

Registration number: 588708

Bibby Leasing Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016



Bibby Leasing Limited

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Bibby Leasing Limited

Directors' Report for the Year Ended 31 December 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Directors of the Company

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

Carol Ann Roberts

Ian Downing

Ian Lomas

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.

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.

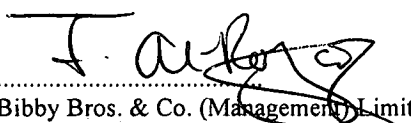
Disclosure of information to the auditors

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.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 13 April 2017 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 Leasing 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). 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; 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 Leasing Limited

Independent Auditor's Report

We have audited the financial statements of Bibby Leasing Limited for the year ended 31 December 2016 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, and the related notes 1 to 15. 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 UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement (set out on page 2), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

Bibby Leasing Limited

Independent Auditor's Report (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



.....
David Heaton (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

13 April 2017

Bibby Leasing Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		10,064,854	8,606,916
Operating costs		<u>(4,050,152)</u>	<u>(3,386,930)</u>
Operating profit	3	6,014,702	5,219,986
Other interest receivable and similar income		78,987	73,903
Interest payable and similar charges	4	<u>(2,422,763)</u>	<u>(2,250,044)</u>
Profit before tax		3,670,926	3,043,845
Taxation	6	<u>(779,597)</u>	<u>(654,230)</u>
Profit for the financial year		2,891,329	2,389,615
Retained earnings brought forward		<u>12,519,767</u>	<u>10,130,152</u>
Retained earnings carried forward		<u>15,411,096</u>	<u>12,519,767</u>

The notes on pages 7 to 15 form an integral part of these financial statements.

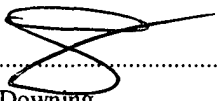
Bibby Leasing Limited

(Registration number: 588708)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	7	65,168	91,505
Current assets			
Debtors	8	71,901,186	72,476,879
Cash at bank and in hand	9	43,352	12,062
		<u>71,944,538</u>	<u>72,488,941</u>
Creditors: Amounts falling due within one year	10	<u>(25,741,982)</u>	<u>(25,398,986)</u>
Net current assets		<u>46,202,556</u>	<u>47,089,955</u>
Total assets less current liabilities		46,267,724	47,181,460
Creditors: Amounts falling due after more than one year	10	<u>(28,056,628)</u>	<u>(31,861,693)</u>
Net assets		<u>18,211,096</u>	<u>15,319,767</u>
Capital and reserves			
Called up share capital	11	2,800,000	2,800,000
Profit and loss account		<u>15,411,096</u>	<u>12,519,767</u>
Shareholders' funds		<u>18,211,096</u>	<u>15,319,767</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

Approved and authorised by the Board on 13 April 2017 and signed on its behalf by:


.....
Ian Downing
Director

Bibby Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

Bibby Leasing Limited is a private limited company incorporated in England, registration number 588708. The address of its registered office is 105 Duke Street, Liverpool, L1 5JQ.

The Company is a wholly-owned subsidiary of Bibby Asset Finance Limited. Bibby Financial Services Limited is the parent of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The parent company's registered office is 105 Duke Street, Liverpool, L1 5JQ.

These financial statements were authorised for issue by the Board on 13 April 2017.

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 the small entities regimes of both the Companies Act 2006 and FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

Basis of preparation

The financial statements have been prepared under the historical cost convention except for any derivative financial instruments which are stated at their fair values.

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

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 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 Company'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 maintains an appropriate level of capital and liquidity, sufficient to meet the demands of the business and the requirements which might arise in stressed circumstances. The Company remains compliant with all banking covenants.

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.

Bibby Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Turnover

Income derives from financial assets that are classified as loans and receivables (including finance lease receivables) and is determined using the effective interest method. Effective interest when applied against a financial asset, is a method of calculating the amortised cost of a financial asset and allocating the interest income over the expected life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instruments initial carrying value.

Operating leases

Operating lease rentals are charged to profit or loss on a straight line basis over the lease term.

Tax

Tax for the period comprises current tax and deferred 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided to allocate the cost of the assets less their estimated residual values, over their expected useful economic life using a straight line basis as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	20% to 33.33%

Retirement benefits

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

Bibby Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Financial Instruments

The Company has considered the provisions of FRS 102 Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' when recognising its financial instruments.

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, and 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 trade and other debtors. Financial liabilities, classified as basic financial instruments are trade and other creditors, including loans and borrowings.

All specific recognition and measurement policies of each component are presented in the individual policies below.

Equity instruments are classified in accordance with the substance of the contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the 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 trade or other debtor 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.

Bibby Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Trade debtors

The Company recognises assets held under lessor finance leases as a financial asset, presenting them as receivables at an amount equal to the net investment in the lease. The net investment in a lease is the Company's gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment in the lease is the aggregate of (i) the minimum lease payments receivable under a finance lease, and (ii) any unguaranteed residual value accruing.

Cash at bank and in hand

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

Trade creditors

Trade 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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and any amount due on redemption being recognised as a charge in profit or loss over the period of the relevant borrowing. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

Share capital

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

Critical accounting policies and key sources of estimation uncertainty

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

Receivables 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. Additional provisions are made for losses not specifically identified based on past experience, knowledge of the Group's exposure and other relevant factors.

Bibby Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

3 Operating profit

Arrived at after charging

	2016 £	2015 £
Depreciation of tangible fixed assets	67,192	63,935
Impairment of financial assets	510,167	374,566
Operating lease expense	67,710	56,230
Auditors remuneration	<u>18,000</u>	<u>17,604</u>

4 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and borrowings	<u>2,422,763</u>	<u>2,250,044</u>

5 Staff costs

The average number of persons employed by the Company during the year, analysed by category was as follows:

	2016 No.	2015 No.
Administration and support	<u>32</u>	<u>26</u>

Bibby Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

6 Taxation

Tax charged

	2016 £	2015 £
Current taxation		
UK corporation tax	705,069	479,430
UK corporation tax adjustment to prior periods	<u>(46,811)</u>	<u>-</u>
	<u>658,258</u>	<u>479,430</u>
Deferred taxation		
Arising from origination and reversal of timing differences	29,652	174,800
Adjustments to prior periods	<u>91,687</u>	<u>-</u>
Total deferred taxation	<u>121,339</u>	<u>174,800</u>
Total tax charge for the year	<u><u>779,597</u></u>	<u><u>654,230</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>3,670,926</u>	<u>3,043,845</u>
Corporation tax at standard rate	734,185	616,379
Effect of expense not deductible in determining taxable income	536	37,851
Adjustments to prior periods	<u>44,876</u>	<u>-</u>
Total tax charge for the year	<u><u>779,597</u></u>	<u><u>654,230</u></u>

Deferred tax

Deferred tax assets

2016	Asset £
Depreciation in excess of capital allowances	<u>174,161</u>
2015	Asset £
Depreciation in excess of capital allowances	<u>295,500</u>

Bibby Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

7 Tangible assets

	Furniture, fittings and equipment £
Cost	
At 1 January 2016	404,787
Additions	<u>40,855</u>
At 31 December 2016	<u>445,642</u>
Depreciation	
At 1 January 2016	313,282
Charge for the year	<u>67,192</u>
At 31 December 2016	<u>380,474</u>
Carrying amount	
At 31 December 2016	<u>65,168</u>
At 31 December 2015	<u>91,505</u>

8 Debtors

	2016 £	2015 £
Net Investment in finance leases	67,792,988	64,469,692
Amounts owed by group undertakings	-	3,134,251
Other debtors	3,934,037	4,577,436
Deferred tax assets	<u>174,161</u>	<u>295,500</u>
	71,901,186	72,476,879
Less amounts due in greater than one year	<u>(30,989,000)</u>	<u>(32,556,000)</u>
Amounts due within one year	<u>40,912,186</u>	<u>39,920,879</u>

9 Cash at bank and in hand

	2016 £	2015 £
Cash at bank	<u>43,352</u>	<u>12,062</u>

Bibby Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

10 Creditors

	2016 £	2015 £
Due within one year		
Loans and borrowings	23,025,564	22,992,746
Trade creditors	36,395	36,214
Amounts due to group undertakings	442,111	-
Social security and other taxes	48,913	-
Accrued expenses	1,481,931	1,258,695
Corporation tax	<u>707,068</u>	<u>1,111,331</u>
	<u>25,741,982</u>	<u>25,398,986</u>
Due after one year		
Loans and borrowings	<u>28,056,628</u>	<u>31,861,693</u>

The Company has block revolving credit facilities carrying variable interest rates above interbank rates. The facilities are secured against the client receivables and underlying assets provide in leasing, floating charge over the remaining assets of the company and parent guarantee. Amounts reported in creditors at the balance sheet date are repayable £23,025,564, £15,300,152 and £12,756,476 in less than 1 year, in between 1 -2 years, and between 2 -5 years respectively (2015: £22,992,746, £31,861,693, £Nil).

11 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>

Bibby Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

12 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2016	2015
	£	£
Not later than one year	34,934	64,496
Later than one year and not later than five years	31,971	68,060
Later than five years	<u>568</u>	<u>-</u>
	<u><u>67,473</u></u>	<u><u>132,556</u></u>

13 Related party transactions

The Company has taken advantage of the exemption in FRS 102 from disclosing transaction with other wholly owned members of the group controlled by its parent undertaking.