REGISTERED NUMBER: 00984439

ALLIED INTERNATIONAL CREDIT (UK) LIMITED

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS
The directors remain committed to the growth and long term stability of the company. In the year under review, turnover decreased 24% to £7,240,562 from £9,555,573 in 2019. The directors expect this trend to be temporary and have forcasted, and realised, improved performance in 2021 aided by decreasing uncertainty in the economy and the easing of lockdown restrictions.

Profit before taxation of £337,420 compares with £763,555 in 2019, as set out in the Profit and Loss Account on page 9. Whilst the company continues to invest in staff, cost control across the business continues to be a focus of management attention.

The company reported no major non-conformity in service quality during the year and its quality of service continues to be recognised as being amongst the best in class. The company remains ISO 27001 compliant.

PRINCIPAL RISKS AND UNCERTAINTIES
Apart from having to consider and react to potential government measures relating to the COVID-19 pandemic, the company does not envisage any major risks or uncertainties in achieving its business objectives. The directors believe the only significant risk to be changes in the stance of regulators. Continuing to provide high levels of service to clients whilst treating all customers fairly and with the utmost respect is fundamental to the business and will ensure the ongoing success of the company. Ongoing investment in technology minimises risk in that area.

Fraud and business risk:
The company keeps these areas under continual review. Company procedures are periodically reviewed and any failings addressed immediately. Key performance indicators are used to measure and monitor business critical issues.

Liquidity risk:
The company aims to minimise liquidity risk by managing funds generated by its operations. The directors believe that the company's exposure to liquidity risk is minimised by the highly professional debt collection methods used by its employees.

Business continuity and disaster recovery risk:
The directors have recognised the key issues and risks that would require to be addressed in the event of any business continuity issues. Data is backed-up offsite.

COVID-19:
Challenges arising from the global decline in economic activity as a result of the current pandemic is considered to be the main risk that will affect the business in the forthcoming year.

FCA AUTHORISATION
The company has maintained its full authorisation from the Financial Conduct Authority (FCA) to deliver financial services. We have ensured, and will continue to ensure, that compliance is intrinsic to our core business training, service delivery and business strategy. This ongoing commitment to compliance assures customers, clients and regulators alike that the company's business is carried out with transparency and fairness.

FINANCIAL INSTRUMENTS
The company has adopted the disclosure and presentational requirements of FRS102. When a basic financial asset or liability is disclosed initially it is measured at amortised cost. Non-basic financial instruments are to be valued at fair value plus or minus transaction costs. The company regularly monitors its exposure to risks.

The company actively manages its accounts receivable and has agreed payment terms for its trust liabilities including mutual agreement of the amounts to be paid.

The company is satisfied with the level of cash flow being maintained.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

FUTURE DEVELOPMENTS
The company will continue to deliver Debt Collection Services to existing clients whilst maximising the potential of "Self Service" to our clients' customers. Optimising the Omni-Channel approach will ensure that the Company is well-positioned through investment in technology combined with training and upskilling of agents for future growth. At the forefront of all customer interactions is compliance and working collaboratively with both clients and regulators. The company will maintain full oversight of all communication channels and continue to monitor for opportunities to ensure continuous improvement. The company remains committed to diversify the services offered (outsourcing, insourcing, quality assurance, etc.) both to existing clients and through signing on with new clients which will ensure wider-ranging service delivery. The company prides itself on the longevity of relationships with its existing client base and looks forward to enrolling new clients and services. The company will continue to invest in technology to ensure it remains at the forefront of services offered within the industry.

ON BEHALF OF THE BOARD:

M Roseweir - Director

24 June 2021

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

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

DIVIDENDS
An interim dividend of £900 per share was paid on 25 November 2020. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2020 will be £ 1,800,000 .

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

K Johnston
D Rae
M Roseweir

DIVERSITY
The company's recruitment and staff development policies are designed to not bias staff on ethnicity, age or gender and to provide appropriate adjustment for disabled persons, having regard to their aptitudes and abilities.

STAFF DEVELOPMENT AND INVOLVEMENT
All staff are encouraged to participate actively in their own and the company's development through a process of one to one and group meetings.

The company holds regular meetings between senior management and employees to discuss on-going concerns. Directors also run an Achievers Platform to promote the success of well-performing members of staff.

DISCLOSURE IN THE STRATEGIC REPORT
The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the director's report. It has done so in respect of financial instruments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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

Martin Aitken & Co Ltd are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

M Roseweir - Director

24 June 2021

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

Opinion
We have audited the financial statements of Allied International Credit (UK) Limited (the 'company') for the year ended 31 December 2020 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 FRC's 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
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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. We have nothing to report in this regard.

Opinions 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
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 material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's industry sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the key accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Auditors.

Use of our 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 a Report of the Auditors 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.

Mark Tenby BA (Hons) CA (Senior Statutory Auditor)
for and on behalf of Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

24 June 2021

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
TURNOVER	3	**7,240,562**	9,555,573
Administrative expenses		**(6,974,963)**	(8,791,981)
		265,599	763,592
Other operating income		**45,048**	-
OPERATING PROFIT	5	**310,647**	763,592
Income from participating interests		**26,359**	-
Interest receivable and similar income		**414**	-
		337,420	763,592
Interest payable and similar expenses	6	**-**	(37)
PROFIT BEFORE TAXATION		**337,420**	763,555
Tax on profit	7	**(69,365)**	(147,079)
PROFIT FOR THE FINANCIAL YEAR		**268,055**	616,476

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
PROFIT FOR THE YEAR		**268,055**	616,476
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**268,055**	616,476

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible assets	10		**237,676**		78,451
Investments	11		**4**		4
			237,680		78,455
CURRENT ASSETS					
Debtors	12	**1,961,784**		2,817,921	
Cash at bank		**1,828,119**		1,948,801	
		3,789,903		4,766,722	
CREDITORS					
Amounts falling due within one year	13	**2,774,933**		2,017,559	
NET CURRENT ASSETS			**1,014,970**		2,749,163
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,252,650**		2,827,618
CREDITORS					
Amounts falling due after more than one year	14		**(166,582)**		(235,572)
PROVISIONS FOR LIABILITIES	16		**(25,967)**		-
NET ASSETS			**1,060,101**		2,592,046
CAPITAL AND RESERVES					
Called up share capital	17		**2,000**		2,000
Retained earnings	18		**1,058,101**		2,590,046
SHAREHOLDERS' FUNDS			**1,060,101**		2,592,046

The financial statements were approved by the Board of Directors and authorised for issue on 24 June 2021 and were signed on its behalf by:

M Roseweir - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	2,000	1,973,570	1,975,570
Changes in equity			
Total comprehensive income	-	616,476	616,476
Balance at 31 December 2019	2,000	2,590,046	2,592,046
Changes in equity			
Dividends	-	(1,800,000)	(1,800,000)
Total comprehensive income	-	268,055	268,055
Balance at 31 December 2020	2,000	1,058,101	1,060,101

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	**1,947,857**	756,406
Finance costs paid		**-**	(37)
Tax paid		**(82,046)**	(277,000)
Net cash from operating activities		**1,865,811**	479,369
Cash flows from investing activities			
Purchase of tangible fixed assets		**(187,568)**	(16,394)
Interest received		**26,773**	-
Net cash from investing activities		**(160,795)**	(16,394)
Cash flows from financing activities			
Finance leases in year		**(25,698)**	(18,506)
Equity dividends paid		**(1,800,000)**	-
Net cash from financing activities		**(1,825,698)**	(18,506)
(Decrease)/increase in cash and cash equivalents		**(120,682)**	444,469
Cash and cash equivalents at beginning of year	2	**1,948,801**	1,504,332
Cash and cash equivalents at end of year	2	**1,828,119**	1,948,801

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit before taxation	337,420	763,555
Depreciation charges	28,343	26,709
Foreign exchange loss/(gain)	1,423	(9,191)
Finance costs	-	37
Finance income	(26,773)	-
	340,413	781,110
Decrease in trade and other debtors	847,699	476,367
Increase/(decrease) in trade and other creditors	759,745	(501,071)
Cash generated from operations	1,947,857	756,406

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	1,828,119	1,948,801

Year ended 31 December 2019

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	1,948,801	1,504,332

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/20	Cash flow	At 31/12/20
	£	£	£
Net cash			
Cash at bank	1,948,801	(120,682)	1,828,119
	1,948,801	(120,682)	1,828,119
Debt			
Finance leases	(25,698)	25,698	-
	(25,698)	25,698	-
Total	1,923,103	(94,984)	1,828,119

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. STATUTORY INFORMATION

Allied International Credit (UK) Limited is a private limited company incorporated in England and Wales. Its registered office is at Adamson House 2nd Floor, Towers Business Park, Didsbury, Manchester, M20 2YY.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. There were no material departures from this standard.

The financial statements are presented in Sterling (£).

Going Concern
The outbreak of a novel strain of coronavirus (COVID-19) was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The company has determined that these events have not had a significant impact on its overall ongoing operations. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences as well as their impact on the financial position and results of the company for future periods, however, after careful consideration, it is perceived that there is a reasonable expectation the company has adequate resources and reserves to continue its operational existence for the foreseeable future so continues to adopt the going concern preparation basis.

Preparation of consolidated financial statements
The financial statements contain information about Allied International Credit (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Bill Gosling Outsourcing Corp, 16635 Yonge Street, Suite 26, Newmarket, ON, L3X 1VX, Canada.

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2. **ACCOUNTING POLICIES - continued**

Significant judgements
The company considers on an annual basis the judgements that are made by management when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements.

The directors consider there are no such significant judgements.

Information and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider the key sources of estimation uncertainty to be as follows: -

- Tangible fixed assets are depreciated over their estimated useful lives. The actual lives of the assets are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as usage and maintenance programmes are taken into account. The directors assessed that no changes were required to the estimated useful lives of the tangible fixed assets and, therefore, determined that the stated depreciation policies applied in prior years remain appropriate.

- At the balance sheet date, the directors consider whether there are any indicators that the trade debtor balances relating to services rendered will not be recoverable, to ensure an adequate provision is made for any potentially irrecoverable amounts. Based on their knowledge of the customers concerned, the directors have made provisions against irrecoverable debts.

Turnover
Revenue is recognised in turnover when persuasive evidence of an arrangement exists, services have been rendered, the price is fixed or determinable and collectability of the fee is reasonably assured.

Collections revenue is recognised as services are performed, generally upon collection of funds on behalf of clients and when the amount of revenue is determined based on the specific contractual terms with each client. Such turnover represents invoiced sales of services and excludes value added tax. Under certain performance-based arrangements, the company is compensated based on the achievement of certain pre-established performance criteria. The company recognises this revenue, net of value added tax, in turnover based upon measuring actual results against the performance criteria.

Revenue associated with receivables management services and interactive voice communication is recognised as those services are performed in accordance with the contractual terms with those customers.

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2. ACCOUNTING POLICIES - continued

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- in accordance with the property
Equipment, fixtures and fittings	- 25% on cost, 20% on cost and 4% straight line

Tangible fixed assets are included at cost less accumulated depreciation and accumulated impairment losses.

The capitalisation policy is a minimum spend of £500.

Impairment of non-financial assets
At each reporting date, non-financial assets not carried at fair value, like plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with the carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Government grants
Government grant assistance of a revenue nature is credited to the profit & loss account in the same period as the related expenditure. Grants that become receivable for compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in the income in the period in which it becomes receivable.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Taxation
Taxation represents the sum of tax currently payable and deferred tax. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

With the exception of changes arising on the initial recognition of a business combination, the tax expense is presented either in profit or loss, other comprehensive income or statement of changes in equity depending on the transaction that resulted in the tax expense.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

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2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme that is open to directors and employees of the company. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company.

Clients' trust funds
In performing collections services, the company collects funds from debtors on behalf of clients. Upon receipt, these funds are placed in trust accounts until funds are remitted to clients in periods ranging from one day to one month. The company is restricted from using these funds in its operations.

Financial instruments
The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and to related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and trade creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment and if found, an impairment loss is recognised in profit and loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Provisions for liabilities
Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

3. TURNOVER

The turnover and profit before taxation were all derived from the company's principal activity undertaken in the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	**3,709,115**	4,823,997
Social security costs	**412,347**	317,459
Other pension costs	**83,029**	52,775
	4,204,491	5,194,231

The average number of employees during the year was as follows:

	2020	2019
Number of administrative staff	**224**	266

	2020	2019
	£	£
Directors' remuneration	**114,375**	103,594
Directors' pension contributions to money purchase schemes	**8**	-

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Hire of plant and machinery	**91,624**	148,785
Depreciation - owned assets	**16,803**	16,037
Depreciation - assets on finance leases	**11,540**	10,672
Auditors' remuneration	**37,300**	33,400
Foreign exchange differences	**1,423**	(9,191)

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Corporation tax interest	**-**	37

7. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	**34,960**	143,904
Under provision in prior year	**-**	(386)
Total current tax	**34,960**	143,518
Deferred tax	**34,405**	3,561
Tax on profit	**69,365**	147,079

continued...

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before tax	337,420	763,555
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	64,110	145,075
Effects of:		
Expenses not deductible for tax purposes	380	833
Capital allowances in excess of depreciation	(34,126)	(2,004)
Adjustments to tax charge in respect of previous periods	4,596	(386)
Deferred tax provision	34,405	3,561
Total tax charge	69,365	147,079

8. DIVIDENDS

	2020	2019
	£	£
Ordinary shares of £1 each		
Interim	1,800,000	-

9. CORONAVIRUS JOB RETENTION SCHEME

During the financial year to 31 December 2020, in response to a significant fall in activity amidst the COVID-19 pandemic, the company announced its intention to temporarily reduce its workforce by means of the Government's Coronavirus Job Retention Scheme. This was only for a short period with staff members then brought back and encouraged to work from home.

continued...

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Equipment, fixtures and fittings £	Totals £
COST			
At 1 January 2020	264,682	1,958,295	2,222,977
Additions	-	187,568	187,568
At 31 December 2020	264,682	2,145,863	2,410,545
DEPRECIATION			
At 1 January 2020	255,083	1,889,443	2,144,526
Charge for year	1,465	26,878	28,343
At 31 December 2020	256,548	1,916,321	2,172,869
NET BOOK VALUE			
At 31 December 2020	8,134	229,542	237,676
At 31 December 2019	9,599	68,852	78,451

Fixed assets, included in the above, which are held under finance leases are as follows:

	Equipment, fixtures and fittings £
COST	
At 1 January 2020 and 31 December 2020	63,891
DEPRECIATION	
At 1 January 2020	24,462
Charge for year	11,540
At 31 December 2020	36,002
NET BOOK VALUE	
At 31 December 2020	27,889
At 31 December 2019	39,429

continued...

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2020	
and 31 December 2020	4
NET BOOK VALUE	
At 31 December 2020	4
At 31 December 2019	4

At the balance sheet date, the company had a 100% interest in the ordinary shares of Neptune Innovations Limited and Red Knight Recoveries Limited which are both incorporated in England and are dormant.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	**1,449,071**	1,889,381
Other debtors	**189,442**	169,144
Amounts owed by group undertakings	**323,271**	750,958
Deferred tax asset	**-**	8,438
	1,961,784	2,817,921

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Finance leases (see note 15)	**-**	15,347
Trade creditors	**1,160,101**	1,304,033
Amounts owed to group undertakings	**4**	4
Corporation tax	**-**	44,903
Social security and other taxes	**743,264**	-
VAT	**626,891**	343,079
Other creditors	**82,753**	50,735
Accruals and deferred income	**161,920**	259,458
	2,774,933	2,017,559

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Finance leases (see note 15)	**-**	10,351
Accruals and deferred income	**166,582**	225,221
	166,582	235,572

continued...

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2020	**2019**
	£	**£**
Net obligations repayable:		
Within one year	-	15,347
Between one and five years	-	10,351
	-	25,698

During the year to 31 December 2020, all outstanding finance leases were repaid with no balance being owed or new leases being taken.

	Non-cancellable	operating leases
	2020	**2019**
	£	**£**
Within one year	**343,146**	320,876
Between one and five years	**836,573**	1,200,000
	1,179,719	1,520,876

16. PROVISIONS FOR LIABILITIES

	2020
	£
Deferred tax	**25,967**

	Deferred tax
	£
Balance at 1 January 2020	**(8,438)**
Charge to Profit and Loss Account during year	**34,405**
Balance at 31 December 2020	**25,967**

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**2020**	**2019**
			£	**£**
2,000	Ordinary	£1	**2,000**	2,000

The rights attaching to the Ordinary shares shall be determined from time to time in meetings by the directors.

continued...

18. RESERVES

	Retained earnings £
At 1 January 2020	**2,590,046**
Profit for the year	**268,055**
Dividends	**(1,800,000)**
At 31 December 2020	**1,058,101**

19. ULTIMATE PARENT COMPANY

Bill Gosling Outsourcing Corp (incorporated in Canada) is regarded by the directors as being the company's ultimate parent company.

Consolidated group accounts are available from the parent company, Bill Gosling Outsourcing Corp, 16635 Yonge Street, Suite 26, Newmarket, ON, L3X 1VX, Canada.

20. CONTINGENT LIABILITIES

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 becoming due to the Bank.

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year in respect of this scheme amounted to £83,029 (2019: £52,775).

There was £13,773 outstanding at 31 December 2020 (2019: £44,659).