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BIBBY FACTORS SCOTLAND LIMITED

**FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 DECEMBER 2000**



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COMPANIES HOUSE 16/05/01

BIBBY FACTORS SCOTLAND LIMITED

IMMEDIATE PARENT UNDERTAKING

Bibby Group of Factors Limited

ULTIMATE PARENT UNDERTAKING

Bibby Line Group Limited

DIRECTORS

David Albert Robertson	
James Brydon	- Managing Director
Mark John Cleaver	- Chairman
Ian Downing	
Hugh David Mathewson	
Andrew Mackie Macgregor Tait	

SECRETARY

Bibby Bros. & Co. (Management) Limited

REGISTERED OFFICE

1st Floor, Unit 2, Block B
Kittle Yards
Causewayside
Edinburgh
EH9 1PJ

Incorporated in Scotland
Registration No. 199049

AUDITORS

PricewaterhouseCoopers
8 Princes Parade
St. Nicholas Place
Liverpool
L3 1QJ

BIBBY FACTORS SCOTLAND LIMITED

NOTICE OF MEETING

Notice is hereby given, that the first Annual General Meeting of the Company will be held on 14 May 2001 at 105 Duke Street, Liverpool for the following purposes:

To consider the attached Directors' Report and Financial Statements for the period ended 31 December 2000.

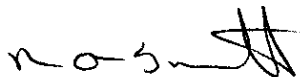
To re-elect Directors.

To appoint PricewaterhouseCoopers as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix the remuneration of the Auditors.

To transact any other ordinary business.

A member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member.

By order of the Board



Bibby Bros. & Co. (Management) Limited
Secretary

12 March 2001

BIBBY FACTORS SCOTLAND LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2000

The Directors present their Report together with the Audited Financial Statements for the period ended 31 December 2000.

INCORPORATION

The Company was incorporated on 13 August 1999 and started trading on 1 October 1999.

SHARE CAPITAL

One Ordinary £1 share was subscribed for by and allotted to Julian C. A. Voge on incorporation. On 16 August this share was transferred to Bibby Group of Factors Limited, the Parent Undertaking. On 1 October 1999, 349,999 Ordinary £1 shares were allotted to the Parent Undertaking.

ACTIVITIES

The activity of the Company since trade commenced on 1 October 1999 has been debt factoring.

TRADING RESULT

The result for the period is set out in the Profit and Loss Account.

CHANGES IN FIXED ASSETS

Changes in fixed assets are set out in Note 6 to the Accounts.

DEVELOPMENT OF BUSINESS

The Company has had a successful start although it is not yet profitable.

The Directors expect that the Company's profitability will increase in the current financial year.

DIRECTORS' REPORT FOR THE
PERIOD ENDED 31 DECEMBER 2000 (CONTINUED)

DIVIDENDS

The Directors recommend that no dividend be paid.

DIRECTORS AND THEIR INTERESTS

The Directors during the period were:

D. A. Robertson	- Chairman/Managing Director Appointed 16 August 1999
I. Downing	- Appointed 16 August 1999
J. Brydon	- Appointed 20 October 1999
H. D. Matthewson	- Appointed 20 October 1999
A. M. M. Tait	- Appointed 20 October 1999
A.C. Campbell	- Appointed 13 August 1999/Resigned 16 August 1999
J. C. A. Voge	- Appointed 13 August 1999/Resigned 16 August 1999

Since the period end, M. J. Cleaver was appointed Director of the Company and replaced Mr. D. A. Robertson as Chairman of the Company on 1 January 2001.

None of the Directors held any interests in the shares of the Company or the Bibby Line Group companies.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period which 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 those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

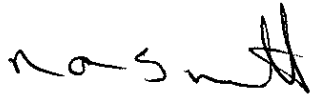
BIBBY FACTORS SCOTLAND LIMITED

DIRECTORS' REPORT FOR THE
PERIOD ENDED 31 DECEMBER 2000 (CONTINUED)

AUDITORS

PricewaterhouseCoopers were appointed by the Board on incorporation and have indicated their willingness to be re-appointed as auditors to the Company.

By order of the Board

A handwritten signature in black ink, appearing to read 'nasir', is written above the printed name of the Secretary.

Bibby Bros. & Co. (Management) Limited
Secretary

12 March 2001

AUDITORS' REPORT TO THE MEMBERS OF BIBBY FACTORS SCOTLAND LIMITED

We have audited the financial statements on pages 7 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Liverpool

12 March 2001

BIBBY FACTORS SCOTLAND LIMITED

PROFIT & LOSS ACCOUNT FOR THE
16 MONTHS TO 31 DECEMBER 2000

	Note	£
Turnover	2	344,488
Operating Costs - Administration		<u>(651,788)</u>
Operating Loss		(307,300)
Interest Payable	3	(45,463)
Interest Receivable from Parent Undertaking		<u>1,902</u>
Loss on Ordinary Activities Before Taxation	4	(350,861)
Taxation	5	<u>86,600</u>
Amount Transferred from Reserves	11	<u>(264,261)</u>

There are no recognised gains or losses in the period other than those dealt with in the profit and loss account.

Turnover and loss on ordinary activities all derive from debt factoring.

There is no difference between the profit stated above, and its historical cost equivalent.

The notes on pages 9 to 15 form part of these financial statements.

BIBBY FACTORS SCOTLAND LIMITED

BALANCE SHEET
31 DECEMBER 2000

	Note	£
FIXED ASSETS:		
Tangible Assets	6	<u>70,574</u>
CURRENT ASSETS:		
Debtors	7	3,484,740
Creditors (amounts falling due within one year)	8	<u>(1,927,800)</u>
Net Current Assets		<u>1,556,940</u>
Total Assets less Current Liabilities		<u>1,627,514</u>
Creditors (amounts falling due after more than one year)	8	<u>1,541,775</u>
CAPITAL AND RESERVES:		
Called Up Share Capital	10	350,000
Profit and Loss Account - Deficit	11	<u>(264,261)</u>
Equity Shareholders' Funds	12	<u>85,739</u>
		<u>1,627,514</u>

Approved by the Board on 12 March 2001



I. Downing
Director

The notes on pages 9 to 15 form part of these financial statements.

1. ACCOUNTING POLICIES

Accounting Basis

The Accounts for the Company are presented on the basis of historical cost accounting conventions and in accordance with applicable accounting standards.

Fixed Assets

Fixed Assets are included at cost less accumulated depreciation.

Depreciation is provided to write-off the assets over their useful life on a straight line basis as follows:-

Computer and Office Equipment	- Between three and five years
Leasehold Improvements	- The lower of ten years or remaining life of the lease

Deferred Taxation

Provision for deferred taxation resulting from accelerated tax depreciation allowances and other timing differences is made where a corporation tax liability or asset might arise within the foreseeable future.

Pension Costs

The cost of providing pensions is charged against profit on a systematic basis with pension surpluses arising allocated over the expected remaining service lives of current employees. Differences between the amounts charged in the profit and loss account and payments made to the pension scheme are treated as assets or liabilities. Payments to the defined contribution scheme are charged as incurred.

Cash Flows

A statement of group cash flows has been included in the consolidated accounts presented by the ultimate parent undertaking. Accordingly, no statement is presented within these accounts.

Related Party Transactions

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

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at closing rates.

Acceptance Credits

The Company finances its factoring operations through acceptance credits arranged with several banks. Interest on such credits is paid on receipt of the loan at L.I.B.O.R. plus a small premium.

Operating Leases

Operating lease rentals are charged to the profit and loss account as incurred.

BIBBY FACTORS SCOTLAND LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

2. TURNOVER

Turnover, which is derived from within the United Kingdom, is the factoring income earned.

Debts factored were £13,427,000.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £
On Loans from Parent Undertakings	2,638
On Bank Loans and Overdrafts	<u>42,825</u>
	<u>45,463</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging the following amounts:-

	16 Months to 31 December 2000 £
Staff Costs:	
Wages and Salaries	259,600
Social Security Costs	22,673
Pension Costs	20,472
Interest on Loans Wholly Repayable Within Five Years	45,463
Auditors' Fees and Expenses	1,500
Depreciation	28,052
Rental of Properties	31,226
Hire of Plant and Equipment	<u>19,930</u>

BIBBY FACTORS SCOTLAND LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

5. TAXATION

	16 Months to 31 December 2000 £
Deferred Taxation Credit for Period	4,600
Amount Receivable in Respect of Group Relief	<u>82,000</u>
	<u>86,600</u>

6. TANGIBLE ASSETS

	Office Equipment £	Leasehold Improvement £	Totals £
Cost			
Additions	<u>83,046</u>	<u>15,580</u>	<u>98,626</u>
At 31 December 2000	<u>83,046</u>	<u>15,580</u>	<u>98,626</u>
Accumulated Depreciation			
Charge for the Period	<u>23,139</u>	<u>4,913</u>	<u>28,052</u>
At 31 December 2000	<u>23,139</u>	<u>4,913</u>	<u>28,052</u>
Net Book Value at 31 December 2000	<u>59,907</u>	<u>10,667</u>	<u>70,574</u>

7. DEBTORS

	2000 £
Trade Debtors	3,394,924
Prepayments and Accrued Income	19,462
Amount Owed by Fellow Group Undertaking	2,754
Amount Owed by Ultimate Parent Undertaking	63,000
Deferred Taxation (See Note 9)	<u>4,600</u>
	<u>3,484,740</u>

BIBBY FACTORS SCOTLAND LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

8. CREDITORS

	2000 £
(Amounts Falling Due within One Year)	
Trade Creditors	1,859,949
Amount Owed to Parent Undertaking	34,527
Accruals and Deferred Income	20,507
Other Taxation and Social Security	<u>12,817</u>
	<u>1,927,800</u>
(Amounts Falling Due After More Than One Year)	
Bank Overdraft/Acceptance Credits	<u>1,541,775</u>

Bank overdraft/acceptance credits are all repayable between two and five years.

The overdraft and acceptance credits are part of a bank facility which is secured by a fixed and floating charge over the assets of the Company with, however, the stipulation that in respect of the book debts the amount recoverable under this security is limited to the amount actually prepaid under factoring agreements.

9. DEFERRED TAXATION ASSET

	2000 £
Profit and Loss Account	<u>4,600</u>
At 31 December 2000	<u>4,600</u>

The amounts of deferred taxation recognised and unrecognised at 30% are as follows:-

	Recognised £	Unrecognised £
Excess of Tax Allowance Over Depreciation	-	-
Other Timing Differences	<u>4,600</u>	<u>31,000</u>
	<u>4,600</u>	<u>31,000</u>

BIBBY FACTORS SCOTLAND LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

10. CALLED UP SHARE CAPITAL

	2000 £
Allotted and Fully Paid:	
Ordinary Shares of £1 each	<u>350,000</u>
Authorised:	
Ordinary Shares of £1 each	<u>1,000,000</u>

The issue of shares related to the setting up of the Company.

11. RESERVES

	Profit & Loss Account £
Amount Transferred from Reserves For the Financial Period	<u>(264,261)</u>
At 31 December 2000 - Deficit	<u>(264,261)</u>

12. MOVEMENTS IN SHAREHOLDERS' FUNDS

	16 Months to 31 December 2000 £
Profit for the Financial Period	(264,261)
New Share Capital Subscribed	<u>350,000</u>
Net Addition to Shareholders' Funds	<u>85,739</u>

BIBBY FACTORS SCOTLAND LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

13. DIRECTORS' EMOLUMENTS

	2000 £
The total emoluments were:	
- Emoluments	205,001
- Pension Contributions	<u>16,177</u>
	<u>221,178</u>

Contributions were made in respect of three of the Company's Directors to a defined benefit pension scheme. The emoluments, excluding pension contributions of the Chairman were £Nil and the highest paid Director £85,241. Having been a member of the Bibby Line Group Pension Scheme (a defined benefit pension scheme) for less than two years, the highest paid Director's accrued annual pension entitlement is nil.

14. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2000.

15. CONTINGENT LIABILITIES

The Company has guaranteed the overdraft of its fellow group undertakings, Bibby Financial Services Limited, Bibby Group of Factors Limited, Bibby Factors Northwest Limited, Bibby Factors Limited, Bibby Factors Slough Limited, Bibby Factors West Midlands Limited, Bibby Factors Bristol Limited, Bibby Factors Leicester Limited, Bibby Factors Northeast Limited, Bibby Factors Sussex Limited, Bibby Factors International Limited and Bibby Invoice Discounting Limited. The liability covered by these guarantees at 31 December 2000 was £70,241,267.

16. PARTICULARS OF EMPLOYEES

	16 Months to 31 December 2000
The average number of persons employed by the Company during the period was	<u>8</u>

All employees are engaged in factoring.

BIBBY FACTORS SCOTLAND LIMITED

NOTES TO THE ACCOUNTS 2000 (CONTINUED)

17. PENSION COSTS

A number of the Company's employees are members of the Bibby Line Group's defined benefit pension scheme. The assets of the scheme are held separately from those of the Group and are invested with an insurance company. The scheme was closed to new entrants from 1 April 2000.

The latest actuarial valuation was at 6 April 2000 and showed the scheme to be 94% funded. Contributions are determined in accordance with independent actuarial advice. Further actuarial information is given in the accounts of Bibby Line Group Limited.

Since 1 April 2000, Bibby Line Group has operated a money purchase pension scheme for new employees.

The pension charge for the period is given in Note 4.

18. OPERATING LEASE COMMITMENTS

2000
£

Annual Commitments Under Operating Leases Which Expire:

Within One Year:

- Vehicles, Plant and Equipment 3,724

Within Two to Five Years:

- Vehicles, Plant and Equipment 24,678

- Property 28,396

56,798

19. PARENT UNDERTAKINGS

The Company is a wholly owned subsidiary undertaking of Bibby Group of Factors Limited which is a wholly owned subsidiary of Bibby Financial Services Limited (formerly Bibby Financial Services (Holdings) Limited) which is itself a wholly owned subsidiary undertaking of Bibby Line Group Limited. Bibby Line Group Limited is the parent undertaking of the smallest and largest group which consolidates these accounts and of which the Company is a member.

Copies of the Group accounts may be obtained from Bibby Line Group Limited, 105 Duke Street, Liverpool L1 5JQ.