

SIGNED

Registration number 388715

Bibby Factors Borehamwood Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2006



Bibby Factors Borehamwood Limited

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Bibby Factors Borehamwood Limited
Officers and Advisers

Directors	David Albert Robertson Ian Downing Mark John Cleaver
Secretary	Bibby Bros & Co (Management) Limited
Registered office	105 Duke Street Liverpool L1 5JQ
Auditors	KPMG LLP Chartered Accountants 8 Princes Parade Liverpool L1 5JQ

Bibby Factors Borehamwood Limited
Directors' Report for the Year Ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

Principal activity and business review

The principal activity of the company is debt factoring.

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

Post balance sheet events

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

Results and dividend

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

An interim ordinary dividend of £202,000 was paid during the year.

Bibby Factors Borehamwood Limited
Directors' Report for the Year Ended 31 December 2006

Directors and their interests

The directors who held office during the year were as follows

- David Albert Robertson
- Ian Downing
- Mark John Cleaver

None of the directors had an interest in the shares of the company at any time during the year

Retirement of directors

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

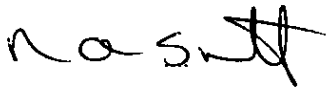
Auditors

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

Election to dispense laying accounts

In accordance with s 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 31 May 2007 and signed on its behalf by



Bibby Bros & Co (Management) Limited
Company Secretary

Independent Auditors' Report to the Members of

Bibby Factors Borehamwood Limited

We have audited the financial statements of Bibby Factors Borehamwood Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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

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

continued

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



KPMG LLP
Chartered Accountants

Registered Auditor
8 Princes Parade
Liverpool
L3 1QH
31 May 2007

Bibby Factors Borehamwood Limited
Profit and Loss Account for the Year Ended 31 December 2006

	Note	2006 £	2005 £
Turnover	2	138,000	220,000
Cost of sales		(57,447)	-
Operating profit		<u>80,553</u>	<u>220,000</u>
Other interest receivable and similar income		62,000	50,000
Profit on ordinary activities before taxation		<u>142,553</u>	<u>270,000</u>
Tax on profit on ordinary activities	4	36,224	(68,000)
Profit for the financial year		<u>178,777</u>	<u>202,000</u>

Turnover and operating profit derive wholly from continuing operations

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

There is no material difference between the result reported above and the result on an unmodified historical cost basis

The notes on pages 8 to 13 form an integral part of these financial statements

Bibby Factors Borehamwood Limited

Balance Sheet as at 31 December 2006

		2006	2005
	Note	£	£
Current assets			
Debtors	6	146,522	1,017,963
Cash at bank and in hand		<u>1,071,031</u>	<u>397,073</u>
		1,217,553	1,415,036
Creditors: Amounts falling due within one year	7	<u>(38,776)</u>	<u>(213,036)</u>
Net assets		<u>1,178,777</u>	<u>1,202,000</u>
Capital and reserves			
Called up share capital	9	1,000,000	1,000,000
Profit and loss reserve	10	<u>178,777</u>	<u>202,000</u>
Equity shareholders' funds	11	<u>1,178,777</u>	<u>1,202,000</u>

Approved by the Board on 31 May 2007 and signed on its behalf by



Ian Downing
Director

The notes on pages 8 to 13 form an integral part of these financial statements

Bibby Factors Borehamwood Limited

Notes to the Financial Statements for the Year Ended 31 December 2006

1 Accounting policies

Basis of preparation

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

Cash flow statement

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

Going concern

These financial statements have been prepared on a going concern basis

Revenue recognition

The factoring administration fee is recognised in the profit and loss account at the time the debts are factored. Other fees are normally recognised in the profit and loss account at the time the charge is made. However, where fees are charged in respect of non-performing debt, the proportion credited to the profit and loss account is limited to the extent that total recoveries will exceed the debt outstanding

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets 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

Pensions

The company is a member of the Bibby Line Group Limited pension scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement Benefits' the scheme has been accounted for as if the scheme were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Bad debts

Bad debts are written off when there is no realistic prospect of recovery. Specific provisions are made to reduce all impaired balances to their expected realisable values. General provisions are made for losses not specifically identified based on past experience, knowledge of the Group's exposure and other relevant factors. The charge for the year for bad debts is included in cost of sales

Bibby Factors Borehamwood Limited

Notes to the Financial Statements for the Year Ended 31 December 2006

Related party transactions

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

Financing

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

2 Turnover

Turnover, which is derived from within the United Kingdom, is the factoring income earned from clients administered under disclosed agency agreements by fellow group undertakings. Debts factored were £Nil (2005 - £Nil)

3 Directors' emoluments

No emoluments were paid to the directors during the year (2005 - £nil)

Bibby Factors Borehamwood Limited

Notes to the Financial Statements for the Year Ended 31 December 2006

4 Taxation

Analysis of current period tax (credit)/charge

	2006	2005
	£	£
Current tax		
Corporation tax charge	38,776	68,000
Prior year adjustment	(75,000)	-
	<u>(36,224)</u>	<u>68,000</u>
UK Corporation tax		

Factors affecting current period tax (credit)/charge

The tax assessed on the profit on ordinary activities for the year is lower than (2005 - lower than) the standard rate of corporation tax in the UK of 30.00% (2005 - 30.00%)

The differences are reconciled below

	2006	2005
	£	£
Profit on ordinary activities before taxation	<u>142,553</u>	<u>270,000</u>
Standard rate corporation tax charge	42,766	81,000
Group relief not paid for	-	(8,100)
Accelerated capital allowances	(3,990)	(4,900)
Adjustment to prior year tax	(75,000)	-
Total current tax for the year	<u>(36,224)</u>	<u>68,000</u>

5 Dividends

	2006	2005
	£	£
Equity dividends		
Ordinary dividend paid - Current period interim dividend	<u>202,000</u>	<u>3,186,627</u>

Bibby Factors Borehamwood Limited
Notes to the Financial Statements for the Year Ended 31 December 2006

6 Debtors

	2006 £	2005 £
Amounts owed by group undertakings	142,553	1,014,180
Other debtors	3,321	3,783
Prepayments and accrued income	648	-
	<u>146,522</u>	<u>1,017,963</u>

7 Creditors. Amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	-	9,301
Amounts owed to group undertakings	-	135,735
Corporation tax	38,776	68,000
	<u>38,776</u>	<u>213,036</u>

8 Security of borrowings

The bank loans are part of a bank facility which is secured by a fixed and floating charge over the assets of the company with, however, the stipulation that in respect of the book debts the amount recoverable under this security is limited to the amount actually prepaid under factoring agreements. The bank facility is also secured by cross guarantees of group companies, as explained later in these financial statements.

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

9 Share capital

	2006 £	2005 £
Authorised		
Equity		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
Equity		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Bibby Factors Borehamwood Limited

Notes to the Financial Statements for the Year Ended 31 December 2006

10 Reserves

	Profit and loss reserve £
Balance at 1 January 2006	202,000
Transfer from profit and loss account for the year	178,777
Equity dividends paid	<u>(202,000)</u>
Balance at 31 December 2006	<u>178,777</u>

11 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit attributable to members of the company	178,777	202,000
Dividends	<u>(202,000)</u>	<u>(3,186,627)</u>
	(23,223)	(2,984,627)
Opening equity shareholders' funds	<u>1,202,000</u>	<u>4,186,627</u>
Closing equity shareholders' funds	<u>1,178,777</u>	<u>1,202,000</u>

12 Contingent liabilities

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

Bibby Factors Bedford Limited
 Bibby Factors Bristol Limited
 Bibby Factors 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 Yorkshire Limited
 Bibby Financial Services Limited
 Bibby Group of Factors Limited
 Bibby Invoice Discounting Limited
 Bibby Trade Factors Limited

Bibby Factors Borehamwood Limited

Notes to the Financial Statements for the Year Ended 31 December 2006

13 Pension schemes

Defined benefit pension scheme

The company participates in the Bibby Line Group Pension Scheme ("The Scheme"), a defined benefit pension scheme. The assets of the Scheme are held separately from those of the sponsoring and participating employers and are invested with an insurance company. The Scheme was closed to new entrants on 1 April 2000. The latest full actuarial valuation of the Scheme was carried out by a qualified independent actuary as at 6 April 2005 using the projected unit method and showed the Scheme to be 74% funded. Further actuarial information is given in the accounts of Bibby Line Group Limited. The contributions made by the company over the financial year to this Scheme have been £Nil (2005 - £Nil), equivalent to 18.1% (2005 - 14.5%) of pensionable pay.

As part of the information disclosed under FRS17 in the ultimate holding company's accounts, a net deficit of £10,716,000 (2005 - £11,304,000) is noted. Further information can be found in the financial statements of the ultimate holding company.

14 Controlling entity

The company is a wholly owned subsidiary undertaking of Bibby Group of Factors Limited, whose ultimate parent undertaking is Bibby Line Group Limited.

The largest group in which the results of the company are consolidated is that headed by Bibby Line Group Limited. The smallest group in which they are consolidated is that headed by Bibby Group of Factors Limited.

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

Group website address www.bibbygroup.co.uk