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**BIBBY FACTORS LIMITED**

**FINANCIAL STATEMENTS FOR THE**

**YEAR ENDED 31 DECEMBER 2000**



## BIBBY FACTORS LIMITED

### IMMEDIATE PARENT UNDERTAKING

Bibby Group of Factors Limited

### ULTIMATE PARENT UNDERTAKING

Bibby Line Group Limited

### DIRECTORS

David Albert Robertson - Chairman  
Philip John Mole - Managing Director  
Ian Downing  
David Rawlinson  
Amanda Jayne de Courcy

### SECRETARY

Bibby Bros. & Co. (Management) Limited

### REGISTERED OFFICE

105 Duke Street  
Liverpool  
L1 5JQ

Incorporated in England and Wales  
Registered No. 388715

### AUDITORS

PricewaterhouseCoopers  
8 Princes Parade  
St. Nicholas Place  
Liverpool  
L3 1QJ

**BIBBY FACTORS LIMITED**

**NOTICE OF MEETING**

Notice is hereby given, that the Annual General Meeting of the Company will be held on 14 May 2001 at 105 Duke Street, Liverpool for the following purposes:

To consider the attached Directors' Report and Financial Statements for the year ended 31 December 2000.

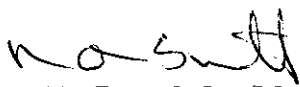
To re-elect Directors.

To re-appoint PricewaterhouseCoopers as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix the remuneration of the Auditors.

To transact any other ordinary business.

A member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member.

By order of the Board



Bibby Bros. & Co. (Management) Limited  
Secretary

12 March 2001

## BIBBY FACTORS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The Directors present their Report and together with the Audited Financial Statements for the year ended 31 December 2000.

#### ACTIVITIES

The activity of the Company during the year continued to be debt factoring.

#### TRADING RESULT

The result for the year is set out in the Profit and Loss Account.

#### DEVELOPMENT OF BUSINESS

The business suffered a significant increase in client losses during 2000 and, as a result of these losses, there was a fall in the amount of debt factored. These losses, combined with increased overheads, resulted in a fall in the Company's pre-tax profits. However, the Directors are confident that 2001 will see the Company enjoying a significant increase in debt factored and consequently, profitability.

#### CHANGES IN FIXED ASSETS

The changes in fixed assets are set out in Note 7 to the Accounts.

#### DIVIDEND

The Directors propose that a dividend of 58p (1999 - 74.9p) per share be paid to the holders of the £1 Ordinary Shares in respect of the year ended 31 December 2000.

#### DIRECTORS

The names of the persons who were Directors of the Company during the year were:

D. A. Robertson - Chairman  
P. J. Mole - Managing Director  
I. Downing  
D. Rawlinson  
A. J. de Courcy - Appointed 15 May 2000

None of the Directors held any interests in the shares of the Company or the Bibby Line Group companies.

## BIBBY FACTORS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000 (Continued)

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the Directors are required to:

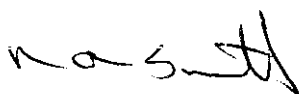
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the 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

PricewaterhouseCoopers have expressed their willingness to continue in office as Auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By Order of the Board



Bibby Bros. & Co. (Management) Limited  
Secretary

12 March 2001

## BIBBY FACTORS LIMITED

### AUDITORS' REPORT TO THE MEMBERS OF BIBBY FACTORS LIMITED

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

#### **Respective Responsibilities of Directors and Auditors**

The Directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

#### **Basis of Audit Opinion**

We conducted our audit in accordance with Auditing Standards 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.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
Liverpool

12 March 2001

BIBBY FACTORS LIMITED

PROFIT & LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
Turnover	2	5,180,449	5,233,802
Operating Costs - Administration		(2,767,903)	(2,357,299)
Operating Profit		2,412,546	2,876,503
Interest Payable	3	(773,424)	(868,862)
Profit on Ordinary Activities Before Taxation	4	1,639,122	2,007,641
Taxation	5	(479,800)	(510,000)
Profit for the Financial Year		1,159,322	1,497,641
Dividend Payable	6	(580,000)	(749,000)
Amount Transferred to Reserves	12	<u>579,322</u>	<u>748,641</u>

There are no recognised gains or losses in 2000 or 1999 other than those dealt with in the profit and loss account.

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

There is no difference between the profit stated above, and its historical cost equivalent.

The notes on pages 8 to 14 form part of these financial statements.

BIBBY FACTORS LIMITED

BALANCE SHEET  
31 DECEMBER 2000

	Note	2000 £	1999 £
FIXED ASSETS:			
Tangible Assets	7	<u>298,251</u>	<u>320,739</u>
CURRENT ASSETS:			
Debtors	8	30,362,937	31,824,055
Cash at Bank and in Hand		<u>265</u>	<u>202</u>
		30,363,202	31,824,257
Creditors (amounts falling due within one year)	9	<u>(19,432,893)</u>	<u>(24,143,341)</u>
Net Current Assets		<u>10,930,309</u>	<u>7,680,916</u>
Total Assets less Current Liabilities		<u>11,228,560</u>	<u>8,001,655</u>
Creditors (amounts falling due after more than one year)	9	<u>7,472,212</u>	<u>4,824,629</u>
CAPITAL AND RESERVES:			
Called Up Share Capital	11	1,000,000	1,000,000
Profit and Loss Account	12	<u>2,756,348</u>	<u>2,177,026</u>
Equity Shareholders' Funds	13	<u>3,756,348</u>	<u>3,177,026</u>
		<u>11,228,560</u>	<u>8,001,655</u>

Approved by the Board on 12 March 2001



I. Downing  
Director

The notes on pages 8 to 14 form part of these financial statements.



BIBBY FACTORS LIMITED

NOTES TO THE ACCOUNTS  
31 DECEMBER 2000

1. ACCOUNTING POLICIES

**Accounting Basis**

The Accounts for the Company are presented on the basis of historical cost accounting conventions and in accordance with applicable accounting standards.

**Fixed Assets**

Fixed Assets are included at cost less accumulated depreciation.

Depreciation is provided to write-off the assets over their useful life on a straight line basis as follows:-

Plant and Equipment	- Between three and five years
Leasehold Improvements	- The lower of ten years or remaining life of the lease

**Deferred Taxation**

Provision for deferred taxation resulting from accelerated tax depreciation allowances and other timing differences is made where a corporation tax liability or asset might arise within the foreseeable future.

**Operating Leases**

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

**Pension Costs**

The cost of providing pensions is charged against profit on a systematic basis with pension surpluses arising allocated over the expected remaining service lives of current employees. Differences between the amounts charged in the profit and loss account and payments made to the pension scheme are treated as assets or liabilities. Payments to the defined contribution scheme are charged as incurred.

**Cash Flows**

A statement of group cash flows has been included in the consolidated accounts presented by the ultimate parent undertaking. Accordingly, no statement is presented within these accounts.

**Related Party Transactions**

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

**Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated at closing rates.

**Acceptance Credits**

The Company finances its factoring operations through acceptance credits arranged with several banks. Interest on such credits is paid on receipt of the loan at bank L.I.B.O.R. plus a small premium.

# BIBBY FACTORS LIMITED

## NOTES TO THE ACCOUNTS 2000 (CONTINUED)

### 2. TURNOVER

Turnover, which is all derived from within the United Kingdom, is the factoring income earned.

Debts factored were £198,236,000 (1999 - £221,584,000).

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On Loans from Parent Undertakings	314,322	303,283
On Bank Loans and Overdrafts	<u>459,102</u>	<u>565,579</u>
	<u>773,424</u>	<u>868,862</u>

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging the following amounts:-

	2000 £	1999 £
Staff Costs:		
Wages and Salaries	1,250,510	1,181,916
Social Security Costs	104,389	101,020
Pension Costs	78,240	51,017
Interest on Loans Wholly Repayable Within Five Years	773,424	868,862
Depreciation	145,127	144,421
Hire of Plant and Equipment	78,481	78,913
Rental of Properties	130,917	120,802
Auditors' Fees and Expenses	<u>5,800</u>	<u>2,500</u>

### 5. TAXATION

	2000 £	1999 £
Deferred Tax (Credit)/Charge	(65,200)	82,000
Payment for Group Relief	545,000	432,000
Adjustment for Group Relief in Respect of Previous Years	<u>-</u>	<u>( 4,000)</u>
	<u>479,800</u>	<u>510,000</u>

BIBBY FACTORS LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

6. DIVIDEND PAYABLE

	2000 £	1999 £
On Ordinary Shares of £1 Each		
Proposed 58p (1999 - 74.9p)	<u>580,000</u>	<u>749,000</u>

7. TANGIBLE ASSETS

	Leasehold Improvements £	Plant and Equipment £	Total £
<b>Cost</b>			
At 1 January 2000	197,800	507,473	705,273
Additions	<u>-</u>	<u>122,639</u>	<u>122,639</u>
At 31 December 2000	<u>197,800</u>	<u>630,112</u>	<u>827,912</u>
<b>Accumulated Depreciation</b>			
At 1 January 2000	77,244	307,290	384,534
Charge for the Year	<u>32,305</u>	<u>112,822</u>	<u>145,127</u>
At 31 December 2000	<u>109,549</u>	<u>420,112</u>	<u>529,661</u>
Net Book Amount at 31 December 2000	<u>88,251</u>	<u>210,000</u>	<u>298,251</u>
Net Book Amount at 1 January 2000	<u>120,556</u>	<u>200,183</u>	<u>320,739</u>

8. DEBTORS

	2000 £	1999 £
Trade Debtors	30,116,768	31,634,357
Prepayments and Accrued Income	123,547	133,054
Amount Owed by Parent Undertaking	7,222	6,444
Deferred Tax (See Note 10)	<u>115,400</u>	<u>50,200</u>
	<u>30,362,937</u>	<u>31,824,055</u>

BIBBY FACTORS LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

9. CREDITORS

	2000 £	1999 £
<b>(Amounts Falling Due within One Year)</b>		
Trade Creditors	13,270,252	15,214,785
Amount Owed to Ultimate Parent Undertaking	545,000	432,020
Amount Owed to Parent Undertaking	4,785,638	7,408,302
Accruals and Deferred Income	136,409	208,287
Other Taxation and Social Security	115,594	130,947
Proposed Dividend	<u>580,000</u>	<u>749,000</u>
	<u>19,432,893</u>	<u>24,143,341</u>

**(Amounts Falling Due After More Than One Year)**

Bank Overdraft/Acceptance Credits	<u>7,472,212</u>	<u>4,824,629</u>
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Bank Overdraft/Acceptance Credits are repayable as follows:

Between One and Two Years	-	2,631,616
Between Two and Five Years	<u>7,472,212</u>	<u>2,193,013</u>
	<u>7,472,212</u>	<u>4,824,629</u>

The overdraft and acceptance credits 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.

10. DEFERRED TAXATION ASSET

	£
At 1 January 2000	50,200
Profit and Loss - Credit	<u>65,200</u>
At 31 December 2000	<u>115,400</u>

The amounts of deferred taxation recognised and unrecognised at 30% (1999 - 30%) are as follows:

	Recognised		Unrecognised	
	2000 £	1999 £	2000 £	1999 £
Accelerated Capital Allowances	4,900	(1,700)	3,300	(1,100)
Other Timing Differences	<u>110,500</u>	<u>51,900</u>	<u>73,600</u>	<u>34,600</u>
	<u>115,400</u>	<u>50,200</u>	<u>76,900</u>	<u>33,500</u>

BIBBY FACTORS LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

11. CALLED UP SHARE CAPITAL

	2000 £	1999 £
<b>Allotted and Fully Paid:</b>		
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Authorised:</b>		
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

12. RESERVES

	Profit & Loss Account £
At 1 January 2000	2,177,026
Amount Transferred To Reserves for the Financial Year	<u>579,322</u>
At 31 December 2000	<u>2,756,348</u>

13. MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the Financial Year	1,159,322	1,497,641
Dividends	( 580,000)	( 749,000)
Net Addition to Shareholders' Funds	579,322	748,641
Opening Shareholders' Funds	<u>3,177,026</u>	<u>2,428,385</u>
Closing Shareholders' Funds	<u>3,756,348</u>	<u>3,177,026</u>

# BIBBY FACTORS LIMITED

## NOTES TO THE ACCOUNTS 2000 (CONTINUED)

### 14. DIRECTORS' EMOLUMENTS

	2000 £	1999 £
The total emoluments were:		
Emoluments	198,410	165,319
Pension Contributions	<u>12,028</u>	<u>10,883</u>
	<u>210,438</u>	<u>176,202</u>

Contributions were made in respect of two (1999 - two) of the Company's Directors to a defined benefit pension scheme. The emoluments, excluding pension contributions of the Chairman were £Nil (1999 - £Nil) and the highest paid Director £109,151 (1999 - £106,921). The accrued annual pension entitlement of the highest paid Director at 31 December 2000 was £12,012.

### 15. CAPITAL COMMITMENTS

Capital expenditure for which contracts had been placed which are not otherwise provided for in these accounts at 31 December 2000 amounted to Nil (1999 - £Nil).

### 16. CONTINGENT LIABILITIES

The Company has guaranteed the banking facilities of its fellow group undertakings, Bibby Financial Services Limited, Bibby Group of Factors Limited, Bibby Factors Northwest Limited, Bibby Factors Slough Limited, Bibby Factors West Midlands Limited, Bibby Factors Bristol Limited, Bibby Factors Leicester Limited, Bibby Factors Northeast Limited, Bibby Factors Scotland Limited, Bibby Factors Sussex Limited, Bibby Factors International Limited and Bibby Invoice Discounting Limited. The liability covered by this guarantee at 31 December 2000 was £64,310,830 (1999 - £62,844,110).

### 17. PARTICULARS OF EMPLOYEES

	2000	1999
The average number of persons employed by the Company during the year was	<u>63</u>	<u>67</u>

All employees are engaged in factoring.

## BIBBY FACTORS LIMITED

### NOTES TO THE ACCOUNTS 2000 (CONTINUED)

#### 18. PENSION COSTS

A number of the Company's employees are members of the Bibby Line Group's defined benefit pension scheme. The assets of the scheme are held separately from those of the Group and are invested with an insurance company. The Scheme was closed to new entrants from 1 April 2000.

The latest actuarial valuation was at 6 April 2000 and showed the scheme to be 94% funded. Contributions are determined in accordance with independent actuarial advice. Further actuarial information is given in the accounts of Bibby Line Group Limited.

Since 1 April 2000, Bibby Line Group has operated a money purchase scheme for new employees.

The pension charge for the year is given in Note 4.

#### 19. OPERATING LEASE COMMITMENTS

	2000 £	1999 £
Annual Commitments Under Operating Leases Which Expire:-		
Within One Year:		
- Vehicles, Plant and Equipment	16,378	6,460
Between Two and Five Years:		
- Property	108,625	105,625
- Vehicles, Plant and Equipment	66,767	72,415
In More Than Five Years:		
- Property	<u>61,500</u>	<u>61,500</u>
	<u>253,270</u>	<u>246,000</u>

#### 20. PARENT UNDERTAKINGS

The Company is a wholly owned subsidiary undertaking of Bibby Group of Factors Limited which is a wholly owned subsidiary of Bibby Financial Services Limited (formerly Bibby Financial Services (Holdings) Limited) which is itself a wholly owned subsidiary undertaking of Bibby Line Group Limited. Bibby Line Group Limited is the parent undertaking of the smallest and largest group which consolidates these accounts and of which the Company is a member.

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