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BIBBY FACTORS LEICESTER LIMITED

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2000**



BIBBY FACTORS LEICESTER LIMITED

IMMEDIATE PARENT UNDERTAKING

Bibby Group of Factors Limited

ULTIMATE PARENT UNDERTAKING

Bibby Line Group Limited

DIRECTORS

David Albert Robertson - Chairman
Mark John Cleaver - Managing Director
Ian Downing
Pamela Mary Miles

SECRETARY

Bibby Bros. & Co. (Management) Limited

REGISTERED OFFICE

105 Duke Street
Liverpool
L1 5JQ

Incorporated in England & Wales
Registration No. 2989348

AUDITORS

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

BIBBY FACTORS LEICESTER 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.

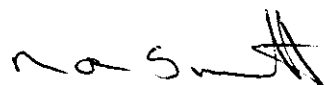
To re-elect Directors.

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 LEICESTER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

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

PRINCIPAL 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 profits.

The Directors expect that the Company's expansion will be sustained in the current financial year.

DIVIDENDS

The Directors propose that a dividend per share of 10p (1999 - 10p) be paid to the holders of the £1 10% Redeemable Preference Shares. Further, the Directors propose a dividend of £7.40 per share be paid to the holders of the £1 Ordinary Shares (1999 - £4.52).

DIRECTORS AND THEIR INTERESTS

The Directors during the year were:

D. A. Robertson - Chairman

I. Downing

M. J. Cleaver - Managing Director

Since the year end, Mrs. Pamela Mary Miles was appointed a Director of the Company on 1 January 2001.

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

BIBBY FACTORS LEICESTER LIMITED

REPORT OF THE DIRECTORS (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:

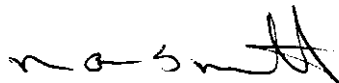
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

AUDITORS' REPORT TO THE MEMBERS OF BIBBY FACTORS LEICESTER LIMITED

We have audited the financial statements on pages 6 to 16 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 LEICESTER LIMITED

PROFIT & LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
Turnover	2	3,039,528	2,410,608
Operating Costs - Administration		<u>(1,513,866)</u>	<u>(1,328,775)</u>
Operating Profit		1,525,662	1,081,833
Interest Payable	3	<u>(419,454)</u>	<u>(350,062)</u>
Profit on Ordinary Activities Before Taxation	4	1,106,208	731,771
Taxation	5	<u>(306,900)</u>	<u>(219,100)</u>
Profit for the Financial Year		799,308	512,671
Dividends Payable	6	<u>(400,000)</u>	<u>(256,000)</u>
Amount Transferred to Reserves	13	<u>399,308</u>	<u>256,671</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 16 form part of these financial statements.

BIBBY FACTORS LEICESTER LIMITED

BALANCE SHEET
31 DECEMBER 2000

	Note	2000 £	1999 £
FIXED ASSETS:			
Tangible Assets	7	154,264	168,409
Intangible Assets	8	<u>123,000</u>	<u>154,500</u>
		<u>277,264</u>	<u>322,909</u>
CURRENT ASSETS:			
Debtors	9	17,831,451	15,642,342
Creditors (amounts falling due within one year)	10	<u>(13,147,878)</u>	<u>(12,294,495)</u>
Net Current Assets		<u>4,683,573</u>	<u>3,347,847</u>
Total Assets less Current Liabilities		<u>4,960,837</u>	<u>3,670,756</u>
Creditors (amounts falling due after more than one year)	10	<u>3,628,636</u>	<u>2,737,863</u>
CAPITAL AND RESERVES:			
Called Up Share Capital	12	350,000	350,000
Profit and Loss Account	13	<u>982,201</u>	<u>582,893</u>
Shareholders' Funds	14	<u>1,332,201</u>	<u>932,893</u>
		<u>4,960,837</u>	<u>3,670,756</u>
Analysis of Shareholders' Funds			
Equity Interests		1,032,201	632,893
Non-equity Interests		<u>300,000</u>	<u>300,000</u>
		<u>1,318,101</u>	<u>932,893</u>

Approved by the Board on 12 March 2001



I. Downing
Director

The notes on pages 8 to 16 form part of these financial statements.

BIBBY FACTORS LEICESTER 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:-

- Computer and Office Equipment - Between three and five years
- Leasehold Improvements - Lower of ten years or the 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.

Intangible Assets

Goodwill represents the excess of the fair value of the consideration over the fair value of the net assets acquired and is eliminated by amortisation through the profit and loss account over its useful economic life, which is estimated to be 10 years from the date of acquisition.

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 L.I.B.O.R. plus a small premium.

BIBBY FACTORS LEICESTER LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

2. TURNOVER

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

Debts factored were £113,454,000 (1999 - £90,050,000).

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On Loans from Parent Undertakings	205,835	96,682
On Bank Loans and Overdrafts	<u>213,619</u>	<u>253,380</u>
	<u>419,454</u>	<u>350,062</u>

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

	2000 £	1999 £
Staff Costs:		
Wages and Salaries	627,541	529,968
Social Security Costs	55,317	44,647
Pension Costs	42,987	31,436
Interest on Loans Wholly Repayable Within Five Years	419,454	350,062
Depreciation	50,681	35,462
Amortisation of Goodwill	31,500	31,500
Hire of Equipment	40,898	33,864
Rented Property	55,792	35,238
Auditors' Fees and Expenses	<u>2,900</u>	<u>2,500</u>

5. TAXATION

	2000 £	1999 £
Deferred Tax Credit	(13,900)	(900)
Payment for Group Relief	293,000	223,000
Over Provision for Payment for Group Relief in Previous Year	<u>-</u>	<u>(3,000)</u>
	<u>279,100</u>	<u>219,100</u>

BIBBY FACTORS LEICESTER LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

6. DIVIDENDS PAYABLE

	2000 £	1999 £
On Ordinary Shares of £1 Each		
- Proposed - £7.40 (1999 - £4.52)	370,000	226,000
On 10% Redeemable Preference Shares of £1 Each	<u>30,000</u>	<u>30,000</u>
	<u>400,000</u>	<u>256,000</u>

7. TANGIBLE ASSETS

	Leasehold Improvement £	Office Equipment £	Total £
Cost			
At 1 January 2000	41,780	211,642	253,422
Additions	<u>-</u>	<u>36,536</u>	<u>36,536</u>
Cost at 31 December 2000	<u>41,780</u>	<u>248,178</u>	<u>289,958</u>
Accumulated Depreciation			
At 1 January 2000	1,044	83,969	85,013
Charge for the Year	<u>4,166</u>	<u>46,515</u>	<u>50,681</u>
At 31 December 2000	<u>5,210</u>	<u>130,484</u>	<u>135,694</u>
Net Book Amount at 31 December 2000	<u>36,570</u>	<u>117,694</u>	<u>154,264</u>
Net Book Amount at 1 January 2000	<u>40,736</u>	<u>127,673</u>	<u>168,409</u>

BIBBY FACTORS LEICESTER LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

8. INTANGIBLE ASSETS

The intangible asset relates to the goodwill arising on the acquisition of certain business assets from a company then known as Anpal Finance Limited.

	£
Cost at 31 December 2000 and 1999	<u>315,000</u>
Cumulative Amortisation at 1 January 2000	160,500
Charged in Year	<u>31,500</u>
Amortisation at 31 December 2000	<u>192,000</u>
Net Book Amount at 31 December 2000	<u>123,000</u>
Net Book Amount at 1 January 2000	<u>154,500</u>

9. DEBTORS

	2000 £	1999 £
Trade Debtors	17,704,213	15,528,822
Prepayments and Accrued Income	70,295	66,501
Amount Owed by Other Group Undertaking	29,643	5,819
Deferred Taxation Asset (See Note 11)	<u>27,300</u>	<u>41,200</u>
	<u>17,831,451</u>	<u>15,642,342</u>

BIBBY FACTORS LEICESTER LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

10. CREDITORS

	2000 £	1999 £
(Amounts Falling Due within One Year)		
Trade Creditors	9,416,398	8,563,692
Amount Owed to Ultimate Parent Undertaking	351,000	223,000
Amount Owed to Parent Undertaking	2,845,781	3,014,378
Accruals and Deferred Income	141,837	198,350
Other Taxation and Social Security	50,862	37,075
Proposed Dividends	<u>385,000</u>	<u>258,000</u>
	<u>13,190,878</u>	<u>12,294,495</u>
(Amounts Falling Due After More Than One Year)		
Bank Overdraft/Acceptance Credits	<u>3,628,636</u>	<u>2,737,863</u>
Bank Overdraft/Acceptance Credits are repayable as follows:		
Between One and Two Years	-	1,493,380
Between Two and Five Years	<u>3,628,636</u>	<u>1,244,483</u>
	<u>3,628,636</u>	<u>2,737,863</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.

11. DEFERRED TAXATION ASSET

	2000 £	1999 £
Deferred Taxation Asset	<u>27,300</u>	<u>41,200</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	(1,600)	(2,000)	(1,100)	(1,300)
Other Timing Differences	<u>28,900</u>	<u>43,200</u>	<u>38,500</u>	<u>28,800</u>
	<u>27,300</u>	<u>41,200</u>	<u>37,400</u>	<u>27,500</u>

BIBBY FACTORS LEICESTER LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

12. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Allotted and Fully Paid:		
Ordinary Shares of £1 each	50,000	50,000
10% Redeemable Preference Shares of £1 Each	<u>300,000</u>	<u>300,000</u>
	<u>350,000</u>	<u>350,000</u>
Authorised:		
Ordinary Shares of £1 each	100,000	100,000
10% Redeemable Preference Shares of £1 Each	<u>300,000</u>	<u>300,000</u>
	<u>400,000</u>	<u>400,000</u>

The rights attaching to the Preference Shares are as follows:

(a) **Income**

First in paying to the holders of the preference share a fixed cumulative preferential net cash dividend (hereinafter referred to as 'the Preference Dividend') of 5 pence per annum on each preference share payable half yearly on the 30 June and 31 December.

(b) **Capital**

On return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after payment of its liabilities shall be applied first in paying to the holders of the preference shares £1 per share together with a sum equal to any arrears, deficiency or accruals of the Preference Dividend calculated down to the date of the return of capital.

(c) **Redemption**

Subject to the provision of the Companies Act the preference shares shall be redeemed in multiples of 1000 preference shares of the Company's option upon the Company giving 21 days notice to the holders of the preference shares to be redeemed.

On the dates fixed for any redemption the Company shall pay to each registered holder of preference shares the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled provided that if any certificate to be surrendered includes any shares not redeemable at that time the Company shall issue to the holder a fresh certificate for the balance of the shares not redeemable. If there is more than one holder of preference shares any redemption shall be made among such holders pro rata (as nearly as may be) to their respective holdings.

The Company shall pay on each of the preference shares so redeemed the sum of £1 together with a sum equal to any arrears, deficiency or accruals of the Preference Dividend calculated to the date of redemption and the Preference Dividend shall cease to accrue from that date unless upon surrender of the certificate for such shares payment of the redemption money shall be refused.

(d) **Voting Rights**

There are no voting rights attached to these shares.

BIBBY FACTORS LEICESTER LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

13. RESERVES

	Profit & Loss Account £
At 31 December 1999	582,893
Amount Transferred to Reserves For the Financial Year	<u>399,308</u>
At 31 December 2000	<u>982,201</u>

14. MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the Financial Year	799,308	512,671
Dividends	<u>(400,000)</u>	<u>(256,000)</u>
Net Addition to Shareholders' Funds	399,308	256,671
Opening Shareholders' Funds	<u>932,893</u>	<u>676,222</u>
Closing Shareholders' Funds	<u>1,332,201</u>	<u>932,893</u>

The share of shareholders' funds attributable to non-equity shares is £300,000 (1999 - £300,000).

15. DIRECTORS' EMOLUMENTS

	2000 £	1999 £
The total emoluments were:		
Emoluments	84,640	70,430
Pension Contributions	<u>5,681</u>	<u>4,991</u>
	<u>90,321</u>	<u>75,421</u>

Contributions were made in respect of one (1999 - one) of the Company's Directors to a defined benefit pension scheme.

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2000 (1999- £Nil).

BIBBY FACTORS LEICESTER LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

17. 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 Limited, Bibby Factors Slough Limited, Bibby Factors West Midlands Limited, Bibby Factors Bristol 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 these guarantees at 31 December 2000 was £68,154,407 (1999 - £64,930,876).

18. PARTICULARS OF EMPLOYEES

	2000	1999
The average number of persons employed by the Company during the year was	<u>35</u>	<u>34</u>

All employees are engaged in factoring.

19. PENSION COSTS

One of the Company's employees is a member 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.

BIBBY FACTORS LEICESTER LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

20. OPERATING LEASE COMMITMENTS

	2000 £	1999 £
Annual Commitments Under Operating Leases Which Expire:		
Within One Year:		
- Vehicles, Plant and Equipment	15,165	5,831
- Property	-	7,800
Within One to Five Years:		
- Vehicles, Plant and Equipment	23,647	23,868
- Property	<u>63,000</u>	<u>59,000</u>
	<u>101,812</u>	<u>96,499</u>

21. 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.