

Registration number: 02617760

Bibby Factors Slough Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021

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Bibby Factors Slough Limited

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Bibby Factors Slough Limited

Company Information

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

Bibby Factors Slough Limited

Directors' Report for the Year Ended 31 December 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors of the Company

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

Ian Downing

Theovinder Chatha

Ian Ramsden

Edward James Winterton (resigned 7 January 2021)

Directors' liabilities

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

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing this report. 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.

Important non adjusting events after the financial period

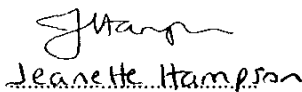
On 24 February 2022 Russian Forces entered Ukraine, resulting in a response from the international community including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event. The Directors have taken account of these potential impacts in their going concern assessment.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

No dividend was paid during the year.

Approved by the Board on 24 June 2022 and signed on its behalf by:



Bibby Bros. & Co. (Management) Limited
Company secretary

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

Bibby Factors Slough 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 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.

Bibby Factors Slough Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover		5,386,605	7,358,166
Cost of sales		<u>(1,316,133)</u>	<u>(4,403,377)</u>
Operating profit	3	4,070,472	2,954,789
Interest payable and similar charges	5	<u>(770,436)</u>	<u>(1,015,762)</u>
Profit before tax		3,300,036	1,939,027
Taxation		<u>-</u>	<u>-</u>
Profit for the financial year		3,300,036	1,939,027
Retained earnings brought forward		<u>4,194,540</u>	<u>2,255,513</u>
Retained earnings carried forward		<u><u>7,494,576</u></u>	<u><u>4,194,540</u></u>

The notes on pages 6 to 13 form an integral part of these financial statements.

Bibby Factors Slough Limited
(Registration number: 02617760)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Current assets			
Debtors	6	29,553,292	13,953,313
Cash at bank and in hand	7	29,599	62,956
		<u>29,582,891</u>	<u>14,016,269</u>
Creditors: Amounts falling due within one year	8	<u>(21,738,315)</u>	<u>(9,471,729)</u>
Net assets		<u>7,844,576</u>	<u>4,544,540</u>
Capital and reserves			
Called up share capital	9	350,000	350,000
Retained earnings		<u>7,494,576</u>	<u>4,194,540</u>
Shareholders' funds		<u>7,844,576</u>	<u>4,544,540</u>

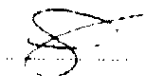
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

For the financial year ending 31 December 2021 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 24 June 2022 and signed on its behalf by:



.....
Ian Downing
Director

Bibby Factors Slough Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

Bibby Factors Slough Limited is a private company limited by shares and incorporated in England, registration number 02617760. The address of its registered office is 3rd Floor Walker House, Exchange Flags, Liverpool, L2 3YL.

The Company is a wholly-owned subsidiary of Bibby Invoice Finance UK Limited who is parent of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The parent company's registered office is 3rd Floor Walker House, Exchange Flags, Liverpool, L2 3YL.

These financial statements were authorised for issue by the Board on 24 June 2022.

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 the small entities regimes of both the Companies Act 2006 and FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies.

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.

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.

In response to uncertain conditions created by Covid-19, and more recently the Russia/Ukraine war, 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 available 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.

Bibby Factors Slough Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

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. The Company is a subsidiary of a larger group of companies and may utilise group tax loss provisions to reduce its taxable income.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

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.

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

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided to allocate the cost of the assets less their estimated residual values, over their expected useful economic life using a straight line basis as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	15% - 33.33%

Bibby Factors Slough Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Financial instruments

The Company has considered the provisions of FRS 102 Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' in accounting for its financial instruments.

Classification

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 of financial assets

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 at bank and in hand

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

Bibby Factors Slough Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (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 deferred assignment consideration owed to factoring clients where there is not a full right of recourse, 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 Slough Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Critical accounting policies

The critical judgement that the Directors have made 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 Operating profit

Remuneration payable to directors for services provided to the Company is paid by related undertakings.

4 Staff costs

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

	2021 No.	2020 No.
Administration and support	<u>-</u>	<u>19</u>

5 Interest payable and similar charges

	2021 £	2020 £
Interest payable on loans from group undertakings	<u>770,436</u>	<u>1,015,762</u>

6 Debtors

	2021 £	2020 £
Trade debtors	29,503,806	13,899,150
Prepayments	<u>49,486</u>	<u>54,163</u>
	<u>29,553,292</u>	<u>13,953,313</u>

Bibby Factors Slough Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Debtors (continued)

	2021	2020
	£	£
Assigned debts receivable net of impairment provision	39,858,039	35,847,382
Less deferred assignment consideration owed to factoring clients where there is a full right of recourse	<u>(10,354,233)</u>	<u>(21,948,232)</u>
Total trade debtors	29,503,806	13,899,150
Less deferred assignment consideration owed to factoring clients where there is no right of recourse (included within trade creditors)	<u>(7,955,038)</u>	<u>(6,046,010)</u>
Net cash advances made to clients in respect of assigned debts acquired as security	<u>21,548,768</u>	<u>7,853,140</u>

Bibby Factors Slough Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

7 Cash at bank and in hand

	2021	2020
	£	£
Cash at bank	<u>29,599</u>	<u>62,956</u>

8 Creditors

	2021	2020
	£	£
Due within one year		
Bank overdraft	206,851	477,959
Trade creditors	7,965,149	6,078,292
Amounts due to group undertakings	13,427,939	2,540,250
Social security and other taxes	135,008	363,910
Accrued expenses	<u>3,368</u>	<u>11,318</u>
	<u>21,738,315</u>	<u>9,471,729</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.

9 Called up share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>

Bibby Factors Slough Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Obligations under operating leases

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	61,538	70,125
Later than one year and not later than five years	246,154	266,040
Later than five years	10,256	77,595
	<u>317,948</u>	<u>413,760</u>

11 Pension and other schemes

Defined benefit pension schemes

Bibby Line Group Limited 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 surplus in the Scheme and makes contributions in line with a schedule of contributions agreed with the Trustees of the pension scheme. A Scheme surplus of £2,624,000 (2020: £2,242,000 deficit) 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.

12 Non adjusting events after the financial period

On 24 February 2022 Russian Forces entered Ukraine, resulting in a response from the international community including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event. The Directors have taken account of these potential impacts in their going concern assessment.