

**SIGNED**

Registration number 04918173

# Bibby Factors Yorkshire Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2012

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**Bibby Factors Yorkshire Limited**  
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**Bibby Factors Yorkshire Limited**  
**Company Information**

<b>Directors</b>	Ian Downing Mark Lyndon Storey Edward James Winterton
<b>Company secretary</b>	Bibby Bros & Co (Management) Limited
<b>Registered office</b>	105 Duke Street Liverpool L1 5JQ
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor Liverpool United Kingdom

**Bibby Factors Yorkshire Limited**  
**Directors' Report for the Year Ended 31 December 2012**

The directors present their report and the financial statements for the year ended 31 December 2012

**Directors of the company**

The directors who held office during the year and to the date of this report were as follows

Ian Downing

Edward John Rimmer (resigned 1 February 2012)

Mark Lyndon Storey

Andrew Mackie Macgregor Tait - Chairman (resigned 1 September 2012)

Edward James Winterton (appointed 1 September 2012)

**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 renewed in 2010 until July 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 that information

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

**Small company provisions**

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

**Bibby Factors Yorkshire Limited**  
**Directors' Report for the Year Ended 31 December 2012**

*..... continued*

Approved by the Board on 22 March 2013 and signed on its behalf by



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

Bibby Bros & Co (Management) Limited  
Company secretary

**Bibby Factors Yorkshire 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 Yorkshire Limited**

We have audited the financial statements of Bibby Factors Yorkshire Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the 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 4), 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 2012 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 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 Yorkshire 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



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

22 March 2013



**Bibby Factors Yorkshire Limited**  
**Profit and Loss Account for the Year Ended 31 December 2012**

	Note	2012 £	2011 £
Turnover	2	6,428,683	6,283,495
Cost of sales		<u>(3,324,098)</u>	<u>(3,145,353)</u>
Operating profit	3	3,104,585	3,138,142
Interest payable and similar charges	6	<u>(432,968)</u>	<u>(370,433)</u>
Profit on ordinary activities before taxation		2,671,617	2,767,709
Tax on profit on ordinary activities	7	<u>(657,130)</u>	<u>(741,730)</u>
Profit for the financial year	14	<u><u>2,014,487</u></u>	<u><u>2,025,979</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 Yorkshire Limited**  
**(Registration number: 04918173)**  
**Balance Sheet at 31 December 2012**

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Tangible fixed assets	8	<u>8,765</u>	<u>31,260</u>
<b>Current assets</b>			
Debtors	9	34,655,342	36,394,954
Cash at bank and in hand		<u>1,014,289</u>	<u>1,484,697</u>
		35,669,631	37,879,651
Creditors Amounts falling due within one year	10	<u>(29,464,580)</u>	<u>(31,704,391)</u>
Net current assets		<u>6,205,051</u>	<u>6,175,260</u>
Total assets less current liabilities		6,213,816	6,206,520
Creditors Amounts falling due after more than one year	11	<u>(267,019)</u>	<u>(268,210)</u>
Net assets		<u><u>5,946,797</u></u>	<u><u>5,938,310</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	1,750,000	1,750,000
Profit and loss account	14	<u>4,196,797</u>	<u>4,188,310</u>
Shareholder's funds	15	<u><u>5,946,797</u></u>	<u><u>5,938,310</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board on 22 March 2013 and signed on its behalf by

  
Ian Downing  
Director

## **Bibby Factors Yorkshire Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2012**

#### **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, which have been applied consistently throughout the year and the preceding year

##### **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 Consolidated financial statements including the company are publicly available

##### **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 its subsidiaries The Group's funding facilities were renewed in 2010 until July 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 the 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 and rate</b>
Office equipment	20% - 33 33%

## **Bibby Factors Yorkshire Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2012**

*..... 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 rates 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 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 Yorkshire Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2012**

**..... 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 charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

### **2 Turnover**

Turnover, which is derived from within the United Kingdom, is the factoring income earned. Debts factored during the year were £267,874,000 (2011 - £255,985,000).

### **3 Operating profit**

Operating profit is stated after charging

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Operating leases - other assets	99,309	102,965
Auditor's remuneration - The audit of the company's annual accounts	8,400	7,600
Depreciation of owned assets	<u>22,495</u>	<u>20,254</u>

# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2012**

*..... continued*

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

	2012 No	2011 No.
Administration and support	<u>38</u>	<u>40</u>

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	1,247,487	1,107,727
Social security costs	112,536	110,330
Staff pensions	<u>37,988</u>	<u>28,022</u>
	<u>1,398,011</u>	<u>1,246,079</u>

### **5 Directors' remuneration**

The directors' remuneration for the year was as follows

	2012 £	2011 £
Remuneration (including money purchase pension scheme contributions)	<u>107,502</u>	<u>171,113</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2012 No.	2011 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>2</u>

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

	2012 £	2011 £
Interest on bank borrowings	3,237	211,467
Interest on loans from group undertakings	<u>429,731</u>	<u>158,966</u>
	<u>432,968</u>	<u>370,433</u>

# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2012**

..... *continued*

### **7 Taxation**

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Corporation tax charge	659,130	741,630
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,000)	100
<b>Total tax on profit on ordinary activities</b>	<u>657,130</u>	<u>741,730</u>

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

Tax on profit on ordinary activities for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)

The differences are reconciled below

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>2,671,617</u>	<u>2,767,709</u>
Corporation tax at standard rate	654,546	733,443
Accelerated capital allowances	1,862	433
Expenses not deductible for tax purposes	<u>2,722</u>	<u>7,754</u>
<b>Total current tax</b>	<u>659,130</u>	<u>741,630</u>

# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2012**

..... *continued*

### **8 Tangible fixed assets**

	Office equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2012	281,794	281,794
<b>Depreciation</b>		
At 1 January 2012	250,534	250,534
Charge for the year	22,495	22,495
At 31 December 2012	273,029	273,029
<b>Net book value</b>		
At 31 December 2012	8,765	8,765
At 31 December 2011	31,260	31,260

### **9 Debtors**

	2012 £	2011 £
Trade debtors	34,601,464	36,219,639
Deferred tax	13,200	11,200
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	41,543
Other debtors	40,678	122,572
	34,655,342	36,394,954

Debtors includes £nil (2011 - £nil) receivable after more than one year

#### **Deferred tax**

Deferred tax is provided at 23.00% (2011 - 25.00%)

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

	£
At 1 January 2012	11,200
Deferred tax credited to the profit and loss account	2,000
At 31 December 2012	13,200



# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2012**

..... *continued*

### **Analysis of deferred tax**

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
Difference between accumulated depreciation and amortisation and capital allowances	<u>13,200</u>	<u>11,200</u>
	<u><u>13,200</u></u>	<u><u>11,200</u></u>

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

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
Trade creditors	14,559,841	16,288,344
Amounts owed to group undertakings and undertakings in which the company has a participating interest	13,572,701	14,160,126
Corporation tax	659,130	741,630
Other taxes and social security	239,744	284,563
Other creditors	<u>433,164</u>	<u>229,728</u>
	<u><u>29,464,580</u></u>	<u><u>31,704,391</u></u>

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

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
Bank loans and overdrafts	<u>267,019</u>	<u>268,210</u>

The bank loans are part of a bank facility, expiring in July 2014, 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**

	<b>2012</b>		<b>2011</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>

# **Bibby Factors Yorkshire Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2012**

*..... continued*

### **13 Dividends**

	<b>2012 £</b>	<b>2011 £</b>
<b>Dividends paid</b>		
Current year interim dividend paid	<u>2,006,000</u>	<u>1,941,000</u>

### **14 Reserves**

	<b>Profit and loss account £</b>
At 1 January 2012	4,188,310
Profit for the year	2,014,487
Dividends	<u>(2,006,000)</u>
At 31 December 2012	<u>4,196,797</u>

### **15 Reconciliation of movement in shareholder's funds**

	<b>2012 £</b>	<b>2011 £</b>
Profit attributable to the shareholder of the company	2,014,487	2,025,979
Dividends	<u>(2,006,000)</u>	<u>(1,941,000)</u>
Net addition to shareholder's funds	8,487	84,979
Shareholder's funds at 1 January	<u>5,938,310</u>	<u>5,853,331</u>
Shareholder's funds at 31 December	<u>5,946,797</u>	<u>5,938,310</u>

## **Bibby Factors Yorkshire Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2012**

*..... continued*

#### **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 £37,988 (2011 - £28,022)

Contributions totalling £nil (2011 - £nil) were payable to the scheme at the end of the year and are included in creditors

##### **Defined benefit pension schemes**

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 and to accruals for existing members from 30 September 2011.

The company made contributions of £nil (2011 - £28,635) to the scheme during the year.

Contributions payable to the pension scheme at the end of the year are £nil (2011 - £nil)

##### **Financial Reporting Standard 17 Disclosures**

As noted above and under accounting policies, the company participates in the Scheme. As part of the information disclosed under Financial Reporting Standard 17 in the ultimate holding company's accounts, a net deficit of £14,782,000 (2011 - £11,967,000) is noted. Further information can be found in the financial statements of the ultimate holding company.

## **Bibby Factors Yorkshire Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2012**

*..... continued*

#### **17 Commitments**

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

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Within one year	<u>101,891</u>	<u>105,474</u>
<b>Other</b>		
Within one year	10,191	9,575
Within two and five years	<u>12,102</u>	<u>16,796</u>
	<u>22,293</u>	<u>26,371</u>

##### **Other commitments**

The company had not entered into any capital, nor other financial commitments, as at the year end (2011 - none)

#### **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)