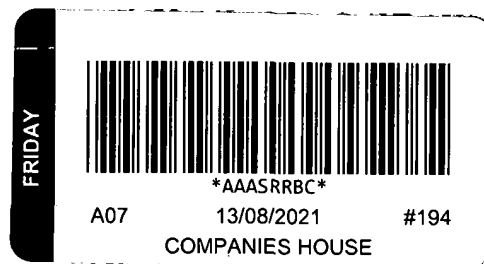


Registration number: 00584342

Bibby Factors Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2020



Bibby Factors Limited

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Bibby Factors Limited

Company Information

| | |
|--------------------------|--|
| Directors | Theovinder Singh Chatha |
| | Ian Stuart Ramsden |
| | Ian Downing |
| Company secretary | Bibby Bros. & Co. (Management) Limited |
| Registered office | 3rd Floor Walker House |
| | Exchange Flags |
| | Liverpool |
| | L2 3YL |

Bibby Factors Limited

Strategic Report for the Year Ended 31 December 2020

Bibby Factors Limited is one of a network of companies owned by Bibby Financial Services, the UK's leading independent invoice finance specialist and a trusted provider of funding solutions to over 7,000 businesses. Through a network of companies and local offices, the group handles annual client turnover of £5 billion and advances in the region of £500m to small and medium sized businesses throughout the UK. We are members of UK Finance and support businesses in over 300 industry sectors.

Principal activity

The principal activity of the Company is debt factoring

Fair review of the business

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

| | Unit | 2020 | 2019 |
|----------------------------|-------------|-------------|-------------|
| Debts factored | £m | 945 | 1,021 |
| Funds advanced at year end | £000 | 23,839 | 42,724 |
| Client impairment charge | £000 | 717 | 946 |
| Turnover | £000 | 11,690 | 14,465 |
| Profit before taxation | £000 | 5,521 | 6,755 |

The impact of Covid-19 and resulting lockdowns on the economies and markets in which we operate significantly affected 2020 performance. This was principally due to lower customer demand for financing as SMEs benefited from government funding and support measures.

As a result, debts factored decreased by 7% to £945m (2019: £1,021m), with year end funds advanced reducing to £23.8m (2019: £42.7m). This muted client activity and reduced utilisation levels led to a reduction in turnover of £2.8m or 19% to £11.7m (2019: £14.5m).

The company has eliminated corporation tax charges with claims to United Kingdom group loss relief from fellow subsidiaries of the ultimate parent undertaking Bibby Line Group Limited, a diverse business-to-business service conglomerate. The business continues to manage its tax policies to maximise its use of such losses whilst they remain available.

Bibby Factors Limited

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

Principal risks and uncertainties

The Company serves small and medium sized companies (SMEs). Growth in the SME financing market is influenced by the wider economic environment and business confidence. The market place for BFS is increasingly competitive, creating pressure on income growth and margins. The challenging market conditions in 2020, as a result of Covid-19, impacted all of our businesses.

Key risk types are strategic, operational, credit and financial. Risk management, robust governance and internal control are central to the way we manage all aspects of our business. Our responsible practices underpin our values and culture and enable us to grow the business in a disciplined and sustainable way.

Group risk management processes and systems manage, rather than eliminate, risk. The risk management framework represented by 'three lines of defence', reviews the key risks facing the Company and is responsible for effectively managing and mitigating risk outcomes to ensure the continuing profitability and success of the Company.

The first line of defence for risk management is placed at the business level. A significant role of the business managers is to ensure risks are managed appropriately and effectively. Executive management support forms the second line of defence and independently assesses all material risks. The third line, which includes Group internal audit, and the Group Audit Committee, independently reviews and challenges the Company's risk management controls, processes and systems.

The Company is responsible for operational risk management. Operational risk incidents are recorded on a centralised reporting system. Incidents are managed from the Company to ensure they are satisfactorily categorised and analysed to identify trends and establish lessons learnt on the effectiveness of controls. The Company complies with a recurring operational audit which seeks to identify weaknesses and areas for improvement. The results of these audits are reported to the Board.

Financial Instruments

Objectives and policies

The financial risks the company faces have been considered by the Board and policies are in place to effectively manage each risk. We consider the most significant financial risks to be liquidity risk, finance cost risk and credit risk. In each case, the risk is managed by matching assets and liabilities on the relevant basis.

Bibby Factors Limited

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

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

Price risk:

Price risk:

The Company advances to clients and raises funds on a largely matched basis, The Company charges clients and pays for funds on an aligned charging basis and we raise funds in the same currency as we advance.

Liquidity risk:

Liquidity risk is assessed by the Group on a regular basis. The Board receives and assesses cash flows of the business, at a minimum, at each quarterly Board meeting of the Directors. The Group maintains sufficient cash balances to accommodate potential perceived demands on liquidity arising from losses and other scenarios.

Credit risk:

Credit risk is defined as the risk of loss in relation to an advance made by one of the Group's business units. Operating businesses are provided with appropriate levels of credit discretion. Credit exposures above these levels set are only approved by Senior Underwriters and Board Credit Committee as appropriate.

Credit risk analysis is focused on ensuring that risks have been fully identified and that the risk is understood and acceptable against the expected rewards. The Group uses system generated risk monitoring and internal rating processes. However, the Group does not seek to rely on quantitative models to assess credit risk but uses fundamental credit analysis as the basis for risk decisions.

Credit exposures are monitored against limits and client facility limits are in place for all facilities. Credit policies are in place to avoid unacceptable client credit risk.

Cash flow risk:

Capital adequacy is assessed by the Board and Group on a regular basis to ensure that the business has adequate capital to withstand potential losses and provide creditors with adequate protection. The Group maintains undrawn facilities on the existing loan book to ensure there is adequate capital in addition to earnings which increase funds available to the Company.

Approved by the Board on 29 June 2021 and signed on its behalf by:



Jeanette Hampson.....

Bibby Bros. & Co. (Management) Limited

Company secretary

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

Bibby Factors Limited

Directors' Report for the Year Ended 31 December 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

Directors of the Company

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

Theovinder Singh Chatha

Ian Stuart Ramsden

Ian Downing

Edward James Winterton (resigned 7 January 2021)

David John Postings (resigned 31 August 2020)

Director's liabilities

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

Future developments

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

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies statement in the Notes to the Financial Statements.

No dividend was paid during the year (2019: £10,176,000)

Approved by the Board on 29 June 2021 and signed on its behalf by:



Jeanette Hampson.....

Bibby Bros. & Co. (Management) Limited

Company secretary

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

Bibby Factors Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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.

Bibby Factors Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2020

| | Note | 2020 £ | 2019 £ |
|--------------------------------------|------|--------------------|---------------------|
| Turnover | 3 | 11,690,144 | 14,465,001 |
| Cost of sales | | <u>(5,059,319)</u> | <u>(5,916,855)</u> |
| Operating profit | 4 | 6,630,825 | 8,548,146 |
| Interest payable and similar charges | 6 | <u>(1,109,625)</u> | <u>(1,792,709)</u> |
| Profit before tax | | 5,521,200 | 6,755,437 |
| Taxation | 7 | <u>-</u> | <u>-</u> |
| Profit for the financial year | | 5,521,200 | 6,755,437 |
| Retained earnings brought forward | | 6,406,575 | 9,827,138 |
| Dividends paid | | <u>-</u> | <u>(10,176,000)</u> |
| Retained earnings carried forward | | <u>11,927,775</u> | <u>6,406,575</u> |

The notes on pages 9 to 18 form an integral part of these financial statements.

Bibby Factors Limited
(Registration number: 00584342)
Balance Sheet as at 31 December 2020

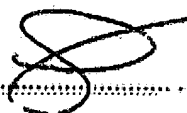
| | Note | 2020 £ | 2019 £ |
|---|------|---------------------|---------------------|
| Current assets | | | |
| Debtors | 8 | 61,423,331 | 96,976,495 |
| Cash at bank and in hand | 9 | <u>16,403</u> | <u>87,379</u> |
| | | 61,439,734 | 97,063,874 |
| Creditors: Amounts falling due within one year | 10 | <u>(49,161,959)</u> | <u>(90,307,299)</u> |
| Net assets | | <u>12,277,775</u> | <u>6,756,575</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 350,000 | 350,000 |
| Retained earnings | | <u>11,927,775</u> | <u>6,406,575</u> |
| Shareholders' funds | | <u>12,277,775</u> | <u>6,756,575</u> |

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 29 June 2021 and signed on its behalf by:


.....
Ian Downing
Director

Bibby Factors Limited

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

1 General information

Bibby Factors Limited is a private company limited by shares and incorporated in the United Kingdom. The address of its registered office and principal place of business is 3rd floor Walker House, Liverpool, L2 3YL.

The Company is a wholly owned subsidiary of Bibby Invoice Finance Limited. Bibby Invoice Finance Limited is the parent undertaking of the smallest group which consolidates these financial statements for which the company is a member. Bibby Line Group Limited is the parent undertaking of the largest group which consolidates these financial statements for which the Company is a member.

The ultimate controlling party is disclosed in the financial statements of Bibby Line Group Limited. Copies of all financial statements can be obtained from Bibby Line Group Limited, 3rd Floor Walker House, Liverpool L2 3YL.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

The financial statements have been prepared under the historical cost convention except for any derivative financial instruments which are stated at their fair values.

The primary economic environment in which the Company operates is governed by the Great British Pound, and as such the company financial statements have been prepared in this currency.

Summary of disclosure exemptions

The Company has chosen to take advantage of the disclosure exemptions in FRS 102 Section 1.12 to not prepare a statement of cashflows as would be required by Section 7 'Statement of Cash flows', from not disclosing information about the nature of its financial instruments as would be required in Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues', and from not disclosing key management personnel compensation as would be required in Section 33 'Related Party Transactions'..

Bibby Factors Limited

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

2 Accounting policies (continued)

Going concern

The financial statements are prepared on a going concern basis. In reaching their view on the preparation of the financial statements on a going concern basis, the Directors are required to consider whether the Company can continue in operational existence for at least 12 months from the date of signing this report. The continuing uncertain economic conditions present increased risks for all businesses, including those posed by the Coronavirus pandemic. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

In response to such conditions the Directors have carefully considered these risks, including an assessment of any uncertainty on the viability of the Company's business model and the extent to which they may affect the preparation of the financial statements on a going concern basis. Based on this assessment, the Directors consider that the Company maintains an appropriate level of capital and liquidity, sufficient to meet the demands of the business and the requirements which might arise in stressed circumstances. In addition, the Company's assets are assessed for recoverability on a regular basis and provision is made where appropriate. The Directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

Revenue recognition

Turnover represents service, discount and other charges to client, net of value added tax.

Service and other income is measured at the fair value of consideration received or receivable and is recognised when services are delivered, and when it is probable that future economic benefits will flow to the entity.

Discount income on financial assets that are classified as loans and receivables within trade debtors is determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income over the expected life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instruments initial carrying amount.

Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing rate at the reporting date and any exchange difference is included in profit or loss.

Operating Leases

Operating lease rentals are charged to profit or loss on a straight line basis over the lease term.

Tax

Tax for the period comprises current tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Bibby Factors Limited

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

2 Accounting policies (continued)

Financial instruments

The Company has chosen to apply the provisions of FRS 102 Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' in full.

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments only, which comprise cash and cash equivalents, trade and other debtors, and trade and other creditors.

Financial asset and liability debt instruments are classified as basic financial instruments where they meet all of the following conditions:

(A) Returns to the holder are (i) a fixed amount, or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive;

(B) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods;

(C) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect: (i) the holder against the credit deterioration of the issuer, or a change in control of the issuer; or (ii) the holder or issuer against changes in relevant taxation or law; and

(D) There are no conditional returns or repayment provisions except for the variable rate return described in (A) and prepayment provisions described in (C).

Recognition and measurement

Financial assets, classified as basic financial instruments are cash and cash equivalents and trade and other debtors. Financial liabilities, classified as basic financial instruments are trade and other creditors, including loans and borrowings. All specific recognition and measurement policies of each component are presented in the individual policies below.

Equity instruments are classified in accordance with the substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Impairment

The Company assesses whether there is objective evidence that any trade or other debtor may be impaired. A provision for impairment is established when the objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtor. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Bibby Factors Limited

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

2 Accounting policies (continued)

Trade debtors

Trade debtors represent cash advances made to clients under factoring agreements, net of impairment provisions. Under factoring agreements invoice receivables are assigned to the Company as security for the cash advance.

When invoice receivables are assigned, the Company obtains full ownership rights of the invoice. The full economic reward and risk associated with that invoice receivable is retained by the client, unless that client has purchased a Bad Debt Protection policy from the Company, under which the Company has no further recourse to the Client in the event of credit default.

Where there is no credit default recourse available to the Company, the economic reward and risk associated with the invoice receivable transfers to the Company. Trade debtors reflect the gross value of the invoice receivable. Correspondingly, creditors included deferred assignment consideration owed to the client.

Where there is credit default recourse available to the Company, the economic reward and risk associated with the invoice receivables remains with the client. Trade debtors reflect cash advances made to the client against the invoice receivable, with the invoice receivable acting as security to that advance. Deferred assignment consideration owed to the client is therefore netted off the invoice receivable in the presentation of the net client advance within debtors.

Trade creditors

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

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost.

Borrowings

The Company securitises its debts by selling debts assigned to an issuing party, who using the invoices as security, borrows funds from third party investors, by issuing variable funding notes to those investors.

Under securitisation, in economic substance the trade debtors accounting policy is unchanged. Although debts are assigned to the issuing party to enable funding, the company retains the economic reward and risk of the debtor. With debtors remaining recognised, securitisation funding is reported as a loan. Securitisation is facilitated through a parent company master seller and resulting funding provided to the Company is reported within amounts owed to group undertakings.

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Bibby Factors Limited

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

2 Accounting policies (continued)

Retirement benefits

Certain companies with the Bibby Financial Services Limited group are members of the Bibby Line Group Limited Defined Benefit Pension Scheme. The scheme was closed to new entrants from 1 April 2000 and closed to future accruals for existing members from 30 September 2011. Bibby Line Group is legally responsible for the plan and therefore the Group accounts for the scheme as if it were defined contribution in line with FRS 102.

The Company pays contributions to other publicly or privately administered defined contribution pension insurance plans on a contractual basis.

Critical accounting policies where judgement and estimation may be applied

The critical influence that the Directors have shown in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in financial statements is within the impairment of financial assets. In considering indications of impairment the Directors consider a number of qualitative and quantitative factors including but not limited to: client advance ratios; client recourse arrangements; receivables lending verification coverage; ordinary client commercial variation risk impacting on receivables measurement; valuation of client security; general debtor days, and other market led intelligence.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

| | 2020 | 2019 |
|----------------|-------------------|-------------------|
| | £ | £ |
| United Kingdom | <u>11,690,144</u> | <u>14,465,001</u> |

Bibby Factors Limited

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

4 Operating profit

Arrived at after charging

| | 2020 £ | 2019 £ |
|---------------------------------------|---------------|---------------|
| Depreciation of tangible fixed assets | (2) | 3,782 |
| Impairment of financial assets | 717,159 | 946,147 |
| Operating lease expense | <u>37,377</u> | <u>37,679</u> |

5 Staff costs

The average number of persons employed by the company analysed by category was as follows:

| | 2020 No. | 2019 No. |
|----------------------------|-------------|-------------|
| Administration and support | <u>48</u> | <u>51</u> |

The aggregate payroll costs were as follows

| | 2020 £ | 2019 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,374,643 | 1,651,276 |
| Social security costs | 156,473 | 165,794 |
| Pension costs | <u>55,968</u> | <u>55,309</u> |
| | <u>1,587,084</u> | <u>1,872,379</u> |

Remuneration to directors for services provided to the company is payable by other group undertakings.

6 Interest payable and similar charges

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Interest payable to group undertakings | <u>1,109,625</u> | <u>1,792,709</u> |

Bibby Factors Limited

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

7 Taxation

Tax charged

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

The differences are reconciled below:

| | 2020 £ | 2019 £ |
|--|--------------------|--------------------|
| Profit before tax | <u>5,521,200</u> | <u>6,755,437</u> |
| Corporation tax at standard rate | 1,049,028 | 1,283,533 |
| Claims to United Kingdom group loss relief surrendered by other subsidiaries controlled by the ultimate parent undertaking | <u>(1,049,028)</u> | <u>(1,283,533)</u> |
| Total tax charge/(credit) for the year | <u>-</u> | <u>-</u> |

8 Debtors

| | 2020 £ | 2019 £ |
|---------------|-------------------|-------------------|
| Trade debtors | 61,353,443 | 96,869,967 |
| Other debtors | <u>69,888</u> | <u>106,528</u> |
| | <u>61,423,331</u> | <u>96,976,495</u> |

Bibby Factors Limited

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

8 Debtors (continued)

| | 2020 £ | 2019 £ |
|--|---------------------|---------------------|
| Assigned debts receivable | 123,225,627 | 149,046,335 |
| Less deferred assignment consideration owed to factoring clients where there is a full right of recourse | <u>(46,987,601)</u> | <u>(52,176,368)</u> |
| Total trade debtors | 76,238,026 | 96,869,967 |
| Less deferred assignment consideration owed to factoring clients where there is no right of recourse (included within trade creditors) | <u>(39,808,968)</u> | <u>(56,541,531)</u> |
| Net cash advances made to clients in respect of assigned debts acquired as security | <u>36,429,058</u> | <u>40,328,436</u> |

9 Cash at bank and in hand

| | 2020 £ | 2019 £ |
|--------------|---------------|---------------|
| Cash at bank | <u>16,403</u> | <u>87,379</u> |

10 Creditors

| | 2020 £ | 2019 £ |
|-----------------------------------|-------------------|-------------------|
| Due within one year | | |
| Bank overdrafts | 297,547 | 271,790 |
| Trade creditors | 39,812,171 | 56,574,048 |
| Amounts due to group undertakings | 8,165,779 | 32,933,609 |
| Social security and other taxes | 854,758 | 399,884 |
| Accrued expenses | <u>31,704</u> | <u>127,968</u> |
| | <u>49,161,959</u> | <u>90,307,299</u> |

The Company is party to a composite Group accounting structure agreement with one of their bankers. The agreement treats all bank accounts included in the agreement as one account. Positive cash balances are reported within cash and negative balances are reported within creditors, in the balance sheet.

Bibby Factors Limited

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

11 Called up share capital

Allotted, called up and fully paid shares

| | 2020 | | 2019 | |
|----------------------------|----------------|----------------|----------------|----------------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>350,000</u> | <u>350,000</u> | <u>350,000</u> | <u>350,000</u> |

12 Dividends

| | 2020 £ | 2019 £ |
|-------------------------------------|-----------|------------|
| Dividend paid to parent undertaking | - | 10,176,000 |

13 Pension and other schemes

Bibby Line Group defined benefit pension scheme

The Company is a member of the Bibby Line Group Limited Defined Benefit Pension Scheme. The principal employer of the Scheme, has recognised the full deficit in the Scheme and makes contributions in line with a schedule of contributions agreed with the Trustees of the pension scheme.

A Scheme deficit of £2,242,000 (2019: £4,767,000) is noted in the financial statements of the principal employer, Bibby Line Group Limited. Bibby Line Group Limited is legally responsible for the plan and therefore BFS accounts for the scheme as if it were defined contribution in line with FRS 102, The scheme was closed to new entrants in April 2000 and closed to future accrual for existing members in September 2011.

Defined contribution pension scheme

There are no outstanding contributions payable to publicly or privately administered defined contribution pension plans at the balance sheet date. .

Bibby Factors Limited

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

14 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

| | 2020 | 2019 |
|---|----------------------|----------------------|
| | £ | £ |
| Not later than one year | 30,972 | 21,140 |
| Later than one year and not later than five years | <u>27,986</u> | <u>19,707</u> |
| | <u>58,958</u> | <u>40,847</u> |

15 Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group controlled by the parent undertaking.