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Registration number 588708

Bibby Leasing Limited

Directors' Report and Financial Statements
for the Year Ended 31 December 2007

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Bibby Leasing Limited
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Bibby Leasing Limited
Officers and Advisers

Directors	Carol Ann Roberts
	Michael Charles Peter Deacon (resigned 19 September 2007)
	Ian Downing
	Richard William Jones (resigned 31 December 2007)
	David Albert Robertson
	Edward John Rimmer (appointed 1 January 2008)
Secretary	Bibby Bros & Co (Management) Limited
Registered office	105 Duke Street Liverpool L1 5JQ
Auditors	KPMG LLP Chartered Accountants 8 Princes Parade Princes Dock Liverpool L3 1QH

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

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

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

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

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

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

In preparing these financial statements, the directors are required to

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

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

Information provided to auditors

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

Principal activity and business review

The principal activity of the company is the 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. The activity of the company continues to be the provision of hire purchase and leasing finance

Post balance sheet events

On 14 January 2008 the authorised share capital of the company was increased to £5 million from £1 million. £2.75 million of these shares were allotted to the parent company, Bibby Asset Finance Limited, on the same day

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

Results and dividend

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

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

The directors do not recommend the payment of a dividend (2006 - £nil)

Directors

The directors who held office during the year were as follows

- Carol Ann Roberts
- Michael Charles Peter Deacon (resigned 19 September 2007)
- Ian Downing
- Richard William Jones (resigned 31 December 2007)
- David Albert Robertson

Retirement of directors

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

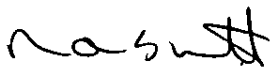
Auditors

The auditors, KPMG LLP, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985

Election to dispense laying accounts

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

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



Bibby Bros & Co (Management) Limited
Company Secretary

Independent Auditors' Report to the Members of Bibby Leasing Limited

We have audited the financial statements of Bibby Leasing Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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

**Independent Auditors' Report to the Members of
Bibby 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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants

Registered Auditor
8 Princes Parade
Liverpool
L3 1QH
18 March 2008

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

	Note	Year ended 31 December 2007 £ 000	1 October 2005 to 31 December 2006 £ 000
Gross earnings from finance leases	2	4,428	4,157
Commission payable		(2,594)	(492)
Gross profit		<u>1,834</u>	<u>3,665</u>
Administrative expenses		(24)	(3,604)
Other operating income	3	-	216
Operating profit	4	<u>1,810</u>	<u>277</u>
Interest payable and similar charges	7	(1,348)	(1,193)
Profit/(loss) on ordinary activities before taxation		<u>462</u>	<u>(916)</u>
Tax on profit/(loss) on ordinary activities	8	(224)	1,211
Profit for the financial year		<u>238</u>	<u>295</u>

Gross earnings from finance leases and operating profit derive wholly from continuing operations

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

The notes on pages 8 to 17 form an integral part of these financial statements

Bibby Leasing Limited
Balance Sheet as at 31 December 2007

		31 December 2007	31 December 2006
	Note	£ 000	£ 000
Fixed assets			
Tangible assets	9	59	51
Current assets			
Debtors	10	35,277	27,348
Cash at bank and in hand		100	296
		<u>35,377</u>	<u>27,644</u>
Creditors: Amounts falling due within one year	12	<u>(3,590)</u>	<u>(6,539)</u>
Net current assets		<u>31,787</u>	<u>21,105</u>
Total assets less current liabilities		31,846	21,156
Creditors: Amounts falling due after more than one year	13	<u>(27,000)</u>	<u>(16,548)</u>
Net assets		<u><u>4,846</u></u>	<u><u>4,608</u></u>
Capital and reserves			
Called up share capital	15	50	50
Profit and loss reserve	16	4,796	4,558
Equity shareholders' funds	17	<u><u>4,846</u></u>	<u><u>4,608</u></u>

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



Ian Downing
Director

The notes on pages 8 to 17 form an integral part of these financial statements

Bibby Leasing Limited

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

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow statement

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

Going concern

These financial statements have been prepared on a going concern basis

Depreciation

Fixed assets are included at cost less accumulated depreciation

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

Motor vehicles	33 33%
Office equipment	20% to 33 33%

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.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Operating leases

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

Pensions

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

Bibby Leasing Limited

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

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

Commissions payable

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

Financing

The company principally finances its operations through overdrafts and loans from external banks

Bad debts

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

Related party transactions

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

2 Gross earnings from finance leases

Gross earnings from finance leases, which are derived from within the United Kingdom, is the income derived from leasing and hire purchase agreements

3 Other operating income

	Year ended 31 December 2007 £ 000	1 October 2005 to 31 December 2006 £ 000
Other income	-	216

Bibby Leasing Limited

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

4 Operating profit

Operating profit is stated after charging

	Year ended 31 December 2007 £ 000	1 October 2005 to 31 December 2006 £ 000
Auditors' remuneration - audit of these financial statements	24	37
Depreciation of owned tangible fixed assets	30	125
	<u> </u>	<u> </u>

5 Particulars of employees

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

	Year ended 31 December 2007 No.	1 October 2005 to 31 December 2006 No.
Administration	34	28
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows

	Year ended 31 December 2007 £ 000	1 October 2005 to 31 December 2006 £ 000
Wages and salaries	1,003	989
Social security	112	99
Other pension costs	4	28
	<u>1,119</u>	<u>1,116</u>

Bibby Leasing Limited

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

6 Directors' emoluments

The directors' emoluments for the year are as follows

	Year ended 31 December 2007 £ 000	1 October 2005 to 31 December 2006 £ 000
Directors' emoluments (including benefits in kind)	112	86
Directors' pension contributions	4	4
	<u>116</u>	<u>90</u>

7 Interest payable and similar charges

	Year ended 31 December 2007 £ 000	1 October 2005 to 31 December 2006 £ 000
Bank interest payable	<u>1,348</u>	<u>1,193</u>

Bibby Leasing Limited

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

8 Taxation

Analysis of current period tax charge/(credit)

	Year ended 31 December 2007 £ 000	1 October 2005 to 31 December 2006 £ 000
Current tax		
Corporation tax (credit)/charge	(582)	277
Over provision in previous periods	(301)	-
UK Corporation tax	<u>(883)</u>	<u>277</u>
Deferred tax		
Origination and reversal of timing differences	<u>1,107</u>	<u>(1,488)</u>
Total tax on profit/(loss) on ordinary activities	<u>224</u>	<u>(1,211)</u>

Factors affecting current period tax (credit)/charge

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

The differences are reconciled below

	Year ended 31 December 2007 £ 000	1 October 2005 to 31 December 2006 £ 000
Profit/(loss) on ordinary activities before taxation	<u>462</u>	<u>(916)</u>
Standard rate corporation tax charge/(credit)	139	(275)
Expenses not deductible for tax purposes	-	2
Other timing differences	(228)	180
Accelerated capital allowances	(494)	370
Adjustment in respect of prior periods	(300)	-
Total current tax for the year	<u>(883)</u>	<u>277</u>

Bibby Leasing Limited

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

9 Tangible fixed assets

	Motor vehicles £ 000	Office equipment £ 000	Total £ 000
Cost			
As at 1 January 2007	15	65	80
Additions	-	39	39
As at 31 December 2007	<u>15</u>	<u>104</u>	<u>119</u>
Depreciation			
As at 1 January 2007	6	23	29
Charge for the year	5	26	31
As at 31 December 2007	<u>11</u>	<u>49</u>	<u>60</u>
Net book value			
As at 31 December 2007	<u>4</u>	<u>55</u>	<u>59</u>
As at 31 December 2006	<u>9</u>	<u>42</u>	<u>51</u>

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £4,000 (31 December 2006 - £9,000) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £5,000 (31 December 2006 - £5,000).

10 Debtors

	31 December 2007 £ 000	31 December 2006 £ 000
Trade debtors	32,424	24,299
Other debtors	606	-
Deferred tax	1,181	2,288
Prepayments and accrued income	<u>1,066</u>	<u>761</u>
	<u>35,277</u>	<u>27,348</u>

Included in trade debtors is an amount of £22,177,000 (2006 - £14,523,000) which falls due after more than one year.

Bibby Leasing Limited

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

11 Deferred tax

	Year ended 31 December 2007 £ 000	1 October 2005 to 31 December 2006 £ 000
As at start of period	2,288	800
Deferred tax (charge)/credit	(1,107)	1,488
As at end of period	<u>1,181</u>	<u>2,288</u>

12 Creditors: Amounts falling due within one year

	31 December 2007 £ 000	31 December 2006 £ 000
Bank loans and overdrafts	41	1,566
Trade creditors	197	182
Amounts owed to group undertakings	3,008	1,550
Social security and other taxes	-	277
Other creditors	-	6
Accruals and deferred income	344	2,958
	<u>3,590</u>	<u>6,539</u>

13 Creditors: Amounts falling due after more than one year

	31 December 2007 £ 000	31 December 2006 £ 000
Bank loans and overdrafts	<u>27,000</u>	<u>16,548</u>

Bibby Leasing Limited

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

14 Maturation of borrowings

Amounts repayable

**Bank loans &
overdrafts
£ 000**

As at 31 December 2007

In one year or less on demand

41

Between two and five years

27,000

27,041

As at 31 December 2006

In one year or less on demand

1,566

Between one and two years

16,548

18,114

15 Share capital

**31 December
2007
£ 000**

**31 December
2006
£ 000**

Authorised

Equity

1,000,000 Ordinary shares of £1 each

1,000

1,000

Allotted, called up and fully paid

Equity

50,000 Ordinary shares of £1 each

50

50

Bibby Leasing Limited

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

16 Reserves

	Profit and loss reserve £ 000
Balance at 1 January 2007	4,558
Transfer from profit and loss account for the year	238
Balance at 31 December 2007	<u>4,796</u>

17 Reconciliation of movements in shareholders' funds

	31 December 2007 £ 000	31 December 2006 £ 000
Profit attributable to members of the company	238	295
	<u>238</u>	<u>295</u>
Opening equity shareholders' funds	4,608	4,313
Closing equity shareholders' funds	<u>4,846</u>	<u>4,608</u>

18 Operating lease commitments

As at 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and Buildings	
	31 December 2007 £ 000	31 December 2006 £ 000
Between two and five years	<u>68</u>	<u>82</u>

Bibby Leasing Limited

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

-

19 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £4,000 (31 December 2006 - £28,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The company made contributions of £6,140 (2006 - £5,932) to a private money purchase pension scheme, during the financial year.

20 Controlling entity

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