

Registration number: 588708

Bibby Leasing Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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Bibby Leasing Limited

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Bibby Leasing Limited

Company Information

Directors	Ian John Wilkins Ian Downing
Company secretary	Bibby Bros. & Co. (Management) Limited
Registered office	105 Duke Street Liverpool L1 5JQ
Auditors	Deloitte LLP Statutory Auditor Liverpool United Kingdom

Bibby Leasing Limited

Strategic Report for the Year Ended 31 December 2017

Bibby Leasing Limited is one of a network of companies owned by Bibby Financial Services, the UK's leading independent invoice finance and asset finance specialist and a trusted provider of funding solutions to over 7,000 businesses. Through a network of companies and local offices, the group handles annual client turnover of £5 billion and advances in the region of £500m to small and medium sized businesses throughout the UK. We are members of the Asset Based Finance Association (ABFA) and support businesses in over 300 industry sectors.

Principal activity

The principal activity of the company is to provide asset finance solutions through asset based leasing, refinancing and hire purchase offerings to our clients

Fair review of the business

The Company has returned an operating profit of £6.3m during the current financial year (2016: £6.0m). The capital value of leases originated in the year was £25.3m (2016: £20.5m) and the value of capital written in the year has increased 14%. The increase in originations is mainly due to prevailing market conditions improving, targeted growth initiatives and improved funding terms.

The markets in which we operate are characterised by increasing competition and margin pressure. We have ambitious plans for the business and are increasing our investment in people, technology and products to turn the plans into reality. The company's strategic plan is to increase origination and we have the funding facilities in place to grow.

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£	10,666,317	10,064,854
Operating profit	£	6,328,350	6,014,702
Profit before tax	£	4,100,103	3,670,926

The company has made claim to losses from other subsidiary undertakings of its ultimate parent undertaking, Bibby Line Group Limited a diverse business-to-business service conglomerate, thereby reducing its corporation tax charge and increasing retained profit.

Principal risks and uncertainties

Key risk types are strategic, operational, credit and financial. Risk management, robust governance and internal control are central to the way we manage all aspects of our business. Our responsible practices underpin our values and culture and enable us to grow the business in a disciplined and sustainable way.

Group risk management processes and systems manage, rather than eliminate, risk. The risk management framework represented by 'three lines of defence', reviews the key risks facing the Company and is responsible for effectively managing and mitigating risk outcomes to ensure the continuing profitability and success of the Company.

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

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

Bibby Leasing Limited

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

Financial instruments

Objectives and policies

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

Price risk, credit risk, liquidity risk and cash flow risk

Price risk:

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

Credit risk:

Credit risk is defined as the risk of loss in relation to financing provided to clients. The Company is provided with appropriate levels of credit discretion. Credit exposures above these levels set are only approved by Senior Group Underwriters, Group Regional CEO and Group Board Credit Committee as appropriate.

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

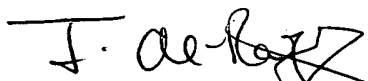
Liquidity risk:

Liquidity risk is assessed within the Group's central treasury and capital management policy framework on a regular basis. The Group maintains cash defences to accommodate potential perceived demands on liquidity arising from losses and other scenarios.

Cash flow risk:

Capital adequacy is assessed by the Board and Group on a regular basis to ensure that the business has adequate capital to withstand potential losses and provide creditors with adequate protection. Block funding lines are maintained to ensure sufficient funding is available to facilitate writing new leases and hire purchase contracts.

Approved by the Board on 4 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 Leasing 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:

Ian John Wilkins (appointed 31 December 2017)

Ian Downing

Carol Ann Roberts (resigned 31 December 2017)

Ian Lomas (resigned 31 October 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.

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.

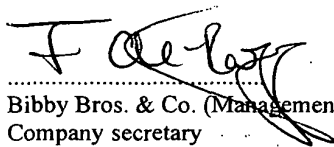
Future developments

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

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 4 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 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) including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 to the members of Bibby Leasing Limited

Report on the audit of the 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 Leasing Limited for the year ended 31 December 2017 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'.

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 Leasing Limited

Independent Auditor's Report to the members of Bibby Leasing 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.

Auditors 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. 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 Leasing Limited

Independent Auditor's Report to the members of Bibby Leasing Limited (continued)

Report on 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 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 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 Strategic Report and 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

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

4 May 2018

Bibby Leasing Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover		10,666,317	10,064,854
Operating costs		<u>(4,337,967)</u>	<u>(4,050,152)</u>
Operating profit	3	6,328,350	6,014,702
Other interest receivable and similar income	4	93,654	78,987
Interest payable and similar charges	5	<u>(2,321,901)</u>	<u>(2,422,763)</u>
Profit before tax		4,100,103	3,670,926
Taxation	8	<u>(22,262)</u>	<u>(779,597)</u>
Profit for the financial year		4,077,841	2,891,329
Retained earnings brought forward		<u>15,411,096</u>	<u>12,519,767</u>
Retained earnings carried forward		<u><u>19,488,937</u></u>	<u><u>15,411,096</u></u>

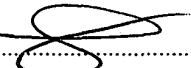
The above results were derived from continuing operations.

Bibby Leasing Limited

(Registration number: 588708)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	62,098	65,168
Current assets			
Debtors due within one year	10	47,366,590	40,912,186
Debtors due in greater than one year	10	31,639,000	30,989,000
Cash at bank and in hand	11	42,578	43,352
		<u>79,048,168</u>	<u>71,944,538</u>
Creditors: Amounts falling due within one year	12	<u>(25,122,774)</u>	<u>(25,741,982)</u>
Net current assets		<u>53,925,394</u>	<u>46,202,556</u>
Total assets less current liabilities		53,987,492	46,267,724
Creditors: Amounts falling due after more than one year	12	<u>(31,698,555)</u>	<u>(28,056,628)</u>
Net assets		<u>22,288,937</u>	<u>18,211,096</u>
Capital and reserves			
Called up share capital	13	2,800,000	2,800,000
Retained earnings		<u>19,488,937</u>	<u>15,411,096</u>
Shareholders' funds		<u>22,288,937</u>	<u>18,211,096</u>

Approved and authorised by the Board on 4 May 2018 and signed on its behalf by:



 Ian Downing
 Director

Bibby Leasing Limited

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

1 General information

Bibby Leasing Limited is a private company limited by shares, 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 company of the smallest group which consolidates the financial information of the Company. The ultimate parent undertaking is Bibby Line Group Limited and is the largest group which consolidates the financial information of the Company. All parent companies are incorporated in England.

The ultimate controlling party is disclosed in the financial statements of Bibby Line Group Limited. Copies of the financial statements of all subsidiaries of Bibby Line Group Limited can be obtained from its registered office at 105 Duke Street, Liverpool, L1 5JQ (www.bibbygroup.co.uk).

These financial statements were authorised for issue by the Board on 4 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 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.

Bibby Leasing Limited

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

2 Accounting policies (continued)

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.

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'.

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%

Bibby Leasing Limited

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

2 Accounting policies (continued)

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.

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.

Bibby Leasing Limited

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

2 Accounting policies (continued)

Impairment of financial assets

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.

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 2017 (continued)

3 Operating profit

Arrived at after charging

	2017 £	2016 £
Depreciation of tangible fixed assets	47,650	67,192
Impairment of financial assets	1,008,861	510,167
Operating lease expense	72,990	67,710
Auditors remuneration	<u>18,000</u>	<u>18,000</u>

4 Other interest receivable and similar income

	2017 £	2016 £
Interest from group undertakings	<u>93,654</u>	<u>78,987</u>

5 Interest payable and similar charges

	2017 £	2016 £
Interest on bank overdrafts and borrowings	<u>2,321,901</u>	<u>2,422,763</u>

Bibby Leasing Limited

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

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017	2016
	£	£
Remuneration	185,776	253,376
Contributions paid to defined contribution purchase schemes	5,799	23,324
	<u>191,575</u>	<u>276,700</u>

During the year the number of directors who were receiving benefits was as follows:

	2017	2016
	No.	No.
Accruing benefits under defined contribution pension schemes	<u>1</u>	<u>1</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017	2016
	£	£
Wages and salaries	1,737,029	1,216,591
Social security costs	193,316	175,977
Pension costs, defined contribution scheme	97,468	118,500
	<u>2,027,813</u>	<u>1,511,068</u>

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

	2017	2016
	No.	No.
Administration and support	<u>34</u>	<u>32</u>

Bibby Leasing Limited

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

8 Taxation

Tax charged

	2017 £	2016 £
Current taxation		
UK corporation tax	-	705,069
UK corporation tax adjustment to prior periods	22,262	(46,811)
	<u>22,262</u>	<u>658,258</u>
Deferred taxation		
Arising from origination and reversal of timing differences	-	29,652
Adjustments to prior periods	-	91,687
Total deferred taxation	-	121,339
Total tax charge for the year	<u>22,262</u>	<u>779,597</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%). The actual rate of tax used is the effective rate applying in the Company's financial year following the reduction in UK tax rates from 20% to 19%. The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>4,100,103</u>	<u>3,670,926</u>
Corporation tax at standard rate	789,270	734,185
Effect of expense not deductible in determining taxable income	-	536
Adjustments to prior periods	22,262	44,876
United Kingdom group loss relief claimed	<u>(789,270)</u>	<u>-</u>
Total tax charge for the year	<u>22,262</u>	<u>779,597</u>

Deferred tax

Deferred tax assets

2017

Depreciation in excess of capital allowances

Asset
£

174,161

2016

Depreciation in excess of capital allowances

Asset
£

174,161

Bibby Leasing Limited

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

9 Tangible assets

	Furniture, fittings and equipment £
Cost	
At 1 January 2017	445,642
Additions	44,580
At 31 December 2017	490,222
Depreciation	
At 1 January 2017	380,474
Charge for the year	47,650
At 31 December 2017	428,124
Carrying amount	
At 31 December 2017	62,098
At 31 December 2016	65,168

10 Debtors

	2017 £	2016 £
Net Investment in finance leases	38,976,075	36,803,988
Amounts owed by group undertakings	2,889,286	-
Other debtors	5,327,068	3,934,037
Deferred tax assets	174,161	174,161
	47,366,590	40,912,186
Amounts due in greater than one year	31,639,000	30,989,000
Total debtors	79,005,590	71,901,186

11 Cash at bank and in hand

	2017 £	2016 £
Cash at bank	42,578	43,352

Bibby Leasing Limited

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

12 Creditors

	2017 £	2016 £
Due within one year		
Loans and borrowings	23,318,391	23,025,564
Trade creditors	2,022	36,395
Amounts due to group undertakings	-	442,111
Social security and other taxes	147,489	48,913
Accrued expenses	1,654,872	1,481,931
Corporation tax	-	707,068
	<u>25,122,774</u>	<u>25,741,982</u>
Due after one year		
Loans and borrowings	<u>31,698,555</u>	<u>28,056,628</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 £23,318,391, £16,765,714 and £14,932,840 in less than 1 year, in between 1 -2 years, and between 2 -5 years respectively (2016: £23,025,564, £15,300,152 and £12,756,47).

13 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	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 2017 (continued)

14 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	70,091	34,934
Later than one year and not later than five years	113,353	31,971
Later than five years	-	568
	<u>183,444</u>	<u>67,473</u>

15 Related party transactions

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.