funds would have been £8.4 million (2015 – £3.5 million) lower.

18. Called-up share capital

	2016 £000	2015 £000
Allotted and fully paid:		
1,536 9.75% Preference Shares of £100 each	154	154
100 Ordinary A Shares of £1 each	-	-
18,005 (2015 – 18,005) Ordinary Shares of £1,000 each (equity share capital)	18,005	18,005

The rights attaching to the Ordinary A Shares are as follows:

a) The right to dividend as outlined in the company's Articles of Association.

b) The right to participate in a distribution arising from a winding-up of the company subject to the detailed rules outlined in the company's Articles of Association.

The rights attaching to the Preference Shares are as follows:

a) The right to a fixed cumulative preferential dividend at the rate of 9.75% net per annum on the capital for the time being paid up thereon payable half-yearly on 30 June and 31 December in each year.

18. Called-up share capital (continued)

b) On a return of capital on liquidation or otherwise the right to have payment of capital and arrears and accruals of dividend whether earned or declared or not to be calculated down to the date of return of capital in priority to the Ordinary Shares, but shall not confer any further right to participate in profits or assets.

c) The right to receive notice of but not to attend and vote at any General Meeting by virtue of their holding unless the fixed cumulative preferential dividend on the Preference Shares is thirty days or more in arrears or if the business of the Meeting includes the consideration of a Resolution for altering the objects of the company or for reducing the capital of the company or for winding-up the company or any Resolution varying or abrogating any of the rights or privileges attached to the Preference Shares.

19. Dividends paid

	2016 £000	2015 £000
Equity dividends paid per Ordinary Share:		
Interim £57 (2015 – £56)	1,035	1,008
Final £115 (2015 – £112)	2,070	2,017
	3,105	3,025

20. Reconciliation of operating (loss)/profit to net cash flow from operating activities

	2016 £000	2015 £000
Group operating (loss)/profit	(57,249)	9,438
Less operating profit of the financial services business	(17,672)	(22,223)
Operating profit of the non-financial services businesses	(74,921)	(12,785)
Depreciation	34,108	33,255
Impairment of fixed assets	5,010	6,142
Amortisation of intangible assets	8,298	8,597
UK taxation paid	1,888	(2,165)
Overseas taxation paid	(6,087)	(4,071)
Operating cash flow before movement in working capital	(31,704)	28,973
Movement in provisions	9,641	1,236
Movement in stock	714	1,485
Movement in debtors	(3,109)	54,491
Movement in creditors	(7,412)	(58,297)
Excess of pension scheme contributions paid over service cost	(2,083)	(1,510)
Cash (outflow)/inflow from non-financial services operating activities	(33,953)	26,378
Operating profit of the financial services businesses	17,672	22,223
Depreciation	923	1,710
Amortisation of intangible assets	7,714	2,721
UK taxation paid	(2,230)	(3,443)
Overseas taxation paid	(4,748)	(3,148)
Operating cash flow before movement in working capital	19,331	20,063
Movement in debtors	(70,230)	(164,813)
Movement in creditors	(7,565)	69,339
Cash outflow from financial services operating activities	(58,464)	(75,411)
Net cash outflow from operating activities	(92,417)	(49,033)

21. Reconciliation of net debt

	2016 £000	2015 £000
Movement in cash and cash equivalents in the year	(51,669)	(34,741)
Movement in loans and lease financing in the year	(107,690)	(21,456)
Change in net debt from cash flows in the year	(159,359)	(56,197)
Exchange movements	(25,728)	1,985
Sale of subsidiary	-	88,553
Non-cash movements	(65)	(916)
Movement in net debt in the year	(185,152)	33,425
Net debt at 1 January	(698,346)	(731,771)
Net debt at 31 December	(883,498)	(698,346)

22. Analysis of net debt

	1 January 2016 £000	Cash flow £000	Non-cash movement £000	Exchange movements £000	**31 December 2016** £000
Cash at bank and in hand	153,279	(50,209)	-	1,782	104,852
Bank overdrafts	(1,539)	(1,460)	-	-	(2,999)
	151,740	(51,669)	-	1,782	101,853
Debt due after 1 year	(737,565)	(64,149)	(65)	(27,272)	(829,051)
Debt due within 1 year	(112,521)	(43,541)	-	(238)	(156,300)
	(850,086)	(107,690)	(65)	(27,510)	(985,351)
	(698,346)	(159,359)	(65)	(25,728)	(883,498)

23. Pension costs

Pension Liability	2016 £000	2015 £000
Bibby Line Group Pension Scheme	(23,999)	(12,976)
Merchant Navy Officers' Pension Fund	(2,743)	(3,344)
	(26,742)	(16,320)

The Group administered several defined contribution pension schemes during the financial year. The assets of the schemes are held separately from those of the Group in funds under the control of independent insurance companies. The contributions made by the Group to these schemes over the financial year amounted to £6,182,000 (2015 – £9,331,000). There were no outstanding contributions at the balance sheet date to any pension arrangement.

The Group also contributes to the Merchant Navy Officers' Pension Fund (MNOPF) which is a multi-employer defined benefit scheme. The Group is unable to identify its share of the underlying assets and liabilities of the MNOPF, but has agreed a schedule of contributions to the overall scheme deficit as set out below. These have been recognised in the pension liability on the balance sheet. This provision will unwind as contributions are paid and will increase if a revised, increased, schedule of contributions is agreed with the MNOPF. The contributions made by the Group to the MNOPF scheme over the financial year amounted to £601,000 (2015 – £601,000). The latest actuarial valuation of the scheme, at March 2012, identified a scheme deficit of £492,000,000. The Group has agreed to make annual contributions based on the scheme's deficit of £601,000 per annum from 2016 to 2020 and £113,000 per annum from 2021 to 2023 (2015 – same).

The Group has previously participated in the Merchant Navy Ratings Pension Fund (MNRPF) and exited the scheme in 2004, paying the agreed section 75 charge at the time. Following a High Court decision that the MNRPF could set aside previous agreements such as this with former employers and implement its proposed revised funding arrangements, the MNRPF has requested further contributions from the Group of £2.3 million which is provided for in note 16.

The company sponsors the Bibby Line Group Pension Scheme, which is a defined benefit arrangement. The latest valuation of the Scheme was carried out by a qualified independent actuary as at 5 April 2014 using the projected unit method and showed the Scheme to be 87% funded.

The Scheme has been closed to new entrants since April 2000. New employees are offered membership of a defined contribution arrangement known as the Bibby Line Group Personal Pension Plan. The Scheme closed to future accrual for existing members on 30 September 2011. These employees were offered membership of the Bibby Line Group Personal Pension Plan.

23. Pension costs (continued)

The contributions made by the employer over the financial year to the Bibby Line Group Pension Scheme have been £1,510,000 (2015 – £1,510,000). These payments are in accordance with the schedule of contributions adopted by the Scheme Trustees to fund the deficit.

Assumptions:

The assets of the Bibby Line Group Pension Scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	2016	2015
Annual inflation (RPI)	3.45%	3.40%
Annual salary increases	n/a	n/a
Annual rate of discount	2.70%	3.80%
Pension in payment increases	As guaranteed	As guaranteed
Annual revaluation rate for deferred members	2.45%	2.40%
Allowance for commutation of pension for cash at retirement	No	No

The mortality assumptions adopted at 31 December imply the following life expectations:

	2016	2015
Male retiring at age 65 at the year end	22.4	22.9
Male retiring at age 65 in twenty years time	24.6	25.9

Funded status:

The funded status at the end of the year, and the related amounts recognised in the balance sheet, were as follows:

	2016 £000	2015 £000
Total market value of assets	88,141	78,175
Present value of Scheme liabilities	(112,140)	(91,151)
Net pension liability	(23,999)	(12,976)

Fair value of assets comprise:

	2016 £000	2015 £000
Equities	49,597	44,849
Bonds	38,370	33,323
Cash	174	3
Total	88,141	78,175

Reconciliation of opening and closing balances of the present value of the Scheme liabilities:

	2016 £000	2015 £000
Scheme liabilities at 1 January	91,151	96,026
Interest cost	3,421	3,412
Actuarial losses/(gains)	22,040	(4,400)
Experience gains	(2,184)	(1,393)
Benefits paid and expenses	(2,288)	(2,494)
Scheme liabilities at 31 December	112,140	91,151

23. Pension costs (continued)

Reconciliation of opening and closing balances of the fair value of the Scheme assets:

	2016	2015
	£000	£000
Fair value of the Scheme assets at 1 January	78,175	77,299
Interest income	2,957	2,766
Actuarial gains/(losses)	7,722	(930)
Contributions by employer	1,714	1,714
Administration expenses	(139)	(180)
Benefits paid and expenses	(2,288)	(2,494)
Fair value of the Scheme assets at 31 December	88,141	78,175

Analysis of the amount charged to the profit and loss account over the year:

	2016	2015
	£000	£000
Net interest cost on defined benefit liability	464	646
Administration expenses	139	180
Total charge to the profit and loss account	603	826

Analysis of the amount charged/(credited) to the statement of comprehensive income:

	2016	2015
	£000	£000
Actuarial losses/(gains) arising from changes in demographic and financial assumptions	22,040	(4,400)
Experience gains	(9,906)	(463)
Actuarial losses/(gains) recognised in the statement of comprehensive income	12,134	(4,863)

The best estimate of contributions to be paid by the employer to the Scheme for the year beginning after 31 December 2016 is £1,714,000 less scheme administration expenses in the year and the charge to the profit and loss acccount will be £832,000.

Risks

The main risks the Group is exposed to by the Scheme are:

- Mortality risk – the assumptions adopted by the Group make allowance for future improvements in life expectancy. However, if life expectancies improve at a faster rate than assumed, this would result in greater payments from the Scheme and consequently increases in the Scheme's liabilities. The Group and the Scheme's Trustees review the mortality assumption on a regular basis to minimise the risk of using inappropriate assumptions.
- Investment risk – the Scheme invests its assets in a portfolio of asset classes. There is residual risk that as the selected portfolio matures, there is the possibility of not being able to reinvest the assets at the assumed rates. The Scheme's Trustees review the structure of the portfolio on a regular basis to minimise these risks.
- Inflation risk – increases to benefits in the Scheme are linked to inflation. If inflation is greater than expected, the liabilities will increase.

Sensitivity Analysis

Sensitivity analysis figures provided by the actuary are based on various assumptions and current market conditions and as such are likely to change over time.

Sensitivity	Increase in Liabilities
Decrease discount rate by 0.5%	£14,400,000
Increase inflation rate by 0.5%	£6,200,000
Life expectancies increase by 1 year	£4,600,000

Company only: the company pension liability is £112,000 less than the Group pension liability (2015 - £140,000 less) as part of the MNOPF liability is attributable to a subsidiary company.

24. Operating lease commitments

	2016		2015	
	Property £000	Other £000	Property £000	Other £000
The Group has the following total minimum lease payments under non-cancellable operating leases:				
Within one year	16,297	42,287	13,499	43,917
Between two and five years	50,750	36,124	38,315	40,485
After five years	52,845	2,306	46,440	2,620

25. Related party transactions

Under section 33 of FRS 102, the Group is exempt from disclosing intra-Group related party transactions, as 100% of the voting rights are controlled by the Group. During 2016 the Group was recharged £1,610,000 of costs by The BuyCo Limited, which is a 50% owned, non-profit-making, joint venture entity, co-owned with Palmer & Harvey McLane Limited.

The Group considers the directors to be key management personnel and their remuneration, and other transactions with directors, are disclosed in note 2.

Substantial Shareholdings

The Bibby family trustees own 79.7% of the £1,000 ordinary shares of the company through a number of trusts set up to provide for current and future members of the Bibby family. Two of the directors who served during the year and to the date of this report, M.J. Bibby and G.F.H. Bibby, are among the beneficiaries of these trusts. Bibby family members, either directly or through trusts, have a beneficial interest in 88.9% of the £1,000 ordinary shares.

26. Capital commitments

	2016 £000	2015 £000
Capital expenditure for which contracts have been placed but which are not otherwise provided for in these financial statements	2,292	3,192

27. Contingent liabilities

As noted in the 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 by Bibby Subsea, a subsidiary of Bibby Offshore, 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 consider that 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 legal advice on this matter, the Group does not consider that there is a risk of significant loss from this matter.

In March 2017 a further citation was served by the vessel owner on Bibby Line Group, Bibby Offshore Holdings limited, and two trading subsidiaries and three 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 Bibby Offshore's on-going business. Having taken legal advice on this matter the Group considers that there is a strong and compelling argument for dismissal. No provision is recognised in respect of either claim as at 31 December 2016 other than provision for the expected legal expenses in defending the case.

28. Post balance sheet events

An interim dividend of £57.58 per share to the holders of the £1,000 Ordinary shares was paid on 3 January 2017. An interim dividend of £195.52 per share to the holders of the £1 Ordinary A shares was paid on 3 January 2017.

Company Financial Statements

Company Balance Sheet

as at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets:			
Tangible assets	29	1,731	1,814
Investments	30	168,090	153,773
		169,821	155,587
Current assets:			
Debtors	31	21,955	36,843
Cash and cash equivalents		19,907	11,834
		41,862	48,677
Creditors (amounts falling due within one year)	32	(44,703)	(35,096)
Net current (liabilities)/assets		(2,841)	13,581
Total assets less current liabilities		166,980	169,168
Creditors (amounts falling due after more than one year)	33	(424)	(9,599)
Provisions for liabilities		(2,300)	-
Pension liability	23	(26,630)	(16,180)
Net assets		137,626	143,389
Capital and reserves:			
Called-up share capital	18	18,005	18,005
Capital redemption reserve		275	275
Profit and loss account		119,346	125,109
Total shareholders' funds		137,626	143,389

The company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006.

The company made a profit for the financial year of £7,413,000 (2015 – loss of £59,660,000).

The financial statements of Bibby Line Group Limited have been approved and authorised for issue by the board on 16 May 2017.

SIR MICHAEL BIBBY, Bt., DL MARK LYONS

Directors of Bibby Line Group Limited, Registered No. 34121

Company Statement of Changes in Equity

for the year ended 31 December 2016

	Called-up share capital £000	Capital redemption £000	Profit and loss account £000	Total equity £000
At 1 January 2016	18,005	275	125,109	143,389
Profit for the financial year	-	-	7,413	7,413
Remeasurement of net defined benefit pension liabilities	-	-	(12,134)	(12,134)
Tax relating to items of other comprehensive income	-	-	2,063	2,063
Total comprehensive income	-	-	(2,658)	(2,658)
Dividends paid on equity shares	-	-	(3,105)	(3,105)
At 31 December 2016	18,005	275	119,346	137,626
At 1 January 2015	18,005	275	183,904	202,184
Loss for the financial year	-	-	(59,660)	(59,660)
Remeasurement of net defined benefit pension liabilities	-	-	4,863	4,863
Tax relating to items of other comprehensive income	-	-	(973)	(973)
Total comprehensive income	-	-	(55,770)	(55,770)
Dividends paid on equity shares	-	-	(3,025)	(3,025)
At 31 December 2015	18,005	275	125,109	143,389

Notes to the Financial Statements

for the year ended 31 December 2016

29. Tangible assets

	Vehicles and equipment	Freehold land and buildings	Total
	£000	£000	£000
Cost			
At 1 January 2016	450	2,210	2,660
Additions	26	-	26
At 31 December 2016	476	2,210	2,686
Depreciation			
At 1 January 2016	344	502	846
Charge for the year	40	69	109
At 31 December 2016	384	571	955
Net book amount at 31 December 2016	92	1,639	1,731
Net book amount at 31 December 2015	106	1,708	1,814

30. Investments

	Total
	£000
At 1 January 2016	153,773
Additions	17,573
Impairment	(3,256)
At 31 December 2016	168,090

See note 34 for details of subsidiary undertakings. The impairment relates to a reduction in investment value to net asset value of the relevant subsidiary.

31. Debtors

	2016	2015
	£000	£000
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	14,805	12,074
Deferred taxation asset	4,933	2,919
Corporation tax	303	1,208
Prepayments and accrued income	1,914	642
Loan notes due from subsidiary undertakings	-	20,000
	21,955	36,843

32. Creditors (amounts falling due within one year)

	2016	2015
	£000	£000
Bank loans	9,167	10,000
Loan notes	-	5,600
Trade creditors	-	310
Amounts owed to subsidiary undertakings	28,753	13,376
Taxation and social security	5,283	4,646
Accruals and deferred income	1,500	1,164
	44,703	35,096

33. Creditors (amounts falling due after more than one year)

	2016	2015
	£000	£000
Bank loans	-	9,167
9.75% Preference shares of £100 each	154	154
Other creditors	270	278
	424	9,599

34. Subsidiary undertakings

The subsidiaries of the Group are set out below. All parent companies of the trading businesses' subgroups are UK incorporated companies.

* = interest not held directly by Bibby Line Group Limited

Company Name		Country of Incorporation	Regis-tered office	% Equity Share Capital Held	Type of Business
1.	Bibby Supply Chain Services Limited	England & Wales	α	100%	Holding company
2.	Bibby Distribution Limited	England & Wales	α	100%*	Contract Distribution, warehousing and transport
3.	Bibby International Logistics Limited	England & Wales	α	100%*	International distribution and freight forwarding
4.	Bibby International Logistics (Singapore) Pte Ltd	Singapore	β	100%*	International freight forwarding
5.	Packaging Logistics Services Limited	England & Wales	α	100%*	Returnable packaging solutions
6.	Packaging Logistics Services Polska Sp. z o.o.	Poland	χ	100%*	Returnable packaging solutions
7.	Bibby Factor France S. A.	France	δ	100%	Debt factoring
8.	Bibby Financial Services Limited	England & Wales	α	100%	Financial services holding company
9.	Bibby Debt Finance Limited	England & Wales	α	100%*	Debt factoring
10.	Bibby Finance 1 Limited	England & Wales	α	100%*	Debt factoring
11.	Bibby Finance 2 Limited	England & Wales	α	100%*	Debt factoring
12.	Verus360 Limited	England & Wales	ε	100%*	Placed in liquidation post year end
13.	Bibby FS (Holdings) Limited	England & Wales	α	100%*	Debt factoring
14.	Bibby Financial Services (UK) Limited	England & Wales	α	100%*	Financial Services
15.	Bibby Asset Finance Limited	England & Wales	α	100%*	Debt factoring
16.	Bibby Leasing Limited	England & Wales	α	100%*	Equipment leasing
17.	Bibby Financial Services (FX) Limited	England & Wales	α	100%*	Foreign exchange services
18.	Bibby Foreign Exchange Limited	England & Wales	α	100%*	Foreign exchange services
19.	Bibby Foreign Exchange (Solutions) Limited	England & Wales	α	100%*	Foreign exchange services
20.	Bibby Management Services Limited	England & Wales	α	100%*	Debt factoring
21.	Bibby Trade Services Limited	England & Wales	α	100%*	Debt factoring
22.	Factoring UK Group Limited	England & Wales	α	100%*	Debt factoring
23.	Cashflow UK Limited	England & Wales	α	100%*	Debt factoring
24.	Bibby Corporate Financial Solutions Limited (formerly Newbico Limited)	England & Wales	α	100%*	Debt factoring
25.	BFS Corporate Financial Solutions Limited (formerly Factoring UK Limited)	England & Wales	α	100%	Debt factoring
26.	Bibby Invoice Finance UK Limited	England & Wales	α	100%*	Debt factoring
27.	Bibby ACF Limited	England & Wales	α	100%*	Debt factoring
28.	Bibby Factors Bedford Limited	England & Wales	α	100%*	Debt factoring
29.	Bibby Factors Borehamwood Limited	England & Wales	α	100%*	Debt factoring
30.	Bibby Factors Bristol Limited	England & Wales	α	100%*	Debt factoring
31.	Bibby Factors Leicester Limited	England & Wales	α	100%*	Debt factoring
32.	Bibby Factors Limited	England & Wales	α	100%*	Debt factoring
33.	Bibby Factors Manchester Limited	England & Wales	α	100%*	Debt factoring
34.	Bibby Factors Northeast Limited	England & Wales	α	100%*	Debt factoring
35.	Bibby Factors Northwest Limited	England & Wales	α	100%*	Debt factoring
36.	Bibby Factors Scotland Limited	Scotland	ϕ	100%*	Debt factoring
37.	Bibby Factors Slough Limited	England & Wales	α	100%*	Debt factoring
38.	Bibby Factors Sussex Limited	England & Wales	α	100%*	Debt factoring
39.	Bibby Factors Wessex Limited	England & Wales	α	100%*	Debt factoring
40.	Bibby Factors Yorkshire Limited	England & Wales	α	100%*	Debt factoring

	Company Name	Country of Incorporation	Regis-tered office	% Equity Share Capital Held	Type of Business
41.	Bibby Factors International Limited	England & Wales	α	100%*	Debt factoring
42.	Bibby Invoice Discounting Limited	England & Wales	α	100%*	Confidential debt factoring
43.	Bibby Revolving Finance Limited	England & Wales	α	100%*	Trade financing
44.	Bibby Trade Factors Limited	England & Wales	α	100%*	Trade financing
45.	Bibby Transactional Finance Limited	England & Wales	α	100%*	Transactional financing
46.	Global Management Services Limited	England & Wales	α	100%*	Dormant
47.	Bibby Financial Services (Asia) Limited	Hong Kong	γ	100%*	Debt factoring
48.	Bibby Financial Services (India) Pvt Limited	India	η	75%*	Debt factoring
49.	Bibby Financial Services (Singapore) Pte. Ltd.	Singapore	β	100%*	Debt factoring
50.	Bibby Factoring Services (Malaysia) Sdn Bhd	Malaysia	ι	100%*	Debt factoring
51.	Bibby Financial Services (Europe) Limited	England & Wales	α	100%*	Debt factoring
52.	Bibby Financial Services a.s.	Czech Republic	φ	100%*	Debt factoring
53.	Bibby Financial Services B.V.	Netherlands	κ	100%*	Debt factoring
54.	Bibby Financial Services GmbH	Germany	λ	100%*	Debt factoring
55.	Bibby Financial Services (Ireland) Limited	Ireland	μ	100%*	Debt factoring
56.	Bibby Financial Services Sp. z o. o.	Poland	ν	100%*	Debt factoring
57.	Bibby Factoring Slovakia a.s.	Slovak Republic	ο	100%*	Debt factoring
58.	Bibby Financial Services AB	Sweden	α	99.8%*	Debt factoring
59.	Bibby Financial Services (Holdings) Inc.	USA	π	100%*	Debt factoring
60.	Bibby Financial Services (CA), Inc.	USA	θ	100%*	Debt factoring
61.	Bibby Financial Services (Canada) Inc.	Canada	ρ	100%*	Debt factoring
62.	Bibby Financial Services (Midwest), Inc.	USA	σ	100%*	Debt factoring
63.	Bibby International Trade Finance, Inc.	USA	τ	100%*	Trade finance
64.	Bibby Transportation Finance, Inc.	USA	υ	100%*	Trade finance
65.	Bibby Holdings Limited	England & Wales	α	100%	Holding company
66.	Bibby Ship Management (Eastern Europe)	Russian Federation	ω	85.71%*	Non-trading
67.	Bibby Taurus Limited	England & Wales	α	100%*	Holding company
68.	Garic Limited	England & Wales	α	100%*	Equipment hire
69.	Bibby Travel Limited	England & Wales	α	100%*	Dormant
70.	Bibby-USM Shipping Pte Ltd	Singapore	β	50%	Dormant
71.	Bibby Marine Limited	England & Wales	α	100%*	Holding company
72.	Bibby Marine Management Limited	England & Wales	α	100%*	Crew Management
73.	Bibby Marine Services Limited	England & Wales	α	100%*	Holding company
74.	Bibby WaveMaster I Limited	England & Wales	α	100%*	Ownership and operation of marine vessels
75.	Bibby Marine Survey Services Limited	England & Wales	α	100%*	Marine surveying
76.	Bibby Renewables Limited	England & Wales	α	100%*	Marine services
77.	Bibby HydroMap Limited	England & Wales	ξ	100%*	Ownership and operation of hydrographic survey vessels
78.	Hydromap Limited	England & Wales	ξ	100%*	Dormant
79.	Bibby Athena Limited	England & Wales	α	100%*	Ownership and operation of hydrographic survey vessels
80.	Bibby Tethra Limited	England & Wales	α	100%*	Ownership and operation of hydrographic survey vessels
81.	Bibby Maritime Limited	England & Wales	α	100%*	Ownership and operation of floating accommodation vessels
82.	Bibby Bergen Limited	England & Wales	α	100%*	Ownership and operation of floating accommodation vessels
83.	Bibby Challenge Limited	England & Wales	α	100%*	Ownership and operation of floating accommodation vessels
84.	Bibby Maritime Crewing Services Limited	England & Wales	α	100%*	Provision of crew services
85.	Bibby Maritime Nigeria Limited	Nigeria	ψ	100%*	Provision of floating accommodation units

34. Subsidiary undertakings (continued)

	Company Name	Country of Incorporation	Regis-tered office	% Equity Share Capital Held	Type of Business
86.	Bibby Progress Limited	England & Wales	α	100%*	Ownership and operation of a floating accommodation unit
87.	Bibby Renaissance Limited	England & Wales	α	100%	Ownership and operation of a floating accommodation unit
88.	Bibby Stockholm Limited	England & Wales	α	100%*	Ownership and operation of a floating accommodation unit
89.	Bibby Line Limited	England & Wales	α	100%	Holding company
90.	Bibby Bulk Carriers Limited	England & Wales	α	100%*	Ownership and operation of marine assets
91.	Bibby Gas Carrier Limited	England & Wales	α	100%*	Ownership and operation of marine assets
92.	Bibby Navigation Limited	England & Wales	α	100%*	Ownership and operation of marine assets
93.	Bibby Pool Partner Limited	England & Wales	α	100%*	Ownership and operation of marine assets
94.	Bibby Transport Limited	England & Wales	α	100%*	Ownership and operation of marine assets
95.	Brixham Singapore Pte. Ltd.	Singapore	β	100%*	Ownership and operation of marine assets
96.	Kiel Singapore Pte. Ltd.	Singapore	β	100%*	Ownership and operation of marine assets
97.	Mumbai Singapore Pte. Ltd.	Singapore	β	100%*	Ownership and operation of marine assets
98.	Rmeil Singapore Pte. Ltd.	Singapore	β	100%*	Ownership and operation of marine assets
99.	Rumford Singapore Pte. Ltd.	Singapore	β	100%*	Ownership and operation of marine assets
100.	Bibby Offshore Holdings Limited	England & Wales	α	100%	Holding company
101.	Bibby Diving Services Pte. Ltd.	Singapore	∴	100%*	Crew supply
102.	Bibby Offshore AS	Norway	∍	100%*	Offshore oil & gas services
103.	Bibby Offshore Australia Pty Ltd	Australia	#	100%*	Offshore oil & gas services
104.	Bibby Offshore Limited	England & Wales	α	100%*	Offshore oil & gas services
105.	Bibby Freighters Limited	England & Wales	α	100%*	Ownership and operation of marine assets
106.	Bibby North Star Limited	England & Wales	α	100%*	Ownership and management of marine assets
107.	Bibby Offshore Singapore Pte. Ltd.	Singapore	∴	100%*	Offshore oil & gas services
108.	Huskisson Shipping Limited	England & Wales	α	100%*	Ownership and management of marine assets
109.	Rumford Tankers Limited	England & Wales	α	100%*	Ownership and management of marine assets
110.	Bibby Offshore Services Plc	England & Wales	α	100%*	Financing
111.	Bibby Project Personnel Pte. Ltd.	Singapore	∴	100%*	Crew supply
112.	Bibby Remote Intervention Limited	England & Wales	α	100%*	ROV services
113.	Bibby Subsea Inc.	USA	+	100%*	Subsea services
114.	Bibby Subsea ROV LLC	USA	+	100%*	ROV services
115.	Bibby Retail Services Limited	England & Wales	α	100%	Holding company
116.	Costcutter Supermarkets Holdings Limited	England & Wales	α	100%	Holding company
117.	R N B Stores Limited	England & Wales	α	100%	Dormant
118.	CSMF Limited	England & Wales	α	100%*	Holding company
119.	CSMB Limited	England & Wales	α	100%*	Holding company
120.	Costcutter Holdings Limited	England & Wales	α	100%*	Holding company
121.	Costcutter Supermarkets Group Limited	England & Wales	α	100%*	Retail
122.	Costcutter International Limited	England & Wales	α	100%*	Retail
123.	Ebor Foodmarkets Limited	England & Wales	α	100%*	Retail
124.	PDQ Limited	England & Wales	α	100%*	Printing
125.	Primex UK Limited	England & Wales	α	100%*	Dormant
126.	The BuyCo Limited	England & Wales	α	50%*	Retail
127.	The Local Independent Trading Company Limited	England & Wales	α	100%*	Brand management

Company Name		Country of Incorporation	Regis-tered office	% Equity Share Capital Held	Type of Business
128.	GreenAcres Groups Limited	England & Wales	α	100%	Holding company
129.	GreenAcres Financial Services Limited	England & Wales	α	100%*	Provision of instalment payment plans
130.	GreenAcres Property Management Limited	England & Wales	α	100%*	Identification, development and maintenance of memorial parks within the UK
131.	GreenAcres Woodland Burial Parks Limited	England & Wales	α	100%*	Granting of burial rights to the public on the Group memorial parks
132.	Norfolk Woodland Burial Park Limited	England & Wales	α	100%*	Provision of services
133.	Woodland Burial Parks Limited	England & Wales	α	100%*	Dormant
134.	Fredk Ray Limited	England & Wales	α	100%	Dormant

Registered offices:

α 105 Duke Street, Liverpool, L1 5JQ, United Kingdom

β 6, Shenton Way, #18-08A Oue Downtown, 068809, Singapore

χ Alliance Silesia Logistics Center, Budynek 8, ul. Wiejska 49, PL-41-250 Czeladz, Poland

δ 158 avenue Thiers, CS 70033, 69454 Lyon Cedex 06, France

ε 7th Floor Ship Canal House 98 King Street Manchester M2 4WU (Liquidator)

ϕ 1st Floor, Unit 2, Block B, Kittle Yards, Causewayside, Edinburgh, EH9 1PJ, Scotland

γ Unit 2302, 23/F Jubilee Centre, 18 Fenwick Street, Wanchai, Hong Kong

η 121, First Floor, Sector 44, Gurgaon, Haryana, 122003, India

ι Suite 7E, Level 7, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia

φ Hlinky 118, Brno, 603 00, Czech Republic

κ Laan Van Diepenvoorde 5, 5582 LA, Waalre, Netherlands

λ Hansaallee 249, 40549 Düsseldorf, Germany

μ 4th Floor Heather House, Heather Road, Sandyford, Dublin 18, Ireland

ν Poland Eurocentrum, Al. Jerozolimskie 134, 02-305 Warsaw, Poland

ο Prievozská 4D, Block E, 13th Floor, Bratislava 821 09, Slovak Republic

π Corporation Services Company, 2711 Centerville Road #400, Wilmington Delaware 19805 USA

θ Corporation Service Company dba CSC-Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150, Sacramento, California 95833 USA

ρ Blake, Cassels & Graydon LLP, 199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9 Canada

σ Illinois Corporation Service Company, 801 Adlai Stevenson Drive, Springfield, Illinois 62730 USA

τ Corporation Service Company, 1201 Hays Street, Tallahassee, Florida 32301 USA

υ Corporation Service Company dba CSC-Lawyers Incorporating Service Company, 701 Brazos Street, Suite 1050, Austin, Texas 78701 USA

ω 1/2 Atarbekova str, 350062, Krasnodar, Russian Federation

ξ Maritime House, 4 Brunel Road, Croft Business Park, Bromborough, CH62 3NY, United Kingdom

ψ 25 Adeyemo Alakija Street, Victoria Island, Lagos, Nigeria

∴ 1 Kaki Bukit Road 1 #02-44, Enterprise One, 415934, Singapore

∍ Moseidveien 1, 4033 Stavanger, 1124 Sola, Norway

72 Elder Place, Fremantle WA 6160, Australia

+ Capitol Services, Inc., 1675 South State Street, Suite B, City of Dover, County of Kent, Delaware 19901, USA

Accounting Policies

BASIS OF PREPARATION

Bibby Line Group Limited is a company incorporated in the United Kingdom. The address of the registered office is 105 Duke Street, Liverpool, L1 5JQ. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 6 to 41.

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. They are prepared on a going concern basis. The reasons for the appropriateness of this assumption are located within the Directors' Report. 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 Line Group Limited is considered to be Sterling being the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in Sterling. Foreign operations are included in accordance with the accounting policies set out below.

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

CONSOLIDATION

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

Business combinations are accounted for under the purchase method. The accounting periods of subsidiary undertakings are coterminous with those of the company, except for our Indian subsidiaries where the statutory requirement is for a 31 March year end. Interim financial statements have been used for consolidation purposes for these entities. 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.

INCOME RECOGNITION

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the customer.

Marine, Offshore oil & gas services, PLS, Direct Workforce, Garic and GreenAcres recognise income in the same period in which their assets or services are made available to customers (see also Long Term Contracts below).

Contract distribution recognises income in the same period in which the related goods and services are delivered for their customers.

Financial services recognise factoring income when debts are assigned to them. Discount income is accrued on a monthly basis and charged to the client at each month end, when it is recognised as income. Other income is recognised when the service that it is charged for is provided. The before tax actuarial method is used to allocate income earned over the life of a hire purchase or leasing contract.

Retail income is recognised on the transfer of goods to customers.

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.

FOREIGN CURRENCIES

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

The results of subsidiary undertakings who prepare their financial statements in foreign currencies are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising on translation of the opening net assets, transactions entered into to hedge certain foreign currency risks, results of overseas operations, and on foreign currency borrowings to the extent that they hedge the Group's investment in such operations, are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate). All other exchange differences are included in the profit and loss account.

DEFERRED CONSIDERATION

Where the terms of an acquisition give rise to consideration payable on a future date and contingent on the uncertain future performance of the entity acquired, the financial statements contain the directors' best estimate of the fair value of the future liability to the extent that it can be measured reliably. The liability will be revised as further and more certain information becomes available and any changes made against goodwill.

INTANGIBLE ASSETS – GOODWILL

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing the excess of the fair value of the consideration over the fair value of the separable net assets acquired, is capitalised and written off on a straight line basis over its useful economic life. The remaining useful economic life of goodwill is considered separately for each acquisition. The amortisation period is dependent upon the circumstances of each acquisition and is currently between 4 and 20 years. Provision is made for any impairment.

OTHER INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at historic cost less accumulated amortisation. Amortisation is calculated using the straight line method to write down the cost of the assets over their estimated useful lives of 10 years. Provision is made for any impairment.

FIXED ASSET INVESTMENTS

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

TANGIBLE FIXED ASSETS

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

The annual rates of depreciation are:

- Freehold land – Nil
- Freehold buildings – 2%
- Long leasehold land and buildings – 2%
- Short leasehold land and buildings – The life of the lease
- Fleet – Varying rates between 4% and 20%
- Vehicles and equipment – Varying rates between 10% and 33%

Dry dock costs comprising non-enhancement costs for vessels 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.

FINANCIAL INSTRUMENTS

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

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to reduce exposure to interest rate and foreign exchange movements. The Group 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. Fair value is estimated using valuation techniques which use market and non-market inputs to estimate the expected discounted cash flows. The valuation techniques use contracted pricing and forward market rates as determined by the issuer of the derivative. The resulting gain or loss arising on valuation is recognised in profit or loss unless the derivate financial instrument is a hedging instrument in a designated hedging relationship and accounted for in accordance with the Hedge Accounting provisions below.

HEDGE ACCOUNTING

The effective portions of changes in fair values of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to any ineffective portion is recognised immediately in profit or loss. Amounts accumulated in the hedge reserve are reclassified to profit or loss in the periods when the hedged items will affect profit or loss.

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. Value in use is calculated by consideration of the future cash flows related to the assets. The judgements involved in these impairment reviews are set out in the critical accounting judgements and key sources of estimation uncertainty on pages 83 to 84.

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

Financial assets

The Group's financial services business recognises loan impairment provisions in respect of impairment losses incurred in its portfolio of loans classified as loans and receivables and carried at amortised cost. A loan is impaired when there is objective evidence that events since the loan was granted have affected the expected cash flows from the loan. The impairment loss is the difference between the carrying value of the loan and the present value of estimated future cash flows at the loan's original effective interest rate.

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

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

TAXATION

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to 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.

Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised. Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing differences and it is probable that it will not reverse in the foreseeable future.

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

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

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

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

PENSION COSTS

The Group's principal pension funds are a defined benefit plan and defined contribution plans. Contributions payable by the Group in respect of defined contribution plans are charged to operating profit as incurred.

The Bibby Line Group Pension Scheme is a defined benefit plan which is closed to new entrants and future accrual. Consequently there is no current service charge and only scheme administration expenses are accounted for within operating profit. The net interest cost on the net defined benefit liability is included in the profit and loss account within net finance costs. Remeasurement gains and losses comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income. The difference between the market value of the scheme's assets and the present value of the scheme's liabilities is disclosed as a liability on the Group balance sheet.

The Group also contributes to the Merchant Navy Officers' Pension Fund (MNOPF) which is a multi-employer defined benefit scheme. The Group is unable to identify its share of the underlying assets and liabilities of the MNOPF, but has agreed a schedule of contributions to the overall scheme deficit. These have been recognised in the pension liability on the balance sheet. This provision will unwind as contributions are paid and will increase if a revised, increased, schedule of contributions is agreed with the MNOPF.

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

CASH
For the purposes of the cash flow statement, cash comprises cash in hand and on deposit less overdrafts which are repayable on demand.

DIVIDENDS
Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in note 28 to the financial statements.

LEASED ASSETS
Assets leased to customers which transfer substantially all the risks and rewards of ownership to the customer are classified as finance leases and are recorded within debtors. The net investment in finance leases represents total minimum payments less gross earnings allocated to future periods.

LEASES
Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, with the interest elements being charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

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

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

LIABILITIES
Financial liabilities are classified according to the substance of the contractual arrangement entered into. The company's preference shares are included in the balance sheet as a liability and accordingly the dividends payable on them are included within interest payable and similar charges.

FINANCE COSTS
Finance costs, including direct issue costs, are recognised in the profit and loss account over the term of such borrowings.

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.

Critical accounting judgements and key sources of estimation uncertainty

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

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

CRITICAL JUDGEMENTS IN APPLYING THE 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 no material long term contracts in the course of completion within the Offshore business (2015: two) 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 and prior year is appropriate.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of assets

The Group has conducted impairment reviews in the year and consequently, in respect of certain of these reviews, made impairment provisions. The impairment reviews have compared the net book value of the relevant assets to their value in use (calculated as their future expected cash flows over their remaining useful economic lives) or their current market values.

Tangible fixed assets – Offshore

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 calculated 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. The carrying value, after impairment, of offshore vessels and ROVs at the balance sheet date was £106.7 million. An impairment of £2.1 million was identified at 31 December 2016 in respect of ROVs sold subsequent to the year end.

Tangible fixed assets – Marine

The carrying value of the Group's shipping vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tends to fluctuate with changes in charter rates and the cost of new-build vessels. Historically, both charter rates and vessel values tend to be cyclical. The Group evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events have occurred which would require modification to their carrying values or useful lives.

During the past few years, the market values of shipping vessels have experienced particular volatility with substantial declines in many vessel classes. As a result, the charter-free market value of the Group's dry-bulk carriers has declined below those vessels' carrying value which is an indicator of impairment and a full impairment review has been conducted.

The pre-tax discount rate is estimated at 8.0% or 8.8% depending on whether the vessel is within the Tonnage Tax regime. The impairment review has identified that, currently, the future income streams expected to be earned by vessels over their remaining operating lives would be sufficient to recover their carrying values at 31 December 2016. This review required estimates to be made of future charter rates, running costs, gearing ratios, remaining useful economic life and residual values. These assessments are made at an individual vessel level since separately identifiable cash flow information for each vessel is available. These assumptions are based on historical trends as well as future expectations. The key assumption relates to future earnings. Rates currently in effect for the duration of existing time charters are used. For future periods not covered by an existing charter management estimate daily time charter rates using a number of indicators, including management's view of the cyclicality of shipping markets. Average forward estimated rates are higher than actual current market rates, but are in line with historical indices.

Tangible fixed assets – long leasehold property
A review of the open market value of long leasehold property has been undertaken and identified impairments in certain cases. In these instances a review of the value in use has been undertaken and, where necessary, impairments have been booked, in all cases reducing the value to open market value.

Intangible fixed assets
The carrying value of the Group's goodwill in respect of its retail business is £41.7 million. The retail business has recorded losses during the past three years and consequently an impairment review has been undertaken by reference to the value in use of the business as a single cash generating unit.

The value in use of the retail business has been estimated on the basis of the future cash flows expected to arise from continued trading with a suitable discount rate applied in order to calculate net present value. The pre-tax discount rate is estimated at 8%. In making this assessment, regard has been given to current market conditions and the current rate of improvement in trading performance of the business. No impairment is identified at 31 December 2016.

Loan impairment provisions (Financial Services)
Loan impairment provisions are established to recognise incurred impairment losses in its portfolio of loans classified as loans and receivables and carried at amortised cost. A loan is impaired when there is objective evidence that events since the loan was granted have affected the expected cash flows from the loan. The impairment loss is the difference between the carrying value of the loan and the present value of estimated future cash flows at the loan's original effective interest rate.

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

Pensions
The financial statements include an estimate of the net liability in respect of the Bibby Line Group Pension Scheme defined benefit obligation. This has been calculated in accordance with the requirements of FRS 102 by a qualified actuary using the projected unit method. The assumptions used in this calculation were selected by the directors based on actuarial advice as the current best estimate of the components of the calculation, however the net liability recognised is sensitive to these assumptions and note 23 includes the impact of changes in these assumptions.

BIBBY
LINE GROUP

Bibby Line Group Limited 105 Duke Street Liverpool L1 5JQ United Kingdom
Tel: +44 (0)151 708 8000
www.bibbylinegroup.co.uk