

COMPANY REGISTRATION NUMBER 984439

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ALLIED INTERNATIONAL CREDIT (UK) LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2008

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03/06/2009

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COMPANIES HOUSE

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 2008

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ALLIED INTERNATIONAL CREDIT (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The Directors are pleased to report that the business has continued to be profitable.

The company's turnover increased 6.8% during the year to £6.53 million (2007: £6.11 million), with profit on ordinary activities before taxation of £358,783 (2007: £340,021).

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £274,178. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors believe that the company's exposure to liquidity risk and cash flow risk is minimised by the highly professional debt collection methods used by its employees.

DIRECTORS

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

D A Rae
T McCausland
K Johnston

ALLIED INTERNATIONAL CREDIT (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

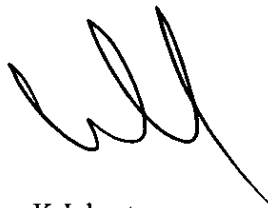
YEAR ENDED 31 DECEMBER 2008

AUDITOR

A resolution to re-appoint Cheetham & Co 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



K Johnston
Director

Approved by the directors on 8 May 2009

ALLIED INTERNATIONAL CREDIT (UK) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2008

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). The financial statements are required by law to 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is 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 2008

We have audited the financial statements of ALLIED INTERNATIONAL CREDIT (UK) LIMITED for the year ended 31 December 2008, which have been prepared on the basis of the accounting policies set out on pages 10 to 11.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing 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 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 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 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 2008

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 company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements 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
Chartered Accountants
& Registered Auditors

Homelea House
Faith Avenue
Quarriers Village
Bridge of Weir
Renfrewshire
PA11 3SX

8 May 2009

ALLIED INTERNATIONAL CREDIT (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
TURNOVER	2	6,531,625	6,112,006
Administrative expenses		6,159,962	5,757,963
OPERATING PROFIT	3	371,663	354,043
Interest receivable		40,854	15,789
Interest payable and similar charges	6	(53,734)	(29,811)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		358,783	340,021
Tax on profit on ordinary activities	7	84,605	119,266
PROFIT FOR THE FINANCIAL YEAR		274,178	220,755
Balance brought forward		1,469,089	1,248,334
Balance carried forward		<u>1,743,267</u>	<u>1,469,089</u>

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

The company has no recognised gains or losses other than the results for the year as set out above.

ALLIED INTERNATIONAL CREDIT (UK) LIMITED

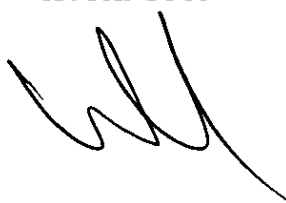
BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	8	243,897	259,180
Investments	9	208	9,541
		<u>244,105</u>	<u>268,721</u>
CURRENT ASSETS			
Debtors	10	2,043,820	2,519,772
Cash at bank		<u>2,327,287</u>	<u>978,562</u>
		4,371,107	3,498,334
CREDITORS: Amounts falling due within one year	11	<u>2,846,029</u>	<u>2,271,577</u>
NET CURRENT ASSETS		1,525,078	1,226,757
TOTAL ASSETS LESS CURRENT LIABILITIES		1,769,183	1,495,478
CREDITORS: Amounts falling due after more than one year	12	23,916	24,389
		<u>1,745,267</u>	<u>1,471,089</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	2,000	2,000
Profit and loss account		<u>1,743,267</u>	<u>1,469,089</u>
SHAREHOLDERS' FUNDS	18	<u>1,745,267</u>	<u>1,471,089</u>

These financial statements were approved by the directors and authorised for issue on 8 May 2009, and are signed on their behalf by:

K JOHNSTON



ALLIED INTERNATIONAL CREDIT (UK) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		1,506,478	(23,080)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		40,854	15,789
Interest paid		(40,431)	(20,138)
Interest element of finance leases		<u>(13,303)</u>	<u>(9,673)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(12,880)	(14,022)
TAXATION		(23,604)	2,171
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(89,787)	(54,420)
Disposal of investments		<u>9,333</u>	<u>—</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(80,454)	(54,420)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,389,540	(89,351)
FINANCING			
Net inflow from other short-term creditors		77	442
Capital element of finance leases		<u>7,544</u>	<u>(13,272)</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		7,621	(12,830)
INCREASE/(DECREASE) IN CASH		<u>1,397,161</u>	<u>(102,181)</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	371,663	354,043
Depreciation	105,070	115,454
Loss on disposal of fixed assets	—	8,518
Decrease/(increase) in debtors	451,762	(519,619)
Increase in creditors	<u>577,983</u>	<u>18,524</u>
Net cash inflow/(outflow) from operating activities	<u>1,506,478</u>	<u>(23,080)</u>

ALLIED INTERNATIONAL CREDIT (UK) LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2008

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008	2007
	£	£
Increase/(decrease) in cash in the period	1,397,161	(102,181)
Net (inflow) from other short-term creditors	(77)	(442)
Cash outflow in respect of finance leases	<u>(7,544)</u>	<u>13,272</u>
	1,389,540	(89,351)
Change in net funds	1,389,540	(89,351)
Net funds at 1 January 2008	889,065	978,416
Net funds at 31 December 2008	<u>2,278,605</u>	<u>889,065</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2008 £	Cash flows £	At 31 Dec 2008 £
Net cash:			
Cash in hand and at bank	978,562	1,348,725	2,327,287
Overdrafts	<u>(48,436)</u>	<u>48,436</u>	<u>—</u>
	930,126	1,397,161	2,327,287
Debt:			
Debt due within 1 year	(836)	(77)	(913)
Finance lease agreements	<u>(40,225)</u>	<u>(7,544)</u>	<u>(47,769)</u>
	(41,061)	(7,621)	(48,682)
Net funds	<u>889,065</u>	<u>1,389,540</u>	<u>2,278,605</u>

ALLIED INTERNATIONAL CREDIT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

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.

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.

ALLIED INTERNATIONAL CREDIT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. TURNOVER

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

	2008 £	2007 £
United Kingdom	<u>6,531,625</u>	<u>6,112,006</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of owned fixed assets	90,795	69,358
Depreciation of assets held under finance lease agreements	14,275	46,096
Loss on disposal of fixed assets	—	8,518
Auditor's remuneration		
- as auditor	35,000	30,000
Net profit on foreign currency translation	(5,681)	(22,741)
Operating lease rentals - properties	283,032	271,111
- motor vehicles	12,824	12,948
- furniture & computers	<u>49,126</u>	<u>52,938</u>

ALLIED INTERNATIONAL CREDIT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

4. PARTICULARS OF EMPLOYEES

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

	2008	2007
	No	No
Number of administrative staff	<u>168</u>	<u>155</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	3,225,677	2,977,995
Social security costs	284,471	262,038
	<u>3,510,148</u>	<u>3,240,033</u>

5. DIRECTORS' EMOLUMENTS

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

	2008	2007
	£	£
Emoluments receivable	<u>82,455</u>	<u>89,523</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Finance charges	13,303	9,673
Other similar charges payable	40,431	20,138
	<u>53,734</u>	<u>29,811</u>

7. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 28% (2007 - 30%)	84,605	119,266
Total current tax	<u>84,605</u>	<u>119,266</u>

ALLIED INTERNATIONAL CREDIT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

8. TANGIBLE FIXED ASSETS

	Leasehold Property £	Equipment fixtures and fittings £	Total £
COST			
At 1 January 2008	120,257	1,336,078	1,456,335
Additions	4,687	85,100	89,787
At 31 December 2008	<u>124,944</u>	<u>1,421,178</u>	<u>1,546,122</u>
DEPRECIATION			
At 1 January 2008	77,863	1,119,292	1,197,155
Charge for the year	10,343	94,727	105,070
At 31 December 2008	<u>88,206</u>	<u>1,214,019</u>	<u>1,302,225</u>
NET BOOK VALUE			
At 31 December 2008	<u>36,738</u>	<u>207,159</u>	<u>243,897</u>
At 31 December 2007	<u>42,394</u>	<u>216,786</u>	<u>259,180</u>

Finance lease agreements

Included within the net book value of £243,897 is £14,993 (2007 - £58,959) 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 £14,275 (2007 - £46,096).

9. INVESTMENTS

	Shares in group companies £	Joint Venture £	Total £
Cost			
Balance brought forward	208	9,333	9,541
Disposal of group shares @ cost	—	(9,333)	(9,333)
Balance carried forward	<u>208</u>	<u>—</u>	<u>208</u>
Net book value			
Balance carried forward	<u>208</u>	<u>—</u>	<u>208</u>
Balance brought forward	<u>208</u>	<u>9,333</u>	<u>9,541</u>

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 is dormant, Allied International Credit (SA)(Proprietary) Limited which is incorporated in South Africa and is dormant, and Neptune Innovations Limited, Triumph Asset Services Limited and Red Knight Services Limited which are all incorporated in England and are dormant.

During the year the Company had a 1% interest in a joint venture with Fairmile Partnership 1 LLP which is incorporated in England and whose principal activity is that of distressed debt recovery.

ALLIED INTERNATIONAL CREDIT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

10. DEBTORS

	2008	2007
	£	£
Trade debtors	1,334,171	1,256,820
Amounts owed by group undertakings	38,001	1,074,519
Amounts owed by undertakings in which the company has a participating interest	494,916	—
Corporation tax repayable	—	24,190
Other debtors	176,732	164,243
	<u>2,043,820</u>	<u>2,519,772</u>

11. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Overdrafts	—	48,436
Trade creditors	1,417,315	1,049,867
Amounts owed to group undertakings	988,959	669,160
Amounts owed to undertakings in which the company has a participating interest	—	83,928
Corporation tax	36,811	—
Other taxation and social security	173,273	211,083
Finance lease agreements	23,853	15,836
Other creditors	913	836
Accruals and deferred income	204,905	192,431
	<u>2,846,029</u>	<u>2,271,577</u>

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

	2008	2007
	£	£
Finance lease agreements	<u>23,916</u>	<u>24,389</u>

13. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2008	2007
	£	£
Amounts payable within 1 year	23,853	15,836
Amounts payable between 2 to 5 years	23,916	24,389
	<u>47,769</u>	<u>40,225</u>

ALLIED INTERNATIONAL CREDIT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	17,063	-	21,024
Within 2 to 5 years	268,278	4,076	271,110	19,307
	<u>268,278</u>	<u>21,139</u>	<u>271,110</u>	<u>40,331</u>

The directors have authorised the company to enter a lease in respect of additional office premises at an annual cost of £153,000, and this has been contracted for after the year end.

15. CONTINGENCIES

The company together with other group companies has entered into cross guarantees in favour of HSBC Bank of Canada in respect of all group monies and liabilities due or to become due to the Bank.

16. 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 £769,714 (2007 - £796,174) in respect of technical and systems development and support.

17. SHARE CAPITAL

Authorised share capital:

	2008 £	2007 £
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit for the financial year	274,178	220,755
Opening shareholders' funds	1,471,089	1,250,334
Closing shareholders' funds	<u>1,745,267</u>	<u>1,471,089</u>

19. ULTIMATE PARENT COMPANY

The company's ultimate parent company at the balance sheet date was Allied Global Holdings Inc. incorporated in Canada.

The Company has guaranteed credit facilities available to its parent company, Allied Global Holdings Inc. The balance outstanding at year end was \$23,582,223 Cdn.