

**SIGNED**

Registration number 03530463

# Bibby Trade Services Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2006



**Bibby Trade Services Limited**  
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**Bibby Trade Services Limited**  
**Officers and Advisers**

<b>Directors</b>	David Albert Robertson
	Andrew Charles Dixon
	Ian Downing
	Karen Jacqueline Rawlinson (appointed 1 January 2006)
<b>Secretary</b>	Bibby Bros & Co (Management) Limited
<b>Registered office</b>	105 Duke Street Liverpool L1 5JQ
<b>Auditors</b>	KPMG LLP Chartered Accountants 8 Princes Parade Liverpool L3 1QH

**Bibby Trade Services 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 the provision of transaction based trade finance

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

The directors do not recommend the payment of a dividend

**Bibby Trade Services 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
- Andrew Charles Dixon
- Ian Downing
- Karen Jacqueline Rawlinson (appointed 1 January 2006)

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

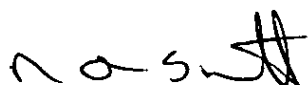
**Auditors**

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 Trade Services Limited**

We have audited the financial statements of Bibby Trade Services 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 Trade Services 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 Trade Services Limited**  
**Profit and Loss Account for the Year Ended 31 December 2006**

	Note	2006 £	2005 <i>as restated</i> £
Turnover	3	1,005,134	1,712,146
Cost of sales		(799,694)	(2,470,739)
<b>Operating profit/(loss)</b>	4	<u>205,440</u>	<u>(758,593)</u>
Interest payable and similar charges	7	(143,506)	(238,622)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>61,934</u>	<u>(997,215)</u>
Tax on profit/(loss) on ordinary activities	8	(18,696)	268,400
<b>Profit/(loss) for the financial year</b>		<u>43,238</u>	<u>(728,815)</u>

Turnover and operating profit/(loss) derive wholly from continuing operations

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

The notes on pages 9 to 18 form an integral part of these financial statements



**Bibby Trade Services Limited**

**Statement of Total Recognised Gains and Losses for the Year Ended 31 December 2006**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Net profit/(loss) for the year	43,238	(728,815)
Foreign currency translation differences	(17,435)	19,194
Total gains and (losses) for the year	<u>25,803</u>	<u>(709,621)</u>
Prior year adjustment (as explained in note 2)	<u>187,257</u>	
Total gains and losses recognised since last annual report	<u>230,495</u>	

The notes on pages 9 to 18 form an integral part of these financial statements

**Bibby Trade Services Limited**  
**Balance Sheet as at 31 December 2006**

		2006	2005 <i>as restated</i>
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	9	925	1,247
Investments	10	706,701	706,701
		<u>707,626</u>	<u>707,948</u>
<b>Current assets</b>			
Debtors	11	4,295,377	7,027,725
Cash at bank and in hand		-	35
		<u>4,295,377</u>	<u>7,027,760</u>
<b>Creditors: Amounts falling due within one year</b>	12	(567,429)	(2,134,684)
<b>Net current assets</b>		<u>3,727,948</u>	<u>4,893,076</u>
<b>Total assets less current liabilities</b>		4,435,574	5,601,024
<b>Creditors: Amounts falling due after more than one year</b>	13	(1,524,463)	(3,215,716)
<b>Net assets</b>		<u>2,911,111</u>	<u>2,385,308</u>
<b>Capital and reserves</b>			
Called up share capital	15	3,200,000	2,700,000
Profit and loss reserve	16	(288,889)	(314,692)
<b>Equity shareholders' funds</b>	17	<u>2,911,111</u>	<u>2,385,308</u>

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



Ian Downing  
Director

The notes on pages 9 to 18 form an integral part of these financial statements

## **Bibby Trade Services 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

Under section 248 of the Companies Act 1985 the group is exempt from the requirement to prepare group accounts by virtue of its size. Therefore the accounts present information about the company as an individual undertaking and not about its group.

##### **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.

##### **Depreciation**

Fixed assets are included at cost less accumulated depreciation.

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Office equipment	20% to 33 33%
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##### **Other fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

##### **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 are recognised only to the extent that it is more likely than not that they will be recovered. 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.

## **Bibby Trade Services Limited**

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

#### **Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

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.

#### **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.

#### **Letters of credit**

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

#### **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.

### **2 Prior period adjustment**

The prior year comparatives have been restated to reflect an administrative error which occurred in consolidating the results of the company's French subsidiary company, Bibby Connexions S A S, when this should have instead been shown as an investment.

The overall effect of the prior year adjustment has restated the loss for the prior year from £916,072 to £728,815 - an effective gain of £187,257. This movement is split such that £182,505 relates to profit and loss account items and £4,752 relates to foreign currency translation differences.

### **3 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 £25,350,000 (2005 - £34,971,000).

# Bibby Trade Services Limited

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

### 4 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2006	2005 <i>as restated</i>
	£	£
Auditors' remuneration - audit services	6,400	4,800
Depreciation of owned tangible fixed assets	1,352	16,050

### 5 Particulars of employees

The average number of persons employed by the company (including directors) during the year was as follows

	2006 No.	2005 No
Administration	8	13

The aggregate payroll costs of these persons were as follows

	2006	2005 <i>as restated</i>
	£	£
Wages and salaries	236,544	535,748
Social security	19,259	31,003
Other pension costs	8,510	55,798
	264,313	622,549

### 6 Directors' emoluments

The directors' emoluments for the year are as follows

	2006	2005
	£	£
Directors' emoluments (including benefits in kind)	-	222,997
Directors' pension contributions	-	16,609
	-	239,606

During the period the number of directors who were accruing benefits under company pension schemes was as follows

	2006 No	2005 No.
Money purchase	-	3

# Bibby Trade Services Limited

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

### 7 Interest payable and similar charges

	2006	2005 <i>as restated</i>
	£	£
Bank interest payable	<u>143,506</u>	<u>238,622</u>

### 8 Taxation

#### Analysis of current period tax charge/(credit)

	2006 £	2005 £
<b>Current tax</b>		
Corporation tax charge	18,996	-
Group relief payable/(receivable)	<u>-</u>	<u>(236,000)</u>
UK Corporation tax	<u>18,996</u>	<u>(236,000)</u>

#### Deferred tax

Origination and reversal of timing differences	<u>(300)</u>	<u>(32,400)</u>
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#### Total tax on profit/(loss) on ordinary activities

	<u>18,696</u>	<u>(268,400)</u>
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#### Factors affecting current period tax charge/(credit)

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

The differences are reconciled below

	2006 £	2005 £
Profit/(loss) on ordinary activities before taxation	<u>61,934</u>	<u>(997,215)</u>
Standard rate corporation tax charge/(credit)	18,580	(299,164)
Expenses not deductible for tax purposes	2,334	2,500
Accelerated capital allowances	(1,378)	2,576
Other timing differences	(540)	31,971
Group relief not received	-	26,117
Total current tax for the year	<u>18,996</u>	<u>(236,000)</u>

**Bibby Trade Services Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2006**

**9 Tangible fixed assets**

	<b>Office equipment as restated £</b>
<b>Cost</b>	
As at 1 January 2006	61,237
Additions	<u>1,030</u>
As at 31 December 2006	<u>62,267</u>
<b>Depreciation</b>	
As at 1 January 2006	59,990
Charge for the year	<u>1,352</u>
As at 31 December 2006	<u>61,342</u>
<b>Net book value</b>	
As at 31 December 2006	<u>925</u>
As at 31 December 2005	<u><u>1,247</u></u>

**10 Investments held as fixed assets**

	<b>Group shares as restated £</b>
<b>Cost</b>	
As at 1 January 2006 and 31 December 2006	<u>706,701</u>
<b>Net book value</b>	
As at 31 December 2006	<u>706,701</u>
As at 31 December 2005	<u><u>706,701</u></u>

## Bibby Trade Services Limited

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

The company holds more than 20% of the share capital of the following company

	Country of incorporation	Principal activity	Class	%	Year end
<b>Subsidiary undertakings</b>					
Bibby Connexions S A S	France	Trade Services	Ordinary	100	31 December 2006
			<b>Capital &amp; reserves £</b>	<b>Profit/(loss) for the year £</b>	
<b>Subsidiary undertakings</b>					
Bibby Connexions S A S			(648,624)	(39,113)	

The Directors consider that the investment in Bibby Connexions S A S is worth at least its book value

#### 11 Debtors

	2006 £	2005 <i>as restated</i> £
Trade debtors	3,677,439	6,518,800
Amounts owed by group undertakings	513,285	236,000
Other debtors	-	18,388
Deferred tax	72,300	72,000
Prepayments and accrued income	32,353	182,537
	<u>4,295,377</u>	<u>7,027,725</u>

#### Deferred tax

Deferred tax is provided at 30.00% (2005 - 30.00%)

	2006 £	2005 £
Accelerated capital allowances	5,100	6,300
Other timing differences	67,200	65,700
	<u>72,300</u>	<u>72,000</u>



# **Bibby Trade Services Limited**

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

### **12 Creditors: Amounts falling due within one year**

	<b>2006</b>	<b>2005</b> <i>as restated</i>
	<b>£</b>	<b>£</b>
Trade creditors	385,000	683,290
Amounts owed to group undertakings	-	1,350,000
Corporation tax	48,996	-
Social security and other taxes	23,206	-
Accruals and deferred income	110,227	101,394
	<u>567,429</u>	<u>2,134,684</u>

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

### **13 Creditors: Amounts falling due after more than one year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>1,524,463</u>	<u>3,215,716</u>

The bank overdrafts carry interest rates that vary with base rates

### **14 Maturation of borrowings**

Amounts repayable

	<b>Bank loans &amp; overdrafts</b> <b>£</b>
<b>As at 31 December 2006</b>	
Between one and two years	<u>1,524,463</u>
	<u>1,524,463</u>
<b>As at 31 December 2005</b>	
Between two and five years	<u>3,215,716</u>
	<u>3,215,716</u>

# **Bibby Trade Services Limited**

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

### **15 Share capital**

	<b>2006 £</b>	<b>2005 £</b>
<b>Authorised</b>		
<b>Equity</b>		
4,000,000 Ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
3,200,000 (2005 - 2,700,000) Ordinary shares of £1 each	<u>3,200,000</u>	<u>2,700,000</u>
During the year 500,000 ordinary shares of £1 each were issued at par to the immediate parent company, Bibby Financial Services Limited		

### **16 Reserves**

	<b>Profit and loss reserve</b>
	<b>£</b>
Balance at 1 January 2006 as previously reported	(497,197)
Prior period adjustment	<u>182,505</u>
Balance at 1 January 2006 as restated	(314,692)
Transfer from profit and loss account for the year	43,238
Foreign currency translation differences	<u>(17,435)</u>
Balance at 31 December 2006	<u>(288,889)</u>

# Bibby Trade Services Limited

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

### 17 Reconciliation of movements in shareholders' funds

	2006	2005 <i>as restated</i>
	£	£
Profit/(loss) attributable to members of the company	43,238	(728,815)
	<u>43,238</u>	<u>(728,815)</u>
Other recognised (losses)/gains for the year	(17,435)	19,194
New share capital subscribed	500,000	700,000
Net addition/(reduction) to shareholders' funds	<u>525,803</u>	<u>(9,621)</u>
Opening equity shareholders' funds (originally £2,202,803 before adding prior year adjustment of £182,505)	2,385,308	2,394,929
Closing equity shareholders' funds	<u>2,911,111</u>	<u>2,385,308</u>

### 18 Contingent liabilities

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

	2006	2005
	£	£
Unpresented letters of credit	<u>1,379,000</u>	<u>1,392,500</u>

### 19 Pension schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £4,583 (2005 - £36,517).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

#### 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 £3,927 (2005 - £19,280), equivalent to 18.1% (2005 - 14.5%) of pensionable pay.

## **Bibby Trade Services Limited**

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

#### **20 Controlling entity**

The company is a wholly owned subsidiary undertaking of Bibby Financial Services 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 Financial Services 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](http://www.bibbygroup.co.uk)