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Registration number 05245631

## Factoring UK Group Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2007

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**Factoring UK Group Limited**  
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**Factoring UK Group Limited**  
**Officers and Advisers**

<b>Directors</b>	Ian Downing · David Albert Robertson · John Charles Thompson Kevin Michael Weaver Stuart John Wilkinson · Edward John Rimmer (appointed 1 January 2008)
<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

**Factoring UK Group 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 to act as a holding company.

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).

**Factoring UK Group Limited**  
**Directors' Report for the Year Ended 31 December 2007**

**Directors**

The directors who held office during the year were as follows

- Ian Downing
- David Albert Robertson
- John Charles Thompson
- Kevin Michael Weaver
- Stuart John Wilkinson

**Retirement of directors**

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

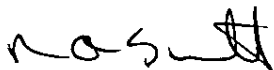
**Auditors**

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 Factoring UK Group Limited**

We have audited the financial statements of Factoring UK Group 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  
Factoring UK Group 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

**Factoring UK Group Limited**  
**Profit and Loss Account for the Year Ended 31 December 2007**

	Note	Year ended 31 December 2007 £	1 October 2005 to 31 December 2006 £
Turnover		-	-
Cost of sales		(7,041)	-
<b>Operating loss</b>		<u>(7,041)</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>		<u>(7,041)</u>	<u>-</u>
Tax on loss on ordinary activities	3	37,026	-
<b>Profit for the financial year</b>		<u>29,985</u>	<u>-</u>

The company has no recognised gains or losses for the year other than the results above

The notes on pages 8 to 12 form an integral part of these financial statements

**Factoring UK Group Limited**  
**Balance Sheet as at 31 December 2007**

		31 December 2007	31 December 2006
	Note	£	£
<b>Fixed assets</b>			
Investments	4	1,088,166	1,088,166
<b>Current assets</b>			
Debtors	5	-	138
Cash at bank and in hand		370	595
		<u>370</u>	<u>733</u>
<b>Creditors: Amounts falling due within one year</b>	6	<u>(962,732)</u>	<u>(993,080)</u>
<b>Net current liabilities</b>		<u>(962,362)</u>	<u>(992,347)</u>
<b>Net assets</b>		<u>125,804</u>	<u>95,819</u>
<b>Capital and reserves</b>			
Called up share capital	7	300	300
Profit and loss reserve	8	125,504	95,519
<b>Equity shareholders' funds</b>	9	<u>125,804</u>	<u>95,819</u>

Approved by the Board on 18 March 2008 and signed on its behalf by



Ian Downing  
Director

The notes on pages 8 to 12 form an integral part of these financial statements

## **Factoring UK Group 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

##### **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

##### **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 and liabilities are not discounted.

##### **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.

##### **Fixed asset investments**

Fixed asset investments are carried at cost less any provision for any permanent diminution in value.

#### **2 Directors' emoluments**

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

**Factoring UK Group Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2007**

**3 Taxation**

**Analysis of current period tax credit**

	Year ended 31 December 2007 £	1 October 2005 to 31 December 2006 £
<b>Current tax</b>		
Overprovision in previous year	(37,026)	-

**Factors affecting current period tax credit**

The tax assessed on the loss on ordinary activities for the year is lower than (1 October 2005 to 31 December 2006 - the same as) the standard rate of corporation tax in the UK of 30.00% (1 October 2005 to 31 December 2006 - 30.00%)

The differences are reconciled below

	Year ended 31 December 2007 £	1 October 2005 to 31 December 2006 £
Loss on ordinary activities before taxation	(7,041)	-
Standard rate corporation tax credit	(2,112)	-
Adjustment in respect of prior periods	(37,026)	-
Group relief receivable	2,112	-
<b>Total current tax for the year</b>	<b>(37,026)</b>	<b>-</b>

## Factoring UK Group Limited

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

#### 4 Investments held as fixed assets

	Group shares £
<b>Cost</b>	
As at 1 January 2007 and 31 December 2007	<u>1,088,166</u>
<b>Net book value</b>	
As at 31 December 2007	<u>1,088,166</u>
As at 31 December 2006	<u>1,088,166</u>

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

	Country of incorporation	Principal activity	Class	%	Year end
<b>Subsidiary undertakings</b>					
Factoring UK Limited	England	Debt factoring	Ordinary	100	31 December 2007
Factoring UK Consulting Limited	England	Debt factoring	Ordinary	100	31 December 2007

	Capital & reserves £	Profit for the year £
<b>Subsidiary undertakings</b>		
Factoring UK Limited	<u>231,303</u>	<u>66,065</u>
Factoring UK Consulting Limited	<u>1</u>	<u>-</u>

#### 5 Debtors

	31 December 2007 £	31 December 2006 £
Other debtors	<u>-</u>	<u>138</u>

## Factoring UK Group Limited

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

#### 6 Creditors: Amounts falling due within one year

	31 December 2007	31 December 2006
	£	£
Amounts owed to group undertakings	960,000	953,298
Corporation tax	-	37,026
Accruals and deferred income	2,732	2,756
	<u>962,732</u>	<u>993,080</u>

#### 7 Share capital

	31 December 2007	31 December 2006
	£	£
<b>Authorised</b>		
<b>Equity</b>		
Ordinary "A" shares shares of £1 each	-	200
Ordinary "B" shares shares of £1 each	-	200
Ordinary "C" shares shares of £1 each	-	200
Ordinary "D" shares shares of £1 each	-	200
Ordinary "E" shares shares of £1 each	-	200
Ordinary shares of £1 each	1,000	-
	<u>1,000</u>	<u>1,000</u>

#### Allotted, called up and fully paid

<b>Equity</b>		
Ordinary "A" shares shares of £1 each	-	100
Ordinary "B" shares shares of £1 each	-	100
Ordinary "C" shares shares of £1 each	-	100
Ordinary shares of £1 each	300	-
	<u>300</u>	<u>300</u>

On 22 November 2007 the ordinary "A-E" shares were redesignated as £1 ordinary shares

## Factoring UK Group Limited

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

#### 8 Reserves

	Profit and loss reserve £
Balance at 1 January 2007	95,519
Transfer from profit and loss account for the year	29,985
Balance at 31 December 2007	<u>125,504</u>

#### 9 Reconciliation of movements in shareholders' funds

	31 December 2007 £	31 December 2006 £
Profit attributable to members of the company	29,985	-
	<u>29,985</u>	<u>-</u>
Opening equity shareholders' funds	95,819	95,819
Closing equity shareholders' funds	<u>125,804</u>	<u>95,819</u>

#### 10 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)