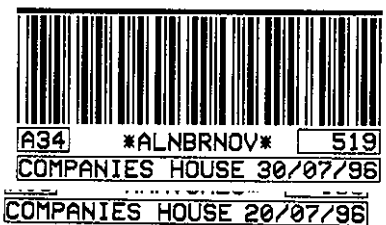


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BIBBY FACTORS LIMITED  
FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 1995

388



BIBBY FACTORS LIMITED

PARENT UNDERTAKING

Bibby Group of Factors Limited

ULTIMATE PARENT COMPANY

Bibby Line Group Limited

DIRECTORS

Simon Patrick Sherrard - Chairman  
John William Connell - Chief Executive  
Philip John Mole - Managing

SECRETARY

Bibby Bros & Co (Management) Limited

REGISTERED OFFICE

105 Duke Street  
Liverpool  
L1 5JQ

Incorporated in England and Wales  
Registered No. 388715

AUDITORS

Price Waterhouse  
Silkhouse Court  
Tithebarn Street  
Liverpool  
L2 2LJ

BIBBY FACTORS LIMITED

NOTICE OF MEETING

Notice is hereby given, that the Annual General Meeting of the Company will be held on 7 May 1996 at 105 Duke Street, Liverpool for the following purposes:

To approve the Directors' Report and Accounts for the year ended 31 December 1995.

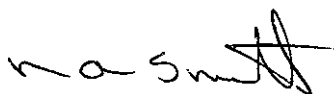
To re-elect the retiring Directors.

To re-appoint Price Waterhouse as Auditors of the Company for the ensuing year.

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

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

1 April 1996

## BIBBY FACTORS LIMITED

### REPORT OF THE DIRECTORS

The Directors present their Report and Accounts for the year ended 31 December 1995.

#### 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 volume of debts factored increased significantly during the year with an accompanying satisfactory increase in profit.

#### CHANGES IN FIXED ASSETS

The changes in fixed assets are set out in Note 6 to the Accounts.

#### CHANGES IN OWNERSHIP OF COMPANY

All shares in the Company were transferred from Bibby Financial Services Limited to Bibby Group of Factors Limited on 29th December 1995.

#### DIVIDEND

The Directors propose that a dividend of 44.3p (1994 - 14.8p) per share be paid to the holders of the £1 Ordinary Shares in respect of the year ended 31 December 1995.

#### DIRECTORS

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

S. P. Sherrard  
J. W. Connell  
P. J. Mole  
M. W. Kirby - Resigned 31 August 1995

## BIBBY FACTORS LIMITED

### REPORT OF THE DIRECTORS (CONTINUED)

The only interests of the Directors in shares of the Bibby Line Group companies were in shares of Bibby Line Group Limited.

The interests of Mr. S. P. Sherrard in the shares of Bibby Line Group Limited are disclosed in the Directors' Report of that company.

Insurance has been taken out under Section 310(3) of the Companies Act 1985, for the officers of the Company against liabilities in relation to the Company.

### 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 period. In preparing those financial statements, the Directors are required to:

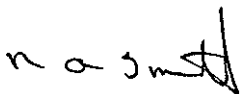
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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

Price Waterhouse, being eligible, have indicated their willingness to be re-appointed.

By Order of the Board



Bibby Bros & Co (Management) Limited  
Secretary

1 April 1996

BIBBY FACTORS LIMITED

AUDITORS' REPORT TO THE MEMBERS

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**

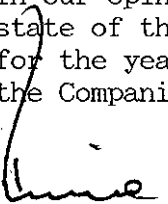
As described on page 4 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of 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 as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PRICE WATERHOUSE

Chartered Accountants and  
Registered Auditors  
Silkhouse Court  
Tithebarn Street  
Liverpool L2 2LJ

1 April 1996

BIBBY FACTORS LIMITED

PROFIT & LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1995

	Note	1995 £	1994 £
Turnover	2	2,308,634	1,657,128
Operating Costs		( 990,144)	( 776,805)
Gross Profit before Depreciation		1,318,490	880,323
Depreciation		( 38,244)	( 30,781)
Gross Profit		1,280,246	849,542
Administration Expenses		( 122,444)	( 95,733)
Interest Receivable		1,249	2,645
Interest Payable		( 451,576)	( 251,468)
Profit on Disposal of Fixed Assets		3,167	346
Profit on Ordinary Activities Before Taxation	3	710,642	505,332
Taxation	4	( 232,912)	( 165,000)
Profit for the Financial Year		477,730	340,332
Dividend Payable	5	( 443,000)	( 148,000)
Amount Transferred to Reserves	11	34,730	192,332

There are no recognised gains or losses in 1995 or 1994 other than those dealt with in the profit and loss account.

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

BIBBY FACTORS LIMITED

BALANCE SHEET  
31 DECEMBER 1995

		1995	1994
	Note	£	£
FIXED ASSETS:			
Tangible Assets	6	144,123	71,263
CURRENT ASSETS:			
Debtors	7	17,298,493	12,173,062
Cash at Bank and in Hand		403	51
		17,298,896	12,173,113
Creditors (amounts falling due within one year)	8	(8,905,666)	(6,464,196)
Net Current Assets		8,393,230	5,708,917
Total Assets less Current Liabilities		8,537,353	5,780,180
Creditors (amounts falling due after more than one year)	8	7,591,803	4,812,615
Provisions for Liabilities and Charges	9	( 91,013)	( 34,268)
		7,500,790	4,778,347
CAPITAL AND RESERVES:			
Called Up Share Capital	10	1,000,000	1,000,000
Profit and Loss Account	11	36,563	1,833
Shareholders' Funds	12	1,036,563	1,001,833
		8,537,353	5,780,180

Approved by the Board on 1 April 1996

S. P. Sherrard

J. W. Connell

Directors



BIBBY FACTORS LIMITED

NOTES TO THE ACCOUNTS  
31 DECEMBER 1995

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 depreciation.

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

Computer Equipment	-	33 1/3% per annum
Motor Vehicles	-	25% per annum
Other Assets	-	15% per annum
Leasehold Improvements	-	Over 15 year term of lease

**Deferred Taxation**

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

**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.

**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.

2. TURNOVER

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

Debts factored were £93,299,000 (1994 - £63,424,000).

BIBBY FACTORS LIMITED

NOTES TO THE ACCOUNTS 1995 (CONTINUED)

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

	1995 £	1994 £
Staff Costs:		
Wages and Salaries	433,668	398,273
Social Security Costs	34,547	31,781
Pension Costs	15,865	7,945
Interest on Loans Wholly Repayable Within Five Years	451,576	251,468
Auditors' Fees and Expenses	3,480	2,950
	<u>          </u>	<u>          </u>

4. TAXATION

	1995 £	1994 £
Deferred Tax - Credit for Period	41,400	30,000
Payment for Group Relief	( 274,000)	( 195,000)
Corporation Tax	( 312)	-
	<u>          </u>	<u>          </u>
	( 232,912)	( 165,000)
	<u>          </u>	<u>          </u>

Payment for Group relief represents the consideration to be paid to other Group undertakings for the surrender of losses amounting to £921,524 (1994 - £657,539).

5. DIVIDEND PAYABLE

	1995 £	1994 £
On Ordinary Shares of £1 Each	<u>443,000</u>	<u>148,000</u>

BIBBY FACTORS LIMITED

NOTES TO THE ACCOUNTS 1995 (CONTINUED)

6. TANGIBLE ASSETS

	Total £	Leasehold Improvements £	Plant and Equipment £
Cost at 31 December 1994	284,021	51,122	232,899
Additions	114,937	-	114,937
Disposals	( 161,960)	-	( 161,960)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	236,998	51,122	185,876
	<hr/>	<hr/>	<hr/>
Accumulated Depreciation at 31 December 1994	212,758	17,886	194,872
Provision for the Year	38,244	3,432	34,812
Disposals	( 158,127)	-	( 158,127)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	92,875	21,318	71,557
	<hr/>	<hr/>	<hr/>
Net Book Amount at 31 December 1995	144,123	29,804	114,319
	<hr/>	<hr/>	<hr/>
Net Book Amount at 31 December 1994	71,263	33,236	38,027
	<hr/>	<hr/>	<hr/>

7. DEBTORS

	1995 £	1994 £
Trade Debtors	17,020,259	11,944,228
Amounts Owed by Parent Undertaking	205,000	183,000
Prepayments and Accrued Income	73,234	45,834
	<hr/>	<hr/>
	17,298,493	12,173,062
	<hr/>	<hr/>

BIBBY FACTORS LIMITED

NOTES TO THE ACCOUNTS 1995 (CONTINUED)

8. CREDITORS

	1995 £	1994 £
(Amounts Falling Due within One Year)		
Trade Creditors	8,063,057	6,025,753
Amount Owed to Ultimate Parent Undertaking	274,000	195,905
Accruals and Deferred Income	59,682	50,174
Other Taxation	65,927	44,364
Proposed Dividend	443,000	148,000
	<u>8,905,666</u>	<u>6,464,196</u>
(Amounts Falling Due After One Year)		
Bank Overdraft	<u>7,591,803</u>	<u>4,812,615</u>

The overdraft is part of a bank facility which is available until 11 July 1997. However, the Directors expect the facility to be renewed before that date. The overdraft 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.

9. PROVISIONS FOR LIABILITIES AND CHARGES

	1995 £	1994 £
Deferred Taxation - asset (see below)	91,013	49,613
Pension Provision (Note 17)	-	( 15,345)
	<u>91,013</u>	<u>34,268</u>
Excess of Depreciation Over Tax Allowances	( 1,687)	394
Other Timing Differences	92,700	49,219
	<u>91,013</u>	<u>49,613</u>

Deferred asset not provided for is £60,671 (1994 - £32,940 )

BIBBY FACTORS LIMITED

NOTES TO THE ACCOUNTS 1995 (CONTINUED)

10. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Allotted and Fully Paid:		
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Authorised:		
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

11. RESERVES

	Profit & Loss Account £
At 31 December 1994	1,833
Amount Transferred To Reserves for the Financial Year	<u>34,730</u>
At 31 December 1995	<u>36,563</u>

12. MOVEMENT IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the Financial Year	477,730	340,332
Dividends	( 443,000)	( 148,000)
Net Addition to Shareholders' Funds	<u>34,730</u>	<u>192,332</u>
Opening Shareholders' Funds	1,001,833	809,501
Closing Shareholders' Funds	<u>1,036,563</u>	<u>1,001,833</u>

13. DIRECTORS' EMOLUMENTS

	1995 £	1994 £
The total emoluments were:		
Management Remuneration	<u>96,936</u>	<u>136,915</u>

# BIBBY FACTORS LIMITED

## NOTES TO THE ACCOUNTS 1995 (CONTINUED)

### 13. DIRECTORS' EMOLUMENTS (Continued)

The emoluments of the Chairman were nil (1994 - Nil) and the highest paid Director £61,835 (1994 - £55,423) excluding pension contributions. Directors' emoluments excluding pension contributions fall within the following range:

£	£	1995	1994
0	- 5,000	2	2
25,001	- 30,000	1	1
55,001	- 60,000	-	1
60,001	- 65,000	1	-

Additionally, the sum of £39,000 including pension contributions was paid in the year to a director retiring through ill health.

### 14. CAPITAL COMMITMENTS

Capital expenditure for which contracts had been placed which are not otherwise provided for in these accounts at 31 December 1995 amounted to £Nil (1994 - £61,355).

### 15. CONTINGENT LIABILITIES

The Company has guaranteed the overdraft of its fellow group undertakings, Bibby Financial Services Limited, Maddox Factoring (UK) Limited, Bibby Commercial Finance Limited and Anpal Finance Limited. The liability covered by this guarantee at 31 December 1995 was £15,082,254 (1994 - £10,637,067).

### 16. PARTICULARS OF EMPLOYEES

	1995	1994
The average number of persons employed by the Company during the period was	<u>30</u>	<u>27</u>

### 17. 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.

# BIBBY FACTORS LIMITED

## NOTES TO THE ACCOUNTS 1995 (CONTINUED)

### 17. PENSION COSTS (Continued)

The latest actuarial valuation was at 6 April 1994 and showed the scheme to be in surplus. Contributions are determined in accordance with independent actuarial advice. Further actuarial information is given in the accounts of Bibby Line Group Limited.

The pension charge for the year is given in Note 3. A provision of £Nil (1994 - £15,345) has been made representing the excess of the accumulated pension cost over the amount funded (Note 9).

### 18. OPERATING LEASE COMMITMENTS

	1995 £	1994 £
Annual Commitments Under Operating Leases Which Expire:-		
Between One and Five Years		
Motor Vehicles	16,572	13,968
Office Equipment	5,880	3,782
Over Five Years		
Premises	49,500	49,500
	<hr/>	<hr/>
	71,952	67,250
	<hr/>	<hr/>

### 19. ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of Bibby Group of Factors Limited, a company registered in England which is itself a wholly owned subsidiary undertaking of Bibby Line Group Limited, a company also registered in England. 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 accounts of Bibby Line Group Limited may be obtained from the Company Secretary, Bibby Line Group Limited, 105 Duke Street, Liverpool L1 5JQ.