

SIGNED

Registration number: SC199049

Bibby Factors Scotland Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2011

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Bibby Factors Scotland Limited
Contents

Company Information	1
Directors' Report	2 to 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 to 21

Bibby Factors Scotland Limited
Company Information

Chairman	Andrew Mackie Macgregor Tait
Company secretary	Bibby Bros. & Co. (Management) Limited
Registered office	1st Floor, Unit 2, Block B Kittle Yards Causewayside Edinburgh EH9 1PJ
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor Liverpool United Kingdom

Bibby Factors Scotland Limited
Directors' Report for the Year Ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011.

Directors of the company

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

David Albert Robertson (resigned 31 December 2011)

Ian Downing

Hugh David Matthewson

Andrew Mackie Macgregor Tait - Chairman

Edward John Rimmer (resigned 1 February 2012)

The following director was appointed after the year end:

Calum Williamson (appointed 1 January 2012)

Principal activity

The principal activity of the company is debt factoring.

Going concern

The financial statements have been prepared on a going concern basis.

As set out in the Statement of Directors' Responsibilities, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors of the parent company have considered in detail the Group's forecast performance, as well as its capital and liquidity resources. The Group's funding facilities were renewed in 2010 until July 2014 and on this basis the directors have a reasonable expectation that, despite uncertain market conditions, the Group has sufficient funding and liquidity facilities to ensure that the company will continue in operational existence for the foreseeable future. Accordingly the directors of the company have adopted the going concern basis in preparing these financial statements.

Directors' liabilities

Enhanced indemnities are provided to the directors of the company by Chartis Insurance UK Limited against liabilities and associated costs which they could incur in the course of their duties to the company. All of the indemnities remain in force as at the date of this Report and Accounts. A copy of each of the indemnities is kept at the registered office address of the company.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Bibby Factors Scotland Limited
Directors' Report for the Year Ended 31 December 2011

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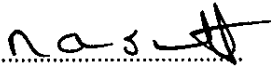
Reappointment of auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small company provisions

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

Approved by the Board on 22 May 2012 and signed on its behalf by:


.....
N.A. Smith, on behalf of
Bibby Bros. & Co. (Management) Limited
Company secretary

Bibby Factors Scotland Limited
Statement of Directors' Responsibilities

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 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.

Independent Auditor's Report to the Members of Bibby Factors Scotland Limited

We have audited the financial statements of Bibby Factors Scotland Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20. 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).

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 Statement of Directors' Responsibilities (set out on page 4), 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 Ethical Standards for Auditors.

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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 2011 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Bibby Factors Scotland Limited**

..... *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.
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



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

22 May 2012

Bibby Factors Scotland Limited
Profit and Loss Account for the Year Ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	3,709,705	3,303,286
Cost of sales		<u>(2,143,623)</u>	<u>(2,043,909)</u>
Operating profit	3	1,566,082	1,259,377
Interest payable and similar charges	6	<u>(261,466)</u>	<u>(108,736)</u>
Profit on ordinary activities before taxation		1,304,616	1,150,641
Tax on profit on ordinary activities	7	<u>(350,918)</u>	<u>(313,808)</u>
Profit for the financial year	14	<u>953,698</u>	<u>836,833</u>

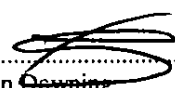
Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year or prior year other than the results above and therefore no Statement of Total Recognised Gains or Losses has been prepared.

Bibby Factors Scotland Limited
(Registration number: SC199049)
Balance Sheet at 31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	8	<u>22,634</u>	<u>24,152</u>
Current assets			
Debtors	9	21,238,049	21,142,059
Cash at bank and in hand		<u>531,039</u>	<u>1,446,915</u>
		21,769,088	22,588,974
Creditors: Amounts falling due within one year	10	<u>(18,820,929)</u>	<u>(19,689,247)</u>
Net current assets		<u>2,948,159</u>	<u>2,899,727</u>
Total assets less current liabilities		2,970,793	2,923,879
Creditors: Amounts falling due after more than one year	11	<u>(142,972)</u>	<u>(221,756)</u>
Net assets		<u>2,827,821</u>	<u>2,702,123</u>
Capital and reserves			
Called up share capital	12	350,000	350,000
Profit and loss account	14	<u>2,477,821</u>	<u>2,352,123</u>
Shareholders' funds	15	<u>2,827,821</u>	<u>2,702,123</u>

Approved by the Board on 22 May 2012 and signed on its behalf by:


.....
Ian Downing
Director

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

1 Accounting policies

The following accounting policies have been applied consistently in both the current and preceding year.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting policies.

Exemption from preparing a cash flow statement

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Going concern

The financial statements have been prepared on a going concern basis.

As set out in the Statement of Directors' Responsibilities, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors of the parent company have considered in detail the Group's forecast performance, as well as its capital and liquidity resources. The Group's funding facilities were renewed until July 2014 and on this basis the directors have a reasonable expectation that, despite uncertain market conditions, the Group has sufficient funding and liquidity facilities to ensure that the company will continue in operational existence for the foreseeable future. Accordingly the directors of the company have adopted the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of services to customers.

Revenue recognition

The factoring administration fee is recognised in the profit and loss account at the time the debts are factored. Other fees are normally recognised in the profit and loss account at the time the charge is made. However, where fees are charged in respect of non-performing debt, the proportion credited to the profit and loss account is limited to the extent that total recoveries will exceed the debt outstanding.

Depreciation

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

Asset class	Depreciation method and rate
Office equipment	20% to 33.33%
Short leasehold buildings	Lower of 10% and remainder of lease

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

Deferred tax

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.

Taxation

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or which are never taxable or deductible. Current tax is calculated using rates enacted, or substantively enacted, at the balance sheet date.

Financing

The company finances its operation through overdrafts and loans from its immediate parent undertaking. Interest is charged at base rates plus a small premium.

Foreign currency

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.

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. Additional 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.

Operating leases

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

Debtors and creditors

Trade debtors represent the debts assigned under factoring agreements, net of the bad debt provision. The full value of the assigned debt is recognised on the balance sheet as it represents rights or other access to future economic benefits. The corresponding trade creditor recognised represents the difference between the assigned debt and cash advanced to clients net of appropriate factoring fees.

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

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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.

The company is a member of the Bibby Line Group Limited pension scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement Benefits' the scheme has been accounted for as if the scheme were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2 Turnover

Turnover, which is derived from within the United Kingdom, is the factoring income earned. Debts factored during the year were £150,242,000 (2010 - £138,820,000).

3 Operating profit

Operating profit is stated after charging:

	2011	2010
	£	£
Operating leases - other assets	74,792	70,384
Auditor's remuneration - The audit of the company's annual accounts	7,200	7,200
Depreciation of owned assets	13,136	7,718
Depreciation of assets held under finance lease and hire purchase contracts	<u>3,316</u>	<u>2,573</u>

No fees were paid to the company's auditor for non-audit services in either the current or preceding year.

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

4 Particulars of employees

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

	2011 No.	2010 No.
Administration and support	<u>31</u>	<u>30</u>

The aggregate payroll costs were as follows:

	2011 £	2010 £
Wages and salaries	903,561	865,240
Social security costs	85,757	90,417
Staff pensions	<u>33,361</u>	<u>31,380</u>
	<u>1,022,679</u>	<u>987,037</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2011 £	2010 £
Remuneration	100,274	90,929
Company contributions to defined benefit schemes	<u>10,683</u>	<u>11,514</u>

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

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

	2011 No.	2010 No.
Accruing benefits under defined benefit pension scheme	<u>1</u>	<u>2</u>

6 Interest payable and similar charges

	2011 £	2010 £
Interest on bank borrowings	845	-
Interest on loans from group undertakings	<u>260,621</u>	<u>108,736</u>
	<u>261,466</u>	<u>108,736</u>

7 Taxation

Tax on profit on ordinary activities

	2011 £	2010 £
Current tax		
Corporation tax charge	350,818	312,608
Deferred tax		
Origination and reversal of timing differences	<u>100</u>	<u>1,200</u>
Total tax on profit on ordinary activities	<u>350,918</u>	<u>313,808</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%).

The differences are reconciled below:

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>1,304,616</u>	<u>1,150,641</u>
Corporation tax at standard rate	345,723	322,179
Accelerated capital allowances	638	(989)
Income not taxable	-	(12,841)
Expenses not deductible for tax purposes	<u>4,457</u>	<u>4,259</u>
Total current tax	<u>350,818</u>	<u>312,608</u>

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

8 Tangible fixed assets

	Short leasehold land and buildings £	Office equipment £	Total £
Cost			
At 1 January 2011	25,611	165,549	191,160
Additions	<u>5,341</u>	<u>9,593</u>	<u>14,934</u>
At 31 December 2011	<u>30,952</u>	<u>175,142</u>	<u>206,094</u>
Depreciation			
At 1 January 2011	5,002	162,006	167,008
Charge for the year	<u>3,316</u>	<u>13,136</u>	<u>16,452</u>
At 31 December 2011	<u>8,318</u>	<u>175,142</u>	<u>183,460</u>
Net book value			
At 31 December 2011	<u>22,634</u>	<u>-</u>	<u>22,634</u>
At 31 December 2010	<u>20,609</u>	<u>3,543</u>	<u>24,152</u>

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

9 Debtors

	2011	2010
	£	£
Trade debtors	21,191,497	21,062,407
Deferred tax	8,400	8,500
Other debtors	38,152	71,152
	<u>21,238,049</u>	<u>21,142,059</u>

Deferred tax

Deferred tax is provided at 25.00% (2010 - 28.00%).

The movement in the deferred tax asset in the year is as follows:

	£
At 1 January 2011	8,500
Deferred tax charged to the profit and loss account	<u>(100)</u>
At 31 December 2011	<u>8,400</u>

Analysis of deferred tax

	2011	2010
	£	£
Difference between accumulated depreciation and capital allowances	8,400	8,500
	<u>8,400</u>	<u>8,500</u>

As at 31 December 2011 the company has no unrecognised deferred tax assets (31 December 2010: none).

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

10 Creditors: Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	8,730,346	10,122,733
Amounts owed to group undertakings	9,420,000	8,920,000
Corporation tax	350,818	312,608
Other taxes and social security	90,202	55,160
Other creditors	229,563	278,746
	<u>18,820,929</u>	<u>19,689,247</u>

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

11 Creditors: Amounts falling due after more than one year

	2011 £	2010 £
Bank loans and overdrafts	<u>142,972</u>	<u>221,756</u>

The bank loans are part of a bank facility, expiring in July 2014, 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. The bank overdrafts and intercompany loans carry interest rates that vary with base rates.

12 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No.	£	No.	£
Ordinary £1 shares of £1 each	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>

13 Dividends

	2011 £	2010 £
Dividends paid		
Current year interim dividend paid	<u>828,000</u>	<u>350,000</u>

14 Reserves

	Profit and loss account £	Total £
At 1 January 2011	2,352,123	2,352,123
Profit for the year	953,698	953,698
Dividends	<u>(828,000)</u>	<u>(828,000)</u>
At 31 December 2011	<u>2,477,821</u>	<u>2,477,821</u>

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... *continued*

15 Reconciliation of movement in shareholder's funds

	2011	2010
	£	£
Profit attributable to the members of the company	953,698	836,833
Dividends	<u>(828,000)</u>	<u>(350,000)</u>
Net addition to shareholder's funds	125,698	486,833
Shareholder's funds at 1 January	<u>2,702,123</u>	<u>2,215,290</u>
Shareholder's funds at 31 December	<u><u>2,827,821</u></u>	<u><u>2,702,123</u></u>

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

16 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £18,791 (2010 - £11,321).

Contributions totalling £nil (2010 - £nil) were payable to the scheme at the end of the year and are included in creditors.

Defined benefit pension schemes

The company participates in the Bibby Line Group Pension Scheme (the "Scheme"), a defined benefit pension scheme. The assets of the Scheme are held separately from those of the sponsoring and participating employers and are invested with an insurance company. The company is unable to identify its share of the underlying assets and liabilities of the scheme as a significant number of members who are deferred or pensioners within the scheme relate to businesses that are no longer part of the group. The Scheme was closed to new entrants from 1 April 2000 and closed to future accruals for existing members from 30 September 2011.

The company made contributions of £14,570 (2010 - £20,059) to the scheme during the year.

Contributions payable to the pension scheme at the end of the year are £nil (2010 - £nil).

Financial Reporting Standard 17 Disclosures

As noted above and under accounting policies, the company participates in the Scheme. As part of the information disclosed under Financial Reporting Standard 17 in the ultimate holding company's accounts, a net deficit of £11,967,000 (2010 - £10,020,000) is noted. Further information can be found in the financial statements of the ultimate holding company.

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

17 Commitments

Operating lease commitments

As at 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2011	2010
	£	£
Land and buildings		
Within one year	15,329	-
Within two and five years	64,977	66,828
	<u>80,306</u>	<u>66,828</u>
Other		
Within one year	7,523	8,000
Within two and five years	4,035	21,901
	<u>11,558</u>	<u>29,901</u>

18 Other financial commitments

The company had not entered into any capital, nor other financial commitments, as at the year end (2010 - none).

19 Related party transactions

As a wholly-owned subsidiary undertaking of Bibby Group of Factors Limited, which produces consolidated financial statements which are publicly available, the company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by Bibby Line Group Limited.

Bibby Factors Scotland Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

..... continued

20 Control

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

The largest group in which the results of the company are consolidated is that headed by Bibby Line Group Limited. The smallest group in which they are consolidated is that headed by Bibby Group of Factors 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.bibbylinegroup.co.uk