

COMPANY REGISTRATION NUMBER 984439

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**FINANCIAL STATEMENTS**

**31 DECEMBER 2005**

WEDNESDAY



\*A66LANGK\*

A18

28/02/2007

454

COMPANIES HOUSE

# **ALLIED INTERNATIONAL CREDIT (UK) LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2005**

<b>CONTENTS</b>	<b>PAGE</b>
The directors' report	<b>1</b>
Statement of directors' responsibilities	<b>3</b>
Independent auditors' report to the members	<b>4</b>
Consolidated profit and loss account	<b>6</b>
Consolidated balance sheet	<b>7</b>
Parent company balance sheet	<b>8</b>
Consolidated cash flow statement	<b>9</b>
Notes to the financial statements	<b>11</b>

# **ALLIED INTERNATIONAL CREDIT (UK) LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2005**

The Directors have pleasure in presenting their report and the financial statements for the year ended 31 December 2005.

#### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the Group during the year was that of a debt collection agency.

The Group's turnover decreased 8.0% during the year to £5.53 million (2004: £6.01 million), with profit on ordinary activities before taxation falling to a loss of £(32,814) (2004: profit of £573,390).

Administrative expenses increased by £234,000 due to bad debts incurred during 2005.

Current assets increased to £3.3 million (2004: £2.9 million) and with current liabilities at £2.7 million (2004: £2.2 million) current assets cover current liabilities 119% (2004: 133%). Liquidity remains strong and the Directors believe that the Group is able to meet its current obligations as they fall due.

The Directors believe that the financial statements represent a fair view of the business, and are confident that the steps taken during the year will return the business to profitability.

#### **RESULTS AND DIVIDENDS**

The results for the year and the Group financial position at the end of the year are shown in the attached financial statements.

The Directors have not paid a dividend during the year (2004: £750,000).

#### **DIRECTORS**

The directors who served the Company during the year were as follows:

D A Rae  
T McCausland  
K Johnston

#### **COMPANY SECRETARY**

D Rae  
I MacDonald (Resigned 15/03/06)

The Company is a wholly owned subsidiary of Allied Global Holdings Inc., a company incorporated in Canada, and the interests of the group Directors are disclosed in the financial statements of the parent company.

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2005

### Disclosure of information to auditors

In the case of each of the persons who are directors at the time when the directors' report is approved, the following applies:

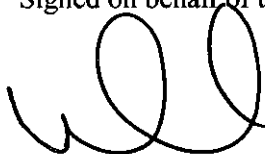
- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### AUDITORS

A resolution to re-appoint Deloitte and Touche LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
The Clock Tower  
Office No. 5  
Chineham  
Basingstoke  
Hampshire  
RG24 8BQ

Signed on behalf of the directors



Director

Approved by the directors on 16 February 2007

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES****YEAR ENDED 31 DECEMBER 2005****Statement of directors' responsibilities**

The Directors are responsible for preparing the annual report and the financial statements. The directors have chosen to prepare the final statements for the Company and the Group in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company and of the Group and of the profit or loss of the Company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the Directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIED INTERNATIONAL CREDIT (UK) LIMITED**

We have audited the financial statements (the "financial statements") of Allied International Credit (UK) Limited for the year ended 31 December 2005 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and notes (i) to (iii), and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the annual report, as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the annual report.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIED INTERNATIONAL CREDIT (UK) LIMITED**

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2005 and of the group's loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

### **Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Glasgow, United Kingdom

16 February 2007

19

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2005**

	Note	2005 £	2004 £
<b>TURNOVER:</b> Group and share of joint venture		5,528,604	6,011,926
Less share of joint ventures turnover		(6,533)	(1,647)
		<hr/> 5,522,071	<hr/> 6,010,279
Administrative expenses		(5,717,761)	(5,604,754)
Other operating income		130,745	158,412
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	<hr/> (64,945)	<hr/> 563,937
Share of operating profit in joint venture		971	322
Interest receivable		53,959	25,298
Interest payable	<b>7</b>	(22,799)	(16,167)
		<hr/>	<hr/>
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(32,814)	573,390
Tax on (loss)/profit on ordinary activities	<b>8</b>	(73,278)	(164,749)
		<hr/>	<hr/>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<hr/> (106,092) <hr/>	<hr/> 408,641 <hr/>

All of the activities of the Group are classed as continuing.

There have been no recognised gains and losses other than as stated in the consolidated profit and loss account. Accordingly no statement of total recognised gains and losses has been presented.

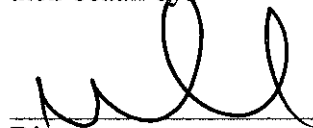
The notes on pages 11 to 19 form part of these financial statements.



**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****CONSOLIDATED BALANCE SHEET****31 DECEMBER 2005**

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	9	402,701	360,596
Investments in joint ventures – share of net assets		29,299	13,297
		<u>432,000</u>	<u>373,893</u>
<b>CURRENT ASSETS</b>			
Debtors	10	1,839,673	1,945,781
Cash at bank and in hand		1,472,884	929,085
		<u>3,312,557</u>	<u>2,874,866</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>2,770,971</u>	<u>2,165,581</u>
<b>NET CURRENT ASSETS</b>		<u>541,586</u>	<u>709,285</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>973,586</u>	<u>1,083,178</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12	53,495	80,695
		<u>920,091</u>	<u>1,002,483</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	23,700	-
		<u>896,391</u>	<u>1,002,483</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	18	2,000	2,000
Profit and loss account		<u>894,391</u>	<u>1,000,483</u>
<b>SHAREHOLDERS' FUNDS ATTRIBUTABLE TO EQUITY INTERESTS</b>	19	<u>896,391</u>	<u>1,002,483</u>

These financial statements were approved by the directors on 16 February 2007 and are signed on their behalf by:



Director

The notes on pages 11 to 19 form part of these financial statements.

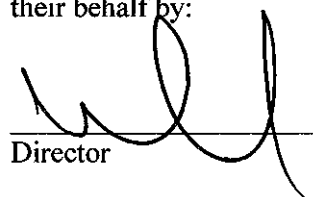
## ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## PARENT COMPANY BALANCE SHEET

31 DECEMBER 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	9	402,701	360,596
Investments	20	18	8
		<u>402,719</u>	<u>360,604</u>
<b>CURRENT ASSETS</b>			
Debtors	10	1,880,020	1,958,747
Cash at bank and in hand		1,460,620	929,085
		<u>3,340,640</u>	<u>2,887,832</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>2,746,000</u>	<u>2,165,581</u>
<b>NET CURRENT ASSETS</b>		<u>594,640</u>	<u>722,251</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>997,359</u>	<u>1,082,855</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12	53,495	80,695
		<u>943,864</u>	<u>1,002,160</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	23,700	-
		<u>920,164</u>	<u>1,002,160</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	18	2,000	2,000
Profit and loss account		<u>918,164</u>	<u>1,000,160</u>
<b>SHAREHOLDERS' FUNDS ATTRIBUTABLE TO EQUITY INTERESTS</b>	19	<u>920,164</u>	<u>1,002,160</u>

These financial statements were approved by the directors on the 16 February 2007 and are signed on their behalf by:

  
Director

The notes on pages 11 to 19 form part of these financial statements.

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	£	£
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	629,752	(938,594)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	53,959	25,298
Interest element of finance leases	<u>(22,799)</u>	<u>(16,167)</u>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	31,160	9,131
<b>TAXATION</b>	(127,559)	(300,764)
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible fixed assets	<u>(135,684)</u>	<u>(72,591)</u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	(135,684)	(72,591)
<b>EQUITY DIVIDENDS PAID</b>	-	<u>(750,000)</u>
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	397,669	(2,052,820)
<b>FINANCING</b>		
Capital element of finance leases	(84,072)	(79,447)
Investment in joint ventures	<u>(15,031)</u>	<u>(12,975)</u>
<b>NET CASH OUTFLOW FROM FINANCING</b>	(99,103)	(92,422)
<b>INCREASE/(DECREASE) IN CASH</b>	<u>298,566</u>	<u>(2,145,240)</u>

The notes on pages 11 to 19 form part of these financial statements.

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****CONSOLIDATED CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31 DECEMBER 2005****(i) RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit	(64,945)	563,937
Depreciation	122,864	119,157
Decrease /(increase) in debtors	137,500	(474,310)
Increase/(decrease) in creditors	434,333	(1,147,378)
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>629,752</u></b>	<b><u>(938,594)</u></b>

**(ii) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Increase/(decrease) in cash in the period	298,566	(2,145,240)
Cash outflow in respect of finance leases	84,072	79,447
Change in net funds arising from cash flows	382,638	(2,065,793)
New finance leases	(29,285)	(14,208)
<b>Change in net funds</b>	<b><u>353,353</u></b>	<b><u>(2,080,001)</u></b>
<b>Net funds at 1 January 2005</b>	<b><u>286,243</u></b>	<b><u>2,366,244</u></b>
<b>Net funds at 31 December 2005</b>	<b><u>639,596</u></b>	<b><u>286,243</u></b>

**(iii) ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At</b>		<b>Non-cash</b>	<b>At</b>
	<b>1 Jan 2005</b>	<b>Cash flows</b>	<b>movements</b>	<b>31 Dec 2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:				
Cash in hand and at bank	929,085	543,799	-	1,472,884
Bank overdraft	(477,546)	(245,233)	-	(722,779)
	<u>451,539</u>	<u>298,566</u>	<u>-</u>	<u>750,105</u>
Debt:				
Finance lease agreements	(165,296)	84,072	(29,285)	(110,509)
<b>Net funds</b>	<b><u>286,243</u></b>	<b><u>382,638</u></b>	<b><u>(29,285)</u></b>	<b><u>639,596</u></b>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

### 1. ACCOUNTING POLICIES

The principal accounting policies are summarized below. They have been applied consistently throughout the year and the preceding year.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

#### **Turnover**

Turnover is recognised on an accruals basis. Amounts recognised as turnover are exclusive of value added tax.

#### **Other operating income**

*Other operating income represents non-commission income from monies taken from holding accounts.*

#### **Investments**

Investments are stated at cost, net of any provision for impairment.

#### **Fixed assets and depreciation**

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	over the period of the lease
Furniture and Equipment	-	20% reducing balance per annum
Computer Equipment	-	25% straight line per annum
Telecommunications equipment	-	25% straight line per annum
Computer Software	-	100% straight line per annum

#### **Finance lease agreements**

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a reducing balance basis, and the capital element which reduces the outstanding obligation for future instalments.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

### 1. ACCOUNTING POLICIES (continued)

#### Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

#### Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future 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 and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Basis of consolidation

The group financial statements consolidate the financial statements of the Company and its subsidiaries. Joint ventures are consolidated using the equity accounting method. This is considered appropriate for the Company's investments due to the level of involvement of management in the running of the respective entity.

### 2. TURNOVER

Turnover is derived primarily from business transacted in the United Kingdom.

### 3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2005	2004
	£	£
Depreciation of owned fixed assets	77,062	65,661
Depreciation of assets held under finance lease	45,802	53,496
Exceptional costs – write-off of bad debts	234,000	-
Operating lease rentals		
- lease on properties	227,158	251,860
- motor vehicles	30,132	26,307
- furniture and computer equipment	58,903	62,264
Auditors' remuneration		
- audit fees	80,000	40,000
- audit fees, subsidiary	5,000	
- tax compliance services	5,000	5,000
- tax advisory services	9,000	9,000

### 4. (LOSS)/PROFIT OF PARENT COMPANY

The loss after tax of the parent company is £81,996 (2004: profit of £408,318). The Company has taken advantage of section 230 of the Companies Act 1985 and consequently a profit and loss account for the parent company above is not presented.

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2005****5. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the Group during the financial year amounted to:

	<b>2005</b>	<b>2004</b>
	No	No
Number of administrative staff	<u>161</u>	<u>190</u>

The aggregate payroll costs of the above were:

	<b>2005</b>	<b>2004</b>
	£	£
Wages and salaries	2,956,640	2,980,674
Social security costs	<u>241,186</u>	<u>273,058</u>
	<u>3,197,826</u>	<u>3,253,752</u>

**6. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	<b>2005</b>	<b>2004</b>
	£	£
Emoluments receivable	<u>127,629</u>	<u>204,163</u>

**Emoluments of highest paid director:**

	<b>2005</b>	<b>2004</b>
	£	£
Total emoluments (excluding pension contributions)	<u>96,862</u>	<u>91,423</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2005</b>	<b>2004</b>
	£	£
Finance charges	<u>22,799</u>	<u>16,167</u>

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2005****8. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

	2005 £	2004 £
UK corporation tax based on (loss)/profit for the year	4,790	165,291
Adjustment in respect of prior years	44,788	10,458
Current tax charge	49,578	175,749
Deferred tax	23,700	(11,000)
Tax on (loss)/profit on ordinary activities	<u>73,278</u>	<u>164,749</u>

The standard rate of tax for the year based on the UK standard rate of corporation tax is 30% (2004: 30%). The actual tax charge for the current year and previous year is different to the standard rate for reasons set out in the following reconciliation:

(Loss)/Profit on ordinary activities before tax	(32,814)	573,390
Tax on (loss)/profit on ordinary activities at 30%:	(9,844)	172,017
Expenses not deductible for tax	10,889	10,882
Capital allowances in excess of depreciation	3,745	(21,208)
Short term timing differences	-	3,600
Prior year adjustment	44,788	10,458
Current tax charge	<u>49,578</u>	<u>175,749</u>



# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

### 9. TANGIBLE FIXED ASSETS

#### The Group and Company

	Leasehold property £	Furniture and equipment £	Computer equipment £	Computer software £	Telecomm- unications £	Total £
<b>COST</b>						
At 1 January 2005	120,257	408,285	532,245	10,000	124,158	1,194,945
Additions	—	59,321	77,822	27,826	—	164,969
<b>At 31 December 2005</b>	<u>120,257</u>	<u>467,606</u>	<u>610,067</u>	<u>37,826</u>	<u>124,158</u>	<u>1,359,914</u>
<b>DEPRECIATION</b>						
At 1 January 2005	47,937	276,065	415,822	6,667	87,858	834,349
Charge for the year	9,975	38,932	36,548	13,380	24,029	122,864
<b>At 31 December 2005</b>	<u>57,912</u>	<u>314,997</u>	<u>452,370</u>	<u>20,047</u>	<u>111,887</u>	<u>957,213</u>
<b>NET BOOK VALUE</b>						
<b>At 31 December 2005</b>	<u>62,345</u>	<u>152,609</u>	<u>157,697</u>	<u>17,779</u>	<u>12,271</u>	<u>402,701</u>
At 31 December 2004	<u>72,320</u>	<u>132,220</u>	<u>116,423</u>	<u>3,333</u>	<u>36,300</u>	<u>360,596</u>

#### Finance lease agreements

Included within the net book value of fixed assets is £114,347 (2004 - £193,134) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £45,802 (2004 - £53,496).

### 10. DEBTORS

	The Group		The Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	746,776	867,653	746,776	867,653
Due to parent and other group companies	671,576	972,022	726,156	984,988
Corporation tax debtor	31,392	—	31,392	—
Other debtors	389,929	106,106	375,696	106,106
	<u>1,839,673</u>	<u>1,945,781</u>	<u>1,880,020</u>	<u>1,958,747</u>

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2005****11. CREDITORS: Amounts falling due within one year**

	The Group		The Company	
	2005	2004	2005	2004
	£	£	£	£
Bank overdraft	722,779	477,546	722,779	477,546
Trade creditors	1,560,644	1,002,063	1,560,644	1,002,063
Corporation tax	-	46,589	-	46,589
Other taxation and social security	200,706	280,443	200,706	280,443
Finance lease agreements	57,014	84,601	57,014	84,601
Accruals and deferred income	201,991	271,694	201,991	271,694
Other creditors	27,837	2,645	2,866	2,645
	<u>2,770,971</u>	<u>2,165,581</u>	<u>2,746,000</u>	<u>2,165,581</u>

**12. CREDITORS: Amounts falling due after more than one year**

	The Group and Company	
	2005	2004
	£	£
Finance lease agreements	<u>53,495</u>	<u>80,695</u>

**13. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS**

Future commitments under finance lease agreements are as follows:

	The Group and Company	
	2005	2004
	£	£
Amounts payable within 1 year	57,014	84,601
Amounts payable between 2 to 5 years	53,495	80,695
	<u>110,509</u>	<u>165,296</u>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

### 14. DEFERRED TAXATION

	The Group and Company	
	2005	2004
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	-	11,000
Profit and loss account movement arising during the year	(23,700)	(11,000)
Provision carried forward	<u>(23,700)</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	The Group and Company	
	2005	2004
	£	£
Excess of taxation allowances over depreciation on fixed assets	(23,700)	-
	<u>(23,700)</u>	<u>-</u>

In 2004 a deferred tax asset was not been recognised in respect of timing differences relating to depreciation in excess of capital allowances as there was insufficient evidence that the asset would be recovered. The amount of the asset not recognised was £37,827.

### 15. COMMITMENTS UNDER OPERATING LEASES

#### The Group and Company

At 31 December 2005 the Group and Company had annual commitments under non-cancellable operating leases as set out below.

	2005		2004	
	Land & buildings	Other items	Land & buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	42,149	-	43,385
Within 2 to 5 years	52,434	264,854	-	32,247
After more than 5 years	696,516	-	249,046	-
	<u>748,950</u>	<u>307,003</u>	<u>249,046</u>	<u>75,632</u>

### 16. CONTINGENCIES

The Company together with other group companies has entered into a debenture in favour of The Toronto - Dominion Bank in respect of all group monies and liabilities due or to become due to the bank. As at 31 December 2005, the balance owing to The Toronto - Dominion Bank was £805,000.

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

### 17. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Allied Global Holdings Inc.

During the year the Company paid management charges to fellow group companies of £564,823 (2004 - £488,051) in respect of technical and systems development and support and received £34,129 (2004 - £nil) in interest on loan advances to Allied Global Holdings Inc and Allied International Credit Corp.

### 18. SHARE CAPITAL

#### Authorised share capital:

	2005 £	2004 £
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

#### Allotted, called up and fully paid:

	2005		2004	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

### 19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

#### The Group

	2005 £	2004 £
(Loss)/Profit for the financial year	(106,092)	408,641
Dividends	-	(750,000)
	<u>(106,092)</u>	<u>(341,539)</u>
Opening shareholders' equity funds	<u>1,002,483</u>	<u>1,343,842</u>
Closing shareholders' equity funds	<u>896,391</u>	<u>1,002,483</u>

#### The Company

	2005 £	2004 £
(Loss)/Profit for the financial year	(81,996)	408,318
Dividends	-	(750,000)
	<u>(81,996)</u>	<u>(341,682)</u>
Opening shareholders' equity funds	<u>1,002,160</u>	<u>1,343,842</u>
Closing shareholders' equity funds	<u>920,164</u>	<u>1,002,160</u>

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2005**

**20. SUBSIDIARY COMPANIES**

The following companies are subsidiaries of Allied International Credit (UK) Limited:

	<b>Principal activity</b>	<b>Country of registration</b>	<b>Percentage of share capital held</b>
Triumph GP (UK) Limited	General partner for limited partnership	Scotland	100% of ordinary shares
Neptune Innovations Limited	Dormant	England	100% of ordinary shares
Triumph Asset Services Limited	Dormant	England	100% of ordinary shares
Red Knight Services Limited	Dormant	England	100% of ordinary shares
Allied International Credit (SA) (Proprietary) Limited	Debt Collections	South Africa	100% of ordinary shares

**21. ULTIMATE PARENT COMPANY**

The Company's ultimate parent company throughout the year was Allied Global Holdings Inc., a company incorporated in Canada. The consolidated accounts of Allied Global Holdings Incorporated are available to the public and may be obtained from Allied Global Holdings Incorporated, 16635 Yonge Street, Suite 26, Newmarket, Ontario L3X 1V6, Canada.