Annual Review 2012

A global network of local companies

FRIDAY
A2HA8H1F
A13 20/09/2013 #337
COMPANIES HOUSE

BIBBY
FINANCIAL SERVICES

Contents

Ultimate Parent Undertaking
Bibby Line Group Limited

Directors
Sir Michael Bibby, Bt Chairman
Simon Andrew Featherstone, Global Chief Executive
Jonathan Haymer
Mark John Cleaver
Mark Timothy Hartigan
Diane Blinkhorn
Edward John Rimmer
Ian Watson
Leigh Anderson Lones
Simon Timothy Davies
David John Postings
Tony Morgan

Secretary
Bibby Bros & Co (Management) Limited

Registered Office
105 Duke Street
Liverpool
L1 5JQ
Incorporated in England and Wales
(Registered Number 3530461)

Auditors
Deloitte LLP
Liverpool
United Kingdom

Global Chief Executive's Statement

During 2012 I have had the pleasure of meeting Bibby Financial Services teams across the world Throughout my travels I have been impressed by the expertise and tremendous level of commitment demonstrated by all of our people It is these qualities which have undoubtedly contributed to what has been a very solid performance in 2012 Despite the continuing challenging external landscape in the UK and Europe, our other regions have contributed excellent performances resulting in a strong profit before tax of £33 4m

2012 saw the start of our journey to substantially invest in our business systems, infrastructure and benefit from efficiencies in order to secure our future growth and assist in the achievement of our long term goals

On a regional basis, our Asia-Pacific operation continued to invest in and grow its businesses and despite incurring additional bad debts and one-off charges the region remained profitable making a profit before tax of £2 9million September saw our exciting move into Singapore, an important hub for Bibby Financial Services in Asia and beyond The whole team were delighted with formal recognition of our operation in Hong Kong in receiving a Capital Merits Award for Factoring Services in October

The team at BFS Singapore

Despite the enduring turmoil in the Eurozone our European division put in a robust performance achieving a profit for the year of £2 0m Apart from the challenges, there was plenty of excitement with a successful strategic relationship established which saw BFS enter the Dutch market under a white label proposition, our Polish business expanded into Bydgoszcz and our Swedish business was relocated to Stockholm

Our North American region must be congratulated on an excellent performance in a market which is showing strong signs of positive momentum An excellent profit before tax result of $7 5m (£4 7m) represented a 30% increase on the previous year With strong marketing and sales strategies in place, the business saw client numbers grow by a healthy 21% This performance supports our view that this region presents us with a great opportunity in the long term

We were delighted to attract someone of the calibre of David Postings as the new UK CEO in May Our UK market is one of our most competitive and David is ensuring the business is fit for the future with a wholesale review of how and where we can continue to grow our largest business The UK business has started a programme of investment in systems, processes and new customer propositions which together with increased pressure on margins had a direct effect on the overall performance which meant a lower, yet anticipated, profit before tax of £23 8m for 2012 In order to promote the take up of our factoring services and to encourage SME business owners to consider alternative funders to the high street banks, we have been playing a leading part in enhancing the Asset Based Finance Associations' (ABFA) Code of Conduct We hope that significant enhancements within the code will give confidence to business owners to try alternative funders, such as Bibby

We have continued to receive strong and uninterrupted support from our funders around the globe and for that we are extremely appreciative The UK business now enjoys a record facility line of £430 million, whilst our North American, European and Asia Pacific banking lines were all increased in 2012

Our International Trade Finance proposition has continued to be a key area of development, to ensure we capitalise on our global presence and the huge opportunity represented by funding clients who trade internationally Our status as a recognised and reputable funder of SMEs was recognised in November when were invited to contribute at a UK SME Exports policy group in the House of Lords, with Simon Davies, Head of International Trade Finance, sharing his insights and experience with the committee

Staff engagement is the key to the success of our business and we were delighted to find that we had a record employee engagement score of 83% globally In the UK, we were again placed in the Sunday Times 'Top 100 Companies to Work For' – for the 2nd consecutive year and with an improved ranking on 2011 Servicing our clients is important to every single member of the team so I was particularly proud of our independent client satisfaction survey result where 94% of our clients are 'satisfied' with the service we provide Of our larger businesses, the French team stand out where 98% of their clients are 'satisfied' or 'very satisfied' A truly exceptional service standard

I am also immensely proud of the energy and commitment our team put into our parent company, Bibby Line Group's 'Giving Something Back' programme which aims to support local charities Throughout 2012 our employees took part in over 200 events across 44 locations globally, raising over £260,000 through this programme and the 'Give As You Earn' scheme These funds played an important part in helping Bibby Line Group to raise £1 4m in charitable donations in 2012

My first year with Bibby Financial Services has passed quickly and every day I've witnessed first-hand fantastic levels of knowledge, drive and a deeply genuine passion for helping our clients to succeed and grow their business This is what delivers our success and sets us above others in the industry I'd like to thank our employees for their hard work and commitment and look forward to growing the business further in the next twelve months 2013 will see us invest record amounts in our systems, processes and people across the world All parts of the business are continuing to grow and significant market opportunity exists in the medium term

Simon Featherstone

Global Chief Executive Bibby Financial Services

2012 Business Review & Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 December 2012

Business Review and Principal Activities

Bibby Financial Services Limited is a wholly owned subsidiary of Bibby Line Group Limited and acts as the holding company for Bibby Line Group's Financial Services division

The Group's principal activity continues to be the provision of financial services, which includes factoring, invoice discounting, trade finance and asset finance operating in Europe, North America and Asia-Pacific There have not been any significant changes in the Group's principal activities in the year under review The directors are not, at the date of this report, aware of any likely major changes in the Group's activities during 2013

The Group continues to seek investment opportunities in existing and new business areas with a view to continuing its policy of expansion

As shown in the profit and loss account, the Group's turnover has increased by 4 7% from £154 1 million in 2011 to £161 4 million in 2012 and profit after tax has decreased by 16 7% from £29 3 million to £24 4 million The major factor resulting in the decrease in profit after tax was the pressure on margins in the year The Group's turnover was higher than in 2011 because there was an increase in the amount of debts factored by the Group

The balance sheet within these financial statements shows that the Group's shareholder's funds at the year end, and the significant movement from the previous financial year, is mainly attributable to the profit of £10 4 million retained by the Group

The Group manages its operations on a regional and divisional basis, although within that structure each operating company has a large degree of autonomy For this reason, the Group's directors believe that further key performance indicators for the Group are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the regions and the divisions of the Group are discussed in the Business Reviews and Directors' Reports of the companies making up those groupings, where required by the Companies Act 2006

Going Concern

The current uncertain economic conditions present increased risks for all businesses In response to such conditions, the directors have carefully considered these risks, including an assessment of any uncertainty on the viability of the Group's business model and the extent to which they might affect the preparation of the financial statements on a going concern basis

Based on this assessment the directors consider that the Group maintains an appropriate level of capital and liquidity, sufficient to meet both the normal demands of the business and the requirements which might arise in stressed circumstances It also maintains a borrowing facility to supplement liquidity, if required In addition, the Group's assets are assessed for recoverability on a regular basis and provision is made where appropriate The directors consider that the Group is not exposed to losses on these assets which would affect their decision to adopt the going concern basis

On this basis the directors have a reasonable expectation that, despite uncertain market conditions, the Group has sufficient funding and liquidity facilities to ensure that it will continue in operational existence for the foreseeable future Accordingly the directors of the parent company have adopted the going concern basis in preparing the financial statements

Principal Risks and Uncertainties

Competitive pressure in international markets is a continuing risk for the Group To manage this risk, the Group strives to provide clients with a high standard of service and to develop new products to satisfy their needs

The Group offers facilities to its clients in a number of different currencies in the countries in which it operates and is therefore exposed to currency movements on the facilities provided in non-domestic currencies This exposure is mitigated by ensuring that assets and liabilities in the same currencies are matched

The Group is financed by a collection of fixed and floating rate bank loans However, as the majority of the facilities the Group provides to its clients carry rates of discount or interest that are also floating, the Group's exposure to interest rate fluctuations is largely mitigated

The Group has maintained very strong liquidity and funding relationships during the recession while continuing to grow strongly and, together with other bank facility renewals and extensions in 2010, the business was able to extend until 2014 its main £340 million facility with a consortium led by Barclays Bank Plc Indeed during 2012 the main facility was increased to £430m This gives the Directors the confidence to pursue the Group's expansion aggressively

The Group's principal activities involve taking a credit risk in respect of its clients This risk is primarily managed by taking adequate security and by a series of internal controls, both manual and systems-based

The Group has entered into derivative contracts These were entered into after significant review by the directors of the effectiveness of the derivatives to hedge the Group's foreign currency exposure

The Group strives to maintain the highest standards in corporate governance and bases its actions on the principles of openness, integrity and accountability Audit and Remuneration committees exist within Bibby Line Group Limited, the Group's parent company, which cover the activities of the businesses

Environment

The Group recognises the importance of its environmental responsibilities and designs and implements policies to mitigate any adverse impact that might be caused by its activities Initiatives aimed at minimising the Group's impact on the environment include recycling and reducing energy consumption

Employees

It is the policy of the Group to ensure that all sections of the community have an equal opportunity in matters related to employment The policy of the Group is to give full and fair considerations to applications for employment made by disabled persons If any employee becomes disabled whilst employed by a Group company, every effort is made to find suitable continuing employment, with re-training as necessary Disabled persons share equally in the opportunities available for training, career development and promotion

The Group participates in a defined benefit scheme and a money purchase scheme operated by Bibby Line Group Limited The Group also makes contributions to private money purchase schemes

The Group is committed to the continuing development of effective employee communication and involvement, including regular publication of company magazines and e-newsletters in addition to Intranet services It is the Group's policy to promote the understanding and involvement of all employees in its business aims and performance

Dividends

An interim dividend of £14,414,000 (23 0 pence per share) was paid during the year (2011 - £13,082,000, 20 9 pence per share)

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

Directors

The directors who served during the year were
Sir Michael Bibby, Bt – Chairman
Simon Featherstone – Global Chief Executive
Jonathan Haymer
Mark John Cleaver
Mark Timothy Hartigan
Edward John Rimmer
Diane Blinkhorn
David John Postings (appointed 8 May 2012)
Ian Watson
Steven Potter (resigned 1 February 2012)
Leigh Anderson Lones
Simon Timothy Davies
Tony Morgan (appointed 1 June 2012)

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' 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 Group and the parent company and of the profit or loss for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business

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

Subsequent Events

There have been no material subsequent events since the balance sheet date requiring disclosure in these financial statements

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the Group auditor is unaware, and
- the director has taken all steps that he or she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Group 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
22 March 2013

Independent Auditor's report to the Members of Bibby Financial Services Limited

We have audited the financial statements of Bibby Financial Services Limited for the year ended 31 December 2012 which comprise the Group Profit and Loss Account, the Statement of Total Group Recognised Gains and Losses, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 28 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition we have read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion 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 2012 and of the Group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

D Heaton

David Heaton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Liverpool, United Kingdom

22 March 2013

Group Profit and Loss Account
year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover	2	161,430	154,107
Operating Costs		(111,093)	(97,712)
Operating Profit	18	50,337	56,395
Interest Receivable and Similar Income	3	65	16
Interest Payable and Similar Charges	4	(16,993)	(16,343)
Profit on Ordinary Activities Before Taxation	2, 5	33,409	40,068
Tax on Profit on Ordinary Activities	6	(9,036)	(10,810)
Profit on Ordinary Activities After Taxation		24,373	29,258
Minority Interest	21	440	(429)
Profit for the Financial Year	16, 17	24,813	28,829

The Parent Company has not presented its own profit and loss account as permitted by Schedule 4, section 408, of the Companies Act 2006 The Parent Company made a profit for the financial year of £11,430,000 (2011 - £18,907,000)

Turnover and profit on ordinary activities all derive from continuing activities which are unchanged from the previous year

Statement of Total Group Recognised Gains and Losses
year ended 31 December 2012

	Note	2012 £000	2011 £000
Profit for the Financial Year	16, 17	24,813	28,829
Currency Translation Difference on Foreign Currency Net Investment	16, 17	(1,302)	(2,160)
Total Recognised Gains Relating to the Year		23,511	26,669

The notes on pages 8 to 18 form part of these financial statements

Balance Sheets
as at 31 December 2012

	Note	Parent Company 2012 £000	Parent Company 2011 £000	Group 2012 £000	Group 2011 £000
Fixed Assets					
Intangible Assets	8	-	-	3,535	5,160
Tangible Assets	9	2,011	395	5,602	3,355
Investments	10	164,003	164,003	-	-
		166,014	164,398	9,137	8,515
Current Assets					
Debtors	11	10,987	13,086	1,065,890	1,040,510
Cash at Bank and in Hand	12	4,475	5,885	3,663	3,714
		15,462	18,971	1,069,553	1,044,224
Creditors (Amounts Falling Due Within One Year)	13	(112,690)	(108,606)	(511,834)	(538,508)
Net Current (Liabilities)/Assets		(97,228)	(89,635)	557,719	505,716
Total Assets Less Current Liabilities		68,786	74,763	566,856	514,231
Creditors (Amounts Falling Due After More Than One year)	13	1,615	4,608	413,842	369,864
Capital and Other Reserves.					
Called-Up Share Capital	15	62,600	62,600	62,600	62,600
Profit and Loss Account	16	4,571	7,555	90,414	81,317
Shareholder's Funds	2, 17	67,171	70,155	153,014	143,917
Minority Interest	21	-	-	-	450
		68,786	74,763	566,856	514,231

Company registration number 03530461

Approved by the Board on 22 March 2013

S FEATHERSTONE
Director

The notes on pages 8 to 18 form part of these financial statements

Group Cash Flow Statement
year ended 31 December 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
Net Cash Inflow/(Outflow) from Operating Activities	18		16,461		(15,195)
Returns on Investments and Servicing of Finance.					
Interest Received		65		16	
Interest Paid		(16,965)		(16,138)	
			(16,900)		(16,122)
Taxation					
UK Tax Paid		(8,821)		(8,332)	
UK Tax Refunded		-		1,367	
Foreign Tax Paid		(3,431)		(3,669)	
			(12,252)		(10,634)
Capital Expenditure and Financial Investment					
Purchase of Tangible Fixed Assets		(3,743)		(2,007)	
Proceeds from Sale of Tangible Fixed Assets		163		36	
			(3,580)		(1,971)
Acquisitions and Disposals					
Refund of Purchase Consideration		434		-	
Deferred Consideration Paid		(100)		(100)	
			334		(100)
Equity Dividends Paid			(14,414)		(13,082)
Cash Outflow Before Financing			(30,351)		(57,104)
Financing					
New Loans		36,281		61,400	
Repayments of Amounts Borrowed		(6,000)		(6,000)	
			30,281		55,400
Decrease in Cash	19, 20		(70)		(1,704)

The notes on pages 8 to 18 form part of these financial statements

Notes to the Financial Statements

1 Accounting Policies

The principal accounting policies are summarised below They have all been applied consistently throughout the current and preceding year

Accounting Basis

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Going Concern - Group

These financial statements have been prepared on a going concern basis

As set out in the Directors' Responsibilities Statement, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and Group will continue in business

The directors of the parent company have considered in detail the Group's forecast performance, as well as its capital and liquidity resources On this basis the directors have a reasonable expectation that, despite challenging market conditions, the Group has sufficient funding and liquidity facilities to ensure that it will continue in operational existence for the foreseeable future Accordingly the directors of the company have adopted the going concern basis in preparing these financial statements

Going Concern - Company

The directors have also considered the going concern status of the parent company Although the company is in a net current liabilities position, this is a result of intercompany liabilities with its subsidiary companies, and it is therefore deemed that the parent company has control over repayment of these liabilities Accordingly the directors of the parent company have adopted the going concern basis in preparing the company financial statements

Consolidation

The Group profit and loss account and balance sheets include the financial statements of Bibby Financial Services Limited and all its subsidiary undertakings The majority of subsidiary undertakings prepare their financial information to 31 December 2012 and their results are included in the Group profit and loss account in full, except where a subsidiary undertaking has been acquired during the year in which case its results are included from the date of acquisition and accounted for by the acquisition method of accounting

Income Recognition

Administration fees are recognised in the profit and loss account at the time the debts are factored and transactions financed Other fees are normally recognised in the profit and loss account at the time the charge is made However, where fees are charged in respect of non-performing debt, the proportion credited to the profit and loss account is limited to the amount by which total recoveries exceeds the advance outstanding Income is recognised on leasing and hire purchase agreements on an actuarial before tax basis

Debtors and Creditors

Trade debtors represent the debts assigned under factoring agreements, net of any bad debt provision The full value of the assigned debt is recognised on the balance sheet as it represents rights or other access to future economic benefits The corresponding trade creditor recognised represents the difference between the assigned debt and cash advanced to clients net of appropriate factoring fees

Bad Debts

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

Fixed Assets

Fixed assets are included at cost less accumulated depreciation Depreciation is provided to write-off the assets over their useful life on a straight line basis as follows -

Office Equipment	-	Three to five years
Leasehold Improvements	-	The lower of ten years or the remaining life of the lease

Current Taxation

Current taxation, 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, at the balance sheet date

Deferred Taxation

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

Operating Leases

Operating lease rentals are charged to the profit and loss account as incurred

Leasing 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

Pension Costs

Bibby Financial Services Limited and certain of its UK subsidiaries are members of the Bibby Line Group Limited Pension Scheme but are unable to identify their share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis therefore, as required by FRS 17 'Retirement Benefits', Bibby Financial Services Limited continues to account for the scheme as if it were defined contribution scheme

Payments to defined contribution schemes are charged as incurred, in the profit and loss account

Foreign Currencies

A number of subsidiary undertakings prepare their financial statements in foreign currencies The net assets of these companies are converted into sterling at the rate of exchange ruling at the balance sheet date and the resulting net differences are taken directly to reserves All other exchange rate differences are taken to the profit and loss account as they arise

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration over the fair value of the net assets acquired, and is eliminated by amortisation through the profit and loss account over its useful economic life The directors consider each acquisition individually and amortise the goodwill accordingly Amortisation periods currently vary between 1 and 10 years

Related Party Transactions

Under Financial Reporting Standard 8, the Group is exempt from disclosing related party transactions with group companies as more than 90% of the voting rights are controlled by the ultimate parent undertaking, Bibby Line Group Limited

Investments

Investments held as fixed assets are held on the balance sheet of the Company at cost, less any impairment provision

2 Segmental Analysis by Geographical Region

	2012 £000	2011 £000
Turnover		
United Kingdom	97,769	96,571
Rest of Europe	16,608	15,958
North America	21,154	18,643
Asia / Pacific	25,899	22,935
	161,430	154,107

	2012 £000	2011 £000
Profit on Ordinary Activities Before Taxation		
United Kingdom	23,828	27,503
Rest of Europe	1,979	2,329
North America	4,717	3,626
Asia / Pacific	2,885	6,610
	33,409	40,068

	2012 £000	2011 £000
Equity Shareholder's Funds		
United Kingdom	97,647	92,268
Rest of Europe	16,919	17,940
North America	15,664	13,026
Asia / Pacific	22,784	20,683
	153,014	143,917

Gross debts factored and transactions financed during the year were £7,663m (2011 - £6,968m)

3 Interest Receivable and Similar Income

	2012 £000	2011 £000
Bank Interest Receivable and Similar Income	65	16

4 Interest Payable and Similar Charges

	2012 £000	2011 £000
On Bank Loans and Overdrafts	16,993	16,343

5 Profit on Ordinary Activities Before Taxation

is stated after charging/(crediting) the following amounts -

	2012 £000	2011 £000
Staff Costs		
Wages and Salaries	49,168	42,436
Social Security Costs	4,419	3,396
Pension Costs	2,204	1,595
Depreciation	1,306	1,101
Amortisation of Goodwill	1,145	2,457
Hire of Plant and Equipment	755	764
Loss on Disposal of Fixed Assets	1	-
Rental of Property	2,933	2,713
Auditor's Remuneration		
Fees Payable to the Company's Auditor for the Audit of the Company's Annual Accounts	2	1
Fees Payable to the Company's Auditor for the Audit of the Company's Subsidiaries	294	322
Other Services - Taxation and Other Advisory Services	87	98

Particulars of Employees

	2012	2011
The average number of persons employed during the year was	1,179	1,019

6 Tax on Profit on Ordinary Activities

	2012 £000	2011 £000
Foreign Tax Charge	3,544	3,252
Adjustment for Prior Year Taxes	(163)	108
UK Tax Charge	5,903	7,604
Current Tax Charge for the Year	9,284	10,964
Deferred Tax (See Note 14)		
Current Year Credit	(248)	(154)
	(248)	(154)
	9,036	10,810

The current tax charge, excluding deferred tax, is higher (2011 - higher) than the anticipated charge The anticipated charge is based on the average rate of tax (weighted in proportion to accounting profit) across the Group

	2012 £000	2011 £000
Profit on Ordinary Activities Before Taxation	33,409	40,068
Current Tax at 24 5% (2011 - 26 5%)	8,185	10,618
Difference Between Capital Allowances and Depreciation	(127)	(144)
Other Timing Differences	406	71
Expenses not Deductible for Tax Purposes	186	897
Adjustment in Respect of Previous Periods	(163)	108
Effect of Foreign Rates of Tax	624	514
Non-Utilisation/(Utilisation) of Tax Losses	173	(1,100)
Current Tax Charge for the Year	9,284	10,964

7 Dividends Paid

	2012 £000	2011 £000
On Ordinary £1 Shares		
Interim Dividend of 23 0p Per Share (2011 - 20 9p)	14,414	13,082

8 Intangible Assets

The company has no intangible assets Details of those relating to the Group are as follows

	£000
Goodwill	
Cost	
At 1 January 2012	18,694
Refund of Consideration	(434)
Exchange Difference	(155)
At 31 December 2012	18,105
Accumulated Amortisation	
At 1 January 2012	13,534
Charge for the Year	1,145
Exchange Difference	(109)
At 31 December 2012	14,570
Net Book Amount at 31 December 2012	3,535
Net Book Amount at 31 December 2011	5,160

9 Tangible Assets

Company

	Leasehold Improvements £000	Office Equipment £000	Total £000
Cost			
At 1 January 2012	120	305	425
Additions	19	1,798	1,817
At 31 December 2012	139	2,103	2,242
Accumulated Depreciation			
At 1 January 2012	3	27	30
Charge for the Year	15	186	201
At 31 December 2012	18	213	231
Net Book Amount at 31 December 2012	121	1,890	2,011
Net Book Amount at 31 December 2011	117	278	395

Group

	Leasehold Improvements £000	Office Equipment £000	Total £000
Cost			
At 1 January 2012	1,233	11,614	12,847
Additions	258	3,485	3,743
Exchange Difference	-	(155)	(155)
Disposals	-	(351)	(351)
At 31 December 2012	1,491	14,593	16,084
Accumulated Depreciation			
At 1 January 2012	765	8,727	9,492
Charge for the Year	151	1,155	1,306
Exchange Difference	-	(129)	(129)
Disposals	(5)	(182)	(187)
At 31 December 2012	911	9,571	10,482
Net Book Amount at 31 December 2012	580	5,022	5,602
Net Book Amount at 31 December 2011	468	2,887	3,355

10 Investments

The investments of the Group are held by the Company and four sub-holding companies and are detailed below All these investments relate to subsidiary undertakings and as such they are eliminated on consolidation

	2012 £000	2011 £000
Investment in Subsidiary Undertakings	164,003	164,003
Ordinary Shares in Wholly Owned Group Undertakings -		
Bibby Group of Factors Limited	61,850	61,850
Bibby Trade Services Limited	3,200	3,200
Bibby Asset Finance Limited	9,250	9,250
Bibby Management Services Limited	83,600	83,600
Bibby Finance 1 Limited	-	-
Bibby Finance 2 Limited	4,403	4,403
Factoring UK Group Limited	1,700	1,700
	164,003	164,003

Bibby Group of Factors Limited also holds the following investments -
Bibby Debt Finance Limited
Bibby Factors Bedford Limited
Bibby Factors Borehamwood Limited
Bibby Factors Bristol Limited
Bibby Factors International Limited
Bibby Factors Leicester Limited
Bibby Factors Limited
Bibby Factors Manchester Limited
Bibby Factors Northeast Limited
Bibby Factors Northwest Limited
Bibby Factors Scotland Limited
Bibby Factors Slough Limited
Bibby Factors Sussex Limited
Bibby Factors Wessex Limited
Bibby Factors Yorkshire Limited
Bibby Trade Factors Limited
Global Management Services Limited
Bibby ACF Limited
Bibby Revolving Finance Limited
Bibby Transactional Finance Limited
Bibby Factoring Slovakia, a s (operates in Slovak Republic)
Bibby Financial Services Australia Pty Limited (operates in Australia and New Zealand) and holds the following investment -
Integral Collections Pty Limited (operates in Australia)
Bibby Financial Services (India) Pvt Limited (operates in India)
Bibby Invoice Discounting Limited
Bibby Financial Services, a s (operates in Czech Republic)
Bibby Financial Services GmbH (operates in Germany)
Bibby Financial Services Sp z o o (operates in Poland)
Bibby Financial Services (Ireland) Limited (operates in the Republic of Ireland)
Bibby Financial Services (Asia) Limited (operates in Hong Kong)
Bibby Financial Services (Singapore) Pte Limited (operates in Singapore)
Bibby Financial Services A B (operates in Sweden)
Bibby Financial Services (Holdings), Inc (operates in the USA) and holds the following investments -
Bibby Financial Services (CA), Inc (operates in the USA)
Bibby Financial Services (Midwest), Inc (operates in the USA)
Bibby International Trade Finance, Inc (operates in the USA)
Bibby Transportation Finance, Inc (operates in the USA)
Bibby Financial Services (Canada) Inc (operates in Canada)

Bibby Trade Services Limited holds the following investment -
Bibby Connexions S A S (operates in France, ceased operation in 2011)

Bibby Asset Finance Limited holds the following investment -
Bibby Leasing Limited

Factoring UK Group Limited holds the following investments -
Factoring UK Limited
Cashflow UK Limited

All the Group companies are registered in England and Wales, except for those which operate overseas which are registered in those countries and Bibby Factors Scotland Limited which is registered in Scotland Bibby Group of Factors Limited and its subsidiaries operate as debt factors, Bibby Trade Services Limited, Bibby Connexions S A S and Bibby International Trade Finance, Inc as transactional financiers and Bibby Asset Finance Limited and its subsidiary as capital asset financiers

All of the Company's subsidiaries' equity shares are wholly owned, with the exception of Bibby Financial Services (India) Pvt Limited which is 75% owned by the Company The Company owns the entire issued preference share capital of the aforementioned company Voting rights are in proportion to overall share ownership

11 Debtors

	Parent Company		Group	
	2012	2011	2012	2011
	£000	£000	£000	£000
Net Investment in Finance Leases	-	-	28,765	27,977
Trade Debtors	-	-	1,017,859	994,779
Prepayments and Accrued Income	436	262	8,646	7,159
Other Debtors	265	1,891	1,564	2,023
Amount Owed by Ultimate Parent Undertaking	5,117	5,117	5,117	5,117
Amount Owed by Other Group Undertakings	5,169	5,816	426	-
Deferred Taxation (See Note 14)	-	-	3,513	3,455
	10,987	13,086	1,065,890	1,040,510

Net Investment in Finance Leases includes £3,484,000 (2011 - £2,166,000) due in respect of hire purchase contracts An amount of £17,601,000 (2011 - £19,613,000) is included within Net Investment in Finance Leases which falls due after more than one year

The cost of assets acquired for the purpose of letting under Finance Leases was £12,397,00 (2011 - £13,476,000) The aggregate rentals receivable during the year in respect of Finance Leases was £14,814,166 (2011 - £15,298,800)

12 Cash at Bank and in Hand

The Company, together with a number of its UK subsidiary undertakings, are party to a composite accounting structure agreement with one of their bankers This agreement treats all the sterling bank accounts included in the agreement as one account, as a result, positive and negative cash balances included in the agreement are shown net in the consolidated balance sheet

13 Creditors

	Parent Company		Group	
	2012	2011	2012	2011
	£000	£000	£000	£000
Amounts Falling Due Within One Year				
Trade Creditors	146	120	460,444	462,883
Amount Owed to Ultimate Parent Undertaking	-	-	-	211
Bank Loans and Overdrafts	3,000	6,000	24,907	42,976
Amounts Owed to Other Group Undertakings	108,819	96,684	-	-
Accruals and Deferred Income	725	5,802	22,486	25,049
Other Taxation and Social Security	-	-	2,345	2,768
Corporation Tax	-	-	1,652	4,621
	112,690	108,606	511,834	538,508
Amounts Falling Due After More Than One Year				
Bank Loans and Overdrafts	1,615	4,608	413,842	369,864
	1,615	4,608	413,842	369,864

Bank loans and overdrafts are repayable as follows

	Parent Company		Group	
	2012	2011	2012	2011
	£000	£000	£000	£000
Within One Year	3,000	6,000	24,907	42,976
Between One and Two Years	1,615	3,000	365,665	74,228
Between Two and Five Years	-	1,608	48,177	295,636
	4,615	10,608	438,749	412,840

The bank loans and overdrafts of certain factoring facilities are secured by a fixed and floating charge over the assets of the Company and its subsidiary undertakings with, however, the stipulation that in respect of the book debts the amount recoverable under this security is limited to the amount actually prepaid under client agreements The interest charged on the Group's facilities is based on a variable rate above local country base rates or interbank rates

14 Deferred Taxation Asset

	Parent Company	Group
	£000	£000
As at 1 January 2012	-	3,455
Profit and Loss Account - Credit (See Note 6)	-	248
Exchange Difference	-	(190)
As at 31 December 2012	-	3,513

The amounts of deferred taxation recognised at rates between 19% and 38% (2011 - 19% and 38%) by the Group are as follows

	2012	2011
	£000	£000
Accelerated Depreciation	1,715	1,835
Other Timing Differences	1,798	1,620
	3,513	3,455

A deferred tax asset of £159,000 (2011 - £164,000) has not been recognised at the balance sheet date as it is not certain that it will be recoverable in the foreseeable future

15 Called-Up Share Capital

	2012 £000	2011 £000
Allotted and Fully Paid Ordinary £1 Shares	62,600	62,600

16 Reserves

	Profit and Loss Account £000
Company	
At 1 January 2012	7,555
Profit for the Financial Year	11,430
Dividend Paid	(14,414)
At 31 December 2012	4,571

	Profit and Loss Account £000
Group	
At 1 January 2012	81,317
Profit for the Financial Year	24,813
Dividend Paid	(14,414)
Currency Translation Difference on Foreign Currency Net Investment	(1,302)
At 31 December 2012	90,414

17 Movement in Shareholder's Funds

	Parent Company		Group	
	2012 £000	2011 £000	2012 £000	2011 £000
Profit for the Financial Year	11,430	18,907	24,813	28,829
Dividend Paid	(14,414)	(13,082)	(14,414)	(13,082)
	(2,984)	5,825	10,399	15,747
Currency Translation Differences on Foreign Currency Net Investment	-	-	(1,302)	(2,160)
(Deduction)/Addition to Shareholder's Funds	(2,984)	5,825	9,097	13,587
Opening Shareholder's Funds	70,155	64,330	143,917	130,330
Closing Shareholder's Funds	67,171	70,155	153,014	143,917

18 Reconciliation of Operating Profit to Net Cash Flow from Operating Activities

	2012 £000	2011 £000
Operating Profit	50,337	56,395
Depreciation	1,306	1,101
Amortisation of Goodwill	1,145	2,457
Loss on Disposal of Fixed Assets	1	-
Increase in Debtors	(35,251)	(135,285)
(Decrease)/Increase in Creditors	(1,077)	60,137
Net Cash Inflow/(Outflow) from Operating Activities	16,461	(15,195)

19 Reconciliation of Movement in Net Debt

	2012 £000	2011 £000
Decrease in Cash in the Year	(70)	(1,704)
Increase in Loans	(30,281)	(55,400)
Change in Net Debt from Cash Flows	(30,351)	(57,104)
Exchange Movements	4,391	4,465
Movement in Net Debt in the Year	(25,960)	(52,639)
Net Debt at 1 January	(409,126)	(356,487)
Net Debt at 31 December	(435,086)	(409,126)

20 Analysis of Net Debt

	1 January 2012 £000	Cash Flow £000	Exchange Differences £000	31 December 2012 £000
Cash at Bank and in Hand	3,714	(70)	19	3,663
Debt Due Within 1 year	(42,976)	17,666	403	(24,907)
Debt Due After 1 year	(369,864)	(47,947)	3,969	(413,842)
	(412,840)	(30,281)	4,372	(438,749)
	(409,126)	(30,351)	4,391	(435,086)

21 Minority Interest

	2012 £000	2011 £000
Movement as a Result of a Planned Capital Reorganisation	-	429
Share of loss for the year	(440)	-
Exchange Difference	(10)	(50)
	(450)	379
At 1 January	450	71
At 31 December	-	450

22 Directors' Emoluments

	2012 £000	2011 £000
The total emoluments were		
Emoluments	3,033	4,032
Pension Contributions	170	164
	3,203	4,196

The emoluments, excluding pension contributions, of the Chairman were £nil (2011 - £nil) and of the highest paid Director £718,000 (2011 - £2,679,000)

Contributions of £nil (2011 - £65,000) were made in respect of none (2011 - three) of the Group's Directors to a defined benefit pension scheme In addition, contributions of £122,000 (2011 - £99,000) were made in respect of five (2011 - four) of the Directors to a money purchase pension scheme The pension contributions of the highest paid Director to a money purchase scheme for the year were £nil (2011 - £56,000)

23 Capital Commitments

As at 31 December 2012, the Group had no capital commitments (2011 - nil)

24 Contingent Liabilities

The contingent liabilities relate to Group companies providing client suppliers and government agencies with guarantees of payment or with a letter of credit issued on their behalf by UK banks

	2012 £000	2011 £000
Group Guarantees	-	200
Unpresented Letters of Credit	1,951	1,726
	1,951	1,926

25 Pension Costs

The Group participated in the Bibby Line Group Pension Scheme (the "Scheme"), a defined benefit pension scheme The assets of the Scheme are held separately from those of the sponsoring and participating employers and are invested with an insurance company The Scheme was closed to new entrants from 1 April 2000 and closed to future accruals for existing members from 30 September 2011 The Group is unable to identify its share of the underlying assets and liabilities of the scheme as a significant number of members who are deferred or pensioners within the Scheme relate to businesses that are no longer part of the Group The contributions made by the Group over the financial year to this Scheme have been £nil (2011 - £435,000), equivalent to 0% (2011 - 18 4%) of pensionable pay

Since 1 April 2000, the Group has participated in a defined contribution scheme for new employees, currently the Bibby Line Group Personal Pension Plan ("the Plan"), which is a defined contribution scheme for new employees The contributions made by the Group over the financial year to the Plan have been £1,095,000 (2011 - £448,000)

The Group has also made contributions of £48,000 (2011 - £53,000) to private money purchase pension schemes

Outstanding contributions at the balance sheet date to all pension arrangements amounted to £nil (2011 - £nil)

FRS17 Disclosures

As noted above and under accounting policies (see note 1) the Group participates in the Scheme As part of the information disclosed under FRS17 in the ultimate holding company's accounts, a net deficit of £14,782,000 (2011 - £11,967,000) is noted Further information on the scheme can be found in the financial statements of the ultimate parent company

26 Operating Lease Commitments

	Parent Company		Group	
	2012 £000	2011 £000	2012 £000	2011 £000
Annual Commitments Under Operating Leases Which Expire				
Within One Year				
Vehicles and Equipment	2	9	149	114
Land and Buildings	-	-	860	538
Within Two to Five Years				
Vehicles and Equipment	223	51	983	676
Land and Buildings	200	-	1,892	1,526
After More than Five Years				
Vehicles and Equipment	-	-	-	3
Land and Buildings	-	57	283	469
	425	117	4,167	3,326

27 Forward Contracts not Included at Fair Value

	2012 £000	2011 £000
Fair Value of Forward Foreign Exchange Contracts	(90)	(7)

The Group uses forward contracts to hedge its exposure to changes in foreign currency exchange rates The fair values are based on market values of equivalent instruments at the balance sheet date

28 Parent Undertaking

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

Copies of the parent undertaking's financial statements may be obtained from Bibby Line Group Limited, 105 Duke Street, Liverpool L1 5JQ

Group website address www bibbygroup co uk

Space For Reader's Notes

Space For Reader's Notes

Bibby Financial Services Limited

A global network of local companies

48 locations across 15 countries

UK

Banbury*, Basingstoke, Belfast, Birmingham, Bradford, Bristol, Edinburgh, Glasgow, Hastings, Leicester, Liverpool, London, Manchester, Slough, Sunderland, Yeadon

EUROPE

Czech Republic – Brno, Prague

France – Lyon, Paris

Germany – Dusseldorf, Munich

Ireland – Dublin

Poland – Bydgoszcz, Katowice, Poznan, Warsaw

Slovakia – Bratislava

Sweden – Kopparberg, Stockholm

NORTH AMERICA

Canada – Toronto

USA – Atlanta, Boynton Beach, Chicago, Los Angeles, Nashville

ASIA PACIFIC

Australia – Adelaide, Brisbane, Melbourne, Perth, Sydney

India – Chennai, Gurgaon, Kolkata, Mumbai

Hong Kong

New Zealand – Auckland

Singapore

*Bibby Factors International, Bibby Trade Services, Bibby Factors

Bibby Financial Services Limited
Endeavour House Noral Way
Banbury Oxfordshire OX16 2SB
United Kingdom

Registered Office
105 Duke Street Liverpool L1 5JQ
United Kingdom

Registered in England and Wales
Registered Number 3530461

T 01295 66 19 00
F 01295 66 19 79
E marketing@bibbyfinancialservices com
W www bibbyfinancialservices com