

SIGNED

3530463

BIBBY TRADE FINANCE LIMITED

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2002**



BIBBY TRADE FINANCE LIMITED

IMMEDIATE PARENT UNDERTAKING

Bibby Financial Services Limited

ULTIMATE PARENT UNDERTAKING

Bibby Line Group Limited

DIRECTORS

David Albert Robertson
Stuart Relton - Managing Director
Ian Downing
Hugh Francis

SECRETARY

Bibby Bros. & Co. (Management) Limited

REGISTERED OFFICE

105 Duke Street
Liverpool
L1 5JQ

Incorporated in England & Wales
Registration No. 3530463

AUDITORS

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

BIBBY TRADE FINANCE LIMITED

NOTICE OF MEETING

Notice is hereby given, that the Annual General Meeting of the Company will be held on 22 May 2003 at 105 Duke Street, Liverpool for the following purposes:


To consider the attached directors' Report and Financial Statements for the year ended 31 December 2002.

To re-elect Directors.

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

13 March 2003

BIBBY TRADE FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their Report together with the Audited Financial Statements for the year ended 31 December 2002.

ACTIVITIES

The principal activity of the Company is the provision of transaction based trade finance.

TRADING RESULT

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

CHANGES IN FIXED ASSETS

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

DEVELOPMENT OF BUSINESS

The Company continued to make progress with the level of business increasing substantially. However, increased operating costs resulted in a decrease in profitability.

Based on the Company's financial projections, the directors expect that the Company's profitability will increase in the current financial year.

DIVIDENDS

The directors do not propose to pay a dividend.

BIBBY TRADE FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

DIRECTORS AND THEIR INTERESTS

The directors during the year were:

D. A. Robertson - Chairman
S. Relton - Managing Director
I. Downing
H. Francis
M. J. Cleaver - Resigned as Director and Chairman on 18 March 2002
J. Brydon - Appointed Director and Chairman on 18 March 2002 / Resigned 24 May 2002

The only interests of the directors in shares of the Bibby Line Group Limited companies were in shares of Bibby Line Group Limited and are disclosed in the Financial Statements of that company.

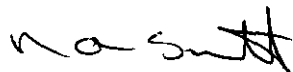
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

By order of the Board



Bibby Bros. & Co. (Management) Limited
Secretary

13 March 2003

BIBBY TRADE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIBBY TRADE FINANCE 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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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.

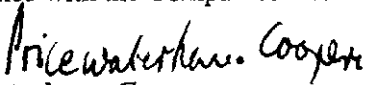
Basis of audit opinion

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 2002 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

13 March 2003

BIBBY TRADE FINANCE LIMITED

PROFIT & LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	2001 £
Turnover	2	1,300,248	1,158,865
Operating costs - administration		(1,088,557)	(800,806)
Operating profit		211,691	358,059
Interest payable	3	(112,702)	(155,315)
Profit on ordinary activities before taxation	4	98,989	202,744
Taxation	5	(25,700)	(55,700)
Amount transferred to reserves	11	<u>73,289</u>	<u>147,044</u>

There are no recognised gains or losses in 2002 or 2001 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 15 form part of these financial statements.

BIBBY TRADE FINANCE LIMITED

BALANCE SHEET
31 DECEMBER 2002

	Note	2002 £	2001 £
FIXED ASSETS:			
Tangible assets	6	<u>33,176</u>	<u>40,409</u>
CURRENT ASSETS:			
Debtors	7	3,670,165	4,676,061
Cash at bank and in hand		<u>333,762</u>	<u>-</u>
		4,003,927	4,676,061
Creditors (amounts falling due within one year)	8	<u>(2,257,523)</u>	<u>(2,995,179)</u>
Net current assets		<u>1,746,404</u>	<u>1,680,882</u>
Total assets less current liabilities		<u>1,779,580</u>	<u>1,721,291</u>
Creditors (amounts falling due after more than one year)	8	<u>-</u>	<u>15,000</u>
CAPITAL AND RESERVES:			
Called up share capital	10	1,500,000	1,500,000
Profit and loss account	11	<u>279,580</u>	<u>206,291</u>
Equity shareholders' funds	12	<u>1,779,580</u>	<u>1,706,291</u>
		<u>1,779,580</u>	<u>1,721,491</u>

Approved by the Board on 13 March 2003



I. Downing
Director

The notes on pages 8 to 15 form part of these financial statements.

1. ACCOUNTING POLICIES

Accounting basis

The Accounts for the Company are presented on the basis of historical cost accounting convention and in accordance with applicable accounting standards. During the year the Company has adopted Financial Reporting Standard 19 (Deferred Tax). This has not resulted in a significant change to the reported results or reserves for the years ended 31 December 2002 or 2001.

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:-

- office equipment - over 3-5 years

Deferred taxation

Deferred tax is provided at current rates on a non-discounted basis, on all timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Operating leases

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

Pension costs

The Company participates in the Bibby Line Group Limited defined benefit pension scheme. However, as it is not possible to separately identify the Company's assets and liabilities from the scheme, pension charges are accounted for as a defined contribution scheme and charged as incurred.

The Company also participates in a defined contribution scheme. Payments to the scheme are charged as incurred.

Cash flows

A statement of group cash flows has been included in the consolidated accounts presented by the 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.

Letters of credit

Unpresented letters of credit at the balance sheet date are shown as a contingent liability.

BIBBY TRADE FINANCE LIMITED

NOTES TO THE ACCOUNTS 2002 (CONTINUED)

1. ACCOUNTING POLICIES/continued

Income recognition

The 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.

Bad debts

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 administration expenses.

2. TURNOVER

Turnover, which is derived from within the United Kingdom, comprises amounts receivable as a result of providing transaction based finance. Income is earned on the provision of short term credit finance for customers. The Company purchases goods on behalf of, and/or sells them, to, its customers. The value of new transactions financed during the year was £24,871,000 (2001 - £17,555,000).

3. INTEREST PAYABLE

	2002 £	2001 £
Interest on loans wholly payable within five years	46,438	111,263
Payable to parent undertaking	<u>66,264</u>	<u>44,051</u>
	<u>112,702</u>	<u>155,315</u>

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

	2002 £	2001 £
Staff costs:		
- wages and salaries	319,682	219,397
- social security costs	29,739	19,166
- pension costs	14,670	12,386
Hire of plant and equipment	26,312	18,762
Rental of properties	15,515	18,000
Auditors' fees and expenses	3,000	1,800
Depreciation	<u>23,323</u>	<u>26,695</u>

BIBBY TRADE FINANCE LIMITED

NOTES TO THE ACCOUNTS 2002 (CONTINUED)

5. TAXATION

	2002 £	2001 £
Payment for group relief	40,000	55,000
Deferred tax (credit)/charge (note 9)	<u>(14,300)</u>	<u>700</u>
	<u>25,700</u>	<u>55,700</u>

Factors affecting the tax charge for the year:

The current tax charge is lower than the standard rate of corporation tax in the UK of 30%.

The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before taxation	<u>98,989</u>	<u>202,744</u>
Profit on ordinary activities multiplied by the standard rate in the UK of 30% (2001 - 30%)	29,697	60,823
Effects of:		
Utilisation of group relief	(44,421)	(61,210)
Capital allowances in excess of depreciation	3,029	3,278
Other timing differences	9,960	(4,500)
Expenses not deductible for tax purposes	<u>1,735</u>	<u>1,609</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

BIBBY TRADE FINANCE LIMITED

NOTES TO THE ACCOUNTS 2002 (CONTINUED)

6. TANGIBLE ASSETS

	Office Equipment £
Cost	
At 1 January 2002	96,145
Additions for the year	<u>16,090</u>
At 31 December 2002	<u>112,235</u>
Accumulated Depreciation	
At 1 January 2002	55,736
Charge for the year	<u>23,323</u>
At 31 December 2002	<u>79,059</u>
Net book value at 31 December 2002	<u>33,176</u>
Net book value at 31 December 2001	<u>40,409</u>

7. DEBTORS

	2002 £	2001 £
Trade debtors	3,475,026	4,465,030
Prepayments and accrued income	178,071	157,530
Taxation and social security	-	255
Amounts owed by group undertakings	768	49,246
Deferred taxation (note 9)	<u>16,300</u>	<u>2,000</u>
	<u>3,670,165</u>	<u>4,676,061</u>

BIBBY TRADE FINANCE LIMITED

NOTES TO THE ACCOUNTS 2002 (CONTINUED)

8. CREDITORS

	2002 £	2001 £
Amounts falling due within one year		
Bank overdraft and short term loans	836,296	2,255,323
Trade creditors	104,929	9,194
Amount owed to ultimate parent undertaking	40,000	56,434
Amount owed to other Group undertakings	1,112,802	608,979
Taxation and social security	123,186	-
Accruals and deferred income	<u>40,310</u>	<u>65,249</u>
	<u>2,257,523</u>	<u>2,995,179</u>

Amounts falling due after more than one year

Trade creditors due after more than one year are repayable as follows:-

Between one and two years	-	<u>15,000</u>
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The bank overdrafts 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 overdrafts and intercompany loans carry interest rates that vary with base rates.

9. DEFERRED TAXATION ASSET

	£
As at 1 January 2002	2,000
Profit and loss credit (note 5)	<u>14,300</u>
As at 31 December 2002	<u>16,300</u>

The amounts of deferred taxation recognised and unrecognised at 30% (2001 - 30%) are as follows:

	Recognised 2002 £	2001 £	Unrecognised 2002 £	2001 £
Accelerated capital allowances	3,300	400	-	300
Other timing differences	<u>13,000</u>	<u>1,600</u>	-	<u>1,200</u>
	<u>16,300</u>	<u>2,000</u>	-	<u>1,500</u>

BIBBY TRADE FINANCE LIMITED

NOTES TO THE ACCOUNTS 2002 (CONTINUED)

10. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Allotted and fully paid:		
Ordinary shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>
Authorised:		
Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

11. RESERVES

	Profit & Loss Account £
At 1 January 2002	206,291
Amount transferred to reserves for the financial year	<u>73,289</u>
At 31 December 2002	<u>279,580</u>

12. MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	73,289	147,044
New share capital subscribed	-	500,000
Opening shareholders' funds	<u>1,706,291</u>	<u>1,059,247</u>
Closing shareholders' funds	<u>1,779,580</u>	<u>1,706,291</u>

13. DIRECTORS' EMOLUMENTS

	2002 £	2001 £
The total emoluments were:		
emoluments	109,502	112,454
pension contributions	<u>10,530</u>	<u>9,711</u>
	<u>120,032</u>	<u>122,165</u>

Pension contributions were made in respect of two (2001 - two) of the Company's Directors to a defined benefit scheme.

BIBBY TRADE FINANCE LIMITED

NOTES TO THE ACCOUNTS 2002 (CONTINUED)

14. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2002 (2001 - Nil).

15. CONTINGENT LIABILITIES

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

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 Polska Sp. z o.o.
 Bibby Factors Scotland Limited
 Bibby Factors Slough Limited
 Bibby Factors Sussex Limited
 Bibby Factors West Midlands Limited
 Bobby Financial Services Australia Pty Limited
 Bibby Financial Services (Holdings) Inc.
 Bibby Financial Services Inc.
 Bibby Financial Services Limited
 Bibby Group of Factors Limited
 Bibby Invoice Discounting Limited

The liability covered by these guarantees at 31 December 2002 was £132,969,000 (2001 - £Nil).

	2002 £	2001 £
Unpresented letters of credit	<u>1,238,641</u>	<u>816,087</u>

Letters of credit issued to overseas suppliers of the Company's customers are shown as contingent liabilities until the terms of those letters of credit are fulfilled.

16. PARTICULARS OF EMPLOYEES

	2002	2001
The average number of persons employed by the Company during the period was	<u>11</u>	<u>8</u>

All employees are engaged in providing transaction-based finance.

17. PENSION COSTS

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 from 1 April 2000. The latest actuarial valuation of the Scheme was carried out by a qualified independent actuary as at 6 April 2002 using the projected unit method and showed the Scheme to be 94% 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 £10,530 (2001 - £9,711), equivalent to 12% of pensionable pay.

Since 1st April 2000, the Company has participated in the Bibby Line Group Money Purchase Pension Plan (the "Plan"), which is a defined contribution scheme for new employees. The contributions made by the Company over the financial year to the Plan have been £4,140 (2001 - £2,675).

Outstanding contributions at the balance sheet date to all pension arrangements amounted to £Nil (2001 - £Nil).

FRS17 Disclosures

As noted above and under accounting policies (note 1) the Company participates in the Scheme. As part of the information disclosed under FRS17 in the ultimate holding company's accounts, a net deficit of £9,091,000 is noted. Further information can be found in the financial statements of the ultimate holding company.

18. OPERATING LEASE COMMITMENTS

	2002 £	2001 £
Annual commitments under operating leases which expire:		
Within one year:		
- motor vehicles	9,479	2,462
Within two to five years:		
- motor vehicle	16,196	14,198
- property rentals	—	<u>30,400</u>
	<u>25,675</u>	<u>47,060</u>

19. PARENT UNDERTAKINGS

The Company is a wholly owned subsidiary undertaking of Bibby Financial Services 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.