

THAMES CREDIT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2003

Company no 3749604

THAMES CREDIT LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2003

Company registration number:	3749604
Registered office:	4 Frederick's Place London EC2R 8AB
Directors:	R Stub H Korsgaard 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:	Grant Thornton Registered Auditors Chartered Accountants The Explorer Building Fleming Way Manor Royal Crawley RH10 9GT

THAMES CREDIT LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2003

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THAMES CREDIT LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 2003.

Principal activity

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

Business review

There was a loss for the year after taxation amounting to £188,890 (2002 profit: £349,343). 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 were stated.

P-E Asmyr	(resigned 9 April 2003)
H Korsgaard	(resigned 31 March 2004)
P M Lunn	
R Stub	(appointed 9 April 2003)

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

The interest of the directors, who are all also directors of the parent undertaking, are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

Company law in the United Kingdom 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
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

Director

29 April 2004

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 2003, which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 19. 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 the directors and auditors

The directors' responsibilities for preparing the directors' report and 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
GATWICK**

29 April 2004

THAMES CREDIT LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the company are set out below. They have remained unchanged from the previous year.

GOING CONCERN

The company has net liabilities at 31 December 2003 of £591,138. The directors have received written assurances from its 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:

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

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.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by 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.

THAMES CREDIT LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2003

	Note	2003 £	2002 £
Turnover	1	5,784,428	5,232,980
Operating expenses		<u>(5,915,184)</u>	<u>(6,087,569)</u>
Operating loss		(130,756)	(854,589)
Net interest	2	(58,134)	(81,631)
Exceptional item	3	<u>-</u>	<u>1,285,563</u>
(Loss)/profit on ordinary activities before taxation	1	(188,890)	349,343
Tax on (loss)/profit on ordinary activities	5	<u>-</u>	<u>-</u>
(Loss sustained)/profit retained for the year	13	<u>(188,890)</u>	<u>349,343</u>

All transactions arose from continuing activities.

There were no recognised gains or losses other than the loss for the financial year.

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

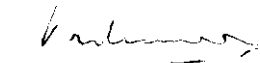
THAMES CREDIT LIMITED

BALANCE SHEET AT 31 DECEMBER 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	6		425,462		441,058
Current assets					
Debtors	7	361,279		433,786	
Cash at bank and in hand		<u>532,020</u>		<u>579,189</u>	
		893,299		1,012,975	
Creditors: amounts falling due within one year	8	<u>(631,514)</u>		<u>(581,137)</u>	
Net current assets			<u>261,785</u>		<u>431,838</u>
Total assets less current liabilities			687,247		872,896
Creditors: amounts falling due after more than one year	9		<u>(1,278,385)</u>		<u>(1,275,144)</u>
			<u>(591,138)</u>		<u>(402,248)</u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		<u>(591,140)</u>		<u>(402,250)</u>
Shareholder's funds	14		<u>(591,138)</u>		<u>(402,248)</u>

The financial statements were approved by the Board of Directors on 29 April 2004

Director



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 2003

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

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

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

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

	2003 £	2002 £
Auditors' remuneration:		
- audit services	10,000	9,500
Depreciation:		
- tangible fixed assets owned	140,863	208,595
- tangible fixed assets held under finance leases and hire purchase contracts	158,993	220,917
Hire of buildings	340,794	351,621
Hire of office equipment under operating leases	17,503	24,083
Profit on disposal of fixed assets	(8,774)	-
Exchange differences	(28)	(594)

2 NET INTEREST

	2003 £	2002 £
Interest payable and similar charges:		
On bank overdraft	1,022	1,064
On loans from group undertakings	35,622	47,633
Finance charges in respect of finance leases	21,665	33,143
	58,309	81,840
Interest receivable and similar income	(175)	(209)
	58,134	81,631

3 EXCEPTIONAL ITEM

The exceptional item in the year ended 31 December 2002 related to an unsecured interest free loan of £1,285,563 owed to other group undertakings. On 30 April 2002 all rights to the repayment of this loan were irrevocably waived.

THAMES CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

4 DIRECTORS AND EMPLOYEES

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

	2003 £	2002 £
Wages and salaries	3,102,674	3,062,816
Social security costs	<u>301,481</u>	<u>283,263</u>
	<u>3,404,155</u>	<u>3,346,079</u>

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

	2003 £	2002 £
Administration	13	13
Collections	119	121
Management	<u>10</u>	<u>10</u>
	<u>142</u>	<u>144</u>

Remuneration in respect of directors was as follows:

	2003 £	2002 £
Emoluments for management services	<u>435,000</u>	<u>390,000</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:

	2003 £	2002 £
Emoluments	<u>235,000</u>	<u>220,000</u>

THAMES CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

5 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2003 £	2002 £
United Kingdom corporation tax at 19% (2002: 30%)	-	-

Factors affecting tax charge for period.

The tax assessed for the period is higher/lower than the standard rate of corporation tax in the UK 19% (2002: 30%). The differences are explained as follows:

	2003 £	2002 £
(Loss)/profit on ordinary activities before tax	(188,890)	349,343
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2002: 30%)	(35,889)	104,803
Effect of:		
Expenses not deductible for tax purposes	9,919	(399,896)
Capital allowances for the period in excess of depreciation	(3,722)	31,123
Utilisation of tax losses	29,692	263,970
Current tax charge for period	-	-

THAMES CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

6 TANGIBLE FIXED ASSETS

	Motor vehicles £	Office equipment £	Furniture and fittings £	Computer software £	Total £
Cost					
At 1 January 2003	22,747	874,626	327,220	369,580	1,594,173
Additions	19,083	258,462	2,375	4,340	284,260
Disposals	(22,747)				(22,747)
At 31 December 2003	<u>19,083</u>	<u>1,133,088</u>	<u>329,595</u>	<u>373,920</u>	<u>1,855,686</u>
Depreciation					
At 1 January 2003	20,851	682,708	147,012	302,544	1,153,115
Provided in the year	7,197	186,783	65,600	40,276	299,856
Disposals	(22,747)				(22,747)
At 31 December 2003	<u>5,301</u>	<u>869,491</u>	<u>212,612</u>	<u>342,820</u>	<u>1,430,224</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>
Net book amount at 31 December 2002	<u>1,896</u>	<u>191,918</u>	<u>180,208</u>	<u>67,036</u>	<u>441,058</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 2003	<u>13,782</u>	<u>254,067</u>	<u>267,849</u>
Net book amount at 31 December 2002	<u>1,896</u>	<u>163,402</u>	<u>165,298</u>
Depreciation provided in the year	<u>7,197</u>	<u>151,797</u>	<u>158,994</u>

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

For the year ended 31 December 2003

7 DEBTORS

	2003 £	2002 £
Amounts owed by parent undertaking	24,841	13,931
Other debtors	149,220	267,230
Prepayments and accrued income	187,218	152,625
	<u>361,279</u>	<u>433,786</u>

The amount due from the parent undertaking is due after more than one year.

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade creditors	250,688	302,486
Social security and other tax	89,898	88,856
Other creditors	3,370	2,364
Accruals	138,375	82,593
Amounts due under finance leases	149,183	104,838
	<u>631,514</u>	<u>581,137</u>

Amounts due under finance leases are secured on the assets to which they relate.

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Amounts owed to group undertakings	1,157,227	1,195,762
Amounts due under finance leases	121,158	79,382
	<u>1,278,385</u>	<u>1,275,144</u>

THAMES CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

10 BORROWINGS

Amounts due under finance leases are repayable as follows:

	2003 £	2002 £
Within one year	149,183	104,838
After one and within two years	74,901	79,382
After two and within five years	46,257	-
	<u>270,341</u>	<u>184,220</u>

11 DEFERRED TAXATION

No provision has been made in the financial statements for the deferred tax asset arising from the trading losses incurred due to the uncertainty over generating future taxable profits to utilise the losses. The company has approximately £1,130,000 (2002: £1,100,000) of accumulated trading losses available to offset against future taxable profits.

12 SHARE CAPITAL

	2003 £	2002 £
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>

13 PROFIT AND LOSS ACCOUNT

	2003 £	2002 £
At 1 January 2003	(402,250)	(751,593)
(Loss sustained)/profit retained for the year	<u>(188,890)</u>	<u>349,343</u>
At 31 December 2003	<u>(591,140)</u>	<u>(402,250)</u>

THAMES CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
(Loss)/profit for the financial year	(188,890)	349,343
Shareholders' funds at 1 January 2003	(402,248)	(751,591)
Shareholders' funds at 31 December 2003	<u>(591,138)</u>	<u>(402,248)</u>

15 CAPITAL COMMITMENTS

	2003 £	2002 £
Contracted for but not provided for in these financial statements	<u>-</u>	<u>206,349</u>

16 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.

17 LEASING COMMITMENTS

Operating lease payments amounting to £315,147 (2002: £381,895) are due within one year. The leases to which these amounts relate expire as follows:

	2003 Land and buildings £	2003 Other £	2002 Land and buildings £	2002 Other £
In one year or less	-	-	-	1,015
Between one and five years	54,975	35,172	69,825	34,255
In five years or more	<u>225,000</u>	<u>-</u>	<u>276,800</u>	<u>-</u>
	<u>279,975</u>	<u>35,172</u>	<u>346,625</u>	<u>35,270</u>

THAMES CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

18 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

As a wholly owned subsidiary of Olympia Capital Limited the company has taken advantage of the exemption in FRS 8 and has not disclosed transactions with group undertakings.

19 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

Copies of the group financial statements of Olympia Capital ASA can be obtained at Beddingen 8 No 250, Oslo, Norway.