

COMPANY REGISTRATION NUMBER 984439

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31 DECEMBER 2006**



**CHEETHAM & CO**

Chartered Accountants & Registered Auditors  
Homelea House  
Faith Avenue  
Quarriers Village  
Bridge Of Weir  
Renfrewshire PA11 3SX

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2006**

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**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2006**

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2006

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

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

The Directors believe the financial statements represent a true and fair view of the business, and are pleased to report that the business has returned to profitability

The company's turnover increased 4.5% during the year to £5.77 million (2005 £5.53 million). Overheads have been reduced and as a result of increased turnover and falling overhead, profit on ordinary activities before taxation amounted to £435,878 (2005 loss of £32,814).

Current assets increased to £3.5 million (2005 £3.3 million) and with current liabilities at £2.6 million (2005 £2.8 million) current assets cover current liabilities 136% (2005 119%). Liquidity remains strong and the directors believe that the group is able to meet its current obligations as they fall due.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £355,539. The directors have not recommended a dividend.

**DIRECTORS**

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

D A Rae  
T McCausland  
K Johnston

The company is a wholly owned subsidiary 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)*

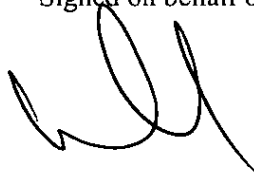
YEAR ENDED 31 DECEMBER 2006

### AUDITOR

A resolution to re-appoint Cheetham & Co, having been appointed by the directors during the year, as auditor 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

A handwritten signature in black ink, appearing to be 'K Johnston', written over a horizontal line.

K JOHNSTON  
Director

Approved by the directors on 5 July 2007

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**YEAR ENDED 31 DECEMBER 2006**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies, as described on pages 12 to 13, and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**

**YEAR ENDED 31 DECEMBER 2006**

We have audited the group and parent company financial statements ("the financial statements") of ALLIED INTERNATIONAL CREDIT (UK) LIMITED for the year ended 31 December 2006 on pages 6 to 22 which have been prepared on the basis of the accounting policies set out on pages 12 to 13

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 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**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 judgements 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 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.

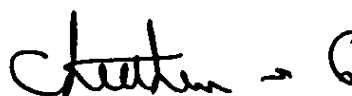
**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**ALLIED INTERNATIONAL CREDIT (UK) LIMITED** *(continued)*

**YEAR ENDED 31 DECEMBER 2006**

**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 2006 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



CHEETHAM & CO  
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& Registered Auditors

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Renfrewshire PA11 3SX

5 July 2007

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
<b>GROUP TURNOVER</b>	<b>2</b>	5,773,506	5,522,071
Administrative expenses		5,576,373	5,717,761
Other operating income		(151,102)	(130,745)
<b>OPERATING PROFIT/(LOSS)</b>	<b>3</b>	<u>348,235</u>	<u>(64,945)</u>
Share of operating profit of joint ventures		9,333	971
		<u>357,568</u>	<u>(63,974)</u>
Interest receivable		103,803	53,959
Interest payable and similar charges	<b>6</b>	(25,493)	(22,799)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>435,878</u>	<u>(32,814)</u>
Tax on profit/(loss) on ordinary activities	<b>7</b>	80,339	73,278
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>8</b>	<u><u>355,539</u></u>	<u><u>(106,092)</u></u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 230 of the Companies Act 1985  
not to publish its own Profit and Loss Account

The notes on page 6 form part of these financial statements



**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 DECEMBER 2006**

	2006 £	2005 £
Profit/(Loss) for the financial year attributable to the shareholders of the parent company	355,539	(106,092)
Unrealised loss on revaluation of Investments brought forward	<u>(19,966)</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u>335,573</u>	<u>(106,092)</u>

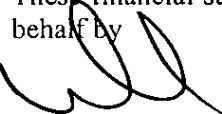
# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## GROUP BALANCE SHEET

31 DECEMBER 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	9	328,732	402,701
Investments	10	9,439	29,299
		<u>338,171</u>	<u>432,000</u>
<b>CURRENT ASSETS</b>			
Debtors	11	2,121,590	1,839,673
Cash at bank		1,374,208	1,472,884
		<u>3,495,798</u>	<u>3,312,557</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>2,571,572</u>	<u>2,770,971</u>
<b>NET CURRENT ASSETS</b>		<u>924,226</u>	<u>541,586</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,262,397</u>	<u>973,586</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	10,467	53,495
		<u>1,251,930</u>	<u>920,091</u>
<b>PROVISION FOR LIABILITIES</b>			
Deferred taxation	15	—	23,700
		<u>1,251,930</u>	<u>896,391</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	2,000	2,000
Profit and loss account	20	1,249,930	894,391
<b>SHAREHOLDERS' FUNDS</b>	21	<u>1,251,930</u>	<u>896,391</u>

These financial statements were approved by the directors on the 5 July 2007 and are signed on their behalf by



K Johnston  
Director

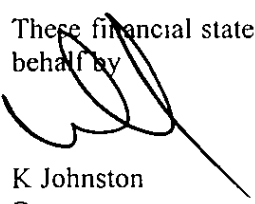
# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## BALANCE SHEET

31 DECEMBER 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	9	328,732	402,701
Investments	10	9,541	18
		<u>338,273</u>	<u>402,719</u>
<b>CURRENT ASSETS</b>			
Debtors	11	2,121,590	1,880,020
Cash at bank		1,361,712	1,460,620
		<u>3,483,302</u>	<u>3,340,640</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>2,560,775</u>	<u>2,746,000</u>
<b>NET CURRENT ASSETS</b>		<u>922,527</u>	<u>594,640</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,260,800</u>	<u>997,359</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	10,467	53,495
		<u>1,250,333</u>	<u>943,864</u>
<b>PROVISION FOR LIABILITIES</b>			
Deferred taxation	15	—	23,700
		<u>1,250,333</u>	<u>920,164</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	2,000	2,000
Profit and loss account	20	1,248,333	918,164
<b>SHAREHOLDERS' FUNDS</b>		<u>1,250,333</u>	<u>920,164</u>

These financial statements were approved by the directors on the 5 July 2007 and are signed on their behalf by

  
K Johnston  
Director

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**GROUP CASH FLOW CASH FLOW STATEMENT**  
**YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	515,130	642,718
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	103,803	53,959
Interest element of finance leases	<u>(25,493)</u>	<u>(22,799)</u>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	78,310	31,160
<b>TAXATION</b>	(218,274)	(127,559)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Payments to acquire tangible fixed assets	(52,649)	(164,969)
Acquisition of investments	(106)	—
Disposal of investments	<u>9,333</u>	<u>971</u>
<b>NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	(43,422)	(163,998)
<b>CASH INFLOW BEFORE FINANCING</b>	331,744	382,321
<b>FINANCING</b>		
Capital element of finance leases	<u>(57,012)</u>	<u>(54,787)</u>
<b>NET CASH OUTFLOW FROM FINANCING</b>	(57,012)	(54,787)
<b>INCREASE IN CASH</b>	<u>274,732</u>	<u>327,534</u>
<b>RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
	2006	2005
	£	£
Operating profit/(loss)	348,235	(64,945)
Depreciation	126,618	122,864
(Increase)/decrease in debtors	(167,682)	150,466
Increase in creditors	<u>207,959</u>	<u>434,333</u>
<b>Net cash inflow from operating activities</b>	<u>515,130</u>	<u>642,718</u>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## GROUP CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2006

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2006		2005	
	£	£	£	£
Increase in cash in the period	274,732		327,534	
Cash outflow in respect of finance leases	<u>57,012</u>		<u>54,787</u>	
		331,744		382,321
Change in net funds		331,744		382,321
Net funds at 1 January 2006		639,596		286,243
Net funds at 31 December 2006		<u>991,306</u>		<u>639,596</u>

### ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2006 £	Cash flows £	At 31 Dec 2006 £
Net cash			
Cash in hand and at bank	1,472,884	(98,676)	1,374,208
Overdrafts	<u>(722,779)</u>	<u>393,374</u>	<u>(329,405)</u>
	<u>750,105</u>	<u>294,698</u>	<u>1,044,803</u>
Debt			
Finance lease agreements	<u>(110,509)</u>	<u>57,012</u>	<u>(53,497)</u>
Net funds	<u>639,596</u>	<u>351,710</u>	<u>991,306</u>

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2006**

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary companies. 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.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

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

Equipment - 20% reducing balance and 25% straight line

**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 with 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 2006

### 1 ACCOUNTING POLICIES *(continued)*

#### Deferred taxation

Provision is made under the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### 2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below.

	2006 £	2005 £
United Kingdom	<u>5,773,506</u>	<u>5,522,071</u>

### 3 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting)

	2006 £	2005 £
Depreciation of owned fixed assets	82,828	77,062
Depreciation of assets held under finance lease agreements	43,790	45,802
Auditor's remuneration		
- as auditor	50,000	60,000
- for other services	8,000	14,000
Net (profit)/loss on foreign currency translation	(5,364)	13,238
Operating lease rentals - properties	228,716	227,158
- motor vehicles	22,385	30,132
- furniture & computers	51,888	58,903
Exceptional costs - write off of bad debts	<u>—</u>	<u>234,000</u>

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2006**

**4 PARTICULARS OF EMPLOYEES**

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

	2006	2005
	No	No
Number of administrative staff	<u>134</u>	<u>161</u>

The aggregate payroll costs of the above were

	2006	2005
	£	£
Wages and salaries	3,052,482	2,983,194
Social security costs	<u>255,550</u>	<u>241,186</u>
	<u>3,308,032</u>	<u>3,224,380</u>

**5 DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were

	2006	2005
	£	£
Emoluments receivable	<u>90,528</u>	<u>127,629</u>

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2006	2005
	£	£
Finance charges	<u>25,493</u>	<u>22,799</u>

**7 TAXATION ON ORDINARY ACTIVITIES**

	2006	2005
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	104,039	49,578
Total current tax	<u>104,039</u>	<u>49,578</u>
Deferred tax		
Origination and reversal of timing differences	(23,700)	23,700
Tax on profit/(loss) on ordinary activities	<u>80,339</u>	<u>73,278</u>



# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 8 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £330,169 (2005 - £(81,996))

### 9 TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Equipment fixtures and fittings £	Total £
<b>COST</b>			
At 1 January 2006	120,257	1,239,658	1,359,915
Additions	–	52,649	52,649
<b>At 31 December 2006</b>	<u>120,257</u>	<u>1,292,307</u>	<u>1,412,564</u>
<b>DEPRECIATION</b>			
At 1 January 2006	57,913	899,301	957,214
Charge for the year	9,975	116,643	126,618
<b>At 31 December 2006</b>	<u>67,888</u>	<u>1,015,944</u>	<u>1,083,832</u>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2006</b>	<u>52,369</u>	<u>276,363</u>	<u>328,732</u>
At 31 December 2005	<u>62,344</u>	<u>340,357</u>	<u>402,701</u>

#### Finance lease agreements

Included within the net book value of £328,732 is £82,346 (2005 - £114,347) 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 £43,790 (2005 - £45,802).

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2006**

**9 TANGIBLE FIXED ASSETS** *(continued)*

Company	Leasehold Property £	Equipment fixtures and fittings £	Total £
<b>COST</b>			
At 1 January 2006	120,257	1,239,658	1,359,915
Additions	—	52,649	52,649
<b>At 31 December 2006</b>	<u>120,257</u>	<u>1,292,307</u>	<u>1,412,564</u>
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<b>NET BOOK VALUE</b>			
<b>At 31 December 2006</b>	<u>52,369</u>	<u>276,363</u>	<u>328,732</u>
At 31 December 2005	<u>62,344</u>	<u>340,357</u>	<u>402,701</u>

**Finance lease agreements**

Included within the net book value of £328,732 is £82,346 (2005 - £114,347) 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 £43,790 (2005 - £45,802).

**10 INVESTMENTS**

Group	Associated undertakings £
<b>COST OR VALUATION</b>	
At 1 January 2006	29,299
Additions	106
Revaluations	(19,966)
<b>At 31 December 2006</b>	<u>9,439</u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2006</b>	<u>9,439</u>
At 31 December 2005	<u>29,299</u>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 10. INVESTMENTS *(continued)*

At the balance sheet date Allied International Credit (UK) Limited had a 100% interest in Triumph GP (UK) Limited which is incorporated in Scotland and acts as a general partner for a limited partnership, Allied International Credit (SA) (Proprietary) Limited which is incorporated in South Africa and acts as a debt collection company, and Neptune Innovations Limited, Triumph Asset Services Limited and Red Knight Services Limited which are all incorporated in England and are dormant

Company	Group companies £	Associated undertaking s £	Total £
<b>COST</b>			
At 1 January 2006	18	-	18
Additions	190	9,333	9,523
At 31 December 2006	<u>208</u>	<u>9,333</u>	<u>9,541</u>
<b>NET BOOK VALUE</b>			
At 31 December 2006	<u>208</u>	<u>9,333</u>	<u>9,541</u>
At 31 December 2005	<u>18</u>	<u>-</u>	<u>18</u>

### 11 DEBTORS

	Group		Company	
	2006 £	2005 £	2006 £	2005 £
Trade debtors	691,324	746,776	691,324	746,776
Amounts owed by group undertakings	1,106,469	671,576	1,106,469	726,156
Other debtors	323,797	421,321	323,797	407,088
	<u>2,121,590</u>	<u>1,839,673</u>	<u>2,121,590</u>	<u>1,880,020</u>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 12. CREDITORS: Amounts falling due within one year

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank loans and overdrafts	329,405	722,779	329,405	722,779
Trade creditors	1,498,359	1,560,644	1,498,360	1,560,644
Amounts owed to group undertakings	236,414	—	225,616	—
Amounts owed to undertakings in which the company has a participating interest	59,416	—	59,416	—
Finance lease agreements	43,030	57,014	43,030	57,014
Other creditors	216,284	228,543	216,284	203,572
Accruals and deferred income	188,664	201,991	188,664	201,991
	<u>2,571,572</u>	<u>2,770,971</u>	<u>2,560,775</u>	<u>2,746,000</u>

### 13 CREDITORS. Amounts falling due after more than one year

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Finance lease agreements	<u>10,467</u>	<u>53,495</u>	<u>10,467</u>	<u>53,495</u>

### 14 COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows

	2006	2005
	£	£
<b>Group and Company</b>		
Amounts payable within 1 year	43,030	57,014
Amounts payable between 2 to 5 years	10,467	53,495
	<u>53,497</u>	<u>110,509</u>

### 15 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Provision brought forward	23,700	—	23,700	—
(Decrease)/Increase in provision	<u>(23,700)</u>	<u>23,700</u>	<u>(23,700)</u>	<u>23,700</u>
Provision carried forward	<u>—</u>	<u>23,700</u>	<u>—</u>	<u>23,700</u>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 15 DEFERRED TAXATION *(continued)*

The elements of the group's deferred taxation, which result in a nil balance at the end of the year, together with details of other amounts not provided for, are as follows

Group	2006		2005	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	-	-	23,700	-
	<u>-</u>	<u>-</u>	<u>23,700</u>	<u>-</u>
	Group		Company	
	2006 £	2005 £	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	-	23,700	-	23,700
	<u>-</u>	<u>23,700</u>	<u>-</u>	<u>23,700</u>

### 16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2006 the group had annual commitments under non-cancellable operating leases as set out below

Group	2006		2005	
	Land and buildings £	Other items £	Land and Buildings £	Other items £
Operating leases which expire				
Within 1 year	15,422	16,587	-	42,149
Within 2 to 5 years	-	168,962	52,434	264,854
After more than 5 years	585,073	-	696,516	-
	<u>600,495</u>	<u>185,549</u>	<u>748,950</u>	<u>307,003</u>

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as set out below

Company	2006		2005	
	Land and buildings £	Other items £	Land and Buildings £	Other items £
Operating leases which expire				
Within 1 year	15,422	16,587	-	42,149
Within 2 to 5 years	-	168,962	52,434	264,854
After more than 5 years	585,073	-	696,516	-
	<u>600,495</u>	<u>185,549</u>	<u>748,950</u>	<u>307,003</u>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 17 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

### 18. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary company of Allied Global Holdings Inc

During the year the company paid management charges to fellow group companies of £617,947 (2005 £564,823) in respect of technical and systems development and support and received £87,866 (2005 - £34,129) in interest on loan advances to Allied Global Holdings Inc and Allied International Credit Corp

### 19. SHARE CAPITAL

#### Authorised share capital:

	2006 £	2005 £
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

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

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Equity shares				
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
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**20 RESERVES**

<b>Group</b>	<b>Profit and loss account £</b>
Balance brought forward	894,391
Profit for the year	355,539
Balance carried forward	<u>1,249,930</u>
 <b>Company</b>	 <b>Profit and loss account £</b>
Balance brought forward	918,164
Profit for the year	330,169
Balance carried forward	<u>1,248,333</u>

**21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2006 £</b>	<b>2005 £</b>
Profit/(Loss) for the financial year	355,539	(106,092)
Opening shareholders' funds	896,391	1,002,483
Closing shareholders' funds	<u>1,251,930</u>	<u>896,391</u>

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
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**22 ULTIMATE PARENT COMPANY**

The company's ultimate parent company at the balance sheet date was Allied Global Holdings Inc (AGHI) incorporated in Canada. The consolidated financial statements of AGHI, are available to the public and may be obtained from Allied Global Holdings Inc, 16635 Yonge Street, Suite 26, Newmarket, Ontario L3X 1V6, Canada.

Pursuant to the Shareholders Agreement of the parent company, Clairvest Group Inc and its related entities (collectively referred to as "Clairvest") exercised its put notice dated 19 April 2006 which required Allied Global Holdings Inc to purchase the securities held by Clairvest in AGHI. The price that was agreed for the purchase was Canadian \$23,899,746 (UK£ 10,471,322). In addition to the purchase price, Clairvest was paid a fee of Canadian \$1,501,330 (UK£ 657,786) for advisory services rendered to the date of closing, which was 5 January 2007.

In addition AGHI purchased all of the shares held by two former employees for an aggregate purchase price of Canadian \$7,036,147 (UK£ 3,082,784). The employees were paid Canadian \$4,462,688 (UK£ 1,955,261) on closing and they took back promissory notes for the balance owing, bearing interest at a rate equal to the prime rate for Canadian dollar commercial loans made in Canada. These notes are repayable over a maximum period of 36 months.

To finance the purchase HSBC Bank Canada (The "Bank" and HSBC Capital) Canada Inc ("HSBC Capital") funded a total of Canadian \$31,500,000 (UK£ 13,801,126) to AGHI as follows:

- a) Canadian \$12,000,000 (UK£ 5,257,623) secured loan from the Bank
- b) Canadian \$8,000,000 (UK£ 3,505,082) secured subordinated loan from the Bank, guaranteed by HSBC Capital, and
- c) Canadian \$11,500,000 (UK£ 5,038,556) unsecured convertible debenture issued by limited partnerships controlled by HSBC Capital which debenture is convertible into 5,084,228 Class A common shares (or 33.43%) in the capital of AGHI.