

**THAMES CREDIT LIMITED**

**REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2004**



**Company no 3749604**

# THAMES CREDIT LIMITED

## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2004

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Company registration number:	3749604
Registered office:	4 Frederick's Place London EC2R 8AB
Directors:	R Stub P M Lunn
Secretary:	P S Snaith
Bankers:	Barclays Bank plc City Markets PO Box 544 54 Lombard Street London EC3V 9EX  National Westminster Bank plc City Link House 4 Addiscombe Road Croydon Surrey CR0 5TT
Solicitors:	Marshall Ross & Prevezer 4 Frederick's Place London EC2R 8AB
Auditors:	Ernst & Young LLP Registered Auditors 1 More London Place London SE1 2AF

**THAMES CREDIT LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2004

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# THAMES CREDIT LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report together with the audited financial statements for the year ended 31 December 2004.

### Principal activity

The company's principal activity is that of the recovery of debt portfolios.

### Business review

There was a profit for the year after taxation amounting to £753,004 (2003 Loss: £188,890). The directors do not recommend the payment of a dividend.

### Directors

The present membership of the Board is set out below. All served on the Board throughout the year, except where stated.

P M Lunn

R Stub

O Dalen Zahl (appointed 25 August 2004 resigned 22 February 2005)

H Korsgaard (resigned 1 April 2004)

None of the directors had any interest in the share capital of the company.

### Directors' responsibilities for the financial statements

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

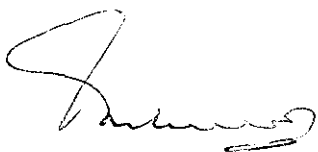
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

### Auditors

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

Director



07 SEP 2005

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THAMES CREDIT LIMITED**

We have audited the financial statements of Thames Credit Limited for the year ended 31 December 2004, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and notes 1 to 18. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors' responsibilities for preparing the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom 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 to you 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 is not disclosed.

We read the directors' report, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

### **Basis of 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 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.

### **Opinion**

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

*Ernst & Young LLP*  
ERNST & YOUNG LLP  
REGISTERED AUDITORS

*8 September 2005*

**THAMES CREDIT LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2004

	Note	2004 £	2003 £
Turnover	2	7,043,411	5,784,428
Operating expenses		<u>(6,689,616)</u>	<u>(5,915,184)</u>
Operating profit/(loss)		353,795	(130,756)
Net interest	3	<u>(19,791)</u>	<u>(58,134)</u>
Profit/(loss) on ordinary activities before taxation	2	334,004	(188,890)
Tax on profit/(loss) on ordinary activities	5	<u>(419,000)</u>	<u>—</u>
Profit/(loss) retained for the year	13	<u>753,004</u>	<u>(188,890)</u>

All transactions arose from continuing activities.

There were no recognised gains or losses other than the profit for the financial year (2003 - loss).

The accompanying accounting policies and notes form an integral part of these financial statements.

# THAMES CREDIT LIMITED

## BALANCE SHEET AT 31 DECEMBER 2004

	Note	2004 £	2004 £	2003 £	2003 £
<b>Fixed assets</b>					
Tangible assets	6		347,135		425,462
<b>Current assets</b>					
Debtors	7	836,776		361,279	
Cash at bank and in hand		<u>715,530</u>		<u>532,020</u>	
		1,552,306		893,299	
<b>Creditors: amounts falling due within one year</b>	8	<u>(564,607)</u>		<u>(631,514)</u>	
<b>Net current assets</b>			<u>987,699</u>		<u>261,785</u>
<b>Total assets less current liabilities</b>			1,334,834		687,247
<b>Creditors: amounts falling due after more than one year</b>	9		<u>(1,172,968)</u>		<u>(1,278,385)</u>
			<u>161,866</u>		<u>(591,138)</u>
<b>Capital and reserves</b>					
Called up share capital	11		2		2
Profit and loss account	12		<u>161,864</u>		<u>(591,140)</u>
<b>Equity shareholders' funds</b>	13		<u>161,866</u>		<u>(591,138)</u>

The financial statements were approved by the Board of Directors on

Director

07 SEP 2005

The accompanying accounting policies and notes form an integral part of these financial statements.

# THAMES CREDIT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

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### 1 PRINCIPAL ACCOUNTING POLICIES

#### Basis of preparation

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

#### Going concern

The directors have received written assurances from the company's ultimate parent undertaking that it will continue to provide the company with the necessary financial support to enable it to meet its liabilities as they fall due for a period of not less than twelve months from the date of approval of these financial statements.

#### Turnover

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discounts.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their estimated useful economic lives. The rates generally applicable are:

Office equipment	33 1/3%
Furniture and fittings	20%
Computer software	33 1/3%
Motor vehicles	33 1/3%

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### Leased assets

Assets held under finance leases are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.



# THAMES CREDIT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

### 1 PRINCIPAL ACCOUNTING POLICIES (continued)

#### Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with following exception:

- 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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

### 2 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit/(loss) on ordinary activities before taxation is attributable to the principal activity of the company.

The whole of the company's business activities arose in the United Kingdom.

The profit/(loss) on ordinary activities before taxation is stated after:

	2004 £	2003 £
Auditors' remuneration:		
- audit services	12,500	10,000
Depreciation:		
tangible fixed assets owned	111,865	140,863
tangible fixed assets held under finance leases and hire purchase contracts	172,563	158,993
Rent payable under operating leases	342,467	340,794
Hire of office equipment under operating leases	10,359	17,503
Profit on disposal of fixed assets	(5,759)	(8,774)
Exchange differences	—	(28)

**THAMES CREDIT LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**3 NET INTEREST**

	2004 £	2003 £
Interest payable and similar charges:		
On bank overdraft	1,013	1,022
On loans from group undertakings	–	35,622
Finance charges in respect of finance leases	18,778	21,665
	<u>19,791</u>	<u>58,309</u>
Interest receivable and similar income	–	(175)
	<u>19,791</u>	<u>58,134</u>

**4 DIRECTORS AND EMPLOYEES**

Staff costs (including directors' remuneration) during the year were as follows:

	2004 £	2003 £
Wages and salaries	3,506,117	3,102,674
Social security costs	381,037	301,481
	<u>3,887,154</u>	<u>3,404,155</u>

The monthly average number of employees (including directors) during the year was as follows:

	2004 No.	2003 No.
Administration	13	13
Collections	126	119
Management	9	10
	<u>148</u>	<u>142</u>

Remuneration in respect of directors was as follows:

	2004 £	2003 £
Emoluments for management services	<u>544,167</u>	<u>435,000</u>

None of the directors participated in any pension schemes during this or the previous year.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2004 £	2003 £
Emoluments	<u>324,167</u>	<u>235,000</u>

# THAMES CREDIT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

### 5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

a) The tax charge represents:

	2004 £	2003 £
Current tax:		
United Kingdom corporation tax at 30% (2003: 19%)	—	—
Deferred tax:		
Origination and reversal of timing differences	(419,000)	—
Tax on profit/(loss) on ordinary activities	(419,000)	—

b) Factors affecting tax charge for period.

The tax assessed for the period differs from the standard rate of corporation tax in the UK 30% (2003: 19%). The differences are explained as follows:

	2004 £	2003 £
Profit/(loss) on ordinary activities before tax	334,004	(188,890)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 19%).	100,201	(35,889)
Effect of:		
Expenses not deductible for tax purposes	10,416	9,919
Depreciation in excess of capital allowances	84,366	(3,722)
Utilisation of tax losses	(195,003)	29,692
Total current tax (5(a))	—	—

c) Factors affecting future tax charges

At 31 December 2004 the company had a recognised deferred tax asset of £419,000 (2003: £335,244) made up of decelerated capital allowances £233,336 and tax losses £185,664. The company has recognised the asset as it anticipates making suitable taxable profits in the future, against which the reversal of the asset may be deducted.

# THAMES CREDIT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

### 6 TANGIBLE FIXED ASSETS

	Motor vehicles £	Office equipment £	Furniture and fittings £	Computer software £	Total £
Cost					
At 1 January 2004	19,083	1,133,088	329,595	373,920	1,855,686
Additions	35,256	180,933	1,489	—	217,678
Disposals	(19,083)	(1,727)	—	—	(20,810)
At 31 December 2004	<u>35,256</u>	<u>1,312,294</u>	<u>331,084</u>	<u>373,920</u>	<u>2,052,554</u>
Depreciation					
At 1 January 2004	5,301	869,491	212,612	342,820	1,430,224
Provided in the year	9,056	184,219	61,563	29,590	284,428
Disposals	(8,481)	(752)	—	—	(9,233)
At 31 December 2004	<u>5,876</u>	<u>1,052,958</u>	<u>274,175</u>	<u>372,410</u>	<u>1,705,419</u>
Net book amount at 31 December 2004	<u>29,380</u>	<u>259,336</u>	<u>56,909</u>	<u>1,510</u>	<u>347,135</u>
Net book amount at 31 December 2003	<u>13,782</u>	<u>263,597</u>	<u>116,983</u>	<u>31,100</u>	<u>425,462</u>

The figures stated above include assets held under finance leases and hire purchase contracts as follows:

	Motor vehicles £	Office equipment £	Total £
Net book amount at 31 December 2004	<u>29,380</u>	<u>181,748</u>	<u>211,128</u>
Net book amount at 31 December 2003	<u>13,782</u>	<u>254,067</u>	<u>267,849</u>
Depreciation provided in the year	<u>9,056</u>	<u>163,507</u>	<u>172,563</u>

### 7 DEBTORS

	2004 £	2003 £
Amounts owed by parent undertaking	—	24,841
Other debtors	224,358	149,220
Prepayments and accrued income	193,418	187,218
Deferred tax asset (note 5(c))	<u>419,000</u>	—
	<u>836,776</u>	<u>361,279</u>

**THAMES CREDIT LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade creditors	118,363	250,688
Social security and other tax	80,040	89,898
Other creditors	4,785	3,370
Accruals	262,547	138,375
Amounts due under finance leases	98,872	149,183
	<u>564,607</u>	<u>631,514</u>

Amounts due under finance leases and hire purchase contracts are secured on the assets to which they relate.

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2004 £	2003 £
Amounts owed to group undertakings	1,070,309	1,157,227
Amounts due under finance leases	102,659	121,158
	<u>1,172,968</u>	<u>1,278,385</u>

Amounts due under finance leases and hire purchase contracts are secured on the assets to which they relate.

**10 FINANCE LEASES**

Amounts due under finance leases are repayable as follows:

	2004 £	2003 £
Within one year	98,872	149,183
After one and within two years	67,401	74,901
After two and within five years	35,258	46,257
	<u>201,531</u>	<u>270,341</u>

**11 SHARE CAPITAL**

	2004 £	2003 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

# THAMES CREDIT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

### 12 PROFIT AND LOSS ACCOUNT

	2004 £	2003 £
At 1 January 2004	(591,140)	(402,250)
Profit/(loss) for the year	<u>753,004</u>	<u>(188,890)</u>
At 31 December 2004	<u>161,864</u>	<u>(591,140)</u>

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit/(loss) for the financial year	753,004	(188,890)
Shareholders' funds at 1 January 2004	<u>(591,138)</u>	<u>(402,248)</u>
Shareholders' funds at 31 December 2004	<u>161,866</u>	<u>(591,138)</u>

### 14 CAPITAL COMMITMENTS

	2004 £	2003 £
Contracted for but not provided for in these financial statements	<u>-</u>	<u>-</u>

### 15 CONTINGENT LIABILITIES

The company and a fellow subsidiary undertaking have entered into a composite debenture in favour of Barclays Bank plc. In the company's case the debenture is secured by a fixed and floating charge over the assets of the company.

### 16 LEASING COMMITMENTS

Operating lease payments amounting to £265,895 (2003: £315,147) are due within one year. The leases to which these amounts relate expire as follows:

	2004 Land and buildings £	2004 Other £	2003 Land and buildings £	2003 Other £
In one year or less	5,723	-	-	-
Between one and five years	0	32,784	54,975	35,172
In five years or more	<u>225,000</u>	<u>-</u>	<u>225,000</u>	<u>-</u>
	<u>230,723</u>	<u>35,172</u>	<u>279,975</u>	<u>35,172</u>

# **THAMES CREDIT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

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### **17 RELATED PARTIES**

As a wholly owned subsidiary of Olympia Capital ASA the company has taken advantage of the exemption in FRS8 and has not disclosed transactions with group undertakings.

### **18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's immediate parent undertaking is Olympia Capital Limited, which owns 100% of the issued share capital of the company. The company's ultimate parent undertaking is Aktiv Kapital ASA Aktiv, a company registered in Norway.

Copies of the group financial statements of Aktiv Kapital ASA can be obtained at Insparten No 4, PO Box 6426, Etterstad, Oslo, Norway.