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Registration number: 09351311

Bibby Invoice Finance UK Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2021

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Bibby Invoice Finance UK Limited

Contents

Company Information	1
Strategic Report	2 to 8
Directors' Report	9 to 11
Directors' Responsibilities Statement	12
Independent Auditor's Report to the members of Bibby Invoice Finance UK Limited	13 to 16
Consolidated Profit and Loss Account	17
Consolidated Statement of Comprehensive Income	18
Consolidated Balance Sheet	19
Company Balance Sheet	20
Consolidated Statement of Changes in Equity	21
Company Statement of Changes in Equity	22
Notes to the Financial Statements	23 to 36

Bibby Invoice Finance UK Limited

Company Information

Directors	Theovinder Chatha Ian Ramsden Ian Downing Derek Ryan
Company secretary	Bibby Bros. & Co. (Management) Limited
Registered office	3rd Floor Walker House Exchange Flags Liverpool L2 3YL United Kingdom
Auditor	Mazars LLP Chartered Accountants and Statutory Auditor 30 Old Bailey London EC4M 7AU

Bibby Invoice Finance UK Limited

Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2021.

About Bibby Financial Services

Bibby Financial Services Limited (BFS), (the 'Parent Company') and its subsidiaries (the 'BFS Group'), help businesses thrive and grow through the provision of future focused financial solutions, delivered by a great team of highly engaged colleagues.

For forty years, we have been leading the way in helping small and medium sized entities (SMEs) to achieve their ambitions, priding ourselves on responsiveness, flexibility and our unique relationship-based approach to funding.

While much has changed since our formation in 1982, our commitment to our family values, providing excellent service to our clients, and helping our people to grow and develop, has remained consistent.

Our products and services help businesses unlock working capital and reduce their exposure to currency volatility.

By so doing, we enable businesses to overcome cashflow issues, purchase new equipment and machinery, and expand in domestic and international markets. We also support management buy ins and buy outs, refinancing and corporate restructuring.

We employ over 900 people in 27 offices across Europe and in Singapore and support 9,000 business customers in over 300 industries worldwide.

Bibby Invoice Finance UK Limited

Bibby Invoice Finance UK Limited (BIF) and its subsidiaries (BIF Group) acts as a controlling and financing company for the factoring and invoice discounting activities of Bibby Financial Services (BFS), in the United Kingdom.

Strategic review

The BIF Group continued to make significant progress in 2021 navigating a clear and positive path through the Covid-19 pandemic. The turnaround initiatives executed in 2020 and during the first half of 2021 greatly benefited our financial performance over the full year. While challenging conditions remained throughout the year, rebounding debts factored volumes, a steady pick up in client cash demand, continued cost management and favourable bad debt resulted in a profit before tax for the BIF Group of £30.0m (2020: £24.0m).

Along with the launch of our strategy, "BFS 4.0" and a realigned cost-base, critical to our success has been the collective effort, focus and commitment of our teams throughout the world. Ensuring the health, safety and wellbeing of our colleagues during the pandemic has remained a key priority of the Board. Part of this involved updating and enhancing a number of policies and benefits, including paid dependents leave and increased sick pay, as well as providing remote working support, stress workshops, and specific guidance and training for line managers to provide further support for our colleagues. Despite a number of false starts in returning to offices owing to the re-introduction of Covid-19 related restrictions, our hybrid working model is now fully embedded and is working well for both our colleagues and our performance. To ensure we continue to listen effectively and respond to our people, we introduced a new monthly employee engagement programme, Workday Peakon Employee Voice, an intelligent listening platform that facilitates regular monthly feedback to enable tangible change.

The BIF Group maintains a solid funding base and strong funding relationships with our funders supportive of the business. The BIF Group extended its main UK securitisation facility in the final quarter of 2019 for a further four years.

Bibby Invoice Finance UK Limited

Strategic Report

In 2021 we also launched Bibby Compass, which focuses on four areas to foster the long-term sustainability of the Group: Environment, Community, People and Customer. We have developed and launched a number of initiatives as part of Compass, and this continued focus on sustainability will continue in 2022 and into the future. Preserving our family values and high performing culture is hugely important to us and as we celebrate 40 years of supporting SMEs, we continue to play a positive and important role within the communities we live and work within.

While we continue to monitor and react to the economic landscape, the BIF Group is in a strong position to continue our growth trajectory in 2022 and beyond.

Outlook

Over our history, the BIF Group has weathered and grown throughout a variety of economic cycles. As an independent funder, backed by one of the UK's oldest family owned businesses, the BIF Group is well-placed to support economic recovery in all of the UK markets in which we operate. Across our businesses we have highly engaged and expert teams positively contributing to the communities in which we operate.

We remain confident that by continuing to leverage our expertise, our local knowledge and our established business model, coupled with our evolving strategy, the BIF Group will continue to support our colleagues, clients and business partners over the long term.

Bibby Invoice Finance UK Limited

Strategic Report

Financial performance

The BIF Group's key financial and other performance indicators for invoice finance and invoice discounting activities reported in the consolidated financial statements for Bibby Invoice Finance Limited during the year were as follows:

	Unit	2021	2020
Debts factored	£m	6,804	6,115
Year end client advances	£m	446	356
Turnover	£000	80,175	79,378
Operating profit	£000	45,706	40,521
Profit before tax	£000	30,002	23,990

As the government reduced Covid-19 restrictions throughout the first half of 2021 customer demand for finance increased despite SMEs continuing to benefit from government funding and support measures.

As a result, debts factored increased by 11% to £6.8bn (2020: £6.1bn), with year end funds advanced increasing to £446m (2020: £356m). Given this gradual pick up in activity weighted towards the latter half of the year, there was a small increase in turnover of £0.8m to £80.2m (2020: £79.4m).

Cost of sales reduced by £4.4m to £34.5m (2020: £38.9m) primarily reflecting the actions implemented early in 2020 and our rigorous focus on cost management. This included a review of our UK invoice finance operations following which we made changes to simplify and standardise our operating model, including reducing our geographical footprint to generate significant cost savings from 2021 onwards. Despite the national lockdown restrictions and volatile macroeconomic environment, our credit performance remained strong reflecting the diversified nature of our funds advanced, supported by the ongoing government schemes for SMEs. Credit impairments were effectively managed by our Operational and Central Risk teams in 2021 with our bad debt charge being 0.7% of closing funds advanced (2020: 1.7%).

Interest payable and similar charges decreased £0.8m to £15.7m (2020: £16.5m). The reduction was driven by lower borrowing requirements and a lower costs of funds.

Overall, BIF Group made a profit before tax of £30.0m (2020: £24.0m).

Corporate taxation charges have been eliminated by claims to United Kingdom group loss relief from fellow subsidiaries of the ultimate parent undertaking Bibby Line Group Limited, a diverse business-to-business service conglomerate. The business continues to manage its tax policies to maximise its use of such losses whilst they remain available.

Bibby Invoice Finance UK Limited

Strategic Report

Risk management

Our approach

Risk management, robust governance and internal control are central to the way we manage all aspects of our business. Responsible practices underpin our values, behaviours and culture and they enable the Group to grow in a sustainable way.

Our risk management processes and systems manage, rather than eliminate risk. Our risk framework is overseen by our global risk team on behalf of the Board and is represented by the 'three lines of defence' model:

- Ownership of risk at a business level
- Central management support and board oversight
- Independent review

This framework enables us to review key risks facing the Group in a timely manner in order to manage and mitigate outcomes, as far as possible, and to protect profitability and ensure success of BIF.

The first line of defence for risk management within BIF is placed at the business level. A significant role of all business managers throughout our operations is to ensure risk is managed appropriately and effectively. Central management support forms the second line of defence and independently assesses all material risks. The third line, which includes internal audit and the BFS Audit Committee, independently reviews and challenges the Group's risk management controls, processes and systems.

The BIF Group operates in evolving, self-regulated markets where going 'above and beyond' the minimum is fundamental to the management of the businesses. We continue to proactively lead in self-regulation and continue to strengthen standards to ensure that robust quality assurance and risk management processes are embedded at all levels of the organisation. Giving excellent client service is central to these processes as we develop and grow. The BIF Group therefore endeavours to manage operations responsibly and conduct business in an ethical and transparent way.

Local BIF business units are responsible for operational risk management. Operational risk incidents are recorded on a centralised reporting system. Incidents are managed from the Group to ensure they are satisfactorily categorised and analysed to identify trends and establish lessons learnt on the effectiveness of controls. Each business unit complies with a recurring operational audit which seeks to identify weaknesses and areas for improvement. The results of these audits are reported to the BFS Board.

Bibby Invoice Finance UK Limited

Strategic Report

Principal risks and uncertainties

Growth in the SME financing sector is largely influenced by two key factors: macroeconomics and business confidence. Current macroeconomic challenges facing BIF's client-base include the Covid-19 pandemic, the Ukraine crisis and Brexit.

While we have seen business confidence improve through 2021 as the impact of Covid-19 began to reduce in our key markets, the pandemic continues to pose challenges for SMEs in the form of recovering but still suppressed consumer demand, supply chain issues, energy price spikes and other inflationary pressures.

Since the year end geopolitical risk has escalated following the Russian invasion of Ukraine and the subsequent international response creating additional uncertainty over the macroeconomic outlook and further increasing challenges for SMEs, particularly inflationary pressures.

Whilst the impact on BIF remains low, Brexit has provided an opportunity for us to grow our funding support for those trading internationally through our Trade Finance and Export Finance. We continue to monitor this risk on an ongoing basis both centrally and through our international operating companies and are well positioned to support more importers and exporters over the years ahead.

Against these macro-economic risks, we remain confident in our business model and our strong experience of growing through various economic cycles by successfully supporting our clients through challenging times.

While the threat of the Ukrainian crisis poses significant direct challenges to businesses across Eastern Europe in particular, our exposure to SMEs and their debtors in Ukraine and Russia is limited, and we remain focused on supporting our clients and our people while adhering to our proven risk underwriting processes.

Across the group our client portfolio is well diversified with both clients and debtors well spread. Debtor concentrations remain low, and we have limited exposure to industries most impacted by the pandemic, such as retail and hospitality. We monitor and manage our exposure to all market risks through the application of strict underwriting processes when assessing the credit quality of our clients and their debtors, ongoing debtor reviews, and by operating strong governance processes both within our operational businesses and through the oversight and depth of experience within our central risk function.

We have a solid funding base, adequate funding covenant headroom, and strong funding relationships, principally through our UK Securitisation facility allowing us to continue to support our customers while meeting our own liquidity requirements.

Other key risks facing the business include Cyber and Data security and Colleague retention and recruitment. The cyber threat remains significant and prominent across all industries and Cyber security continues to be assessed as an integral part of operational resilience. BIF has significantly increased its investment in enhancing its protection against IT security threats, deploying a series of tools designed to identify and prevent network/system intrusions. This is further supported by documented and tested procedures intended to ensure the effective response to a security breach. Whilst IT security risks continue to evolve, the level of maturity of the Group's controls and defences continues to increase, supported by dedicated IT security specialists. During 2022, BFS has commissioned an independent review of the BFS Group's Cyber threat resilience to assess the appropriateness of the actions being implemented, and inform the BFS Group IT Strategy going forward.

Bibby Invoice Finance UK Limited

Strategic Report

Colleagues remain critical to our success, and the failure to recruit and retain key talent would have an impact on business performance. The competition for talent remains fierce across our key markets as businesses emerge from the pandemic and review their business models including new ways of working. Engaged colleagues are vital if we are to maintain high levels of customer service and develop new products and services. We operate a culture where we engage, motivate and enable colleagues to achieve their potential. Inclusion and diversity, safety, health and well-being, training and career development are all essential parts of our culture to ensure we are meeting the needs of our people. In 2021, the group carried out its annual employee engagement survey which is designed to gauge how colleagues feel about working at BIF, what improvements can be made and identifying areas of excellence. Following the year end, we have transitioned colleague engagement surveys to a monthly cadence allowing more frequent and timely feedback, and as part of Project Compass have launched several initiatives to ensure we remain the employer of choice for our colleagues.

We continue to monitor and seek to manage the potential implications of all the above developments on our customers and business.

Commercial risks and uncertainties

Our marketplace continues to present commercial risks and uncertainties as a result of competitive developments, the macroeconomic climate and changing client requirements. To manage these risks, we aim to provide our clients with a high standard of service to better meet their needs. As mentioned previously, we continue to maintain a strong liquidity position and solid funding relationships.

Our principal activities involve credit risk in respect of our clients and their customers. We manage this risk by taking adequate security and through a series of internal controls both manual and systems based. Further detail on credit risk and other financial instruments risk the BIF Group may face is noted on page 6.

Financial instruments

Objectives and policies

Financial risks have been considered by the Board and policies are in place to effectively manage each risk. We consider the most significant financial risks to be liquidity risk, capital adequacy, finance cost risk and credit risk. In each case, the risk is managed by matching assets and liabilities on the relevant basis.

When required forward exchange contracts are entered into to manage exposure to foreign exchange rate risk. The BFS Group's policy is normally to match foreign currency receivables with borrowings in the same currency. Where necessary, currency risk arising is addressed by taking out forward cover in the form of a derivative.

Bibby Invoice Finance UK Limited

Strategic Report

Price risk, credit risk, liquidity risk and capital adequacy

Price risk:

The BIF Group advances to clients and raises funds on a largely matched basis. The BIF Group charges clients and pays for funds on an aligned charging basis and we raise funds in the same currency as we advance.

Where necessary (i.e. where there is no matching trading balance to a currency exposure) we address exchange rate transaction risk by taking out forward cover in the form of a currency derivative contract. These are entered into after review by the Directors of the effectiveness of the derivatives to hedge exchange rate risk exposure.

Liquidity risk:

Liquidity risk is assessed on a regular basis. The Board receives and assesses cash flows of the business, at a minimum, at each quarterly Board meeting of the Directors. We maintain cash defences to accommodate potential perceived demands on liquidity arising from losses and other scenarios.

Capital adequacy:

Capital adequacy is assessed by the Board on a regular basis to ensure that the business has adequate capital to withstand potential losses and provide creditors with adequate protection. The Group maintains undrawn facilities available on our existing loan book to ensure there is adequate liquidity in addition to earnings which increase capital available in the year.

Credit risk:

Credit risk is defined as the risk of loss in relation to an advance made by one of the Group's business units. Operating businesses are provided with appropriate levels of credit discretion. Credit exposures above these levels set are only approved by Senior Underwriters and Board Credit Committee as appropriate.

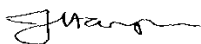
Credit risk analysis is focused on ensuring that risks have been fully identified and that the risk is understood and acceptable against the expected rewards. We use system generated risk monitoring and internal rating processes. However, we do not seek to rely on quantitative models to assess credit risk but uses fundamental credit analysis as the basis for risk decisions.

Credit exposures are monitored against limits and client facility limits are in place for all facilities. Credit policies are in place to avoid unacceptable client credit risk.

Section 172(1) statement

From the perspective of the BIF Board, as a result of the BFS Group governance structure whereby some of the BIF Board is embedded within the BFS board, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 have been considered to an appropriate extent by the BFS Board in relation to both BFS and to BIF. The BIF Board has also considered relevant matters where appropriate. To the extent necessary for an understanding of the development, performance and position of BIF, an explanation of how the BFS Board has considered the matters set out in s172 (for BFS and for BIF) is set out on page 10, 11 and 12 of BFS's Annual report, which does not form part of this report.

Approved by the Board on 1 June 2022 and signed on its behalf by:



Jeanette Hampson.....

Bibby Bros. & Co. (Management) Limited
Company secretary

Duly Authorised Signatory
For and on behalf of
Bibby Bros. & Co. (Management)
Limited, SECRETARY

Bibby Invoice Finance UK Limited

Directors' Report for the Year Ended 31 December 2021

The Directors present their report for the year ended 31 December 2021.

Directors of Bibby Invoice Finance UK Limited

The directors who held office during the year were as follows:

Theovinder Chatha

Ian Ramsden

Ian Downing

Derek Ryan (appointed 13 September 2021)

Directors' liabilities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force at the date of this report. Similar provisions are in place for directors of all subsidiaries within the Group.

Dividends

No dividend payment was made during the year.

Going concern

The Directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. In reaching this assessment the Directors considered the financial statements, the Group's budget, operating plan and updated forecasts, particularly given Covid-19 and the Russia/Ukraine war, along with a range of stress scenarios. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies in Note 2 of the Financial Statements.

Matters included in Strategic Report

In accordance with s414C(11) of the Companies Act 2006, included within the Strategic report is information relating to the future development of the business and the financial instruments policies and risks of the business, which would otherwise be required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' to be contained in the Directors' report.

The Strategic report, specifically the s172 statement, includes information the following:

- i) how the Directors have engaged with employees; and
- ii) how the Directors have had regard to employee interests, and the effect of that regard, including on the principal decisions taken by the Group during the financial year.

The Strategic report also contains information on how the Directors have had regard to the need to foster the Group's business relationships with suppliers, clients and others, and the effect of that regard, including on the principal decisions taken by the BFS and BIF Group during the financial year.

Bibby Invoice Finance UK Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Employment of disabled persons

BFS Group have been passionate about being an inclusive and diverse business for many years. We are pleased that our first BFS Group Peakon results place us in the top 25% of financial services businesses for inclusivity. Over the past 12 months we have introduced an Inclusion & Diversity community group to share experiences and set direction, as well as a comprehensive people policy review through the lens of inclusion, diversity and wellbeing.

It is the policy of the BFS Group to ensure that all sections of the community have an equal opportunity in matters related to employment including giving full and fair consideration to applications for employment made by disabled persons. In 2021 we achieved Disability Confident status in recognition of the work we have done around Inclusion & Diversity, particularly disability.

Stakeholders

We proactively seek to build and maintain strong relationships with our stakeholders. Our main stakeholders comprise our people, clients, partners, funders and the communities in which we operate. Understanding their views is a key part of managing our business and we actively engage with them on a regular basis to listen to their views and concerns and also gather feedback on our activities. Our clients are at the heart of everything we do. Within the BIF Group we are focused on creating a working environment that encourages our people to be engaged and motivated. In parallel, dialogue and regular engagement with our partners and funders helps us to meet their evolving needs and we work hard to deliver value through the support we provide to charities and the communities we operate in.

Corporate responsibility

Our approach to corporate responsibility has been integral to how we operate for forty years, enabling us to operate and grow in a responsible and ethical manner, and contribute positively to the communities around us.

In 2021, we launched Bibby Compass, which has further accelerated our progress with Corporate Social Responsibility (CSR). The four points of Compass are People, Environment, Community and Customer, the first three of which now form our CSR and Environmental, Social and Governance (ESG) strategies.

Although not a requirement, the Directors' have regard to Wates Corporate Governance Principles in applying good corporate governance.

Core to the Directors delivering on our responsibilities is returning BFS to sustainable profitability and linking together the various initiatives outlined in this report to drive long term value for all stakeholders.

Employee involvement

Our success depends on our people and we operate a culture where we engage, motivate and enable colleagues to achieve their potential. Inclusion and diversity, safety, health and wellbeing, training and career development are all essential elements of our culture, ensuring we continue to meet the needs of our colleagues.

In 2021 we launched Workday Peakon Employee Voice, which is an engagement platform designed to regularly gauge how colleagues feel about working within BFS, what improvements can be made and to identify areas of excellence.

Additionally, we sought feedback through ad hoc surveys and colleague community groups – providing another channel for colleagues to voice their opinions.

Bibby Invoice Finance UK Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Important non adjusting events after the financial period

On 24 February 2022 Russian Forces entered Ukraine, resulting in a response from the international community including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event. The Directors have taken account of these potential impacts in their going concern assessment.

Disclosure of information to the auditor

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 auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 1 June 2022 and signed on its behalf by:



Jeanette Hampson.....

Bibby Bros. & Co. (Management) Limited
Company secretary

Duly Authorised Signatory
For and on behalf of
Bibby Bros. & Co. (Management)
Limited, SECRETARY

Bibby Invoice Finance UK Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bibby Invoice Finance UK Limited

Independent Auditor's Report to the members of Bibby Invoice Finance UK Limited

Opinion

We have audited the financial statements of Bibby Invoice Finance UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Bibby Invoice Finance UK Limited

Independent Auditor's Report to the members of Bibby Invoice Finance UK Limited (continued)

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Bibby Invoice Finance UK Limited

Independent Auditor's Report to the members of Bibby Invoice Finance UK Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition, impairment of financial assets and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

Bibby Invoice Finance UK Limited

Independent Auditor's Report to the members of Bibby Invoice Finance UK Limited (continued)

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit 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 auditor's 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.


Rudi Lang (Jun 1, 2022 16:57 GMT+1)

.....
Rudi Lang (Senior Statutory Auditor)
For and on behalf of Mazars LLP,
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

1 June 2022

Bibby Invoice Finance UK Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover	3	80,175	79,378
Cost of sales		<u>(34,469)</u>	<u>(38,857)</u>
Operating profit	4	45,706	40,521
Interest payable and similar charges	7	<u>(15,704)</u>	<u>(16,532)</u>
Profit before tax		30,002	23,990
Taxation	8	<u>-</u>	<u>-</u>
Profit for the financial year		<u>30,002</u>	<u>23,990</u>
Profit attributable to:			
Owners of the company		<u>30,002</u>	<u>23,990</u>

The above results were derived from continuing operations.

The notes on pages 23 to 36 form an integral part of these financial statements.

Bibby Invoice Finance UK Limited

**Consolidated Statement of Comprehensive Income for the Year Ended 31 December
2021**

	2021 £ 000	2020 £ 000
Profit for the year	<u>30,002</u>	<u>23,990</u>
Total comprehensive income for the year	<u>30,002</u>	<u>23,990</u>
Total comprehensive income attributable to:		
Owners of the company	<u>30,002</u>	<u>23,990</u>

The notes on pages 23 to 36 form an integral part of these financial statements.

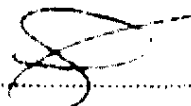
Bibby Invoice Finance UK Limited

(Registration number: 09351311)

Consolidated Balance Sheet as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
Current assets			
Debtors	10	678,966	566,869
Cash at bank and in hand		<u>4,919</u>	<u>5,176</u>
		683,884	572,045
Creditors: Amounts falling due within one year	11	<u>(153,253)</u>	<u>(186,073)</u>
Total assets less current liabilities		530,631	385,972
Creditors: Amounts falling due after more than one year	11	<u>(432,875)</u>	<u>(318,216)</u>
Net assets		<u>97,756</u>	<u>67,756</u>
Capital and reserves			
Called up share capital	13	67,750	67,750
Other reserves	14	(56,717)	(56,717)
Profit and loss account		<u>86,724</u>	<u>56,723</u>
Shareholders' funds		<u>97,757</u>	<u>67,756</u>

Approved and authorised by the Board on 1 June 2022 and signed on its behalf by:



 Ian Downing
 Director

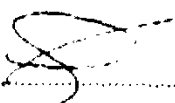
The notes on pages 23 to 36 form an integral part of these financial statements.

Bibby Invoice Finance UK Limited
(Registration number: 09351311)
Company Balance Sheet as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Investments	9	59,906	59,906
Current assets			
Debtors	10	438,434	334,579
Cash at bank and in hand		<u>3,703</u>	<u>3,344</u>
		442,137	337,923
Creditors: Amounts falling due within one year	11	<u>(4,535)</u>	<u>(7,673)</u>
Net current assets		<u>437,602</u>	<u>330,250</u>
Total assets less current liabilities		497,509	390,156
Creditors: Amounts falling due after more than one year	11	<u>(432,875)</u>	<u>(325,852)</u>
Net assets		<u>64,634</u>	<u>64,304</u>
Capital and reserves			
Called up share capital	13	67,750	67,750
Profit and loss account		<u>(3,116)</u>	<u>(3,446)</u>
Shareholders' funds		<u>64,634</u>	<u>64,304</u>

The Company profit for the year as reported in the Company Statement of Changes in Equity is £330,000 (2020: loss of £9,648,000).

Approved and authorised by the Board on 1 June 2022 and signed on its behalf by:



 Ian Downing
 Director

Bibby Invoice Finance UK Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	67,750	(56,717)	56,723	67,756
Profit for the year	-	-	30,002	30,002
At 31 December 2021	<u>67,750</u>	<u>(56,717)</u>	<u>86,724</u>	<u>97,757</u>
	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	67,750	(56,717)	32,733	43,766
Profit for the year	-	-	23,990	23,990
At 31 December 2020	<u>67,750</u>	<u>(56,717)</u>	<u>56,723</u>	<u>67,756</u>

The notes on pages 23 to 36 form an integral part of these financial statements.

Bibby Invoice Finance UK Limited

Company Statement of Changes in Equity for the Year Ended 31 December 2021

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	67,750	(3,446)	64,304
Profit for the year	-	330	330
At 31 December 2021	<u>67,750</u>	<u>(3,116)</u>	<u>64,634</u>
	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	67,750	6,202	73,952
Loss for the year	-	(9,648)	(9,648)
At 31 December 2020	<u>67,750</u>	<u>(3,446)</u>	<u>64,304</u>

The notes on pages 23 to 36 form an integral part of these financial statements.

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

Bibby Invoice Finance UK Limited is a private company limited by shares and incorporated in England, registration number 09351311. The address of its registered office and principal place of business is 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL, United Kingdom.

The Company is a wholly-owned subsidiary of Bibby Financial Services (UK) Limited. Bibby Financial Services Limited is the parent company of the smallest group which consolidates the financial information of the Company. The ultimate parent undertaking is Bibby Line Group Limited and is the largest group which consolidates the financial information of the Company. All parent companies are incorporated in England.

The ultimate controlling party is disclosed in the financial statements of Bibby Line Group Limited. Copies of the financial statements of all subsidiaries of Bibby Line Group Limited can be obtained from its registered office at 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL, United Kingdom.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and applicable legislation as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008. The Company presents both individual financial statements (subject to relevant exemptions) and consolidated financial statements for its Group.

Basis of preparation

The financial statements have been prepared under the historical cost convention except for any derivative financial instruments which are stated at their fair values. The primary economic environment in which the Company operates is governed by the Great British Pound, its functional currency. As such the financial statements have been prepared in this currency.

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings together with the group's share of the results of associates made up to 31 December.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and where the group has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the group's interest in the entity.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company. The accounting periods of subsidiaries are coterminous with those of the Company.

Disclosure exemptions within FRS 102

No profit and loss account is presented for the Company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year is reported in the Statement of Changes in Equity. The Company has also taken advantage of the provisions of FRS 102 Section 1.12 to not prepare a Statement of Cash Flows.

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Going concern

The financial statements are prepared on a going concern basis. In reaching their view on the preparation of the financial statements on a going concern basis, the Directors are required to consider whether BIF can continue in operational existence for the foreseeable future.

In response to uncertain conditions created by Covid-19, and more recently the Russia/Ukraine war, the Directors have carefully considered these risks, including an assessment of any uncertainty on the viability of BIF's business model and the extent to which they may affect the preparation of the financial statements on a going concern basis. Based on this assessment, the Directors consider that BIF maintains an appropriate level of capital and available liquidity, sufficient to meet the demands of the business and the requirements which might arise in stressed circumstances. In addition, BIF's assets are assessed for recoverability on a regular basis and provision is made where appropriate. The Directors consider that BIF is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

Revenue recognition

Revenue arises from continuing activities and represents discount, service and other charges to clients, net of value added tax.

Service and other income is measured at the fair value of consideration received or receivable and is recognised when services are delivered, and when it is probable that future economic benefits will flow to the entity.

Discount income on financial assets that are classified as loans and receivables within trade debtors is determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income over the expected life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instruments initial carrying amount.

Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing rate at the reporting date and any exchange difference is included in the profit or loss.

Operating leases

At inception the group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement. Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

Investments

Investments held as fixed assets are held on the balance sheet of the Company at cost, less any impairment provision.

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Depreciation is provided to allocate the cost of the assets less their estimated residual values, over their expected useful economic life using a straight line basis as follows:

Asset class	Depreciation method and rate
Office equipment	3 - 7 years

Financial instruments

The Company has applied the provisions of FRS 102 Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' in full.

Classification

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds basic financial instruments which comprise cash and cash equivalents, trade and other debtors, trade and other creditors.

Financial asset and liability debt instruments are classified as basic financial instruments where they meet all of the following conditions:

(A) Returns to the holder are (i) a fixed amount, or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive;

(B) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods;

(C) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect: (i) the holder against the credit deterioration of the issuer, or a change in control of the issuer; or (ii) the holder or issuer against changes in relevant taxation or law; and

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

(D) There are no conditional returns or repayment provisions except for the variable rate return described in (A) and prepayment provisions described in (C).

Recognition and measurement

Financial assets, classified as basic financial instruments are cash and cash equivalents and trade and other debtors. Financial liabilities, classified as basic financial instruments are trade and other creditors, including loans and borrowings. All specific recognition and measurement policies of each component are presented in the individual policies below.

Equity instruments are classified in accordance with the substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Impairment

The Group assesses whether there is objective evidence that any trade or other debtor may be impaired. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debtor. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

Trade receivables

Trade debtors represent debts assigned under factoring agreements, net of impairment provisions and deferred assignment consideration owed to factoring clients where there is a full right of recourse.

When debts are assigned, the Group obtains full ownership rights of the invoice, the economic rewards and risk. Trade debtors are recognised initially at the transaction price less deferred assignment consideration owed to full-recourse clients. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

The Group is party to a composite accounting structure agreement with one of their bankers. This agreement treats all the sterling bank accounts included in the agreement as one account. As a result positive and negative cash balances included in the agreement are shown net in the consolidated balance sheet.

Trade payables

Trade creditors are deferred assignment consideration owed to factoring clients where there is not a full right of recourse, and obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost.

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Borrowings

The Group securitises its debts by selling debts assigned to an issuing party, who using the invoices as security borrows funds from third party investors, by issuing variable funding notes to those investors.

Under securitisation, in economic substance the trade debtors accounting policy is unchanged. Although debts are assigned to the issuing party to enable funding, the Group retains the economic reward and risk of the debtor. With debtors remaining recognised, securitisation funding is reported as a loan.

Associated interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Retirement benefits

The BIF Group is a member of the Bibby Line Group Limited Defined Benefit Pension Scheme, the principle employer of the scheme. The scheme was closed to new entrants from 1 April 2000 and closed to future accruals for existing members from 30 September 2011. Bibby Line Group is legally responsible for the plan.

The Group pays contributions to other defined contribution pension insurance plans on a contractual basis.

Critical accounting policies where judgement and estimation may be applied

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The critical influence that the Directors have shown in the process of applying the Company's accounting policies and that has the most significant effect on the amounts recognised in financial statements is within the impairment of financial assets.

Assessment of the impairment of financial assets:

In considering indications of impairment the Directors consider a number of qualitative and quantitative factors including but not limited to: client advance ratios; client recourse arrangements; receivables lending verification coverage; ordinary client commercial variation risk impacting on receivables measurement; valuation of client security; general debtor days, and other market led intelligence. All factors influence the Directors judgement on the credit quality of client financial and impairment provisions carried in the financial statements.

3 Revenue

The analysis of the group's turnover for the year by market is as follows:

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

3 Revenue (continued)

	2021 £ 000	2020 £ 000
United Kingdom	<u>80,176</u>	<u>79,378</u>

4 Operating profit

Arrived at after charging:

	2021 £ 000	2020 £ 000
Depreciation of tangible fixed assets	-	12
Impairment of financial assets that are trade receivables	3,002	5,985
Operating leases recognised as expense	<u>827</u>	<u>1,019</u>

The Directors received no direct remuneration for their services to the Company in either the current or preceding year. The Directors are remunerated for their services to the group as a whole and no apportionment made.

5 Auditor's remuneration

	2021 £ 000	2020 £ 000
Audit of these financial statements	<u>36</u>	<u>35</u>

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Staff costs

The aggregate payroll costs were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	7,077	10,172
Social security costs	755	970
Pension costs	264	359
	<u>8,096</u>	<u>11,501</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	<u>223</u>	<u>302</u>

7 Interest payable and similar charges

	2021 £ 000	2020 £ 000
Interest on bank overdrafts and borrowings	<u>15,704</u>	<u>16,532</u>

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Taxation

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit before tax	<u>30,002</u>	<u>23,990</u>
Corporation tax at standard rate	5,700	4,558
Effect of tax losses claimed from fellow subsidiary undertakings of the ultimate parent undertaking	<u>(5,700)</u>	<u>(4,558)</u>
Total tax charge/(credit) for the year	<u>-</u>	<u>-</u>

9 Investments

Company

	2021 £ 000	2020 £ 000
Investments in subsidiaries	<u>59,906</u>	<u>59,906</u>

A full list of subsidiary undertakings is reported in Note 18 to the Financial Statements.

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Debtors

	Group		Company	
	2021 £ 000	2020 £ 000	2021 £ 000	2020 £ 000
Trade debtors	573,749	507,218	550	550
Amounts owed by group undertakings	104,663	58,925	437,865	333,708
Prepayments and accrued income	461	697	19	292
Other debtors	92	29	-	29
	<u>678,966</u>	<u>566,869</u>	<u>438,434</u>	<u>334,579</u>

	Group	
	2020 £ 000	2019 £ 000
Assigned debts receivable net of impairment provision	877,151	776,452
Less deferred assignment consideration owed to factoring clients where there is a full right of recourse	<u>(303,402)</u>	<u>(269,233)</u>
Trade debtors	<u>573,749</u>	<u>507,218</u>

11 Creditors

	Group		Company	
	2021 £ 000	2020 £ 000	2021 £ 000	2020 £ 000
Due within one year				
Bank overdrafts	3,751	4,457	-	-
Trade creditors	96	73	-	-
Deferred assignment consideration owed to factoring clients where there is not a full right of recourse	141,824	168,141	-	-
Amounts owed to group undertakings	3,637	7,636	3,637	7,636
Social security and other taxes	1,482	4,185	29	-
Accrued expenses	2,464	1,581	869	37
	<u>153,253</u>	<u>186,073</u>	<u>4,535</u>	<u>7,673</u>
Due after one year				
Loans and borrowings	<u>432,875</u>	<u>318,216</u>	<u>432,875</u>	<u>325,852</u>

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

11 Creditors (continued)

The Group securitises its trade debts by selling client debts assigned to it to an issuing party within a £705m funding facility. The securitisation facility is made up of multi currency variable fund notes and sterling denominated junior notes securitised against book trade receivables and floating charges over other Group book assets. In respect of trade debts, the amount recoverable under this security is limited to the amount of the debt actually prepaid to clients. The facility is performance guaranteed by parent undertakings. The interest charged on the facility is based on variable rates above interbank rates. The facility was extended in 2019 through to 2023.

12 Financial instruments

Group

Categorisation of financial instruments

	2021 £ 000	2020 £ 000
Financial assets that are basic financial instruments, including trade debtors that are measured at amortised cost less any relevant impairment provision	683,331	571,319
Financial liabilities that basic financial instruments and are external financial debt liabilities including overdrafts, loans and borrowings, measured on an amortised costs basis	440,263	330,309
Other financial liabilities, including trade and other payables that are measured on an amortised cost basis	141,920	168,214

13 Called up share capital

Allotted, called up and fully paid shares

	2021		2020
	No. 000	£ 000	No. 000 £ 000
Ordinary shares of £1 each	<u>67,750</u>	<u>67,750</u>	<u>67,750 67,750</u>

14 Reserves

Group

Other reserves

The other reserve arises on consolidation when applying the merger method of consolidation for business combination. The reserve represents the elimination of share consideration allotted on the inheritance of control of subsidiaries from the parent company as part of group reorganisation.

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

15 Obligations under leases

Group

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£ 000	£ 000
Not later than one year	761	678
Later than one year and not later than five years	1,837	1,697
Later than five years	855	223
	<u>3,453</u>	<u>2,598</u>

16 Retirement benefits

Defined benefit pension schemes

Bibby Line Group Limited Defined Benefit Pension Scheme

The BIF Group is a member of the Bibby Line Group Limited Defined Benefit Pension Scheme. The principal employer of the Scheme, has recognised the full surplus / deficit in the Scheme and makes contributions in line with a schedule of contributions agreed with the Trustees of the pension scheme.

A Scheme surplus of £2,624,000 (2020: £2,242,000 deficit) is noted in the financial statements of the principal employer, Bibby Line Group Limited. Bibby Line Group Limited is legally responsible for the plan, The scheme was closed to new entrants in April 2000 and closed to future accrual for existing members in September 2011.

Defined contribution pension scheme

The pension charge for the year represents contributions payable to defined contribution pension plans and amounts to £264,013 (2020: £359,412).

17 Non adjusting events after the financial period

On 24 February 2022 Russian Forces entered Ukraine, resulting in a response from the international community including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event. The Directors have taken account of these potential impacts in their going concern assessment.

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

18 Investments

Details of undertakings

For the year ended 31 December 2021 all subsidiaries have taken exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The registered office of all subsidiaries is 3rd Floor, Walker House, Liverpool, L2 3YL, with the exception of Bibby Factors Scotland Limited. The registered office of Bibby Factors Scotland Limited is The Exchange Building, 142 St. Vincent Street, Glasgow, United Kingdom, G2 5LA.

Details of subsidiary undertakings

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Bibby ACF Limited	England	Ordinary	100%	100%
Bibby Factors Bedford Limited	England	Ordinary	100%	100%
Bibby Factors Borehamwood Limited	England	Ordinary	100%	100%
Bibby Factors Bristol Limited	England	Ordinary	100%	100%
Bibby Factors Leicester Limited	England	Ordinary	100%	100%
Bibby Factors Limited	England	Ordinary	100%	100%
Bibby Commercial Finance Limited (formerly Bibby Manchester Limited)	England	Ordinary	100%	100%
Bibby Factors Northeast Limited	England	Ordinary	100%	100%
Bibby Factors Northwest Limited	England	Ordinary	100%	100%
Bibby Factors Scotland Limited	Scotland	Ordinary	100%	100%
Bibby Factors Slough Limited	England	Ordinary	100%	100%
Bibby Factors Sussex Limited	England	Ordinary	100%	100%
Bibby Factors Yorkshire Limited	England	Ordinary	100%	100%
Bibby Factors Wessex Limited	England	Ordinary	100%	100%
Bibby Trade Factors Limited	England	Ordinary	100%	100%
Bibby Factors International Limited	England	Ordinary	100%	100%
Bibby Transactional Finance Limited	England	Ordinary	100%	100%
Bibby Invoice Discounting Limited	England	Ordinary	100%	100%

Bibby Invoice Finance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

18 Investments (continued)

Bibby Revolving Finance Limited	England	Ordinary	100%	100%
Global Management Services Limited	England	Ordinary	100%	100%

Details of principal activities

The principal activity of Bibby ACF Limited is debt factoring.

The principal activity of Bibby Factors Bedford Limited is debt factoring.

The principal activity of Bibby Factors Borehamwood Limited is debt factoring.

The principal activity of Bibby Factors Bristol Limited is debt factoring.

The principal activity of Bibby Factors Leicester Limited is debt factoring.

The principal activity of Bibby Factors Limited is debt factoring.

The principal activity of Bibby Commercial Finance Limited (formerly Bibby Manchester Limited) is debt factoring.

The principal activity of Bibby Factors Northeast Limited is debt factoring.

The principal activity of Bibby Factors Northwest Limited is debt factoring.

The principal activity of Bibby Factors Scotland Limited is debt factoring.

The principal activity of Bibby Factors Slough Limited is debt factoring.

The principal activity of Bibby Factors Sussex Limited is debt factoring.

The principal activity of Bibby Factors Yorkshire Limited is debt factoring.

The principal activity of Bibby Factors Wessex Limited is debt factoring.

The principal activity of Bibby Trade Factors Limited is debt factoring.

The principal activity of Bibby Factors International Limited is debt factoring.

The principal activity of Bibby Transactional Finance Limited is transaction financing.

The principal activity of Bibby Invoice Discounting Limited is confidential debt factoring.

The principal activity of Bibby Revolving Finance Limited is debt factoring.

The principal activity of Global Management Services Limited is dormant company.