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Registration number 03530463

Bibby Trade Services Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2007

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Bibby Trade Services Limited

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Bibby Trade Services Limited
Officers and Advisers

Chairman	Andrew Charles Dixon
Directors	David Albert Robertson Andrew Charles Dixon Ian Downing Karen Jacqueline Rawlinson Edward John Rimmer (appointed 1 September 2007)
Secretary	Bibby Bros & Co (Management) Limited
Registered office	105 Duke Street Liverpool L1 5JQ
Auditors	KPMG LLP Chartered Accountants 8 Princes Parade Liverpool L3 1QH

Bibby Trade Services Limited
Directors' Report for the Year Ended 31 December 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007

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

Information provided to auditors

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 (2006 - £nil)

Bibby Trade Services Limited
Directors' Report for the Year Ended 31 December 2007

Directors

The directors who held office during the year were as follows

- David Albert Robertson
- Andrew Charles Dixon
- Ian Downing
- Karen Jacqueline Rawlinson
- Edward John Rimmer (appointed 1 September 2007)

Retirement of directors

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

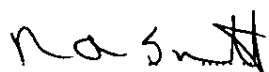
Auditors

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 section 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 18 March 2008 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 2007 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 2007 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

KPMG LLP
Chartered Accountants

Registered Auditor
8 Princes Parade
Liverpool
L3 1QH

18 March 2008

Bibby Trade Services Limited
Profit and Loss Account for the Year Ended 31 December 2007

	Note	2007 £	2006 £
Turnover	2	780,842	1,005,134
Cost of sales		(194,352)	(799,694)
Operating profit	3	<u>586,490</u>	<u>205,440</u>
Interest payable and similar charges	6	(2,043)	(143,506)
Profit on ordinary activities before taxation		<u>584,447</u>	<u>61,934</u>
Tax on profit on ordinary activities	7	(177,069)	(18,696)
Profit for the financial year		<u>407,378</u>	<u>43,238</u>

Turnover and operating profit derive wholly from continuing operations

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 2007

	2007	2006
	£	£
Net profit for the year	407,378	43,238
Foreign currency translation differences	(101)	(17,435)
Total gains for the year	<u>407,277</u>	<u>25,803</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 2007

		2007	2006
	Note	£	£
Fixed assets			
Tangible assets	8	400	925
Investments	9	706,701	706,701
		<u>707,101</u>	<u>707,626</u>
Current assets			
Debtors	10	1,446,856	4,295,377
Cash at bank and in hand		1,804,371	-
		<u>3,251,227</u>	<u>4,295,377</u>
Creditors: Amounts falling due within one year	12	<u>(639,940)</u>	<u>(567,429)</u>
Net current assets		<u>2,611,287</u>	<u>3,727,948</u>
Total assets less current liabilities		3,318,388	4,435,574
Creditors: Amounts falling due after more than one year	13	<u>-</u>	<u>(1,524,463)</u>
Net assets		<u><u>3,318,388</u></u>	<u><u>2,911,111</u></u>
Capital and reserves			
Called up share capital	15	3,200,000	3,200,000
Profit and loss reserve	16	118,388	(288,889)
Equity shareholders' funds	17	<u><u>3,318,388</u></u>	<u><u>2,911,111</u></u>

Approved by the Board on 18 March 2008 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 2007

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

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

Under Financial Reporting Standard 1 (Revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own consolidated 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

Bibby Trade Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2007

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.

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.

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.

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.

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 £14,555,000 (2006 - £25,350,000).

Bibby Trade Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2007

3 Operating profit

Operating profit is stated after charging

	2007 £	2006 £
Hire of plant and machinery (Operating Leases)	641	-
Auditors' remuneration - audit of these financial statements	7,600	6,400
Depreciation of owned tangible fixed assets	524	1,352
Rent	<u>18,000</u>	<u>-</u>

4 Particulars of employees

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

	2007 No	2006 No.
Administration	<u>9</u>	<u>8</u>

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	240,346	236,544
Social security	21,062	19,259
Other pension costs	8,663	8,510
	<u>270,071</u>	<u>264,313</u>

5 Directors' emoluments

No emoluments were paid to the directors during the year (2006 - £nil)

6 Interest payable and similar charges

	2007 £	2006 £
Bank interest payable	<u>2,043</u>	<u>143,506</u>

Bibby Trade Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2007

7 Taxation

Analysis of current period tax charge

	2007 £	2006 £
Current tax		
Corporation tax charge	<u>108,469</u>	<u>18,996</u>
Deferred tax		
Origination and reversal of timing differences	<u>68,600</u>	<u>(300)</u>
Total tax on profit on ordinary activities	<u>177,069</u>	<u>18,696</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2006 - higher than) the standard rate of corporation tax in the UK of 30 00% (2006 - 30 00%)

The differences are reconciled below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>584,447</u>	<u>61,934</u>
Standard rate corporation tax charge	175,334	18,580
Expenses not deductible for tax purposes	1,550	2,334
Accelerated capital allowances	(1,200)	(1,378)
Other timing differences	<u>(67,215)</u>	<u>(540)</u>
Total current tax for the year	<u>108,469</u>	<u>18,996</u>

Bibby Trade Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2007

8 Tangible fixed assets

	Office equipment £
Cost	
As at 1 January 2007 and 31 December 2007	<u>62,267</u>
Depreciation	
As at 1 January 2007	61,343
Charge for the year	<u>524</u>
As at 31 December 2007	<u>61,867</u>
Net book value	
As at 31 December 2007	<u><u>400</u></u>
As at 31 December 2006	<u><u>924</u></u>

Bibby Trade Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2007

9 Investments held as fixed assets

	Group shares £
Cost	
As at 1 January 2007 and 31 December 2007	<u>706,701</u>
Net book value	
As at 31 December 2007	<u>706,701</u>
As at 31 December 2006	<u>706,701</u>

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

	Country of incorporation	Principal activity	Class	%	Year end
Subsidiary undertakings					
Bibby Connexions S A S	France	Trade Services	Ordinary	100	31 December 2007

	Capital & reserves £	Profit/(loss) for the year £
Subsidiary undertakings		
Bibby Connexions S A S	440,610	(18,359)

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

Bibby Trade Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2007

10 Debtors

	2007	2006
	£	£
Trade debtors	1,371,886	3,677,439
Amounts owed by group undertakings	-	513,285
Other debtors	483	-
Deferred tax	3,600	72,300
Prepayments and accrued income	70,887	32,353
	<u>1,446,856</u>	<u>4,295,377</u>

Deferred tax

Deferred tax is provided at 28.00% (2006 - 30.00%)

	2007	2006
	£	£
Accelerated capital allowances	1,700	5,100
Other timing differences	-	67,200
	<u>1,700</u>	<u>72,300</u>

11 Deferred tax

	2007	2006
	£	£
As at 1 January	72,200	72,000
Deferred tax (charge)/credit	(68,600)	300
As at 31 December	<u>3,600</u>	<u>72,300</u>

12 Creditors: Amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	830	-
Trade creditors	292,095	385,000
Amounts owed to group undertakings	16,723	-
Corporation tax	225,469	48,996
Social security and other taxes	447	23,206
Accruals and deferred income	104,376	110,227
	<u>639,940</u>	<u>567,429</u>

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

Bibby Trade Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2007

13 Creditors: Amounts falling due after more than one year

	2007 £	2006 £
Bank loans and overdrafts	<u>-</u>	<u>1,524,463</u>
The bank overdrafts carry interest rates that vary with base rates		

14 Maturation of borrowings

Amounts repayable

	Bank loans & overdrafts £
As at 31 December 2007	
In one year or less on demand	830
	<u>830</u>
As at 31 December 2006	
Between one and two years	1,524,463
	<u>1,524,463</u>

15 Share capital

	2007 £	2006 £
Authorised		
Equity		
4,000,000 Ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>
Allotted, called up and fully paid		
Equity		
3,200,000 Ordinary shares of £1 each	<u>3,200,000</u>	<u>3,200,000</u>

Bibby Trade Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2007

16 Reserves

	Profit and loss reserve
	£
Balance at 1 January 2007	(288,889)
Transfer from profit and loss account for the year	407,378
Foreign currency translation differences	(101)
Balance at 31 December 2007	<u>118,388</u>

17 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit attributable to members of the company	<u>407,378</u>	<u>43,238</u>
	407,378	43,238
Other recognised losses for the year	(101)	(17,435)
New share capital subscribed	-	500,000
Net addition to shareholders' funds	<u>407,277</u>	<u>525,803</u>
Opening equity shareholders' funds	2,911,111	2,385,308
Closing equity shareholders' funds	<u>3,318,388</u>	<u>2,911,111</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

	2007 £	2006 £
Unpresented letters of credit	<u>1,277,000</u>	<u>1,379,000</u>

Bibby Trade Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2007

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 £4,569 (2006 - £4,583).

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 £2,424 (2006 - £3,927), equivalent to 18.1% (2006 - 18.1%) of pensionable pay.

As part of the information disclosed under FRS17 in the ultimate holding company's accounts, a net deficit of £6,366,000 (2006 - £10,716,000) is noted. Further information can be found in the financial statements of the ultimate holding company.

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