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Registration number: 04918173

Bibby Factors Yorkshire Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2008

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Bibby Factors Yorkshire Limited

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Bibby Factors Yorkshire Limited
Company Information

| | |
|--------------------------|--|
| Chairman | James Brydon |
| Directors | David Albert Robertson Ian Downing Nicholas Simon Hart James Brydon Edward John Rimmer Graham Cooper (appointed 1 January 2008) |
| Secretary | Bibby Bros. & Co. (Management) Limited |
| Registered office | 105 Duke Street Liverpool L1 5JQ |
| Auditors | Deloitte LLP Chartered Accountants and Registered Auditors Liverpool United Kingdom |

Bibby Factors Yorkshire Limited
Directors' Report for the Year Ended 31 December 2008

The directors present their report and the audited financial statements for the year ended 31 December 2008.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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; 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 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.

Auditors

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 auditors are 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 are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

KPMG LLP resigned as auditors on 21 October 2008. The Directors appointed Deloitte & Touche LLP to fill the casual vacancy.

On 1 December 2008 the company's auditors subsequently changed their name from Deloitte & Touche LLP to Deloitte LLP.

Deloitte LLP have expressed their willingness to continue in office as auditors and a members' written resolution to reappoint them until the end of the next period for appointing auditors in accordance with the provisions of Part 16 of the Companies Act 2006 will be proposed to the members by the directors.

Bibby Factors Yorkshire Limited
Directors' Report for the Year Ended 31 December 2008

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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. The directors do not expect any significant change to the activities of the company.

Results and dividend

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

An interim ordinary dividend of £437,000 (2007 - £272,000) was paid during the year.

Directors

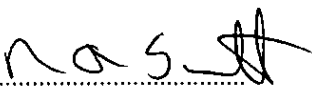
The directors who held office during the year were as follows:

- David Albert Robertson
- Ian Downing
- Nicholas Simon Hart
- James Brydon
- Edward John Rimmer
- Graham Cooper (appointed 1 January 2008)

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 21 May 2009 and signed on its behalf by:

..... 

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

Independent Auditors' Report to the Member of Bibby Factors Yorkshire Limited

We have audited the financial statements of Bibby Factors Yorkshire Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. 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 directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 an 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 Member of
Bibby Factors Yorkshire Limited

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Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 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.

DELOITTE LLP

Deloitte LLP

Chartered Accountants and Registered Auditors

Liverpool, UK

21 May 2009

Bibby Factors Yorkshire Limited
Profit and Loss Account for the Year Ended 31 December 2008

| | Note | 2008 £ | 2007 £ |
|--|------|-------------------------|-----------------------|
| Turnover | 2 | 5,109,149 | 4,543,703 |
| Cost of sales | | (2,654,276) | (2,785,057) |
| Operating profit | 3 | <u>2,454,873</u> | <u>1,758,646</u> |
| Interest payable and similar charges | 6 | (680,985) | (740,733) |
| Profit on ordinary activities before taxation | | <u>1,773,888</u> | <u>1,017,913</u> |
| Tax on profit on ordinary activities | 7 | (428,961) | (324,979) |
| Profit for the financial year | 14 | <u><u>1,344,927</u></u> | <u><u>692,934</u></u> |

Turnover and operating profit in both periods derive wholly from continuing operations.

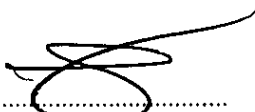
The company has no recognised gains or losses for the year other than the results above. Consequently no separate statement of total recognised gains and losses has been presented.

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 2008

| | | 2008 | 2007 |
|---|------|-------------------|-------------------|
| | Note | £ | £ |
| Fixed assets | | | |
| Intangible assets | 9 | - | - |
| Tangible assets | 10 | 68,279 | 18,569 |
| | | <u>68,279</u> | <u>18,569</u> |
| Current assets | | | |
| Debtors | 11 | 38,321,322 | 33,267,164 |
| Cash at bank and in hand | | 536,389 | 1,621,305 |
| | | <u>38,857,711</u> | <u>34,888,469</u> |
| Creditors: Amounts falling due within one year | 12 | (34,834,166) | (31,723,141) |
| Net current assets | | <u>4,023,545</u> | <u>3,165,328</u> |
| Net assets | | <u>4,091,824</u> | <u>3,183,897</u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 1,750,000 | 1,750,000 |
| Profit and loss reserve | 14 | 2,341,824 | 1,433,897 |
| Shareholders' funds | 15 | <u>4,091,824</u> | <u>3,183,897</u> |

Approved by the Board on 21 May 2009 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 2008

1 Accounting policies

The following accounting policies have been applied consistently in both the current and preceeding year.

Basis of preparation

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

Going concern

These 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 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 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.

Cash flow statement

The cashflows of the company are included in the consolidated group cashflows of its parent company, Bibby Financial Services Limited. Consequently the company is exempt from the requirement to publish a cash flow statement under the provisions of Financial Reporting Standard 1 (Revised).

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% |
|------------------|--------------|

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.

Bibby Factors Yorkshire Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

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Taxation

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 substantially enacted, at the balance sheet date.

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.

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.

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.

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.

Bibby Factors Yorkshire Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

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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.

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 cash advanced to clients net of appropriate factoring fees.

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

2 Turnover

Turnover, which is derived from within the United Kingdom, is the factoring income earned. Debts factored were £241,902,000 (2007 - £206,474,000).

3 Operating profit

Operating profit is stated after charging:

| | 2008 | 2007 |
|---|--------|---------|
| | £ | £ |
| Hire of plant and machinery (Operating Leases) | - | 7,536 |
| Fees payable to the company's auditors for the audit of the company's annual accounts | 7,200 | 7,200 |
| Depreciation of owned tangible fixed assets | 17,937 | 19,295 |
| Property Rental | 74,518 | 50,180 |
| Amortisation of intangible fixed assets | - | 591,900 |

Auditors' remuneration in 2007 relates solely to payments made to the company's previous auditors, KPMG LLP.

Bibby Factors Yorkshire Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

4 Particulars of employees

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

| | 2008 No. | 2007 No. |
|----------------|---------------------|---------------------|
| Administration | <u>31</u> | <u>30</u> |

The aggregate payroll costs of these persons were as follows:

| | 2008 £ | 2007 £ |
|---------------------|-------------------|-------------------|
| Wages and salaries | 1,026,138 | 890,590 |
| Social security | 85,968 | 74,759 |
| Other pension costs | 24,526 | 25,657 |
| | <u>1,136,632</u> | <u>991,006</u> |

5 Directors' emoluments

The directors' emoluments for the year are as follows:

| | 2008 £ | 2007 £ |
|--|-------------------|-------------------|
| Directors' emoluments (including benefits in kind) | 176,702 | 105,571 |
| Directors' pension contributions | 6,462 | 3,160 |
| | <u>183,164</u> | <u>108,731</u> |

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

| | 2008 No. | 2007 No. |
|----------------|---------------------|---------------------|
| Money purchase | <u>2</u> | <u>1</u> |

6 Interest payable and similar charges

| | 2008 £ | 2007 £ |
|--|-------------------|-------------------|
| Interest payable to group undertakings | <u>680,985</u> | <u>740,733</u> |

Bibby Factors Yorkshire Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

7 Taxation

Analysis of current period tax charge

| | 2008 | 2007 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Current tax | | |
| Corporation tax charge | <u>433,961</u> | <u>324,679</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | <u>(5,000)</u> | <u>300</u> |
| Total tax on profit on ordinary activities | <u><u>428,961</u></u> | <u><u>324,979</u></u> |

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2007 - higher than) the standard rate of corporation tax in the UK of 28.50% (2007 - 30.00%).

The differences are reconciled below:

| | 2008 | 2007 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Profit on ordinary activities before taxation | <u>1,773,888</u> | <u>1,017,913</u> |
| Standard rate corporation tax charge | 505,558 | 305,374 |
| Expenses not deductible for tax purposes | (18,953) | 18,966 |
| Accelerated capital allowances | 5,112 | 339 |
| Adjustments in respect of previous years | <u>(57,756)</u> | <u>-</u> |
| Total current tax for the year | <u><u>433,961</u></u> | <u><u>324,679</u></u> |

8 Dividends

| | 2008 | 2007 |
|------------------|----------------|----------------|
| | £ | £ |
| Equity dividends | <u>437,000</u> | <u>272,000</u> |

Bibby Factors Yorkshire Limited
Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

9 Intangible fixed assets

| | Goodwill £ |
|---|-----------------------|
| Cost | |
| As at 1 January 2008 and 31 December 2008 | <u>2,611,054</u> |
| Amortisation | |
| As at 1 January 2008 and 31 December 2008 | <u>2,611,054</u> |
| Net book value | |
| As at 31 December 2008 | <u>-</u> |
| As at 31 December 2007 | <u>-</u> |

10 Tangible fixed assets

| | Office equipment £ |
|------------------------|-----------------------------------|
| Cost | |
| As at 1 January 2008 | 195,854 |
| Additions | <u>67,647</u> |
| As at 31 December 2008 | <u>263,501</u> |
| Depreciation | |
| As at 1 January 2008 | 177,285 |
| Charge for the year | <u>17,937</u> |
| As at 31 December 2008 | <u>195,222</u> |
| Net book value | |
| As at 31 December 2008 | <u>68,279</u> |
| As at 31 December 2007 | <u>18,569</u> |

Bibby Factors Yorkshire Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

11 Debtors

| | 2008 | 2007 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Trade debtors | 38,219,696 | 33,228,896 |
| Amounts owed by group undertakings | 2,956 | - |
| Other debtors | - | 115 |
| Deferred tax | 15,100 | 10,100 |
| Prepayments and accrued income | 83,570 | 28,053 |
| | <u>38,321,322</u> | <u>33,267,164</u> |

Deferred tax

Deferred tax is provided at 28.00% (2007 - 28.00%).

| | 2008 | 2007 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Accelerated capital allowances | <u>15,100</u> | <u>10,100</u> |

Deferred tax

| | 2008 | 2007 |
|---|---------------|---------------|
| | £ | £ |
| As at 1 January | 10,100 | 10,400 |
| Deferred tax credit/(charge) for the year | <u>5,000</u> | <u>(300)</u> |
| As at 31 December | <u>15,100</u> | <u>10,100</u> |

12 Creditors: Amounts falling due within one year

| | 2008 | 2007 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Trade creditors | 22,010,021 | 17,892,130 |
| Amounts owed to group undertakings | 12,071,775 | 13,002,067 |
| Corporation tax | 433,961 | 324,679 |
| Social security and other taxes | 59,810 | 116,388 |
| Other creditors | 915 | - |
| Accruals and deferred income | <u>257,684</u> | <u>387,877</u> |
| | <u>34,834,166</u> | <u>31,723,141</u> |

Bibby Factors Yorkshire Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

13 Share capital

| | 2008 £ | 2007 £ |
|---|------------------|------------------|
| Authorised | | |
| Equity | | |
| 2,000,000 Ordinary shares of £1 each | <u>2,000,000</u> | <u>2,000,000</u> |
| Allotted, called up and fully paid | | |
| Equity | | |
| 1,750,000 Ordinary shares of £1 each | <u>1,750,000</u> | <u>1,750,000</u> |

14 Reserves

| | Profit and loss reserve £ |
|--|---------------------------------|
| Balance at 1 January 2008 | 1,433,897 |
| Transfer from profit and loss account for the year | 1,344,927 |
| Dividends | <u>(437,000)</u> |
| Balance at 31 December 2008 | <u>2,341,824</u> |

15 Reconciliation of movements in shareholder's funds

| | 2008 £ | 2007 £ |
|---|----------------------|----------------------|
| Profit attributable to members of the company | 1,344,927 | 692,934 |
| Dividends | <u>(437,000)</u> | <u>(272,000)</u> |
| | 907,927 | 420,934 |
| Opening equity shareholder's funds | <u>3,183,897</u> | <u>2,762,963</u> |
| Closing equity shareholder's funds | <u>4,091,824</u> | <u>3,183,897</u> |

Bibby Factors Yorkshire Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... continued

16 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

17 Operating lease commitments

As at 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

| | Land and Buildings | | Other | |
|---------------------------|--------------------|---------------|--------------|---------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Within one year | - | 14,734 | 3,317 | 3,535 |
| Within two and five years | 32,339 | - | - | 36,928 |
| Over five years | - | 32,500 | - | - |
| | <u>32,339</u> | <u>47,234</u> | <u>3,317</u> | <u>40,463</u> |

18 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 £24,526 (2007 - £25,657).

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

Bibby Factors Yorkshire Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

..... *continued*

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 company 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 Scheme was closed to new entrants from 1 April 2000.

The contributions made by the Company over the financial year to this Scheme were £nil (2007 - £12,243) and are equivalent to 18.1% of pensionable pay.

19 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.bibbylinegroup.co.uk