

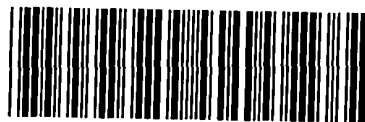
Registration number: 09341390

# Bibby Financial Services (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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# **Bibby Financial Services (UK) Limited**

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# **Bibby Financial Services (UK) Limited**

## **Company Information**

|                          |                                                                  |
|--------------------------|------------------------------------------------------------------|
| <b>Directors</b>         | David Postings                                                   |
|                          | Sharon Ann Wiltshire                                             |
|                          | Raymond Lowrey                                                   |
|                          | David Golding                                                    |
|                          | Imogen Gurney                                                    |
|                          | Kamaljit Kaur White                                              |
|                          | Ian Downing                                                      |
|                          | Tracy Smart                                                      |
| <b>Company secretary</b> | Bibby Bros. & Co.(Management) Limited                            |
| <b>Registered office</b> | 105 Duke Street<br>Liverpool<br>L1 5JQ                           |
| <b>Auditors</b>          | Deloitte LLP<br>Statutory Auditor<br>Liverpool<br>United Kingdom |

## **Bibby Financial Services (UK) Limited**

### **Strategic Report for the Year Ended 31 December 2017**

The Directors present their strategic report for the year ended 31 December 2017.

#### **What we do**

Bibby Financial Services (BFS) provides invoice finance, asset finance, trade finance and foreign exchange services to small and medium sized businesses across the world.

Products and services provided by BFS help businesses to unlock working capital and reduce the exposure of currency fluctuations.

By so doing, we enable businesses to overcome cashflow issues, purchase new equipment, grow, expand and trade overseas. We also support management buy ins and buy outs, and corporate restructuring.

Globally, BFS supports more than 10,000 business customers in over 300 industry sectors. The business operates in 13 countries across Europe, North America and Asia. Bibby Financial Services (UK) Ltd acts as the controlling company for all BFS United Kingdom investments.

#### **Strategy**

BFS's vision is to be the independent financial services company with which every ambitious company would love to work. To deliver this vision and achieve our corporate objectives, our global strategy is to 'focus and grow.' The focus of our strategy relates to the prioritisation of investment in key geographic locations and product businesses. In the UK, which is a much more mature market, our strategic aim is to 'grow and diversify' our business.

Our growth strategy is based on three key pillars, which we refer to as the three 'Cs':

- Colleagues ('being a great place to work')
- Clients ('setting the standard for service and value')
- Contribution ('growing profitably')

Our people are at the heart of everything we do. By having highly engaged, motivated people – supported by technology – we provide a leading, multi-channel experience to our clients. This helps us achieve a balanced portfolio of businesses.

#### **Financial performance**

The Company has taken exemption from preparing group financial statements. On this basis this Strategic Report reflects activities and performance of the Company only and not of its subsidiaries.

The financial position reflects the initial capitalisation of the business as it takes control of its investments. The Company inherited ownership of its subsidiaries as part of a group reorganisation targeting clearer global portfolio management.

The company provides central management and back-office services to its operating subsidiaries and its profitability shows the returns from underlying investments above centralised cost. Excess profitability has been distributed to shareholders. There are no key performance indicators used by management to monitor individual company performance. Performance management is assessed at a Group level after inclusion of the trading performance of subsidiaries.

The future development of the business will be influenced by the growth of underlying trade within its subsidiaries

## **Bibby Financial Services (UK) Limited**

### **Strategic Report for the Year Ended 31 December 2017 (continued)**

#### **Principal risks and uncertainties**

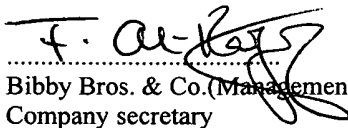
The Company's principal risk relates to the profitability of its investments and the impact on the valuation of equity investments in subsidiaries. The Company acts as guarantor on a number of subsidiary financing facilities and its assets are subject to floating security charges.

#### **Financial instruments**

#### ***Objectives and policies***

The Company has limited trade and limited exposure to financial risk, which is contained to the financing arrangements of subsidiaries and some financial support offered to those subsidiaries. Excess returns from subsidiaries above the costs of providing centralised support to those subsidiaries is distributed to shareholders,

Approved by the Board on 31 May 2018 and signed on its behalf by:

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

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

## **Bibby Financial Services (UK) Limited**

### **Directors' Report for the Year Ended 31 December 2017**

The Directors present their report and the financial statements for the year ended 31 December 2017.

#### **Directors of the Company**

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

David Postings

Sharon Ann Wiltshire (appointed 1 June 2017)

Raymond Lowrey

David Golding

Imogen Gurney

Kamaljit Kaur White (appointed 1 February 2017)

Ian Downing

Tracy Smart

Edward Winterton (resigned 1 June 2017)

Ian Lomas (resigned 31 October 2017)

Sally-Anne Palmer (resigned 1 February 2017)

#### **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.

#### **Dividends**

The directors do not recommend payment of a dividend further to the £23,200,000 (2016: £70,596,000) paid in the financial year and recorded in the Financial Statements.

#### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies statement in the Notes to the Financial Statements.

#### **Stakeholders**

We proactively seek to build and maintain strong relationships with our stakeholders. Our main stakeholders comprise our people, clients, partners, lenders and communities. 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 efforts are focused on clients at the heart of everything we do, alongside creating a working environment that encourages our people to be engaged and motivated. In parallel, dialogue and regular engagement with our partners and lenders 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 is integral to how we operate, enabling us to build a sustainable future in a responsible and ethical manner. This encompasses how we treat employees, clients, partners and suppliers as well as playing a positive role and investing in local communities and minimising our impact on the environment.

The importance of the environment we operate in is recognised through our policies which aim to protect and minimise our environmental impacts where possible. Our initiatives are aimed at managing our use of energy and recycling to ensure that our impact is minimal.

## **Bibby Financial Services (UK) Limited**

### **Directors' Report for the Year Ended 31 December 2017 (continued)**

#### **Employment of disabled persons**

It is the policy of the Company 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. If any employee becomes disabled whilst employed by a group company, every effort is made to find suitable continuing employment, with re-training as necessary. Disabled persons share equally in the opportunities available for training, career development and promotion.

#### **Employee involvement**

Our success depends on our people and we operate a culture where we engage, motivate and help employees to achieve their potential. Diversity, safety, well-being, training and career development are an essential part of our culture to ensure we are meeting the needs of our people. We are therefore delighted that our engagement scores continue to improve year-on-year and Bibby Financial Services retained its status within the Sunday Times 100 Best Companies to work for. This is a clear demonstration of the success we are delivering against "Being a great place to work".

The team make the difference to our clients, working to deliver high standards and in turn, the value our clients perceive, demonstrated through an increasingly positive Net Promoter Score. Our people also make a positive contribution to support our local communities through our 'Giving Something Back' programme; playing an active role volunteering and fundraising.

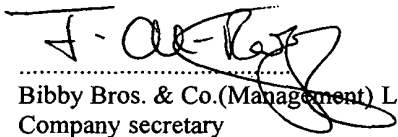
#### **Matters included in Strategic Report**

In accordance with s414C(11) of the Companies Act 2006, included within the strategic report is any 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.

#### **Disclosure of information to the 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 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 31 May 2018 and signed on its behalf by:



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

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

## **Bibby Financial Services (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 has 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Bibby Financial Services (UK) Limited**

### **Independent Auditor's Report to the members of Bibby Financial Services (UK) Limited**

#### **Report on the audit of financial statements**

##### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bibby Financial Services (UK) Limited for the year ended 31 December 2017, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17.

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

##### **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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **Bibby Financial Services (UK) Limited**

### **Independent Auditor's Report to the members of Bibby Financial Services (UK) Limited (continued)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement, 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.

#### **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 these financial statements.

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](http://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.

**Bibby Financial Services (UK) Limited**

**Independent Auditor's Report to the members of Bibby Financial Services (UK)  
Limited (continued)**

**Report on other legal and regulatory requirements**

**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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in respect of these matters.

*M.R. Watson*

.....  
Martin Watson ACA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Liverpool  
United Kingdom

31 May 2018

**Bibby Financial Services (UK) Limited**

**Profit and Loss Account for the Year Ended 31 December 2017**

|                                              | Note | 2017<br>£         | 2016<br>£         |
|----------------------------------------------|------|-------------------|-------------------|
| Administrative expenses                      |      | (4,640,928)       | -                 |
| Other interest receivable and similar income | 5    | <u>29,905,000</u> | <u>70,596,000</u> |
| Profit before tax                            |      | 25,264,072        | 70,596,000        |
| Taxation                                     | 6    | <u>-</u>          | <u>-</u>          |
| Profit for the financial year                |      | <u>25,264,072</u> | <u>70,596,000</u> |

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above and accordingly a Statement of Comprehensive Income has not been presented.

The notes on pages 13 to 23 form an integral part of these financial statements.

# **Bibby Financial Services (UK) Limited**

**(Registration number: 09341390)**  
**Balance Sheet as at 31 December 2017**

|                                                       | Note | 2017<br>£           | 2016<br>£         |
|-------------------------------------------------------|------|---------------------|-------------------|
| <b>Fixed assets</b>                                   |      |                     |                   |
| Intangible assets                                     | 8    | 434,125             | -                 |
| Investments                                           | 7    | 92,185,000          | 90,185,001        |
|                                                       |      | <u>92,619,125</u>   | <u>90,185,001</u> |
| <b>Current assets</b>                                 |      |                     |                   |
| Debtors                                               | 9    | 9,650,800           | -                 |
| Cash at bank and in hand                              |      | 75,355              | -                 |
|                                                       |      | <u>9,726,155</u>    | -                 |
| <b>Creditors: Amounts falling due within one year</b> | 11   | <u>(10,096,207)</u> | -                 |
| <b>Net current liabilities</b>                        |      | <u>(370,052)</u>    | -                 |
| <b>Net assets</b>                                     |      | <u>92,249,073</u>   | <u>90,185,001</u> |
| <b>Capital and reserves</b>                           |      |                     |                   |
| Called up share capital                               | 12   | 90,185,001          | 90,185,001        |
| Profit and loss account                               |      | <u>2,064,072</u>    | -                 |
| <b>Shareholders' funds</b>                            |      | <u>92,249,073</u>   | <u>90,185,001</u> |

Approved and authorised by the Board on 31 May 2018 and signed on its behalf by:

  
 Ian Downing  
 Director

# **Bibby Financial Services (UK) Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2017**

|                     | <b>Called up share<br/>capital<br/>£</b> | <b>Profit and loss<br/>account<br/>£</b> | <b>Total<br/>£</b> |
|---------------------|------------------------------------------|------------------------------------------|--------------------|
| At 1 January 2017   | 90,185,001                               | -                                        | 90,185,001         |
| Profit for the year | -                                        | 25,264,072                               | 25,264,072         |
| Dividends           | -                                        | (23,200,000)                             | (23,200,000)       |
| At 31 December 2017 | <u>90,185,001</u>                        | <u>2,064,072</u>                         | <u>92,249,073</u>  |

|                              | <b>Called up share<br/>capital<br/>£</b> | <b>Profit and loss<br/>account<br/>£</b> | <b>Total<br/>£</b> |
|------------------------------|------------------------------------------|------------------------------------------|--------------------|
| At 1 January 2016            | 67,750,001                               | -                                        | 67,750,001         |
| Profit for the year          | -                                        | 70,596,000                               | 70,596,000         |
| Dividends                    | -                                        | (70,596,000)                             | (70,596,000)       |
| New share capital subscribed | <u>22,435,000</u>                        | <u>-</u>                                 | <u>22,435,000</u>  |
| At 31 December 2016          | <u>90,185,001</u>                        | <u>-</u>                                 | <u>90,185,001</u>  |

The notes on pages 13 to 23 form an integral part of these financial statements.

## **Bibby Financial Services (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **1 General information**

Bibby Financial Services (UK) Limited is a private company limited by shares and incorporated in England. The address of its registered office and principal place of business is 105 Duke Street, Liverpool, L1 5JQ.

The Company is a wholly owned subsidiary of Bibby FS (Holdings) Limited. Bibby Financial Services Limited is the parent undertaking of the smallest group which consolidates these financial statements for which the Company is a member. Bibby Line Group Limited is the parent undertaking of the largest group which consolidates these financial statements for which the Company is a member.

The ultimate controlling party is disclosed in the financial statements of Bibby Line Group Limited. Copies of all parent financial statements can be obtained from their registered offices at 105 Duke Street, L1 5JQ ([www.bibbygroup.co.uk](http://www.bibbygroup.co.uk)).

These financial statements were authorised for issue by the Board on 31 May 2018.

#### **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 years 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.

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention. The primary economic environment in which the Company operates is governed by the Great British Pound, its functional currency. As such the Company financial statements have been prepared in this currency.

##### **Exemption from preparing group accounts**

Under section 400 of the Companies Act 2006, the Company is exempt from the requirement to prepare consolidated financial statements.

##### **Summary of disclosure exemptions**

The Company has chosen to take advantage of the disclosure exemptions in FRS 102 Section 1.12 to not prepare a statement of cashflows as would be required by Section 7 'Statement of Cashflows', from not disclosing information about the nature of its financial instruments as would be required in Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues', and from not disclosing key management personnel compensation as would be required in Section 33 'Related Party Transactions'.

## **Bibby Financial Services (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (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 the Company and its subsidiaries can continue in operational existence for the foreseeable future. The continuing uncertain economic conditions present increased risks for all businesses. In response to such conditions the Directors have carefully considered these risks, including an assessment of any uncertainty on the viability of the Group'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 the Company and subsidiaries maintain an appropriate level of capital and liquidity, sufficient to meet the demands of the business and the requirements which might arise in stressed circumstances. In addition, the Company's assets are assessed for recoverability on a regular basis and provision is made where appropriate. The Directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

##### **Operating leases**

Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

##### **Tax**

Tax for the period comprises current tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

##### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less any impairment.

Dividends received from fixed asset investments are recognised in profit and loss when received.

##### **Intangible fixed assets**

Intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life.

Amortisation begins when the asset is ready for use. At the reporting date no amortisation has been provided on the companies assets. Useful economic life and amortisation periods are determined when assets are ready for use.

## **Bibby Financial Services (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **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 Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments only, 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

(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 debtors, including amounts owed by group undertakings. Financial liabilities, classified as basic financial instruments are trade and other creditors, including amounts owed to group undertakings. 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 Company after deducting all of its liabilities. Equity instruments issued by the Company 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 Company assesses whether there is objective evidence that any financial asset may be impaired. A provision for impairment is established when the objective evidence that the Company 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.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

## **Bibby Financial Services (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Debtors**

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company 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 using the effective interest method.

##### **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.

##### **Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

##### **Defined contribution pension obligation**

The Company pays contributions to other publicly or privately administered defined contribution pension insurance plans on a contractual basis.

Under such pension schemes the amounts that become payable during the financial year are recognised in profit or loss. Differences between contributions payable during the financial year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Critical accounting policies and key sources of estimation uncertainty**

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.

## **Bibby Financial Services (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

The critical judgement that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements is within assessing the impairment of fixed asset investments. In assessing whether there have been an indicators of impairment associated with the Company's investments, the Directors' have considered both external and internal sources of information such as subsidiary financial performance and position, market insight and technological, economic and legal environments

#### **3 Operating loss**

Arrived at after charging:

|                          | <b>2017</b>    | <b>2016</b> |
|--------------------------|----------------|-------------|
|                          | <b>£</b>       | <b>£</b>    |
| Operating lease expenses | <u>519,000</u> | <u>-</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.

The Company has no staff in either period.

#### **4 Auditor's remuneration**

|                                   | <b>2017</b>   | <b>2016</b> |
|-----------------------------------|---------------|-------------|
|                                   | <b>£</b>      | <b>£</b>    |
| Audit of the financial statements | <u>20,000</u> | <u>-</u>    |

#### **5 Other interest receivable and similar income**

|                                            | <b>2017</b>       | <b>2016</b>       |
|--------------------------------------------|-------------------|-------------------|
|                                            | <b>£</b>          | <b>£</b>          |
| Dividends received from group undertakings | <u>29,905,000</u> | <u>70,596,000</u> |

## Bibby Financial Services (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 6 Taxation

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

|                                                                                   | 2017<br>£   | 2016<br>£    |
|-----------------------------------------------------------------------------------|-------------|--------------|
| Profit before tax                                                                 | 25,264,072  | 70,596,000   |
| Corporation tax at standard rate                                                  | 4,863,334   | 14,119,200   |
| Effect of expense not deductible in determining taxable profit (tax loss)         | 94,710      | -            |
| Tax effect of dividends from UK companies                                         | (5,756,713) | (14,119,200) |
| Other tax effects for reconciliation between accounting profit and taxable profit | (206)       | -            |
| Tax increase from effect of unrelieved tax losses carried forward                 | 798,875     | -            |
| Total tax charge/(credit)                                                         | -           | -            |

#### 7 Investments in subsidiary undertakings

| Subsidiaries        | £          |
|---------------------|------------|
| Cost                |            |
| At 1 January 2017   | 90,185,001 |
| Additions           | 1,999,999  |
| At 31 December 2017 | 92,185,000 |

A full list of subsidiary undertakings is reported in Note 17 to the Financial Statements.

# **Bibby Financial Services (UK) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

### **8 Intangible assets**

|                        | <b>Software and<br/>development<br/>£</b> |
|------------------------|-------------------------------------------|
| <b>Cost</b>            |                                           |
| Additions              | <u>434,125</u>                            |
| <b>Carrying amount</b> |                                           |
| At 31 December 2017    | <u><u>434,125</u></u>                     |

### **9 Debtors**

|                                    | <b>2017<br/>£</b>       | <b>2016<br/>£</b> |
|------------------------------------|-------------------------|-------------------|
| Amounts owed by group undertakings | 7,701,127               | -                 |
| Other debtors                      | 217,642                 | -                 |
| Prepayments                        | <u>1,732,031</u>        | <u>-</u>          |
|                                    | <u><u>9,650,800</u></u> | <u><u>-</u></u>   |

### **10 Cash and cash equivalents**

|              | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|--------------|-------------------|-------------------|
| Cash on hand | <u>75,355</u>     | <u>-</u>          |

### **11 Creditors**

|                                   | <b>2017<br/>£</b>        | <b>2016<br/>£</b> |
|-----------------------------------|--------------------------|-------------------|
| <b>Due within one year</b>        |                          |                   |
| Trade creditors                   | 243,508                  | -                 |
| Amounts due to group undertakings | 9,028,538                | -                 |
| Accrued expenses                  | <u>824,161</u>           | <u>-</u>          |
|                                   | <u><u>10,096,207</u></u> | <u><u>-</u></u>   |

# **Bibby Financial Services (UK) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

### **12 Called up share capital**

#### **Allotted, called up and fully paid shares**

|                            | <b>2017</b>       |                   | <b>2016</b>       |                   |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
|                            | <b>No.</b>        | <b>£</b>          | <b>No.</b>        | <b>£</b>          |
| Ordinary shares of £1 each | <u>90,185,001</u> | <u>90,185,001</u> | <u>90,185,001</u> | <u>90,185,001</u> |

### **13 Dividends**

|                                         | <b>2017</b>       | <b>2016</b>       |
|-----------------------------------------|-------------------|-------------------|
|                                         | <b>£</b>          | <b>£</b>          |
| Dividend paid to corporate shareholders | <u>23,200,000</u> | <u>70,596,000</u> |

### **14 Contingent liabilities**

The Company is a guarantor for banking facilities of some of its subsidiary undertakings. Security for such facilities is initially secured on the borrower's client advance book and floating charge over the borrowers other assets.

### **15 Obligations under leases and hire purchase contracts**

#### **Operating leases**

The total of future minimum lease payments is as follows:

|                                                   | <b>2017</b>    | <b>2016</b> |
|---------------------------------------------------|----------------|-------------|
|                                                   | <b>£</b>       | <b>£</b>    |
| Not later than one year                           | 415,368        | -           |
| Later than one year and not later than five years | <u>305,191</u> | <u>-</u>    |
|                                                   | <u>720,559</u> | <u>-</u>    |

## Bibby Financial Services (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 16 Related party transactions

##### Summary of transactions with other related parties

The Company has taken advantage of the exemption in FSR 102 Section 33 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group controlled by the parent undertaking.

#### 17 Investments in subsidiary undertakings

##### Details of undertakings

Details of interests in subsidiary undertakings are reported below. All companies are incorporated in England and have a registered office at 105 Duke Street, Liverpool, L1 5JQ, with the exception of Bibby Factors Scotland Limited. Bibby Factors Scotland Limited is registered in Scotland and has a registered office at 1st Floor, Unit 2, Block B, Kitleyards, Causewayside, Edinburgh, EH9 1 PJ.

| Undertaking                                 | Country of<br>incorporation | Holding    | Proportion of voting<br>rights held |
|---------------------------------------------|-----------------------------|------------|-------------------------------------|
| <b>Subsidiary undertakings</b>              |                             |            |                                     |
| Bibby Asset Finance Limited                 | England                     | Ordinary * | 100%                                |
| Bibby Leasing Limited                       | England                     | Ordinary   | 100%                                |
| Bibby Corporate Financial Solutions Limited | England                     | Ordinary*  | 100%                                |
| BFS Corporate Financial Solutions Limited   | England                     | Ordinary*  | 100%                                |
| Bibby Financial Services (FX) Limited       | England                     | Ordinary * | 100%                                |
| Bibby Foreign Exchange Limited              | England                     | Ordinary   | 100%                                |
| Bibby Foreign Exchange (Solutions) Ltd      | England                     | Ordinary   | 100%                                |
| Bibby Management Services Limited           | England                     | Ordinary * | 100%                                |
| Bibby Trade Services Limited                | England                     | Ordinary * | 100%                                |
| Factoring UK Group Limited                  | England                     | Ordinary * | 100%                                |
| Cashflow UK Limited                         | England                     | Ordinary   | 100%                                |
| Bibby Invoice Finance UK Limited            | England                     | Ordinary * | 100%                                |
| Bibby ACF Limited                           | England                     | Ordinary   | 100%                                |
| Bibby Factors Bedford Limited               | England                     | Ordinary   | 100%                                |
| Bibby Factors Borehamwood Limited           | England                     | Ordinary   | 100%                                |
| Bibby Factors Bristol Limited               | England                     | Ordinary   | 100%                                |
| Bibby Factors Leicester Limited             | England                     | Ordinary   | 100%                                |

## Bibby Financial Services (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)

#### 17 Investments in subsidiary undertakings (continued)

|                                     |          |          |      |
|-------------------------------------|----------|----------|------|
| Bibby Factors Limited               | England  | Ordinary | 100% |
| Bibby Factors Manchester Limited    | England  | Ordinary | 100% |
| Bibby Factors Northeast Limited     | England  | Ordinary | 100% |
| Bibby Factors Northwest Limited     | England  | Ordinary | 100% |
| Bibby Factors Scotland Limited      | Scotland | Ordinary | 100% |
| Bibby Factors Slough Limited        | England  | Ordinary | 100% |
| Bibby Factors Sussex Limited        | England  | Ordinary | 100% |
| Bibby Factors Wessex Limited        | England  | Ordinary | 100% |
| Bibby Factors Yorkshire Limited     | England  | Ordinary | 100% |
| Bibby Factors International Limited | England  | Ordinary | 100% |
| Bibby Trade Factors Limited         | England  | Ordinary | 100% |
| Bibby Invoice Discounting Limited   | England  | Ordinary | 100% |
| Bibby Revolving Finance Limited     | England  | Ordinary | 100% |
| Bibby Transactional Finance Limited | England  | Ordinary | 100% |
| Global Management Services Limited  | England  | Ordinary | 100% |

\* indicates direct investment of the company

The principal activity of Bibby Asset Finance Limited is asset financing.

The principal activity of Bibby Leasing Limited is asset financing.

The principal activity of Bibby Corporate Financial Solutions Limited is stock funding and factoring

The principal activity of BFS Corporate Financial Solutions Limited is dormant

The principal activity of Bibby Financial Services (FX) Limited is foreign exchange services.

The principal activity of Bibby Foreign Exchange Limited is foreign exchange services.

The principal activity of Bibby Foreign Exchange (Solutions) Ltd is foreign exchange services.

The principal activity of Bibby Management Services Limited is management services.

The principal activity of Bibby Trade Services Limited is trade financing.

The principal activity of Factoring UK Group Limited is brokerage.

The principal activity of Cashflow UK Limited is brokerage.

The principal activity of Bibby Invoice Finance UK Limited is debt factoring.

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.

## **Bibby Financial Services (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

#### **17 Investments in subsidiary undertakings (continued)**

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

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

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

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

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 Bibby Transactional Finance Limited is transactional financing..

The principal activity of Global Management Services Limited is management services.