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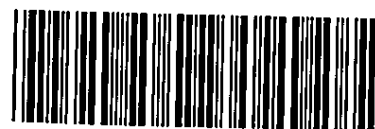
Registration number 04918173

# **Bibby Factors Yorkshire Limited**

**Directors' Report and Financial Statements**

**for the Year Ended 31 December 2007**

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## **Bibby Factors Yorkshire Limited**

### **Contents Page**

Officers and advisers .....	1
Directors' report .....	2 to 3
Independent auditors' report .....	4 to 5
Profit and loss account .....	6
Balance sheet .....	7
Notes to the financial statements .....	8 to 17

**Bibby Factors Yorkshire Limited**  
**Officers and Advisers**

<b>Chairman</b>	- James Brydon
<b>Directors</b>	David Albert Robertson Ian Downing Nicholas Simon Hart James Brydon - Edward John Rimmer (appointed 1 September 2007)
<b>Secretary</b>	Bibby Bros & Co (Management) Limited
<b>Registered office</b>	105 Duke Street Liverpool L1 5JQ
<b>Auditors</b>	KPMG LLP Chartered Accountants 8 Princes Parade Liverpool L3 1QH

**Bibby Factors Yorkshire Limited**  
**Directors' Report for the Year Ended 31 December 2007**

The directors present their report and the audited financial statements for the year ended 31 December 2007

**Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 then apply them consistently,
- make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Information provided to auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

**Principal activity and business review**

The principal activity of the company is debt factoring.

The directors consider that the results for the year and the financial position at the end of the year were satisfactory.

**Post balance sheet events**

No events have occurred since the year end which require reporting or disclosing in the financial statements.

**Results and dividend**

The results for the company are set out in the financial statements.

An interim ordinary dividend of £272,000 was paid during the year (2006 - £188,000).

**Bibby Factors Yorkshire Limited**  
**Directors' Report for the Year Ended 31 December 2007**

**Directors**

The directors who held office during the year were as follows

- David Albert Robertson
- Ian Downing
- Nicholas Simon Hart
- James Brydon
- Edward John Rimmer (appointed 1 September 2007)

**Retirement of directors**

In accordance with the Articles of Association, directors are not required to retire from the board on a rotational basis

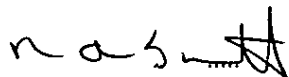
**Auditors**

The auditors, KPMG LLP, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985

**Election to dispense laying accounts**

In accordance with section 252, Companies Act 1985, the company has elected to dispense with laying accounts before the members in general meeting. Members, however, may by notice in writing to the company at its registered office require that accounts are laid before the members in general meeting

Approved by the Board on 18 March 2008 and signed on its behalf by



Bibby Bros & Co (Management) Limited  
Company Secretary

## **Independent Auditors' Report to the Members of Bibby Factors Yorkshire Limited**

We have audited the financial statements of Bibby Factors Yorkshire Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our 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 auditors' 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent Auditors' Report to the Members of  
Bibby Factors Yorkshire Limited**

*continued*

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*KPMG LLP*

KPMG LLP  
Chartered Accountants

Registered Auditor  
8 Princes Parade  
Liverpool  
L3 1QH  
18 March 2008

**Bibby Factors Yorkshire Limited**  
**Profit and Loss Account for the Year Ended 31 December 2007**

	Note	2007 £	2006 £
Turnover	2	4,543,703	3,709,787
Cost of sales		(2,785,057)	(2,505,015)
<b>Operating profit</b>	3	<u>1,758,646</u>	<u>1,204,772</u>
Interest payable and similar charges	6	(740,733)	(595,031)
<b>Profit on ordinary activities before taxation</b>		<u>1,017,913</u>	<u>609,741</u>
Tax on profit on ordinary activities	7	(324,979)	(177,230)
<b>Profit for the financial year</b>		<u>692,934</u>	<u>432,511</u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

The notes on pages 8 to 17 form an integral part of these financial statements



**Bibby Factors Yorkshire Limited**  
**Balance Sheet as at 31 December 2007**

		2007	2006
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	9	-	591,900
Tangible assets	10	18,569	37,069
		<u>18,569</u>	<u>628,969</u>
<b>Current assets</b>			
Debtors	11	33,267,164	32,233,476
Cash at bank and in hand		1,621,305	-
		<u>34,888,469</u>	<u>32,233,476</u>
<b>Creditors: Amounts falling due within one year</b>	12	(31,723,141)	(27,042,668)
<b>Net current assets</b>		<u>3,165,328</u>	<u>5,190,808</u>
<b>Total assets less current liabilities</b>		3,183,897	5,819,777
<b>Creditors: Amounts falling due after more than one year</b>	13	-	(3,056,814)
<b>Net assets</b>		<u>3,183,897</u>	<u>2,762,963</u>
<b>Capital and reserves</b>			
Called up share capital	16	1,750,000	1,750,000
Profit and loss reserve	17	1,433,897	1,012,963
<b>Equity shareholders' funds</b>	18	<u>3,183,897</u>	<u>2,762,963</u>

Approved by the Board on 18 March 2008 and signed on its behalf by



Ian Downing  
Director

The notes on pages 8 to 17 form an integral part of these financial statements

## **Bibby Factors Yorkshire Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2007**

#### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

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

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

##### **Cash flow statement**

Under Financial Reporting Standard 1 (Revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own consolidated financial statements

##### **Going concern**

These financial statements have been prepared on a going concern basis

##### **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**

Fixed assets are included at cost less accumulated depreciation

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

Office equipment	20% - 33 33%
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##### **Goodwill**

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

##### **Deferred taxation**

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.

##### **Foreign currencies**

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.

## **Bibby Factors Yorkshire Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2007**

#### **Operating leases**

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

#### **Pensions**

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

The company is a member of the Bibby Line 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.

#### **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. General 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.

#### **Related party transactions**

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

#### **Financing**

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

## **2 Turnover**

Turnover, which is derived from within the United Kingdom, is the factoring income earned. Debts factored were £206,474,000 (2006 - £187,117,000).

## **3 Operating profit**

Operating profit is stated after charging

	2007 £	2006 £
Hire of plant and machinery (Operating Leases)	7,536	7,665
Auditors' remuneration - audit of these financial statements	7,200	7,200
Depreciation of owned tangible fixed assets	19,295	36,404
Rent	50,180	43,929
Amortisation of goodwill	591,900	646,800

# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2007**

### **4 Particulars of employees**

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

	<b>2007 No.</b>	<b>2006 No.</b>
Administration	<u>30</u>	<u>29</u>

The aggregate payroll costs of these persons were as follows

	<b>2007 £</b>	<b>2006 £</b>
Wages and salaries	890,590	783,144
Social security	74,759	67,531
Other pension costs	25,657	21,112
	<u>991,006</u>	<u>871,787</u>

### **5 Directors' emoluments**

The directors' emoluments for the year are as follows

	<b>2007 £</b>	<b>2006 £</b>
Directors' emoluments (including benefits in kind)	105,571	93,258
Directors' pension contributions	3,160	2,949
	<u>108,731</u>	<u>96,207</u>

During the period the number of directors who were accruing benefits under company pension schemes was as follows

	<b>2007 No.</b>	<b>2006 No.</b>
Money purchase	<u>1</u>	<u>1</u>

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

	<b>2007 £</b>	<b>2006 £</b>
Interest payable to group undertakings	<u>740,733</u>	<u>595,031</u>

## Bibby Factors Yorkshire Limited

### Notes to the Financial Statements for the Year Ended 31 December 2007

#### 7 Taxation

##### Analysis of current period tax charge

	2007 £	2006 £
<b>Current tax</b>		
Corporation tax charge	324,679	148,130
Over provision in previous years	-	(29,000)
UK Corporation tax	<u>324,679</u>	<u>119,130</u>
 <b>Deferred tax</b>		
Origination and reversal of timing differences	<u>300</u>	<u>58,100</u>
 <b>Total tax on profit on ordinary activities</b>	<u>324,979</u>	<u>177,230</u>

##### Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2006 - lower than) the standard rate of corporation tax in the UK of 30.00% (2006 - 30.00%)

The differences are reconciled below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>1,017,913</u>	<u>609,741</u>
Standard rate corporation tax charge	305,374	182,922
Expenses not deductible for tax purposes	18,966	17,705
Accelerated capital allowances	339	3,735
Other timing differences	-	(56,232)
Adjustment to prior year tax	-	(29,000)
Total current tax for the year	<u>324,679</u>	<u>119,130</u>

# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2007**

### **8 Dividends**

	<b>2007 £</b>	<b>2006 £</b>
<b>Equity dividends</b>		
Paid	272,000	188,000
Equity dividends	<u>272,000</u>	<u>188,000</u>
<b>Total dividends</b>	<u>272,000</u>	<u>188,000</u>

### **9 Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
As at 1 January 2007 and 31 December 2007	<u>2,611,054</u>
<b>Amortisation</b>	
As at 1 January 2007	2,019,154
Charge for the year	<u>591,900</u>
As at 31 December 2007	<u>2,611,054</u>
<b>Net book value</b>	
As at 31 December 2007	<u>-</u>
As at 31 December 2006	<u>591,900</u>

# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2007**

### **10 Tangible fixed assets**

	<b>Office equipment £</b>
<b>Cost</b>	
As at 1 January 2007	195,059
Additions	795
As at 31 December 2007	<u>195,854</u>
<b>Depreciation</b>	
As at 1 January 2007	157,990
Charge for the year	19,295
As at 31 December 2007	<u>177,285</u>
<b>Net book value</b>	
As at 31 December 2007	<u>18,569</u>
As at 31 December 2006	<u>37,069</u>

### **11 Debtors**

	<b>2007 £</b>	<b>2006 £</b>
Trade debtors	33,228,896	32,196,230
Other debtors	115	7,021
Deferred tax	10,100	10,400
Prepayments and accrued income	28,053	19,825
	<u>33,267,164</u>	<u>32,233,476</u>

#### **Deferred tax**

Deferred tax is provided at 28 00% (2006 - 30 00%)

	<b>2007 £</b>	<b>2006 £</b>
Accelerated capital allowances	<u>10,100</u>	<u>10,400</u>

#### **Deferred tax**

	<b>2007 £</b>	<b>2006 £</b>
As at 1 January	10,400	68,500
Deferred tax charge	(300)	(58,100)
As at 31 December	<u>10,100</u>	<u>10,400</u>

# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2007**

### **12 Creditors Amounts falling due within one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade creditors	17,892,130	16,310,842
Amounts owed to group undertakings	13,002,067	10,386,802
Corporation tax	324,679	-
Social security and other taxes	116,388	35,198
Other creditors	-	40,000
Accruals and deferred income	387,877	269,826
	<u>31,723,141</u>	<u>27,042,668</u>

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

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>-</u>	<u>3,056,814</u>

### **14 Maturation of borrowings**

Amounts repayable

	<b>Bank loans &amp; overdrafts £</b>
<b>As at 31 December 2007</b>	<u>-</u>
<b>As at 31 December 2006</b>	<u>-</u>
Between one and two years	<u>3,056,814</u>
	<u>3,056,814</u>

### **15 Security of borrowings**

The bank loans are part of a bank facility 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 facility is also secured by cross guarantees of group companies, as explained later in these financial statements.

The bank overdrafts and intercompany loans carry interest rates that vary with base rates.



# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2007**

### **16 Share capital**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
<b>Equity</b>		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
1,750,000 Ordinary shares of £1 each	<u>1,750,000</u>	<u>1,750,000</u>

### **17 Reserves**

	<b>Profit and loss reserve</b>
	<b>£</b>
Balance at 1 January 2007	1,012,963
Transfer from profit and loss account for the year	692,934
Dividends	<u>(272,000)</u>
Balance at 31 December 2007	<u>1,433,897</u>

### **18 Reconciliation of movements in shareholders' funds**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit attributable to members of the company	692,934	432,511
Dividends	<u>(272,000)</u>	<u>(188,000)</u>
	420,934	244,511
Opening equity shareholders' funds	<u>2,762,963</u>	<u>2,518,452</u>
Closing equity shareholders' funds	<u>3,183,897</u>	<u>2,762,963</u>

## Bibby Factors Yorkshire Limited

### Notes to the Financial Statements for the Year Ended 31 December 2007

#### 19 Contingent liabilities

The company has guaranteed the banking facilities of its fellow group undertakings -

Bibby Factors Borehamwood Limited  
 Bibby Factors Bristol Limited  
 Bibby Factors Bedford Limited  
 Bibby Factors International Limited  
 Bibby Factors Leicester 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 Limited  
 Bibby Financial Services Limited  
 Bibby Group of Factors Limited  
 Bibby Invoice Discounting Limited  
 Bibby Trade Factors Limited

#### 20 Operating lease commitments

As at 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings		Other	
	2007 £	2006 £	2007 £	2006 £
Within one year	14,734	300	3,535	5,384
Between two and five years	-	-	36,928	9,142
Over five years	32,500	38,247	-	-
	<u>47,234</u>	<u>38,547</u>	<u>40,463</u>	<u>14,526</u>

## **Bibby Factors Yorkshire Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2007**

#### **21 Pension schemes**

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

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £25,657 (2006 - £21,112).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

##### **Defined benefit pension scheme**

The company participates 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. The latest actuarial valuation of the Scheme was carried out by a qualified independent actuary as at 6 April 2005 using the projected unit method and showed the Scheme to be 88% funded. Further actuarial information is given in the accounts of Bibby Line Group Limited. The contributions made by the company over the financial year to this Scheme have been £Nil (2006 - £Nil), equivalent to 18.1% (2006 - 18.1%) of pensionable pay.

As part of the information disclosed under FRS17 in the ultimate holding company's accounts, a net deficit of £6,366,000 (2006 - £10,716,000) is noted. Further information can be found in the financial statements of the ultimate holding company.

#### **22 Controlling entity**

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.bibbygroup.co.uk](http://www.bibbygroup.co.uk)