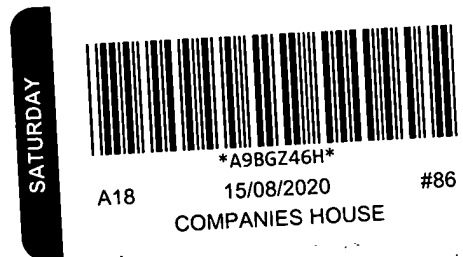


Registration number: 09353026

Bibby Foreign Exchange Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



Bibby Foreign Exchange Limited

Contents

Company Information	1
Directors' Report	2
Directors' Responsibilities Statement	3
Independent Auditor's Report to the members of Bibby Foreign Exchange Limited	4 to 6
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9 to 15

Bibby Foreign Exchange Limited

Company Information

Directors	Michael Damian McGowan David John Postings Ian Stuart Ramsden Theovinder Singh Chatha
Company secretary	Bibby Bros. & Co (Management) Limited
Registered office	3rd Floor Walker House Exchange Flags Liverpool L2 3YL
Auditor	Deloitte LLP Statutory Auditor Liverpool United Kingdom

Bibby Foreign Exchange Limited

Directors' Report for the Year Ended 31 December 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the Company

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

Michael Damian McGowan

David John Postings

Ian Stuart Ramsden

Theovinder Singh Chatha (appointed 23 September 2019)

Stephen George Rose (resigned 23 September 2019)

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 a period of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. In reaching this assessment the Directors considered the financial statements, the Company's budget, operating plan and updated forecasts, in light of Covid-19, along with the status of the indebtedness owed to parent entities.

There is a letter of support in place between the Company and its intermediate parent undertaking, Bibby Financial Services Limited. The letter of support states that the parent for at least 12 months from the date of approval of these accounts, will continue to make available such funds as are needed to enable the Company to continue to meet its liabilities in the ordinary course of business as they fall due. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies of the Financial Statements.

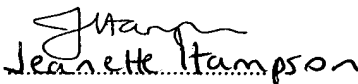
Disclosure of information to the auditors

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 17 July 2020 and signed on its behalf by:



Bibby Bros. & Co (Management) Limited
Company secretary

Duly Authorised Signatory
For and on behalf of
Bibby Bros. & Co. (Management)
Limited, SECRETARY

Bibby Foreign Exchange 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; 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 Foreign Exchange Limited

Independent Auditor's Report to the members of Bibby Foreign Exchange Limited

Report on the audit of the financial statements

Opinion on the financial statements

In our opinion the financial statements of Bibby Foreign Exchange Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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 UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes 1 to 11. 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial and Reporting Council (the 'FRC') 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 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.

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.

Bibby Foreign Exchange Limited

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

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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Report on other 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 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.

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, 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 and from the requirement to prepare a Strategic Report.


We have nothing to report in respect of these matters.

Bibby Foreign Exchange Limited

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

Use of this 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.

DocuSigned by:

C1ECC1ADB8424E5...

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

17 July 2020

Bibby Foreign Exchange Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		2,664,565	1,529,565
Operating costs		<u>(1,691,932)</u>	<u>(1,293,091)</u>
Operating profit		<u>972,633</u>	<u>236,474</u>
Profit before tax		972,633	236,474
Taxation		<u>-</u>	<u>-</u>
Profit for the financial year		972,633	236,474
Retained earnings brought forward		<u>199,215</u>	<u>(37,259)</u>
Retained earnings carried forward		<u><u>1,171,848</u></u>	<u><u>199,215</u></u>

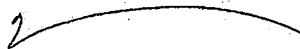
The notes on pages 9 to 15 form an integral part of these financial statements.

Bibby Foreign Exchange Limited
(Registration number: 09353026)
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors	5	1,828,632	707,229
Cash at bank and in hand	6	<u>1,576,705</u>	<u>2,160,041</u>
		3,405,337	2,867,270
Creditors: Amounts falling due within one year	7	<u>(2,233,488)</u>	<u>(2,668,054)</u>
Net assets		<u>1,171,849</u>	<u>199,216</u>
Capital and reserves			
Called up share capital	8	1	1
Retained earnings		<u>1,171,848</u>	<u>199,215</u>
Shareholders' funds		<u>1,171,849</u>	<u>199,216</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 17 July 2020 and signed on its behalf by:


MICHAEL D MCGOWAN

Michael Damian McGowan
Director

Bibby Foreign Exchange Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

Bibby Foreign Exchange Limited is a private company limited by shares and incorporated in England, registration number 09353026. The address of its registered office is 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL.

The Company is a wholly-owned subsidiary of Bibby Financial Services (FX) 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 3rd Floor, Walker House, Exchange Flags, Liverpool, L2 3YL.

These financial statements were authorised for issue by the Board on 17 July 2020.

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

These financial statements were 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, including those posed by the Coronavirus pandemic in 2020. Many global governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty.

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 and continued financial support from corporate shareholders, the Directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business. In making the assessment the Directors have considered the risks associated with parent undertakings providing this support.

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 Foreign Exchange Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Turnover

Income is the net value of currencies bought and sold and net income from derivatives and is recognised at the trade date. Transactions involving foreign currency are translated into functional currency using the exchange rate prevailing at the transaction date.

Financial Instruments

The Company has considered the recognition and measurement provisions of FRS 102 Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' for all 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 which comprise cash and cash equivalents, trade and other debtors, trade and other creditors, as well as complex derivative financial instruments.

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. Financial assets and liabilities, classified as complex financial instruments are foreign currency derivatives. All specific recognition and measurement policies of each component are presented in the individual policies below.

Bibby Foreign Exchange Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

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 Group 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 financial asset 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.

Derivative financial instruments

Derivatives

The Company enters into a variety of derivative financial instruments for trading purposes, acting as a broker in the provision of foreign exchange spot and forward contracts to its clients. All exchange rate fluctuations between the company and the customer are economically hedged through a corresponding movement in contracts entered into with external currency vendors.

Derivative financial instruments are initially recognised at the date the derivative contract is entered into and subsequently re-measured to fair value at each reporting date. Fair value is estimated using valuation techniques which are market and non-market inputs to estimate the expected discounted cash flows. The valuation techniques use contracted pricing and forward market rates as determined by the issuer of the derivative. The resulting gain or loss arising is recognised in turnover.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a liability.

Cash in hand and at bank

Cash and cash equivalents comprise cash on hand and call deposits.

The Company does maintain bank balances in a number of currencies as part of its trading and is therefore exposed to movements in foreign exchange rates on these limited balances. The amount of foreign currency balances is not material to the Company.

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.

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.

Bibby Foreign Exchange Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Tax

Tax for the period comprises current 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. The Company is a subsidiary of a larger group of companies and member of a United Kingdom tax group, and will utilise group tax loss provisions to reduce its taxable income in both the current and preceding year.

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.

Critical accounting policies when judgement or estimation may be applied

The critical influence that the Directors have had 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 valuation of derivative financial instruments. Details of valuation techniques are reported in the specific accounting policies above. Such techniques and subsequent values recorded in the financial statements are stated after reflection of credit risk and impairment considerations.

3 Auditors' remuneration

Audit fees of £10,000 (2018: £10,000) have been borne by the parent undertaking.

4 Staff numbers

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

	2019 No.	2018 No.
Administration and support	<u>15</u>	<u>11</u>

Bibby Foreign Exchange Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

5 Debtors

	Note	2019 £	2018 £
Fair value of derivative financial instruments	10	1,758,968	632,065
Other debtors		<u>69,664</u>	<u>75,164</u>
		<u><u>1,828,632</u></u>	<u><u>707,229</u></u>

6 Cash at bank and in hand

	2019 £	2018 £
Cash at bank	<u>1,576,705</u>	<u>2,160,041</u>

Balances held by the Company included in the above that are not available for use by the Company

	2019 £	2018 £
Collateral held by external currency vendors with respect to currency trading	<u>1,350,000</u>	<u>850,000</u>

7 Creditors

	Note	2019 £	2018 £
Due within one year			
Fair value of derivative financial instruments	10	1,278,959	492,905
Trade creditors		473	11,797
Amounts due to group undertakings		863,938	2,148,664
Accrued expenses		<u>90,118</u>	<u>14,688</u>
		<u><u>2,233,488</u></u>	<u><u>2,668,054</u></u>

Amounts owed to group undertakings are unsecured, bear no interest and are repayable on demand.

Bibby Foreign Exchange Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

8 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

9 Related party transactions

Summary of transactions with parent

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

10 Derivative financial instruments

	2019 £	2018 £
Derivative contracts with a positive fair value recorded within debtors		
Derivatives bought from BBB rated financial currency vendors	617,311	293,902
Derivatives sold to counterparties without external credit rating	<u>1,141,657</u>	<u>338,163</u>
	<u>1,758,968</u>	<u>632,065</u>
Derivative contracts with a negative fair value recorded within creditors due within 1 year		
Derivatives bought from BBB rated financial currency vendors	(948,895)	(267,957)
Derivatives sold to counterparties without external credit rating	<u>(330,064)</u>	<u>(224,948)</u>
	<u>(1,278,959)</u>	<u>(492,905)</u>

Bibby Foreign Exchange Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

11 Non adjusting events after the financial period

On 11 March 2020, the World Health Organisation declared the Coronavirus (Covid-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. For the year ended 31 December 2019, the Coronavirus outbreak and the related impacts are considered non-adjusting events with no impact on asset and liability measurements included in the financial statements.