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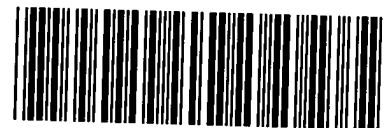
Registration number: 03847904

## Bibby Factors Sussex Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2014

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## **Bibby Factors Sussex Limited**

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## **Bibby Factors Sussex Limited**

### **Company Information**

<b>Directors</b>	Ian Downing Edward James Winterton Paul Cunningham
<b>Company secretary</b>	Bibby Bros. & Co. (Management) Limited
<b>Registered office</b>	105 Duke Street Liverpool L1 5JQ
<b>Bankers</b>	Barclays Bank Plc
<b>Auditors</b>	Deloitte LLP Chartered Accountants and Statutory Auditor Liverpool United Kingdom

**Bibby Factors Sussex Limited**  
**Strategic Report for the Year Ended 31 December 2014**

Bibby Factors Sussex Limited is incorporated in the United Kingdom and engaged in debt factoring, principally to small and medium businesses.

***Fair review of the business***

The company's results for the year are in line with the directors' expectations and budgets and the company has not been unduly affected by the poor economic conditions globally throughout the year. The directors do not see any significant changes that may effect the future outlook of the company.

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

	Unit	2014	2013
Turnover	£	6,374,179	7,255,339
Turnover growth	%	(12)	(22)
Operating profit margin	%	55	37
Profit before tax	£	3,038,375	2,712,053

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

The business' principal financial assets and liabilities comprise bank balances, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations.


In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from financial institutions. The interest rates and monthly repayments are variable. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

Approved by the Board on 22/4/15 and signed on its behalf by:

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

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

**Bibby Factors Sussex Limited**  
**Directors' Report for the Year Ended 31 December 2014**

The directors present their report and the financial statements for the year ended 31 December 2014.

**Directors of the company**

The directors who held office during the year and to the date of signing the accounts were as follows:

Ian Downing

Edward James Winterton

Paul Cunningham

**Principal activity**

The principal activity of the company is debt factoring.

**Going concern**

The financial statements have been prepared on a going concern basis.

As set out in the Statement of Directors' Responsibilities, 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 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 which are available to all of its subsidiaries. The Group's funding facilities were extended to 2016 in 2014 and 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 the company 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.

**Directors' liabilities**

Enhanced indemnities are provided to the directors of the company by Chartis Insurance UK Limited against liabilities and associated costs which they could incur in the course of their duties to the company. All of the indemnities remain in force as at the date of this Report and Accounts. A copy of each of the indemnities is kept at the registered office address of the company.

**Disclosure of information to the auditor**

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

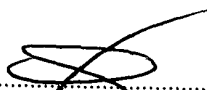
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of this information.

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

Approved by the Board on 22/4/15 and signed on its behalf by:

**Bibby Factors Sussex Limited**  
**Directors' Report for the Year Ended 31 December 2014**

..... *continued*

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

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

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**Bibby Factors Sussex Limited**  
**Statement of Directors' Responsibilities**

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 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; 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.

## **Independent Auditor's Report to the Members of Bibby Factors Sussex Limited**

We have audited the financial statements of Bibby Factors Sussex Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and related notes 1 to 19. 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 Statement of Directors' Responsibilities (set out on page 5), 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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



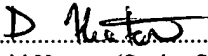
**Independent Auditor's Report to the Members of  
Bibby Factors Sussex Limited**

*..... continued*

**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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Date: 22 April 2015

**Bibby Factors Sussex Limited**  
**Profit and Loss Account for the Year Ended 31 December 2014**

	Note	2014 £	2013 £
Turnover	2	6,374,179	7,255,339
Cost of sales		<u>(2,843,529)</u>	<u>(3,958,032)</u>
Operating profit	3	3,530,650	3,297,307
Interest payable and similar charges	6	<u>(492,275)</u>	<u>(585,254)</u>
Profit on ordinary activities before taxation		3,038,375	2,712,053
Tax on profit on ordinary activities	7	<u>(662,218)</u>	<u>(633,502)</u>
Profit for the financial year	14	<u><u>2,376,157</u></u>	<u><u>2,078,551</u></u>

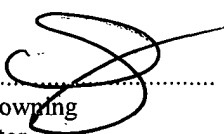
Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year or prior year other than the results above and therefore no Statement of Total Recognised Gains or Losses has been prepared.

**Bibby Factors Sussex Limited**  
**(Registration number: 03847904)**  
**Balance Sheet at 31 December 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible fixed assets	8	-	1,763
<b>Current assets</b>			
Debtors	9	48,681,255	49,459,262
Cash at bank and in hand		969,136	919,058
		49,650,391	50,378,320
Creditors: Amounts falling due within one year	10	(39,947,723)	(43,055,510)
Net current assets		9,702,668	7,322,810
Total assets less current liabilities		9,702,668	7,324,573
Creditors: Amounts falling due after more than one year	11	(274,753)	(272,815)
Net assets		9,427,915	7,051,758
<b>Capital and reserves</b>			
Called up share capital	12	350,000	350,000
Profit and loss account	14	9,077,915	6,701,758
Shareholders' funds	15	9,427,915	7,051,758

Approved by the Board on 22/4/15 and signed on its behalf by:

  
 .....  
 Ian Downing  
 Director

## **Bibby Factors Sussex Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2014**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting policies.

##### **Exemption from preparing a cash flow statement**

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

As set out in the Statement of Directors' Responsibilities, 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 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 which are available to all of its subsidiaries. The Group's funding facilities were extended to 2016 in 2014 and 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 the company 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.

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of services to customers.

##### **Revenue recognition**

The factoring administration fee is recognised in the profit and loss account at the time the debts are factored. 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 extent that total recoveries will exceed the debt outstanding.

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, on a straight line basis over their expected useful economic life, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Office equipment	25% to 33.33%
Short leasehold land & buildings	lower of 10% and remaining lease term

## **Bibby Factors Sussex Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

#### **Deferred tax**

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Taxation**

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or which are never taxable or deductible. Current tax is calculated using rates enacted, or substantively enacted, at the balance sheet date.

#### **Foreign currency**

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

#### **Financing**

The company finances its operation through overdrafts and loans from its immediate parent undertaking. Interest is charged at base plus a small premium.

#### **Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### **Debtors and creditors**

Trade debtors represent the debts assigned under factoring agreements, net of the 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 the cash advanced to clients net of appropriate factoring fees.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

## **Bibby Factors Sussex Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

#### **Bad debts**

Bad 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. Additional provisions are 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 cost of sales.

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

The company is a member of the Bibby Liné Group Limited pension scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement Benefits' the scheme has been accounted for as if the scheme were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### **2 Turnover**

Turnover, which is derived from within the United Kingdom, is the factoring income earned. Debts factored during the year were £341,503,000 (2013 - £356,272,000).

#### **3 Operating profit**

Operating profit is stated after charging:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating leases - plant and machinery	7,890	8,700
Operating leases - other assets	151,497	159,431
Auditor's remuneration - The audit of the company's annual accounts	9,000	9,000
Depreciation of owned assets	<u>1,763</u>	<u>34,496</u>

No fees were paid to the company's auditor for non-audit services in either the current or preceding year.

#### **4 Particulars of employees**

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

# **Bibby Factors Sussex Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

	<b>2014 No.</b>	<b>2013 No.</b>
Administration and support	<u>38</u>	<u>42</u>

The aggregate payroll costs were as follows:

	<b>2014 £</b>	<b>2013 £</b>
Wages and salaries	964,420	1,074,669
Social security costs	93,213	103,189
Staff pensions	<u>82,716</u>	<u>76,045</u>
	<u>1,140,349</u>	<u>1,253,903</u>

### **5 Directors' remuneration**

The directors received no remuneration for their services to the company in either the current or preceding year.

### **6 Interest payable and similar charges**

	<b>2014 £</b>	<b>2013 £</b>
Interest on bank borrowings	2,153	5,491
Interest on loans from group undertakings	<u>490,122</u>	<u>579,763</u>
	<u>492,275</u>	<u>585,254</u>

### **7 Taxation**

#### **Tax on profit on ordinary activities**

	<b>2014 £</b>	<b>2013 £</b>
<b>Current tax</b>		
Corporation tax charge	651,130	635,302
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>11,088</u>	<u>(1,800)</u>
Total tax on profit on ordinary activities	<u>662,218</u>	<u>633,502</u>

## **Bibby Factors Sussex Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

#### **Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%).

The differences are reconciled below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>3,038,375</u>	<u>2,712,053</u>
Corporation tax at standard rate	653,251	630,552
Accelerated capital allowances	(3,259)	3,090
Expenses not deductible for tax purposes	<u>1,138</u>	<u>1,660</u>
Total current tax	<u>651,130</u>	<u>635,302</u>

The standard rate of corporation tax reduced from 23% to 21% with effect from 1 April 2014. Further the rate changes were enacted in the Finance Act 2013 which will further reduce the rate to 20% with effect from 1 April 2015.

As a result of the UK corporation tax rates, deferred tax balances have been re-measured at 20% on the basis that the temporary differences on which the deferred tax balances have been recalculated are expected to reverse after 1 April 2016 (2013: measured at 21%).



# Bibby Factors Sussex Limited

## Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

### 8 Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2014	114,057	349,670	463,727
<b>Depreciation</b>			
At 1 January 2014	112,873	349,091	461,964
Charge for the year	1,184	579	1,763
At 31 December 2014	114,057	349,670	463,727
<b>Net book value</b>			
At 31 December 2014	-	-	-
At 31 December 2013	1,184	579	1,763

### 9 Debtors

	2014 £	2013 £
Trade debtors	48,555,248	49,359,681
Deferred tax	15,400	26,488
Prepayments and accrued income	110,607	73,093
	48,681,255	49,459,262

#### Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£
At 1 January 2014	26,488
Deferred tax charged to the profit and loss account	(11,088)
At 31 December 2014	15,400

# **Bibby Factors Sussex Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

### **Analysis of deferred tax**

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	15,400	26,488
	<u>15,400</u>	<u>26,488</u>

### **10 Creditors: Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	18,187,659	20,465,669
Amounts owed to group undertakings	20,626,221	21,422,767
Corporation tax	651,130	635,302
Other taxes and social security	141,811	157,823
Accruals and deferred income	340,902	373,949
	<u>39,947,723</u>	<u>43,055,510</u>

### **11 Creditors: Amounts falling due after more than one year**

	2014 £	2013 £
Bank loans and overdrafts	<u>274,753</u>	<u>272,815</u>

The bank loans are part of a facility, expiring in July 2016, which is secured by a fixed and floating charge over the assets of the company 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 factoring agreements. The bank overdrafts and intercompany loans carry interest rates that vary with base rates.

### **12 Share capital**

#### **Allotted, called up and fully paid shares**

	2014		2013	
	No.	£	No.	£
Ordinary £1 shares of £1 each	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>

# **Bibby Factors Sussex Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

### **13 Dividends**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Dividends paid</b>		
Current year interim dividend paid	-	4,080,000

### **14 Reserves**

	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 January 2014	6,701,758	6,701,758
Profit for the year	2,376,157	2,376,157
At 31 December 2014	9,077,915	9,077,915

### **15 Reconciliation of movement in shareholders' funds**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit attributable to the members of the company	2,376,157	2,078,551
Dividends	-	(4,080,000)
Net addition/(reduction) to shareholders' funds	2,376,157	(2,001,449)
Shareholders' funds at 1 January	7,051,758	9,053,207
Shareholders' funds at 31 December	9,427,915	7,051,758

### **16 Pension schemes**

#### **Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £82,716 (2013 - £76,045).

## **Bibby Factors Sussex Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2014**

..... *continued*

#### **17 Commitments**

##### **Operating lease commitments**

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Within two and five years	<u>101,250</u>	<u>135,000</u>
<b>Other</b>		
Within one year	2,142	8,016
Within two and five years	<u>8,524</u>	<u>10,940</u>
	<u>10,667</u>	<u>18,956</u>

#### **18 Related party transactions**

As a wholly-owned subsidiary undertaking of Bibby Group of Factors Limited, which produces consolidated financial statements which are publicly available, the company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by Bibby Line Group Limited.

#### **19 Control**

The company is a wholly owned subsidiary undertaking of Bibby Group of Factors Limited, whose ultimate parent undertaking is Bibby Line Group Limited.

The largest group in which the results of the company are consolidated is that headed by Bibby Line Group Limited. The smallest group in which they are consolidated is that headed by Bibby Group of Factors Limited.

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

Group website address: [www.bibbylinegroup.co.uk](http://www.bibbylinegroup.co.uk).