

SIGNED

BIBBY FINANCIAL SERVICES LIMITED

FINANCIAL STATEMENTS FOR THE

YEAR ENDED 31 DECEMBER 2001



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BIBBY FINANCIAL SERVICES LIMITED

IMMEDIATE PARENT UNDERTAKING

Bibby Line Group Limited

DIRECTORS

David Albert Robertson – Chief Executive
Michael James Bibby - Chairman
Ian Downing
Jonathan Haymer
Mark John Cleaver
Trevor Rex Patching
James Brydon
Philip John Mole – resigned 01-01-02

SECRETARY

Bibby Bros. & Co. (Management) Limited

REGISTERED OFFICE

105 Duke Street
Liverpool
L1 5JQ

Incorporated in England and Wales
Registered No. 3530461

AUDITORS

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

BIBBY FINANCIAL SERVICES LIMITED

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held on 24 May 2002 at 105 Duke Street, Liverpool for the following purposes:

To consider the attached Directors' Report and Financial Statements for the year ended 31 December 2001.

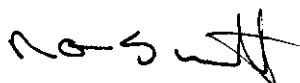
To re-elect Directors.

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

14 March 2002

BIBBY FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report together with the Audited Financial Statements for the year ended 31 December 2001.

SHARE CAPITAL

The Ultimate Parent Undertaking subscribed for and was allotted the following Ordinary £1 Shares during the year:

700,000 on 3 April 2001
300,000 on 21 May 2001
500,000 on 23 August 2001
700,000 on 1 October 2001

ACTIVITIES

The principal activity is to own and manage the companies of Bibby Line Group Limited that are involved in invoice factoring, trade finance and asset finance.

TRADING RESULT

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

DEVELOPMENT OF BUSINESS

The Company will seek investment opportunities and an increase in existing Group Undertakings' business with a view to implementing its policy of expansion.

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

CHANGES IN FIXED ASSET INVESTMENTS

The Company acquired shares in the capital of the following companies:

Bibby Group of Factors Limited	- 700,000 Ordinary £1 Shares on 2 January 2001
Bibby Asset Finance Limited	- 300,000 Ordinary £1 Shares on 21 May 2001
Bibby Trade Finance Limited	- 500,000 Ordinary £1 Shares on 3 September 2001
Bibby Group of Factors Limited	- 700,000 Ordinary £1 Shares on 1 October 2001

BIBBY FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIVIDEND

The Directors propose that a final dividend of 5.68p (2000 – 5.43p) per share be paid to the holders of the Ordinary Shares at 31 December 2001.

DIRECTORS

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

D. A. Robertson - Chief Executive
M. J. Bibby - Chairman
J. Haymer
I. Downing
M. J. Cleaver
P. J. Mole
James Brydon - Appointed 1 October 2001

Since the year end, P. J. Mole resigned as a Director of the Company on 1 January 2002.

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

The interests of Mr. M. J. Bibby and Mr. J. Haymer in the shares of Bibby Line Group Limited are disclosed in the Directors' Report of that company.

CHANGES SINCE THE YEAR END

On 2 January 2002 the Company acquired 350,000 Ordinary £1 shares in the capital of Bibby Group of Factors Limited. On 12 February 2002 the Company acquired 350,000 Ordinary £1 shares in the capital of Bibby Group of Factors Limited.

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.

BIBBY FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

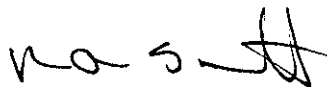
STATEMENT OF DIRECTORS' RESPONSIBILITIES/continued

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

A handwritten signature in black ink, appearing to read 'na s' followed by a stylized flourish.

Bibby Bros. & Co. (Management) Limited
Secretary

14 March 2002

BIBBY FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIBBY FINANCIAL SERVICES LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 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. The other information comprises only the directors' report.

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 judgments 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 2001 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

14 March 2002

BIBBY FINANCIAL SERVICES LIMITED

PROFIT & LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 2001

	Note	2001 £000	2000 £000
Turnover	2	120	-
Administration Costs		(385)	(26)
Operating Loss		(265)	(26)
Dividends Receivable		<u>4,076</u>	<u>3,662</u>
Profit on Ordinary Activities before Taxation		3,811	3,636
Taxation	3	<u>72</u>	<u>-</u>
Profit for the Financial Year		3,883	3,636
Dividends Proposed	4	<u>(2,690)</u>	<u>(2,449)</u>
Amount Transferred to Reserves	9	<u>1,193</u>	<u>1,187</u>

There are no recognised gains or losses in 2001 or 2000 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 9 to 15 form part of these financial statements.

BIBBY FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT
31 DECEMBER 2001

	Note	2001 £000	2000 £000
FIXED ASSETS:			
Investments	5	<u>47,300</u>	<u>45,100</u>
CURRENT ASSETS:			
Debtors	6	5,070	3,662
Creditors (Amounts Falling Due Within One Year)	7	<u>(2,690)</u>	<u>(2,475)</u>
Net Current Assets		<u>2,380</u>	<u>1,187</u>
Total Assets less Current Liabilities		<u>49,680</u>	<u>46,287</u>
CAPITAL AND RESERVES:			
Called Up Share Capital	8	47,300	45,100
Profit and Loss Account	9	<u>2,380</u>	<u>1,187</u>
Equity Shareholders' Funds	10	<u>49,680</u>	<u>46,287</u>

Approved by the Board on 14 March 2002



I. Downing
Director

The notes on pages 9 to 15 form part of these financial statements.

BIBBY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

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.

The Company is exempt, under S228(1) of the Companies Act 1985, from the requirement to prepare group accounts as consolidated accounts are prepared by the parent undertaking, Bibby Line Group Limited.

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.

Income 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.

Investments

Investments held as fixed assets are held in the balance sheet of the Company at cost, less a provision for any permanent diminution in value.

Management Fees and Dividends

Management fees and dividends receivable and payable are accounted for on an accruals basis.

2. TURNOVER

Turnover, which is derived in the United Kingdom, is the management fees charged to subsidiary undertakings.

3. TAXATION - CREDIT

Amount Receivable in Respect of Group Relief

£000

72,000

BIBBY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

4. PROPOSED DIVIDENDS

	2001 £000	2000 £000
Proposed Final Dividend of 5.68p (2000 – 5.43p) on Ordinary Shares of £1 each	<u>2,690</u>	<u>2,449</u>

5. INVESTMENTS

	2001 £000	2000 £000
Shares in wholly owned Group Undertakings:-		
Bibby Group of Factors Limited	45,150	43,750
Bibby Trade Finance Limited	1,500	1,000
Bibby Asset Finance Limited	<u>650</u>	<u>350</u>
	<u>47,300</u>	<u>45,100</u>

The Company holds 100% of the ordinary share capital in Bibby Group of Factors Limited, Bibby Trade Finance Limited and Bibby Asset Finance Limited. These companies, registered in England, operate as debt factoring, trade finance and asset finance businesses, respectively.

In the opinion of the Directors the value of the Company's investment in Bibby Group of Factors Limited, Bibby Trade Finance Limited and Bibby Asset Finance Limited is not less than the amount stated in the balance sheet.

6. DEBTORS

	2001 £000	2000 £000
Amount Owed by Ultimate Parent Undertaking	72	-
Amount Owed by Other Group Undertaking	<u>4,998</u>	<u>3,662</u>
	<u>5,070</u>	<u>3,662</u>

7. CREDITORS

	2001 £000	2000 £000
Amounts Falling Due Within One Year		
Amount Owed to Group Undertakings	-	26
Dividend Payable	<u>2,690</u>	<u>2,449</u>
	<u>2,690</u>	<u>2,475</u>

BIBBY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

8. CALLED UP SHARE CAPITAL

	2001 £000	2000 £000
Allotted and Fully Paid:		
Ordinary Voting Shares of £1 each	<u>47,300</u>	<u>45,100</u>
Authorised:		
Ordinary Voting Shares of £1 each	<u>50,000</u>	<u>50,000</u>

700,000 Ordinary £1 shares were subscribed for and allotted on 3 April 2001 to the Ultimate Parent Undertaking in connection with the set up of Bibby Factors International Limited and Bibby Invoice Discounting Limited.

300,000 Ordinary £1 shares were subscribed for and allotted on 21 May 2001 to the Ultimate Parent Undertaking in connection with additional capital for Bibby Asset Finance Limited.

500,000 Ordinary £1 shares were subscribed for and allotted on 3 September 2001 to the Ultimate Parent Undertaking in connection with additional capital for Bibby Trade Finance Limited

700,000 Ordinary £1 Shares were subscribed for and allotted on 1 October 2001 to the Ultimate Parent Undertaking in connection with the purchase of SourceOneFinancial LLC.

9. RESERVES

	Profit & Loss Account £000
At 1 January 2001	1,187
Amount Transferred To Reserves for the Financial Year	<u>1,193</u>
At 31 December 2001	<u>2,380</u>

10. MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £000	2000 £000
Profit for the Financial Year	3,883	3,636
Dividends	(2,690)	(2,449)
Share Capital Issued During the Year	<u>2,200</u>	<u>850</u>
Net Addition to Shareholders' Funds	3,393	2,037
Opening Shareholders' Funds	<u>46,287</u>	<u>44,250</u>
Closing Shareholders' Funds	<u>49,680</u>	<u>46,287</u>

BIBBY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

11. DIRECTORS' EMOLUMENTS

	2001	2000
	£	£
The total emoluments were:		
Emoluments	282	-
Pension Contributions	<u>73</u>	<u>-</u>
	<u>355</u>	<u>-</u>

The emoluments, excluding pension contributions of the Chairman were £Nil (2000 - £Nil) and the highest paid Director £204,434 (2000 - £Nil).

Contributions of £7,620 (2000 - £Nil) were made in respect of one (2000 - Nil) of the Company's Directors to a defined benefit pension scheme (see note 15). In addition, contributions of £65,124 (2000 - £Nil) were made in respect of the highest paid Director to a money purchase pension scheme.

The Company has no other employees.

12. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2001 (2000 - Nil).

13. CONTINGENT LIABILITIES

The Company has guaranteed the banking facilities of its fellow group undertakings.

Bibby Factors Bedford Limited
Bibby Factors Bristol Limited
Bibby Factors International Limited
Bibby Factors Leicester Limited
Bibby Factors 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 West Midlands Limited
Bibby Financial Services (Holdings) Inc.
Bibby Financial Services Inc.
Bibby Group of Factors Limited
Bibby Invoice Discounting Limited

The liability covered by these guarantees at 31 December 2001 was £82,198,000 (2000 - £73,947,000).

BIBBY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

13. CONTINGENT LIABILITIES/continued

The Company is a member of a Bibby Line Group Limited VAT registration. The Company is therefore liable for any amounts owing to HM Customs and Excise by the members of the VAT Group. At 31 December 2001, the contingent liability for the Company was £922,000 (2000 - £1,067,000).

14. SUBSIDIARY UNDERTAKINGS

The Company's major subsidiary undertakings are detailed below:

Bibby Asset Finance Limited
Bibby Factors Bedford Limited
Bibby Factors Bristol Limited
Bibby Factors International Limited
Bibby Factors Leicester Limited
Bibby Factors 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 West Midlands Limited
Bibby Financial Services Inc.
Bibby Financial Services (Holdings) Inc.
Bibby Group of Factors Limited
Bibby Invoice Discounting Limited
Bibby Trade Finance Limited

15. PENSIONS COSTS

A number of the Company's employees are members of the Bibby Line Group's defined benefit pension scheme (the "**Scheme**"). The assets of the Scheme are held separately from those of the Company and are invested with an insurance company. The Scheme was closed to new entrants from 1 April 2000. Since 1 April 2000, Bibby Line Group has operated a money purchase plan (the "**Plan**") for new employees. The assets and liabilities of that Plan each amount to £162,000 as at 31 December 2001 and have been excluded from the figures shown below

The latest actuarial valuation of the Scheme was carried out by a qualified independent actuary as at 6 April 2000 using the projected unit method 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.

BIBBY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

15. PENSION COSTS/continued

FRS17 Disclosures

The contributions paid by the Company are accounted for as if the Scheme were a defined contribution scheme as the Company is unable to identify its share of the underlying assets and liabilities in the Scheme.

The employer contributions to the Scheme over the financial year have been £*, equivalent to 12% of Pensionable Salaries. This contribution rate is to continue until reviewed following the next actuarial valuation which is to be carried out with an effective date of 6 April 2002. As the Scheme is closed to new entrants, the current service cost as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll.

The transitional arrangements of the new accounting standard FRS17 require disclosure of assets and liabilities as at 31 December 2001 calculated in accordance with the requirements of FRS17. The results of the latest valuation have been adjusted and updated on an approximate basis to 31 December 2001. The assets of the Scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions.

Inflation	2.75% per annum
Salary increases	4% per annum
Rate of discount	6% per annum
Pension in payment increases	2.75% to 4 % per annum
Revaluation rate for deferred pensioners	2.75% per annum

On this basis, the assets and liabilities are as follows:

	£'000
Assets	23,245
Liabilities	(23,796)
Deficit	(551)

The assets of the Scheme at 31 December 2001 are split as follows:

	£'000
Equities	19,905
Bonds	2,910
Cash	<u>430</u>
	<u>23,245</u>

The expected long-term rate of return over the following year is 7% for equities, 5.25% for bonds and 4% for cash.

The contributions made by the Company to this Plan over the financial year amounted to £*. Outstanding contributions at the balance sheet date amounted to £Nil.

BIBBY FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

16. PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of Bibby Line Group Limited, a company registered in England. Bibby Line Group Limited is the Parent Undertaking of the largest and smallest 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.