

COMPANY REGISTRATION NUMBER 984439

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

**31 DECEMBER 2004**



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

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2004**

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

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

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2004**

The directors have pleasure in presenting their report and the financial statements for the year ended 31 December 2004.

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

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

The Group's turnover decreased 1.2% during the year to £6.01 million (2003: £6.09 million), with profit on ordinary activities before taxation falling to £573,390 (2003: £893,719).

Administrative expenses increased again during 2004 as the Company further expanded its operating facility and hired additional staff.

Current assets fell to £2.9 million (2003: £4.0 million) and with current liabilities at £2.2 million (2003: £2.9 million) current assets cover current liabilities 133% (2003: 138%). Liquidity remains strong and the Directors believe that the Group is able to meet its current obligations as they fall due.

The Directors believe that the financial statements represent a fair view of the business, and are pleased with the progress during the year.

#### **RESULTS AND DIVIDENDS**

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

The directors have paid a dividend of £750,000 during the year (2003: nil).

#### **DIRECTORS**

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

D A Rae

D Gallagher (resigned 29 April 2004)

T McCausland

K Johnston

A Boulanger (appointed 28 April 2004, resigned 20 August 2004)

C St J Bowyer

J P Lupton (resigned 14 June 2004)

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

#### **COMPANY SECRETARY**

D Rae

I Macdonald (appointed 2 August 2004)

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## THE DIRECTORS' REPORT *(continued)*

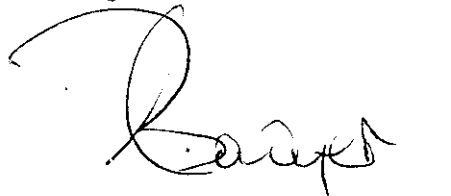
YEAR ENDED 31 DECEMBER 2004

### AUDITORS

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

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

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'C St J Bowyer', is written over a horizontal line.

C St J Bowyer  
Director

Approved by the directors on 18 May 2005

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES****YEAR ENDED 31 DECEMBER 2004**

UK 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 the Group at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on page 11 and 12, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

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

We have audited the financial statements of Allied International Credit (UK) Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheets, the cash flow statement and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the Company and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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 circumstances of the Company and the group, 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.

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2004 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Glasgow

18 May 2005

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2004**

	Note	2004 £	2003 £ Restated (see note 2)
<b>TURNOVER:</b> Group and share of joint ventures	<b>3</b>	6,011,926	6,086,322
Less share of joint ventures turnover		(1,647)	-
		<u>6,010,279</u>	<u>6,086,322</u>
Administrative expenses		(5,604,754)	(5,373,332)
Other operating income		158,412	141,622
<b>OPERATING PROFIT</b>	<b>4</b>	<u>563,937</u>	<u>854,612</u>
Share of operating profit in joint venture		322	-
Interest receivable		25,298	55,149
Interest payable	<b>8</b>	(16,167)	(16,042)
		<u>573,390</u>	<u>893,719</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			
Tax on profit on ordinary activities	<b>9</b>	164,749	298,237
		<u>408,641</u>	<u>595,482</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>			
Dividends	<b>10</b>	750,000	-
		<u>(341,359)</u>	<u>595,482</u>
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>			
Balance brought forward		1,000,483	746,360
Balance carried forward		<u>1,750,483</u>	<u>1,341,842</u>

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

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

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



## ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## CONSOLIDATED BALANCE SHEET

31 DECEMBER 2004

	Note	2004		2003	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		360,596		392,954
Investments in joint ventures					
— share of net assets			13,297		-
			<u>373,893</u>		<u>392,954</u>
<b>CURRENT ASSETS</b>					
Debtors	12	1,945,781		1,471,471	
Cash at bank and in hand		929,085		2,596,779	
		<u>2,874,866</u>		<u>4,068,250</u>	
<b>CREDITORS: Amounts falling due within one year</b>	13	2,165,581		2,946,611	
<b>NET CURRENT ASSETS</b>			<u>709,285</u>		<u>1,121,639</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,083,178		1,514,593
<b>CREDITORS: Amounts falling due after more than one year</b>	14		80,695		159,751
			<u>1,002,483</u>		<u>1,354,842</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	16		-		11,000
			<u>1,002,483</u>		<u>1,343,842</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	20		2,000		2,000
Profit and loss account	21		1,000,483		1,341,842
<b>SHAREHOLDERS' FUNDS ATTRIBUTABLE TO EQUITY INTERESTS</b>	21		<u>1,002,483</u>		<u>1,343,842</u>

These financial statements were approved by the directors on 18 May 2005 and are signed on their behalf by:

C ST J BOWYER



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

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****PARENT COMPANY BALANCE SHEET****31 DECEMBER 2004**

	Note	2004 £	£	2003 £	£
<b>FIXED ASSETS</b>					
Tangible assets	11		360,596		392,954
Investments	22		8		-
			<u>360,604</u>		<u>392,954</u>
<b>CURRENT ASSETS</b>					
Debtors	12	1,958,747		1,471,471	
Cash at bank and in hand		929,085		2,596,779	
		<u>2,887,832</u>		<u>4,068,250</u>	
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>2,165,581</u>		<u>2,946,611</u>	
<b>NET CURRENT ASSETS</b>			<u>722,251</u>		<u>1,121,639</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,082,855</u>		<u>1,514,593</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14		80,695		159,751
			<u>1,002,160</u>		<u>1,354,842</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	16		-		11,000
			<u>1,002,160</u>		<u>1,343,842</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	20		2,000		2,000
Profit and loss account	21		<u>1,000,160</u>		<u>1,341,842</u>
<b>SHAREHOLDERS' FUNDS ATTRIBUTABLE TO EQUITY</b>	21				<u>1,343,842</u>
<b>INTERESTS</b>			<u>1,002,160</u>		<u>1,343,842</u>

These financial statements were approved by the directors on the 18 May 2005 and are signed on their behalf by:

ST J BOWYER



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

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****CONSOLIDATED CASH FLOW STATEMENT****YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	£	£
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	(938,594)	1,312,764
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	25,298	55,149
Interest element of finance leases	<u>(16,167)</u>	<u>(16,042)</u>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	9,131	39,107
<b>TAXATION</b>	(300,764)	(325,187)
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible fixed assets	<u>(72,591)</u>	<u>(122,925)</u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	(72,591)	(122,925)
<b>EQUITY DIVIDENDS PAID</b>	<u>(750,000)</u>	<u>—</u>
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>	(2,052,820)	903,759
<b>FINANCING</b>		
Capital element of finance leases	(79,447)	24,075
Investment in joint ventures	<u>(12,975)</u>	<u>—</u>
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</b>	(92,422)	24,075
<b>(DECREASE)/INCREASE IN CASH</b>	<u>(2,145,240)</u>	<u>927,834</u>

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

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****CONSOLIDATED CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31 DECEMBER 2004****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2004	2003
	£	£
Operating profit	563,937	854,612
Depreciation	119,157	85,526
Increase in debtors	(474,310)	(396,777)
(Decrease)/increase in creditors	(1,147,378)	769,403
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(938,594)</b>	<b>1,312,764</b>

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

	2004	2003
	£	£
(Decrease)/Increase in cash in the period	(2,145,240)	927,834
Cash outflow/(inflow) in respect of finance leases	79,447	(24,075)
Change in net funds arising from cash flows	(2,065,793)	903,759
New finance leases	(14,208)	—
<b>Change in net funds</b>	<b>(2,080,001)</b>	<b>903,759</b>
<b>Net funds at 1 January 2004</b>	<b>2,366,244</b>	<b>1,462,485</b>
<b>Net funds at 31 December 2004</b>	<b>286,243</b>	<b>2,366,244</b>

**ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 Jan 2004	Cash flows	Non-cash movements	At 31 Dec 2004
	£	£	£	£
Net cash:				
Cash in hand and at bank	2,596,779	(1,677,694)	-	929,085
Bank overdraft	-	(477,546)	-	(477,546)
		(2,145,240)	-	451,539
Debt:				
Finance lease agreements	(230,535)	79,447	(14,208)	(165,296)
<b>Net funds</b>	<b>2,366,244</b>	<b>(2,065,793)</b>	<b>(14,208)</b>	<b>286,243</b>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

### 1. ACCOUNTING POLICIES

#### Basis of accounting

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

#### Turnover

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

#### Other operating income

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

#### Investments

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

#### Fixed assets and depreciation

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

Leasehold improvements	-	over the period of the lease
Furniture and Equipment	-	20% reducing balance
Computer Equipment	-	25% straight line
Telecommunications equipment	-	25% straight line
Computer Software	-	100% 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 within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a reducing balance basis, and the capital element which reduces the outstanding obligation for future instalments.

#### Operating lease agreements

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

#### Foreign currency

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

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2004

#### 1. ACCOUNTING POLICIES (continued)

##### Deferred taxation

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

##### Basis of consolidation

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

#### 2. RESTATED PRIOR YEAR COMPARATIVES

The directors have changed the presentation of the profit and loss account regarding non-commission income from monies taken from holding accounts. The policy previously was to include in Turnover. The revised policy is to disclose separately as other operating income.

The directors have also changed the presentation of the profit and loss account in response to FRS5 'Reporting the substance of transaction': Application note G. The policy previously was to net certain items of revenue against corresponding administrative expenses. For the year ended 31 December 2004 this has resulted in an increase in turnover and administration expenses of £146,511 (2003: 242,502).

These restatements have had no net effect on the profit or net assets of the prior period.

#### 3. TURNOVER

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

#### 4. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Depreciation of owned fixed assets	65,661	31,417
Depreciation of assets held under finance lease	53,496	54,109
Operating lease rentals		
- lease on properties	251,860	251,674
- motor vehicles	26,307	26,421
- furniture and computer equipment	62,264	75,274
Auditors' remuneration		
- audit fees	40,000	5,000
- tax compliance services	5,000	—
- tax advisory services	9,000	—

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

### 5. PROFIT OF PARENT COMPANY

The profit after tax of the parent company is £408,318 (2003: £595,482). The Company has taken advantage of section 230 of the Companies Act 1985 and consequently a profit and loss account for the parent company above is not presented.

### 6. PARTICULARS OF EMPLOYEES

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

	2004	2003
	No	No
Number of administrative staff	<u>190</u>	<u>188</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	2,980,674	2,841,911
Social security costs	<u>273,058</u>	<u>272,021</u>
	<u>3,253,752</u>	<u>3,113,392</u>

### 7. DIRECTORS' EMOLUMENTS

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

	2004	2003
	£	£
Emoluments receivable	<u>204,163</u>	<u>241,096</u>

#### Emoluments of highest paid director:

	2004	2003
	£	£
Total emoluments (excluding pension contributions)	<u>91,423</u>	<u>95,239</u>

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Finance charges	<u>16,167</u>	<u>16,042</u>

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2004****9. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2004 £	2003 £
UK corporation tax based on profit for the year	165,291	285,000
Adjustment in respect of prior years	10,458	2,237
Current tax charge	175,749	287,237
Deferred tax	(11,000)	11,000
Tax on profit on ordinary activities	<u>164,749</u>	<u>298,237</u>

The standard rate of tax for the year based on the UK standard rate of corporation tax is 30% (2003: 30%). The actual tax charge for the current year and previous year is different to the standard rate for reasons set out in the following reconciliation:

Profit on ordinary activities before tax	573,390	893,719
Tax on profit on ordinary activities at 30%:	172,017	268,116
Expenses not deductible for tax	10,882	3,352
Capital allowances in excess of depreciation	(21,208)	1,822
Short term timing differences	3,600	11,710
Prior year adjustment	10,458	2,237
Current tax charge	<u>175,749</u>	<u>287,237</u>

A deferred tax asset has not been recognised in respect of timing differences relating to depreciation in excess of capital allowances as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £37,827 (2003: nil).

**10. DIVIDENDS**

The following dividends have been paid in respect of the year:

	2004 £	2003 £
Dividend paid on ordinary shares	<u>750,000</u>	<u>—</u>



# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

### 11. TANGIBLE FIXED ASSETS

#### The Group and Company

	Leasehold property £	Furniture and equipment £	Computer equipment £	Computer software £	Telecomm- unications £	Total £
<b>COST</b>						
At 1 January 2004	120,257	408,285	477,253	—	102,351	1,108,146
Additions	—	—	54,992	10,000	21,807	86,799
<b>At 31 December 2004</b>	<u>120,257</u>	<u>408,285</u>	<u>532,245</u>	<u>10,000</u>	<u>124,158</u>	<u>1,194,945</u>
<b>DEPRECIATION</b>						
At 1 January 2004	37,962	243,010	376,598	—	57,622	715,192
Charge for the year	9,975	33,055	39,224	6,667	30,236	119,157
<b>At 31 December 2004</b>	<u>47,937</u>	<u>276,065</u>	<u>415,822</u>	<u>6,667</u>	<u>87,858</u>	<u>834,349</u>
<b>NET BOOK VALUE</b>						
<b>At 31 December 2004</b>	<u>72,320</u>	<u>132,220</u>	<u>116,423</u>	<u>3,333</u>	<u>36,300</u>	<u>360,596</u>
At 31 December 2003	<u>82,295</u>	<u>165,275</u>	<u>100,655</u>	<u>—</u>	<u>44,729</u>	<u>392,954</u>

#### Finance lease agreements

Included within the net book value of fixed assets is £193,134 (2003 - £220,645) 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 £54,904 (2003 - £54,109).

### 12. DEBTORS

	The Group		The Company	
	2004 £	2003 £	2004 £	2003 £
Trade debtors	867,653	773,728	867,653	773,728
Due to parent and other group companies	972,022	560,316	984,988	560,316
Other debtors	106,106	137,427	106,106	137,427
	<u>1,945,781</u>	<u>1,471,471</u>	<u>1,958,747</u>	<u>1,471,471</u>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

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

	The Group and Company	
	2004	2003
	£	£
Bank overdraft	477,546	-
Trade creditors	1,002,063	2,052,828
Corporation tax	46,589	171,604
Other taxation and social security	280,443	379,218
Finance lease agreements	84,601	70,784
Accruals and deferred income	271,694	270,486
Other creditors	2,645	1,691
	<u>2,165,581</u>	<u>2,946,611</u>

### 14. CREDITORS: Amounts falling due after more than one year

	The Group and Company	
	2004	2003
	£	£
Finance lease agreements	<u>80,695</u>	<u>159,751</u>

### 15. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	The Group and Company	
	2004	2003
	£	£
Amounts payable within 1 year	84,601	70,784
Amounts payable between 2 to 5 years	80,695	159,751
	<u>165,296</u>	<u>230,535</u>

# ALLIED INTERNATIONAL CREDIT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

### 16. DEFERRED TAXATION

	The Group and Company	
	2004	2003
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	11,000	-
Profit and loss account movement arising during the year	(11,000)	11,000
Provision carried forward	-	11,000

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

	The Group and Company	
	2004	2003
	£	£
Excess of taxation allowances over depreciation on fixed assets	-	11,000
	-	11,000

### 17. COMMITMENTS UNDER OPERATING LEASES

#### The Group and Company

At 31 December 2004 the Group and Company had annual commitments under non-cancellable operating leases as set out below.

	2004		2003	
	Land & buildings	Other items	Land & buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	43,385	-	32,920
Within 2 to 5 years	-	32,247	-	10,639
After more than 5 years	249,046	-	249,046	-
	<u>249,046</u>	<u>75,632</u>	<u>249,046</u>	<u>43,559</u>

### 18. 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.

### 19. RELATED PARTY TRANSACTIONS

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

During the year the Company paid management charges to fellow group companies of £488,051 (2003 £478,339) in respect of technical and systems development and support.

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2004**

**20. SHARE CAPITAL**

**Authorised share capital:**

	2004	2003
	£	£
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

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

	2004		2003	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

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

**The Group**

	2004	2003
	£	£
Profit for the financial year	408,641	595,482
Dividends	(750,000)	—
	<u>(341,539)</u>	<u>595,482</u>
Opening shareholders' equity funds	1,343,842	748,360
Closing shareholders' equity funds	<u>1,002,483</u>	<u>1,343,842</u>

**The Company**

	2004	2003
	£	£
Profit for the financial year	408,318	595,482
Dividends	(750,000)	—
	<u>(341,682)</u>	<u>595,482</u>
Opening shareholders' equity funds	1,343,842	748,360
Closing shareholders' equity funds	<u>1,002,160</u>	<u>1,343,842</u>

**ALLIED INTERNATIONAL CREDIT (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2004****22. SUBSIDIARY COMPANIES**

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

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

**23. ULTIMATE PARENT COMPANY**

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