

SIGNED

Leeds Leasing Limited

Directors' report and financial statements

31 December 2006

Registered number 588708



Leeds Leasing Limited

Contents Page

<i>Contents</i>	<i>Page</i>
Officers and advisers	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 15

Leeds Leasing Limited

Officers and Advisers

Directors
C A Roberts
M C P Deacon (appointed 31 October 2005)
A C Dixon (appointed 31 October 2005)
I Downing (appointed 31 October 2005)
R W Jones (appointed 31 October 2005)
D A Robertson (appointed 31 October 2005)

Secretary Bibby Bros & Co (Management) Limited

Registered Office 105 Duke Street
Liverpool
L1 5JQ

Auditors KPMG LLP
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

Leeds Leasing Limited

Directors' Report for the Period Ended 31 December 2006

The directors present their report and the audited financial statements for the period ended 31 December 2006

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Principal activity and business review

The principal activity of the Company is the leasing of equipment to businesses

The directors consider that the results for the year and the financial position at the end of the year were satisfactory

Post balance sheet events

On 2 April 2007 the company changed its name to Bibby Leasing Limited

No other events have occurred since the year end which require reporting or disclosing in the financial statements

Directors and their interests

The directors who held office during the period were as follows

C A Roberts
M J Wilson (resigned 31 October 2005)
V Murria (resigned 31 October 2005)
M C P Deacon (appointed 31 October 2005)
A C Dixon (appointed 31 October 2005)
I Downing (appointed 31 October 2005)
R W Jones (appointed 31 October 2005)
D A Robertson (appointed 31 October 2005)

Leeds Leasing Limited

None of the directors had an interest in the shares of the company at any time during the period

The only interest of the directors in the shares of the Bibby Line Group companies were in the shares of Bibby Line Group Limited

The interest of D A Robertson in the shares of the ultimate parent undertaking, Bibby Line Group Limited, is disclosed in the Directors' Report of that company

Results and dividend

The results for the company are set out in the financial statements

The directors do not recommend the payment of a dividend in relation to the period

Retirement of directors

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

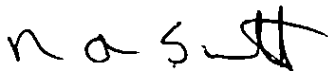
Auditors

Pursuant to section 386 of the Companies Act 1985, a resolution is to be put to the forthcoming Annual General Meeting which, if passed, would result in the Company not being required to reappoint its auditors annually KPMG LLP would then continue as the Company's auditors

Election to dispense laying accounts

In accordance with s 252, Companies Act 1985, the company has elected to dispense with laying accounts before the members in general meeting Members, however, may by notice in writing to the company at its registered office require that accounts are laid before the members in general meeting

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



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

Leeds Leasing Limited

Independent Auditors' Report to the Members of Leeds Leasing Limited

We have audited the financial statements of Leeds Leasing Limited for the period ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Leeds Leasing Limited

continued

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



KPMG LLP
Chartered Accountants
Registered Auditor
8 Princes Parade
Liverpool
L3 1QH
31 May 2007

Leeds Leasing Limited

Profit and loss account

For the period ended 31 December 2006

	Note	Fifteen months to 31 Dec 2006 £000	Twelve months to 30 Sept 2005 £000
Gross earnings from finance leases	1	4,157	3,075
Commission receivable		-	-
Commission payable		(492)	(443)
Gross profit		3,665	2,632
Administrative expenses (Including exceptional items of £1 2m)	7	(3,604)	(1,402)
Other operating income		216	156
Operating profit		277	1,386
Interest payable and similar charges	5	(1,193)	(924)
(Loss)/Profit on ordinary activities before taxation		(916)	462
Taxation on profit/loss on ordinary activities	6	1,211	-
Profit for the financial year		295	462

Turnover and operating profit derive wholly from continuing operations

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

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

The notes on pages 8 to 15 form part of these financial statements

Leeds Leasing Limited

Balance Sheet

At 31 December 2006

	Note	At 31 December 2006 £000	£000	At 30 September 2005 £000	£000
Fixed Assets					
Tangible Assets	8		51		129
Current Assets					
Debtors	9	25,060		21,530	
Deferred tax	10	2,288		800	
Cash at Bank and In Hand		296		-	
		27,644		22,330	
Creditors: amounts falling due within one year	11	(6,539)		(10,695)	
Net current assets			21,105		11,635
Of which					
Due within one year			4,321		(1,375)
Debtors due after more than one year			16,784		13,010
Total assets less current liabilities			21,156		11,764
Creditors amounts falling due after more than one year	12		(16,548)		(7,451)
Net assets			4,608		4,313
Capital and reserves					
Called up equity share capital	14		50		50
Profit and loss account			4,558		4,263
Equity shareholders' funds	15		4,608		4,313

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

Ian Downing
Director



The notes on pages 8 to 15 form part of these financial statements

Leeds Leasing Limited

Notes to the Financial Statements for the Period Ended 31 December 2006

1. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention

Depreciation

Fixed assets are included at cost less depreciation

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

Motor vehicles	-	3 years
Office equipment	-	3 to 5 years

Pensions

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

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Income from finance leases

Income from finance leases is credited to the profit and loss account using the actuarial method to give a constant periodic return on the net cash investment.

Leasing assets

Assets leased to customers which transfer substantially all the risks and rewards of ownership to the customer are classified as finance leases and are recorded within debtors. The net investment in finance leases represents total minimum payments less gross earnings allocated to future periods

Operating leases

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

Commission assets

Commissions payable on finance lease assets acquired are spread over the life of the lease

Leeds Leasing Limited

Notes to the Financial Statements for the Period Ended 31 December 2006

1. Accounting policies (continued)

Bad debts

Bad debts are written off when there is no realistic prospect of recovery. Specific provisions are made to reduce all impaired balances to the expected realisable values. General provisions are made for losses not specifically identified based on past experience, knowledge of the Group's exposure and other relevant factors.

Cash flow statement

A statement of group cashflows has been included in the consolidated accounts prepared by the ultimate parent undertaking. Accordingly, no statement is presented within these financial statements.

Related party transactions

Under Financial Reporting Standard 8 the company is exempt from disclosing related party transactions with group companies, since more than 90% of the voting rights are controlled by the ultimate parent undertaking, Bibby Line Group Limited.

Financing

The company finances its operation through overdrafts and loans from external banks.

2. Profit or loss on ordinary activities before taxation

Profit or loss on ordinary activities before taxation is stated

<i>After charging</i>	2006 £000	2005 £000
Auditor's and their associates' remuneration		
Audit	15	17
Non-audit	22	10
Depreciation	125	104
Operating lease rentals		
Land and buildings	82	34
<i>After crediting</i>		
Rentals receivable under finance leases	17,095	12,885

Leeds Leasing Limited

Notes to the Financial Statements for the Period Ended 31 December 2006

3. Directors' emoluments

The directors' emoluments for the year are as follows

	2006 £000	2005 £000
Directors' emoluments (including benefits in kind)	86	84
Directors' pension contributions	4	5
	<u>90</u>	<u>89</u>

4. Particulars of employee

The average number of persons employed by the company (including directors) during the period was 28 (2005 25)

The aggregate payroll costs of these persons were as follows

	2006 £000	2005 £000
Wages and salaries	989	560
Social security costs	99	58
Other pension costs (note 17)	28	17
	<u>1,116</u>	<u>635</u>

5. Interest payable and similar charges

	2006 £000	2005 £000
On bank loans, overdrafts and other loans wholly repayable within five years	<u>1,193</u>	<u>924</u>

Leeds Leasing Limited

Notes to the Financial Statements for the Period Ended 31 December 2006

6. Taxation on profit/loss on ordinary activities

Analysis of current period tax charge

	2006 £000	2005 £000
Current tax		
Corporation tax charge	(277)	-
UK Corporation tax	(277)	-
Deferred tax		
Movement in the recognised deferred tax asset	937	-
Reversal of timing differences	551	-
Total deferred tax	1,488	-
Total tax on (loss)/profit on ordinary activities	1,211	-

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the period is higher than (2005 – equal to) the standard rate of corporation tax in the UK of 30.00% (2005 – 30.00%)

	2006 £000	2005 £000
(Loss)/profit on ordinary activities before tax	(916)	462
Standard rate corporation tax (credit)/charge	(275)	139
Effects of		
Non-taxable income	-	(5)
Expenses not deductible for tax purposes	2	-
Fixed asset timing differences	370	(132)
Short term timing differences	180	77
Group relief	-	(79)
Total current tax charge/(credit)	277	-

7. Exceptional items

	2006 £000	2005 £000
Bad debt provision	1,200	-

On acquisition of the company by Bibby Financial Services Limited, a review of the debtor book was carried out. As a result of this review it was considered prudent to provide for a bad debt provision of £1,200,000.

Leeds Leasing Limited

Notes to the Financial Statements for the Period Ended 31 December 2006

8. Tangible fixed assets

	Motor Vehicles £000	Office Equipment £000	Total £000
Cost			
At 30 September 05	36	337	373
Additions	-	53	53
Disposals	(21)	-	(21)
At 31 December 06	<u>15</u>	<u>390</u>	<u>405</u>
Depreciation			
At 30 September 05	11	233	244
Charge for year	10	115	125
Disposals	(15)	-	(15)
At 31 December 2006	<u>6</u>	<u>348</u>	<u>354</u>
Net book amount			
At 31 December 2006	<u>9</u>	<u>42</u>	<u>51</u>
At 30 September 2005	<u>25</u>	<u>104</u>	<u>129</u>

There were no assets held under finances leases at 31 December 2006 or at 30 September 2005

Included in plant and machinery is a motor car subject to a hire purchase agreement with a net book amount of £9,000 (2005 14,000)

9 Debtors

	2006 £000	2005 £000
Trade debtors	467	410
Finance lease receivables	23,832	20,606
Prepayments and accrued income	761	514
	<u>25,060</u>	<u>21,530</u>

Assets acquired during the year for letting under finance leases amounted to £16,654,000 (2005 £12,369,000)

Included in finance lease debtors is an amount of £14,523,000 (2005 £12,210,000), which falls due after more than one year

Leeds Leasing Limited

Notes to the Financial Statements for the Period Ended 31 December 2006

10. Deferred Taxation

The movement in the deferred tax asset in the year comprises

	£000
At 1 October 2005	800
Charged in the year (note 6)	1,488
At 31 December 2006	<u>2,288</u>

The amounts recognised in the accounts for deferred taxation and the amounts not recognised are set out below

	2006		2005	
	Recognised	Unrecognised	Recognised	Unrecognised
	£000	£000	£000	£000
Accelerated capital allowances	1,906	-	599	939
Other timing differences	382	-	201	-
	<u>2,288</u>	<u>-</u>	<u>800</u>	<u>939</u>

11. Creditors: amounts falling due within one year

	As at 31 December 2006 £000	As at 30 September 2005 £000
Bank overdrafts	210	132
Bank loans (note 13)	1,356	7,118
Hire purchase creditor	6	11
Trade creditors	182	59
Amounts owed to group undertakings	1,550	1,350
Taxation and social security	277	-
Accruals and deferred income	2,958	2,025
	<u>6,539</u>	<u>10,695</u>

12 Creditors: amounts falling due after more than one year

	As at 31 December 2006 £000	As at 30 September 2005 £000
Bank loans (note 13)	16,548	7,451

Leeds Leasing Limited

Notes to the Financial Statements for the Period Ended 31 December 2006

13. Bank loans

Bank loans are repayable by instalments as follows

	As at 31 December 2006 £000	As at 30 September 2005 £000
Within one year	-	7,118
Between one and two years	16,548	4,816
Between two and five years	-	2,635
	<u>16,548</u>	<u>14,569</u>

Loans amounting to £1,904,000 (2005 £14,569,000) are secured on lease agreements written by the Company

14. Called up share capital

	As at 31 December 2006 £000	As at 30 September 2005 £000
<i>Authorised</i>		
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>

15. Reconciliation of movements in shareholders' funds

	As at 31 December 2006 £000	As at 30 September 2005 £000
At 1 October	4,313	3,851
Profit for the period	295	462
At 31 December	<u>4,608</u>	<u>4,313</u>

16. Commitments

Capital commitments contracted at 31 December 2006 were £nil (2005 £nil)

Annual commitments under non-cancellable operating leases relating to land and buildings are as follows

	As at 31 December 2006 £000	As at 30 September 2005 £000
Operating leases which expire		
Between two to five years	<u>82</u>	<u>68</u>

Leeds Leasing Limited

Notes to the Financial Statements for the Period Ended 31 December 2006

17. Pension scheme

The pension charge for the period represents contributions payable by the Company to pension schemes amounting to £28,000 (2005 £17,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

18. Controlling entity

The company is a wholly owned subsidiary undertaking of Bibby Asset Finance Limited, whose ultimate parent undertaking is Bibby Line Group Limited.

The largest group in which the results of the company are consolidated is that headed by Bibby Line Group Limited. The smallest group in which they are consolidated is that headed by Bibby Financial Services Limited.

Copies of the Group financial statements may be obtained from -

Bibby Line Group Limited
105 Duke Street
Liverpool
L1 5JQ

Group website address www.bibbygroup.co.uk