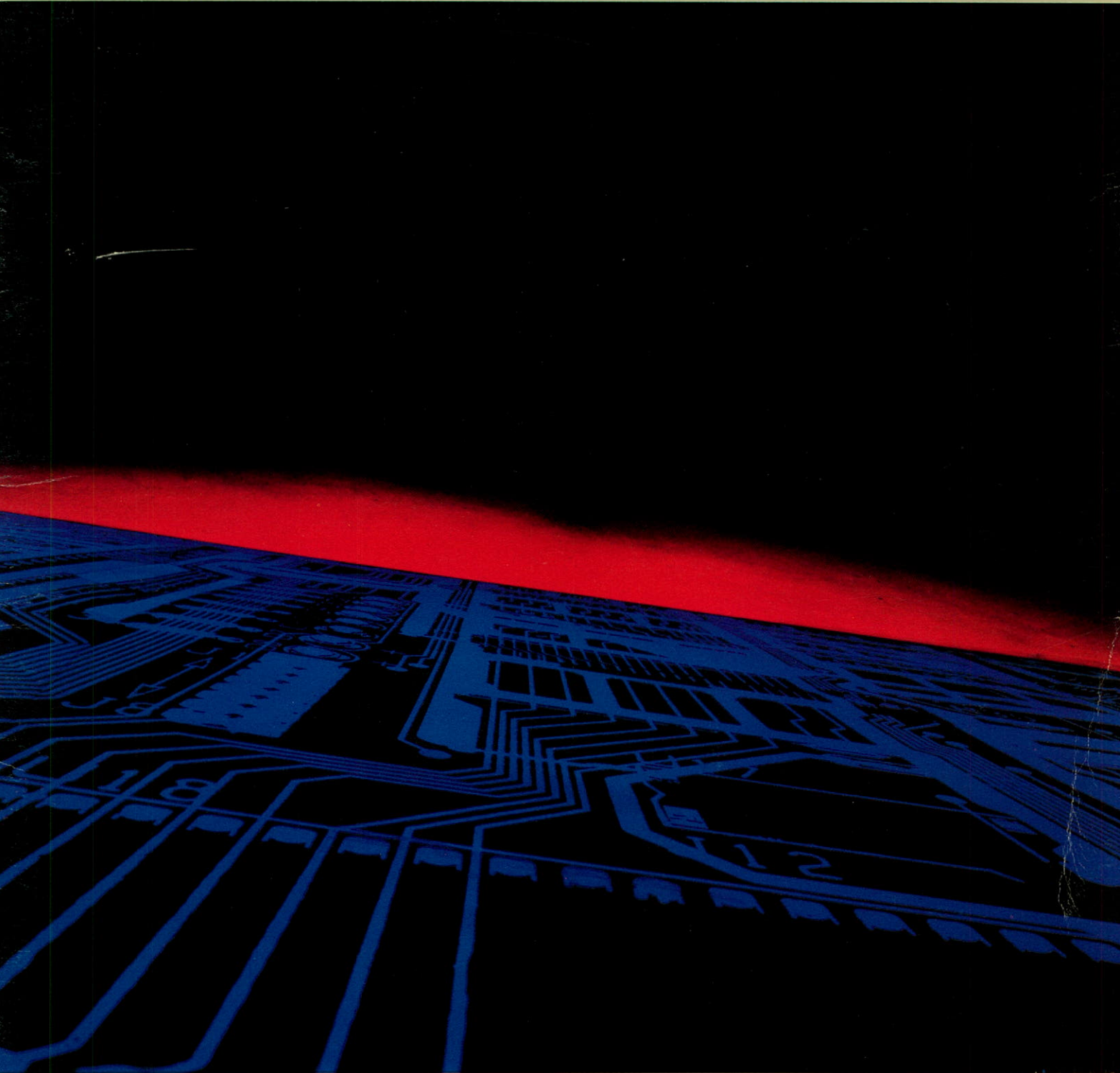


1983

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EDWARD ROSS LIBRARY
OF MANAGEMENT
FEB 23 1984
MCGILL UNIVERSITY



Financial Collection Agencies
HIGH SPEED RECOVERIES

Our front cover is a dramatic magnification of a silicon "chip". This tiny technological marvel has revolutionized the computer industry and laid the wonderful world of computers and ultra high speed processing at the doorstep of industry. FCA pioneered the use of the computerized data network in the collection field and today, FCA regards its systems sophistication as one of its more important strategic competitive strengths. Electronic data processing is the cornerstone of the FCA operation, and as you will see, FCA plans to continue to advance in this area.

These, and of course other strengths, have collectively contributed to FCA's past success and I am very gratified to report continued progress for FCA for our fiscal year ended June 30, 1983. FCA's performance resulted in record-setting achievements which were directly attributable to the positive impetus built up over recent years' successes. Given the realities of an abrasive economy, not seen for half a century, FCA's accomplishments on behalf of its clients and shareholders were outstanding. 1983 did indeed present new challenges and I am pleased to say these were met in all areas of operations.

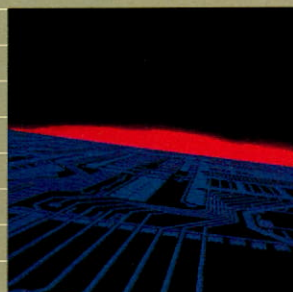
Record Performance - FCA's clients placed new accounts for collection totalling \$920,000,000 in fiscal 1983, an increase of 45% over last year's record placements of \$636,000,000, indicating client confidence in FCA's abilities is unprecedented. Gross revenue in fiscal 1983 rose to \$50,460,303 compared to last year's figure of \$41,943,783, an increase of 20%. The Company's net earnings grew from \$4,472,805 in fiscal 1982 to \$5,766,787 in fiscal 1983, an increase of 29%. Working capital climbed to \$13,989,499 in fiscal 1983 in contrast with \$12,157,610 a year ago, even after net fixed asset additions of in excess of \$3,300,000. FCA's strong showing in 1983 continues 57 years of dynamic growth spearheaded by progressive management with a commitment to financial and social integrity.



Computer Development – Data processing remains critical to ongoing operations and to the services we are able to offer our clients. Highly dependent on uninterrupted operation of the central computer facility, major strides were made to reduce the vulnerability to periods of down-time. This included a move to more modern, production-oriented corporate headquarters where our high-security computer center is now equipped with twin mainframe computer systems to provide back-up to our data processing services as well as to perform other accounting functions. We are also ensuring that our computerized applications are kept technologically current so that FCA systems will remain highly flexible and can be adapted quickly to marketplace requirements.

In addition to **ADNET**, (Advanced Data Network) our very successful branch-based computer system which provides our offices with sophisticated EDP services, FCA systems professionals are developing two new systems. **fBASE**, an umbrella corporate data base and client general accounting system, and **TACT**, (Technically Advanced Collection Techniques) a cardless and paper-free collection system to support the individual collectors' and clerical employees' efforts. TACT is in the early stages of evaluation. The implementation of this system, including any decision to proceed from the evaluation to the design and programming stage is dependent upon the system achieving certain performance objectives.

The development of these two new systems will complete the computerization cycle of our entire operation bringing about increased collection results and greater accuracy providing advanced services to all FCA clients.



A GROWTH STRATEGY FOR THE DECADE

FCA International Systems Group – FCA International Systems Group, the Company's consultative and system design service, implemented a significant contract for the small package division of a major airline during the first quarter of this calendar year. Systems Group generated an extensive amount of systems development and programming on the project and is currently running a complete on-line record-keeping and invoice system. It is also working with government and industry on other consulting services and systems projects and will not confine its operations to North America alone. Already, Systems Group is providing services to clients (Government and Industry) in the United Kingdom.

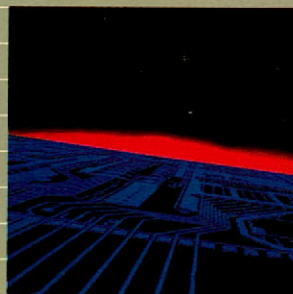
Growth Strategy – Our planned acquisitions program remains a vital and integral element of our overall growth plan targeted to produce a network of 100 branch offices by the early 1990's. During the year, FCA acquired certain assets of P. J. Associates, Collection Services of Hamilton, Ontario and, subsequent to the year end, acquired certain assets of Consumer Collections, Inc., of Buffalo, N.Y. Other acquisitions are also under study.

Growth was also achieved through new office openings. During the fiscal year, FCA opened new branches in (1) **Westchester**, New York and (2) **Jackson**, Mississippi, and, subsequent to the year end, offices were opened in (3) **Montgomery**, Alabama, (4) **Tampa**, Florida, (5) **Seattle**, Washington and (6) **Manchester**, United Kingdom. The six new offices are now full function FCA centers. New office openings complement the FCA acquisition program designed to advance an evenly balanced growth plan.

Our growth strategy, designed to guide us wisely through this decade, is based on key, formalized corporate strategies. These are to:

1. Achieve increasing recognition of FCA throughout North America and Europe as the leader in the development and application of state-of-the-art collection services.
2. Emphasize service, reliability, coverage, financial integrity and automated systems development as our key competitive strengths.





FCA OCCUPIES A POSITION OF STRENGTH

3 Maintain FCA's reputation with clients, employees, governments and investors for doing what we say we will do.

4. Place continued emphasis on finding, attracting, developing and retaining the best people.

5. Maintain an awareness, sensitivity and responsiveness to employee, client, investor, government, community, national and international issues and concerns to which the Company may be a contributor or that may affect FCA's operations.

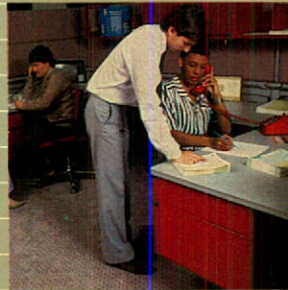
6. Operate profitably to the benefit of the Company and its investors, clients, employees and the communities we serve.

FCA People - Our Most Valuable Resource -

Most important of all, however, is that FCA recognizes that its success is shaped by the caliber and commitment of its employees - our most valuable resource. To that end, FCA places emphasis on the selection, training and development of its staff - now nearly 1400 - and puts a heavy premium not only upon responsiveness, innovation, skill and knowledge, but also upon judgment, integrity and the highest standards of ethics and social responsibility.

The Company's accomplishments in 1983 were the result of considerable and sometimes extraordinary efforts by employees throughout the organization. I want to extend my personal appreciation and express my confidence that the challenges of 1984 will be met with the same exuberance and dedication which has been the hallmark of FCA employees over the years.

FCA occupies a position of strength within the industry which will enable it to take full advantage of the opportunities for growth. Through state-of-the-art computer support systems and aggressive, innovative marketing of our services, this Company can meet the challenges of a kaleidoscopic economy. Together, as a united team, we can share the benefits of the inevitable success which will emerge from our continued efforts and make 1984 an unprecedented year for the entire FCA organization.





THE FINANCIAL X-RAY

It is generally acknowledged that astute business practice is to thoroughly investigate the financial soundness of your collection organization when committing your dollars to third party intervention. If you do not use discretion, you are making a potentially unsound financial business decision - a decision you may eventually regret.

The most important document available to you in determining the stability and soundness of any collection company is that firm's audited financial statements. The audited document gives you the opportunity to X-ray, or get a good inside picture of the firm which could conceivably represent you.

This is FCA's **Financial Statement**. This is FCA's X-ray. It is what makes FCA distinctively different and should make FCA your first choice.

Make your prudent financial comparisons before choosing your collection representative because the true determining factor for selecting a collection specialist can only be a sound financial position. There are other important factors to consider as well, such as an internationally based service network, sound management, carefully trained employees, specialized service divisions and computer technology.

FIVE YEAR FINANCIAL REVIEW

Highlights

	Accounts Accepted for Collection	Gross Revenue	Earnings Before Depreciation and Taxes	Net Earnings	Net Earnings Per Share	Working Capital
	\$	\$	\$	\$	\$	\$
1983	920,000,000	50,460,303	11,776,598	5,766,787	1.28	13,989,499
1982	636,000,000	41,943,783	9,243,585	4,472,805	0.99	12,157,610
1981	536,000,000	32,844,916	7,778,069	3,928,885	0.87	9,145,047
1980	420,000,000	26,102,509	5,651,649	2,527,129	0.56	6,250,625
1979	308,000,000	23,657,205	4,187,059	1,916,990	0.42	4,788,820

FCA INTERNATIONAL FINANCIAL COLLECTION AGENCIES

Consolidated Balance Sheet as at June 30, 1983

Assets

Current Assets

Cash and term deposits	.....
Accounts receivable - clients	.....
Marketable securities - at cost (quoted value \$2,002,333)	.....
Sundry accounts receivable	.....
Income taxes recoverable	.....
Prepaid expenses	.....

Trust Funds

Cash
------	-------

Fixed Assets (note 3)

Other Assets

Sundry accounts receivable and deferred charges	.....
Goodwill	.....

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	.....
Income taxes	.....

Funds Held in Trust for Clients

Shareholders' Equity

Capital Stock

Authorized - Unlimited number of common shares	.....
Issued and fully paid - 4,522,504 shares	.....

Retained Earnings

Cumulative Translation Adjustments (note 2)

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of FCA International Ltd as at June 30, 1983 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.



FCA INTERNATIONAL FINANCIAL COLLECTION AGENCIES

1983 \$	1982 \$
8,531,792	8,568,777
5,222,003	4,051,583
1,857,085	—
555,345	434,188
274,214	669,255
1,195,940	1,341,147
17,636,379	15,064,950
5,969,610	5,471,557
5,338,262	3,304,323
308,018	77,052
4,026,378	4,151,955
4,334,396	4,229,007
33,278,647	28,069,837
1,654,759	1,424,788
1,992,121	1,482,552
3,646,880	2,907,340
5,969,610	5,471,557
9,616,490	8,378,897
1,994,289	1,994,289
21,647,464	16,604,278
20,404	1,092,373
23,662,157	19,690,940
33,278,647	28,069,837

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at June 30, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in foreign currency translation as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Coopers & Lybrand
COOPERS & LYBRAND
Chartered Accountants

Consolidated Statement of Earnings for the year ended June 30, 1983

	1983 \$	1982 \$
Gross Revenue from Operations	50,460,303	41,943,783
Expenses (Other Income)		
Operating, selling and administration	40,294,568	34,687,415
Amortization of goodwill	112,547	108,885
Depreciation and amortization of fixed assets	1,052,746	730,657
Investment income	(1,610,863)	(1,987,217)
	39,848,998	33,539,740
	10,611,305	8,404,043
	4,844,518	3,931,238
Net Earnings for the Year	5,766,787	4,472,805
Net Earnings per Share	1.28	0.99

Consolidated Statement of Retained Earnings for the year ended June 30, 1983

	1983 \$	1982 \$
Balance - Beginning of Year		
As previously reported	17,116,513	13,202,197
Adjustment for the cumulative effect of the change in accounting for foreign currency translation (note 2)	(512,235)	(347,123)
As restated	16,604,278	12,855,074
Net earnings for the year	5,766,787	4,472,805
	22,371,065	17,327,879
Dividends	723,601	723,601
Balance - End of Year	21,647,464	16,604,278

Consolidated Statement of Changes in Financial Position for the year ended June 30, 1983

	1983 \$	1982 \$
Source of Working Capital		
Provided from operations	6,932,080	5,312,347
Increase in working capital arising from translation adjustments	—	252,293
	6,932,080	5,564,640
Use of Working Capital		
Increase in other assets - net	358,850	165,339
Additions to fixed assets - net	3,300,792	1,663,137
Dividends	723,601	723,601
Decrease in working capital arising from translation adjustments	716,948	—
	5,100,191	2,552,077
Increase in Working Capital	1,831,889	3,012,563
Working Capital - Beginning of Year	12,157,610	9,145,047
Working Capital - End of Year	13,989,499	12,157,610

Signed on behalf of the Board: J.D. Lubotta and G.R. Stephens - Directors.

J.D. Lubotta *G.R. Stephens*



FCA COMPUTER SYSTEMS

Given the reams of statistical information and data associated with the collection industry, the progressive agencies utilize sophisticated computer technologies to process data in order to satisfy client needs more quickly and effectively.

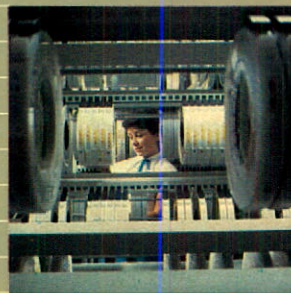
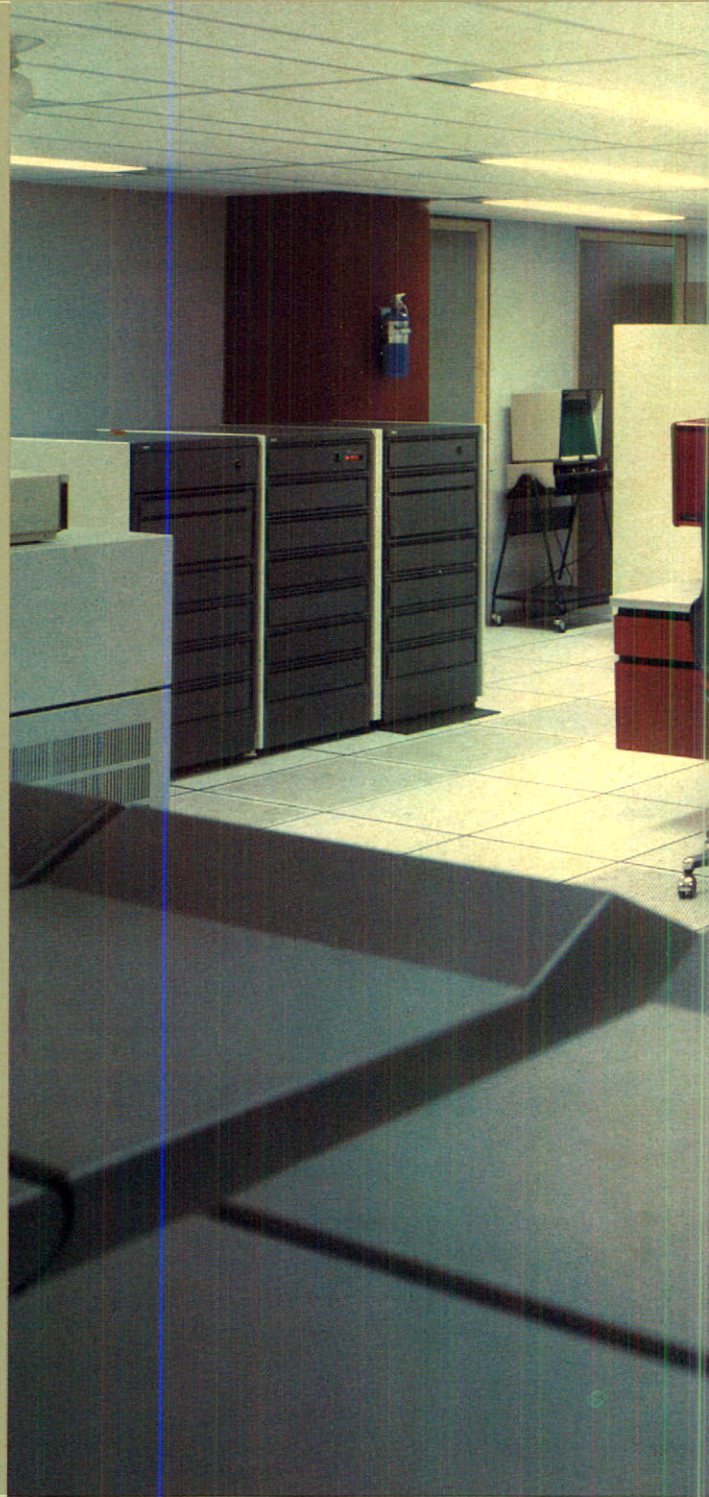
In today's credit economy, fast claims processing and consistent, computer-assisted tracking are essential to successful collection results.

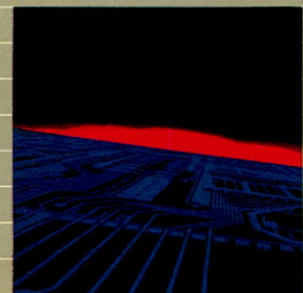
FCA's own systems analysts and technical staff designed and installed ADNET (FCA's branch-based computer system) which established the "**Automated Procedures Precedent**" within the collection industry. These same specialists are in the process of developing two additional high speed systems to provide further computerization of FCA's procedures throughout the FCA network. The three systems are briefly outlined in order to provide clients with the concepts which FCA has and is developing.

ADNET (Advanced Data Network) – ADNET is FCA's computer system designed for faster, more effective collection procedures and functions as an internationally distributed data communications system. All but two of FCA's offices are equipped with computers and operate with ADNET programs. The integration of the multi-computer environment, where branch computers communicate with our mainframe computer, provides a sophisticated and advanced processing tool.

Some of the ADNET system features provide client communications, collection correspondence, automatic account transfer, immediate new account documentation, automatic inventory control, automatic payment reports and daily master updates. Additional features relating to the mainframe system are communications and transmission, downloading, and diagnostics.

fBASE – fBASE is FCA's new centralized collection and corporate data base system presently under design. This performance-oriented system will provide a new type of base for client and debtor data tied to our corporate accounting and branch ADNET operations system. It will provide immediate real time access to both client and debtor files in summary or detail form.





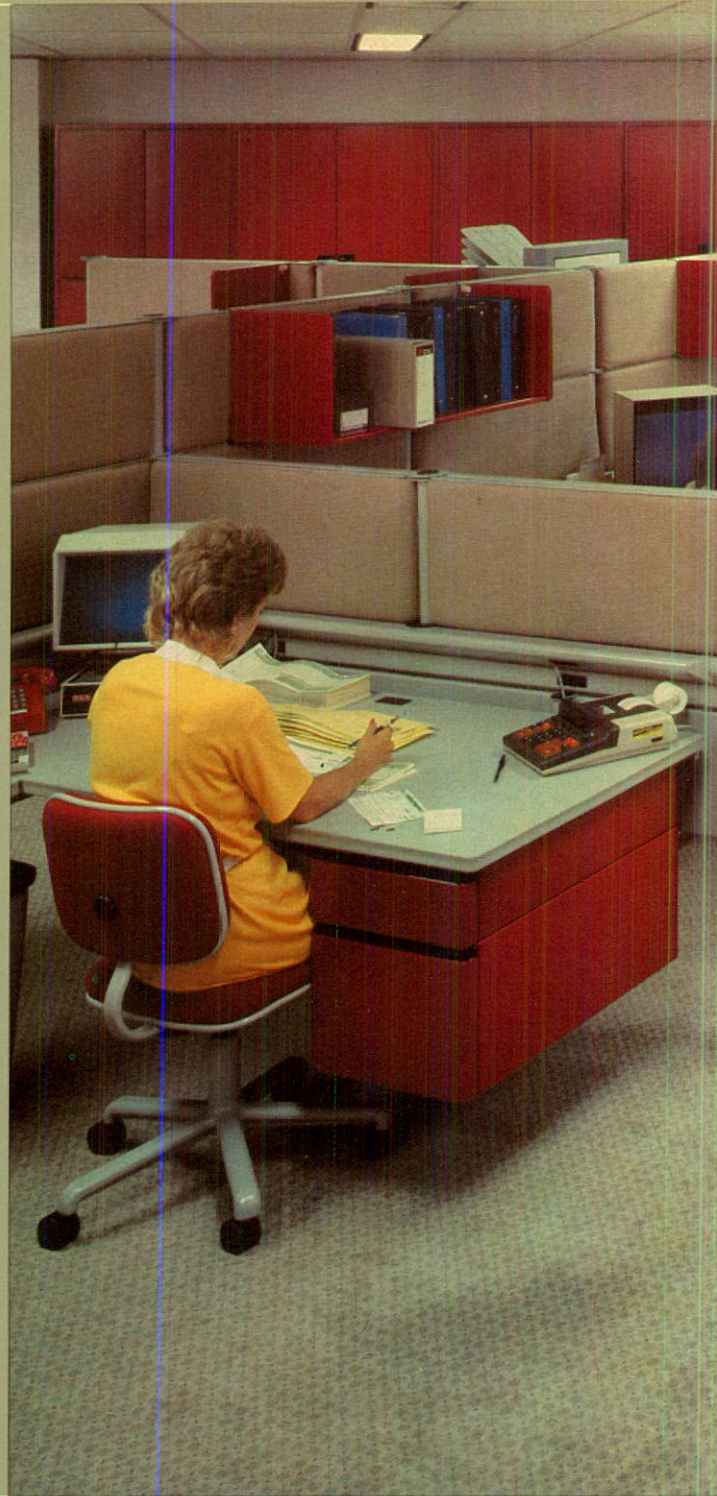
ADVANCED TECHNOLOGY FOR HIGHER RECOVERIES

The designs have integrated security and audit techniques built into the system providing accurate and synchronized data regardless of client cut-off dates or other unusual criteria. The system will also provide a flexible table driven reporting system permitting fast response to client special reporting requirements.

iBASE, having already passed the evaluation stage, is presently in the pre-programming and post design stage and may be partially operational by next year.

TACT (Technically Advanced Collection Techniques) – The TACT system, presently in the early stages of evaluation, will integrate advanced computer technology with “hands on” collector activity. The system, as planned, will provide each collector with a personal video terminal providing instant access to individual debtor status and will furnish the collector with “user friendly” software on pure collection efforts. TACT will also eliminate the tedious and time consuming manual tasks previously associated with collectors’ work. More accurate and update data will be available on screens resulting in higher productivity and more effective collection service culminating with higher recoveries.

TACT is currently being evaluated and will then progress to the systems development stage and finally into the programming and debugging stage. The success and final implementation of TACT is dependent on the system meeting certain criteria and performance objectives. We are confident that TACT can perform to our expectations and will ultimately complete FCA’s totally automated system in which TACT will be linked to iBASE through ADNET.





COMMUNICATION DEVICES

FCA realizes the key to good client/agency relationships is clear and clean communication channels. This is achieved through good forms design and their support systems. Each form is designed by FCA systems personnel to perform a specific and useful function based on input from FCA field representatives who maintain active communication with FCA clients.

Certain client reports are now being generated through an ultra high speed laser printing process which permits a faster turn-around and easier-to-read documents. FCA is currently conducting tests using the laser to generate collection notices to further upgrade and improve the results of our notice program.

The two most important documents a client will ever see are the Client Invoice Statement (CIS) and its accompanying check. This printout reflects the results of our collection techniques. It is the proof and the end result expressed in the best possible way - dollars recovered.

OUR REF	YOUR ACCOUNT NO.	DEBTOR NAME	AMOUNT
6621 - 2802	8475849	BARBY, JOHN	56.00
6621 - 2804	8526231	GRANDY, RICHARD	56.00
6621 - 3451	8667345	HILL, HILDA	117.34
6621 - 3461	2437888	HILL, HILDA	7.20
6621 - 3435	3335861	HILL, HILDA	14.00
6621 - 8533	8677722	HILL, HILDA	7.50
6621 - 2204	3344523	HILL, ROBERT	14.00
6621 - 8943	8868773	HILL, ROBERT	68.00
6621 - 8771	8471112	ROGERS, ROBERT	483.53
6621 - 4432	7722330	BLACK, ROSE	7.50
6621 - 8346	9022324	SMITH, PEARL	1,395.15
6621 - 9345	8407662	BROWN, JAMES	56.00
6621 - 8864	2221115	BROWN, MARY	88.25
6621 - 8509	8987442	TYLER, HARRY	56.20
6621 - 6570	4553221	LAUFER, HENRY	42.00
6621 - 8523	7088234	JOHNSON, MICHAEL	332.00
6621 - 3332	2324467	JERSON, MARK	36.00
6621 - 3353	7363220	HILLER, JAMES	18.56
6621 - 3542	2324467	TELES, TINA	46.00
6621 - 4451	3436118	SIMPSON, FREDERICK	7.30
TOTAL ACCOUNTS		DO FOR \$3,692.25	THANK YOU

16 MAY 79
 FCA REQUESTS TO ACKNOWLEDGE RECEIPT OF YOUR ACCOUNTS FOR IMMEDIATE COLLECTION ACTIVITY.
 USE THE SELF CONTACTED RETURN ENVELOPE OR CALL THE NUMBER BELOW FOR ADDITIONAL REQUISITES.
 KEY#99-215445*ACE
 HUDSON MEDICAL INSTITUTE
 WONE STREET
 ROCHESTER PA 15074
 FINANCIAL COLLECTION AGENCIES
 SUITE 655
 SEVEN PARKWAY CENTER
 PITTSBURGH PA 15210
 TELEPHONE (412)922-6346
 ASK FOR ARTHUR EDITH, JR.

FINANCIAL COLLECTION AGENCIES

**** NEW ASSIGNMENT FOR COLLECTION ****

WE ADVISED YOUR DEBTOR ACCOUNT HAS BEEN ASSIGNED TO THIS COMPANY FOR IMMEDIATE COLLECTION ACTIVITY WITH ALL YOUR FILES AND RECORDS LOCATED AT THIS OFFICE. WE ARE A PROFESSIONAL COLLECTIONS COMPANY. THE AMOUNT RECORDED AS OWING ON THE RIGHT MUST BE PAID IMMEDIATELY.

WE VALUE OUR REPUTATION FOR SWIFT FINALIZATION OF DELINQUENT ACCOUNTS, USUALLY WITH VOLUNTARY CO-OPERATION. WE ARE PREPARED TO SETTLE THE ACCOUNT WITHOUT IMPROVEMENT TO YOU IF POSSIBLE, BUT WE INTEND TO LIVE UP TO OUR REPUTATION. IT IS IN YOUR OWN INTERESTS THEREFORE TO CO-OPERATE FULLY.

IF THIS MATTER IS TO BE SETTLED IN A FRIENDLY WAY, WE URGE YOU TO SEND ALL MONIES OWING IN THE ENCLOSED SELF-ADDRESSED ENVELOPE.

YOU ONE SPECIAL MANUFACTURES
 NUMBER 36449
 AMOUNT \$921.60
 KEY#AL2347381*2746-6426-02304
 J. HUGH CO. INC.
 136 MAIN STREET,
 FAIRMOUNT, ALASKA
 FINANCIAL COLLECTION AGENCIES
 1234 CENTRAL STREET,
 ANCHORAGE,
 ALASKA 97168
 23 MAY 85
 TELEPHONE (907) 233 4547

1234 Central Street
 Anchorage, Alaska 97168

FIRST CLASS MAIL

J. Hugh Co. Inc.
 136 Main Street
 Fairmount, Alaska

PERSONAL and CONFIDENTIAL

DATE SENT, TIME APPROVED, BY WHOM, AND FROM WHERE

FINANCIAL COLLECTION AGENCIES

CLIENTS LIST BY FILE NUMBER

FILE NO.	AMOUNT	DATE	STATUS
1000000000	100.00	05/23/85	PAID
1000000001	100.00	05/23/85	PAID
1000000002	100.00	05/23/85	PAID
1000000003	100.00	05/23/85	PAID
1000000004	100.00	05/23/85	PAID
1000000005	100.00	05/23/85	PAID
1000000006	100.00	05/23/85	PAID
1000000007	100.00	05/23/85	PAID
1000000008	100.00	05/23/85	PAID
1000000009	100.00	05/23/85	PAID
1000000010	100.00	05/23/85	PAID
1000000011	100.00	05/23/85	PAID
1000000012	100.00	05/23/85	PAID
1000000013	100.00	05/23/85	PAID
1000000014	100.00	05/23/85	PAID
1000000015	100.00	05/23/85	PAID
1000000016	100.00	05/23/85	PAID
1000000017	100.00	05/23/85	PAID
1000000018	100.00	05/23/85	PAID
1000000019	100.00	05/23/85	PAID
1000000020	100.00	05/23/85	PAID
1000000021	100.00	05/23/85	PAID
1000000022	100.00	05/23/85	PAID
1000000023	100.00	05/23/85	PAID
1000000024	100.00	05/23/85	PAID
1000000025	100.00	05/23/85	PAID
1000000026	100.00	05/23/85	PAID
1000000027	100.00	05/23/85	PAID
1000000028	100.00	05/23/85	PAID
1000000029	100.00	05/23/85	PAID
1000000030	100.00	05/23/85	PAID
1000000031	100.00	05/23/85	PAID
1000000032	100.00	05/23/85	PAID
1000000033	100.00	05/23/85	PAID
1000000034	100.00	05/23/85	PAID
1000000035	100.00	05/23/85	PAID
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1000000038	100.00	05/23/85	PAID
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1000000040	100.00	05/23/85	PAID
1000000041	100.00	05/23/85	PAID
1000000042	100.00	05/23/85	PAID
1000000043	100.00	05/23/85	PAID
1000000044	100.00	05/23/85	PAID
1000000045	100.00	05/23/85	PAID
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1000000047	100.00	05/23/85	PAID
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1000000053	100.00	05/23/85	PAID
1000000054	100.00	05/23/85	PAID
1000000055	100.00	05/23/85	PAID
1000000056	100.00	05/23/85	PAID
1000000057	100.00	05/23/85	PAID
1000000058	100.00	05/23/85	PAID
1000000059	100.00	05/23/85	PAID
1000000060	100.00	05/23/85	PAID
1000000061	100.00	05/23/85	PAID
1000000062	100.00	05/23/85	PAID
1000000063	100.00	05/23/85	PAID
1000000064	100.00	05/23/85	PAID
1000000065	100.00	05/23/85	PAID
1000000066	100.00	05/23/85	PAID
1000000067	100.00	05/23/85	PAID
1000000068	100.00	05/23/85	PAID
1000000069	100.00	05/23/85	PAID
1000000070	100.00	05/23/85	PAID
1000000071	100.00	05/23/85	PAID
1000000072	100.00	05/23/85	PAID
1000000073	100.00	05/23/85	PAID
1000000074	100.00	05/23/85	PAID
1000000075	100.00	05/23/85	PAID
1000000076	100.00	05/23/85	PAID
1000000077	100.00	05/23/85	PAID
1000000078	100.00	05/23/85	PAID
1000000079	100.00	05/23/85	PAID
1000000080	100.00	05/23/85	PAID
1000000081	100.00	05/23/85	PAID
1000000082	100.00	05/23/85	PAID
1000000083	100.00	05/23/85	PAID
1000000084	100.00	05/23/85	PAID
1000000085	100.00	05/23/85	PAID
1000000086	100.00	05/23/85	PAID
1000000087	100.00	05/23/85	PAID
1000000088	100.00	05/23/85	PAID
1000000089	100.00	05/23/85	PAID
1000000090	100.00	05/23/85	PAID
1000000091	100.00	05/23/85	PAID
1000000092	100.00	05/23/85	PAID
1000000093	100.00	05/23/85	PAID
1000000094	100.00	05/23/85	PAID
1000000095	100.00	05/23/85	PAID
1000000096	100.00	05/23/85	PAID
1000000097	100.00	05/23/85	PAID
1000000098	100.00	05/23/85	PAID
1000000099	100.00	05/23/85	PAID
1000000100	100.00	05/23/85	PAID

FINANCIAL COLLECTION AGENCIES

COLLECTION CONTROL

FINANCIAL COLLECTION AGENCIES

DATE SENT, TIME APPROVED, BY WHOM, AND FROM WHERE

CLIENTS LIST BY FILE NUMBER

1000000000

1000000001

1000000002

1000000003

1000000004

1000000005

1000000006

1000000007

1000000008

1000000009

1000000010

1000000011

1000000012

1000000013

1000000014

1000000015

1000000016

1000000017

1000000018

1000000019

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FINANCIAL COLLECTION AGENCIES



SERVICE DIVISIONS

COMMERCIAL DIVISION – A commercial claim arises from an obligation to pay for goods sold or leased, services rendered or monies loaned for use in the conduct of a business and not for personal consumption.

Commercial collections present a unique collection challenge by the very nature of the entities involved and so require equally unique collection techniques. FCA has developed a very progressive and effective Commercial Division staffed with specialized professionals who are supported by computer technology. It is for these reasons that the Commercial Division is playing an increasingly important part in FCA's overall collection operation and today accounts for a substantial part of FCA's business.

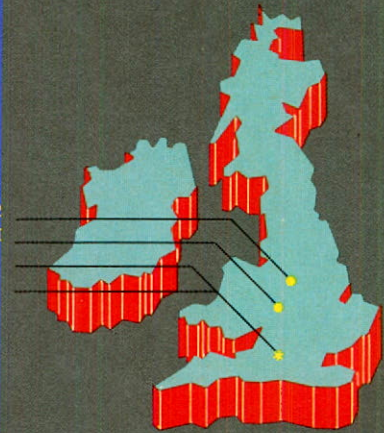
RETAIL DIVISION – A retail claim arises from an obligation to pay for goods sold or leased, services rendered, or monies loaned for personal use.

FCA's strength in the Retail Division is, quite simply, unmatched in the collection industry. Operating in this area since 1926, today, FCA serves over 12,000 active clients throughout the U.S., Canada, United Kingdom and the Caribbean. No other agency performs like FCA's Retail Division. If it can be collected, FCA will collect it!

INSTITUTIONAL DIVISION – An institutional claim arises from an obligation to pay for services rendered, materials sold or leased or monies loaned to an individual through or by an institution, whether it be private or public.

This is the newest and possibly most exciting division of FCA. Functioning for just over a decade, FCA's Institutional Division now serves over 1000 schools throughout FCA's operating network. The Division has been characterized by strong, steady growth through widespread acceptance by supplying a significant service to a variety of institutions. In addition, parallel divisions have been established and are successfully serving the government (Federal, state and municipal) and hospital markets.

MANCHESTER
BIRMINGHAM
LONDON
LONDON



UNITED KINGDOM

EXECUTIVE CENTERS

ATLANTA
(404) 261-3865

CHICAGO
(312) 822-9720

LONDON (U.K.)
(01) 317-1616

LOS ANGELES
(818) 574-3031

MONTREAL
(514) 483-4211

NEW YORK
(212) 869-8250

PHILADELPHIA
(215) 687-4601

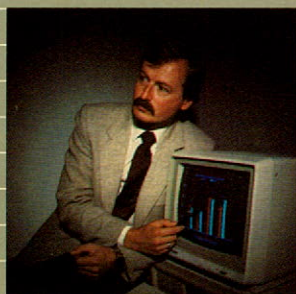
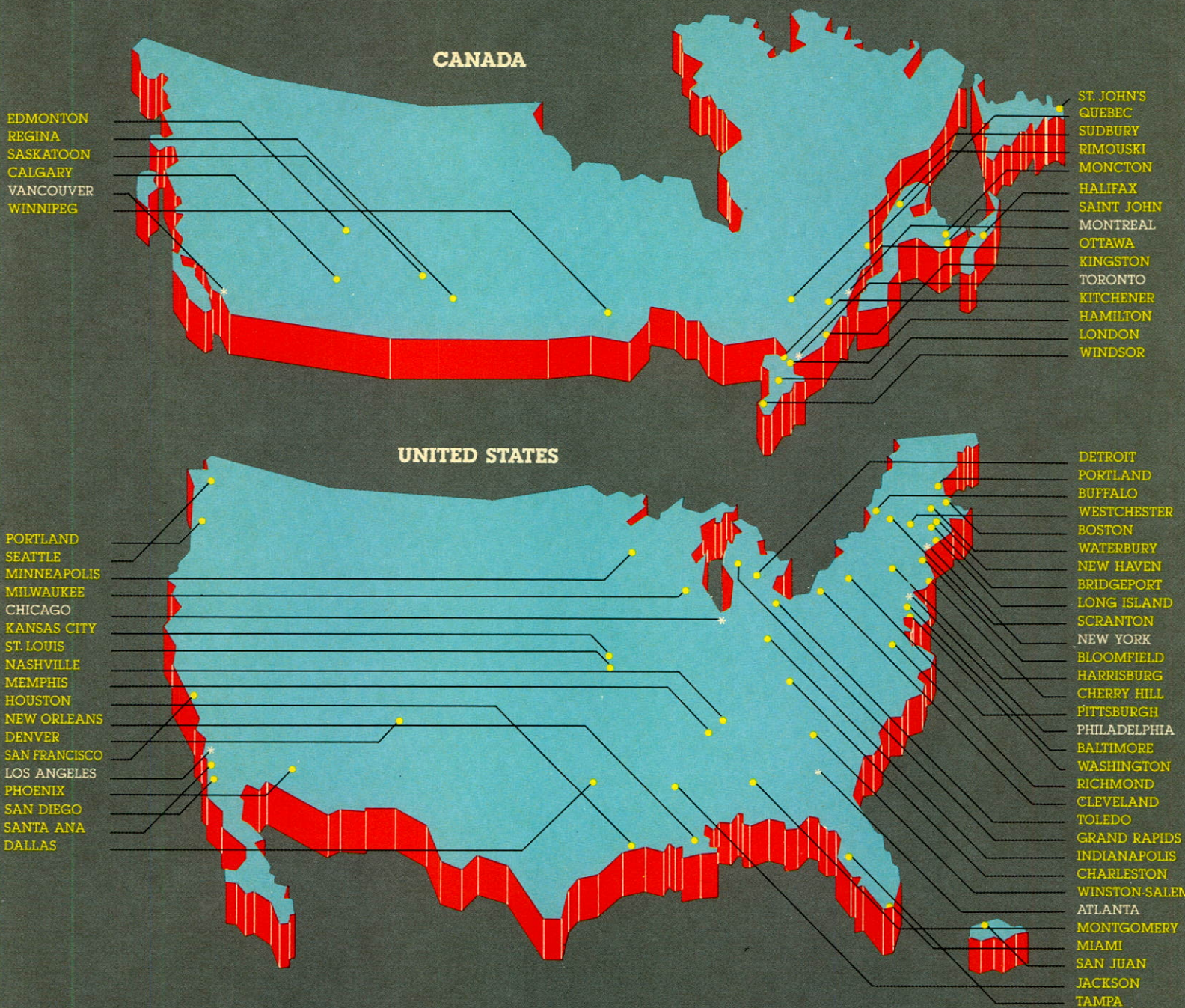
TORONTO
(416) 977-4151

VANCOUVER
(604) 263-1442

Legend

- * EXECUTIVE CENTER & COLLECTION OFFICE
- COLLECTION OFFICE





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1983

1. SIGNIFICANT ACCOUNTING POLICIES AND REQUIREMENTS

Basis of consolidation

These consolidated financial statements include the accounts of the Corporation and all subsidiaries, all of which are wholly-owned.

Translation of foreign currencies

The Corporation's foreign operations are all of a self-sustaining nature. The assets and liabilities of foreign operations are translated at the exchange rates prevailing at the balance sheet date and revenue and expenses at average exchange rates for the year. Gains or losses on translation are shown as a separate component in shareholders' equity.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and amortization. Assets of United States corporations are depreciated by the straight-line method at rates varying between 5% and 33 1/3%. Assets of other corporations are depreciated by the diminishing balance method at rates varying between 10% and 30%.

Deferred charges

These charges represent systems program development costs incurred by a subsidiary corporation and relate to a contract obtained by that subsidiary. These charges are being amortized over the life of the contract using the straight-line method.

Goodwill

Goodwill represents the excess of the cost of investment in businesses purchased over the cost assigned to net assets acquired and is being amortized over forty years.

Revenue

Revenue is recognized upon receipt of funds from collections. Funds held in trust for clients are remitted within one month of the month of collection.

Segmented information

Gross revenue from operations was earned \$31,925,364 (1982 - \$26,824,177) in the United States, \$14,918,392 (1982 - \$12,614,176) in Canada and \$3,616,547 (1982 - \$2,505,430) in the United Kingdom and elsewhere. Earnings before income taxes was earned \$5,479,351 (1982 - \$4,082,490) in the United States, \$2,838,644 (1982 - \$3,108,609) in Canada and \$2,293,310 (1982 - \$1,140,944) in the United Kingdom and elsewhere. Total assets consist of identifiable assets of \$15,328,259 (1982 - \$12,725,262) in the United States, \$10,141,751 (1982 - \$8,620,326) in Canada, \$6,599,412 (1982 - \$5,480,366) in the United Kingdom and elsewhere and goodwill on consolidation of \$1,209,225 (1982 - \$1,243,883).

2. CHANGE IN ACCOUNTING POLICY

During the year the Corporation changed retroactively to the year ended June 30, 1978 its method of translating foreign currency assets and liabilities. These assets and liabilities are now translated at June 30 rates.

In prior years, current assets and current liabilities were translated at the rates prevailing at the balance sheet date with unrealized foreign exchange gains and losses included in earnings. Other assets and liabilities and related depreciation and amortization were translated at the rate of exchange at the date of acquisition.

Consequently the balances of retained earnings at June 30, 1982 and June 30, 1981, previously reported as \$17,116,513 and \$13,202,197 respectively, have been restated to show the retroactive charge of \$512,235 of which \$165,112 relates to the year ended June 30, 1982 and the balance of \$347,123 relates to the years ended June 30, 1978 to June 30, 1981. The effect of this change in accounting policy resulted in an increase in 1983 net earnings of \$839,030 or \$0.19 per share (1982 - a decrease of \$165,112 or \$0.04 per share). The cumulative translation adjustments have been reported as \$20,404 as at June 30, 1983 (1982 - \$1,092,373) after having accounted for the decrease in translation adjustments in the amount of \$1,071,969 for the year ended June 30, 1983 (an increase of \$418,958 in 1982).

3. FIXED ASSETS

	1983	1982
	\$	\$
Real estate	15,465	15,465
Computer equipment and programs	3,907,919	2,536,390
Automobiles	797,427	776,922
Furniture and fixtures	3,405,051	2,547,354
Leasehold improvements	1,397,706	782,141
Cost	9,523,568	6,658,272
Accumulated depreciation and amortization	4,185,306	3,353,949
	<u>5,338,262</u>	<u>3,304,323</u>

4. LONG-TERM LEASES

The annual minimum rental for leased premises, exclusive of additional amounts based on taxes and operating expenses, under long-term leases is \$1,695,000 for the year ending June 30, 1984, \$1,384,000 for the year ending June 30, 1985, \$1,035,000 for the year ending June 30, 1986, \$790,000 for the year ending June 30, 1987 and \$435,000 for the year ending June 30, 1988.

Board of Directors

Edward A. Doyle
John A. Gordonsmith
A. Peter Hendricks
Maurice V. Karmen
Bernard C. Klemann
George F. Kopp
Jack D. Lubotta
Mark S. Lubotta
Martin J. Lubotta
John H. Moynan
Bernard R. Noble
Robert J. Prince
Irving Shapiro
Gerald R. Stephens
Gordon C. Watt

Financial Collection Agencies

D. F. Atkinson - Senior Vice-President and General Manager, Canadian Operations, J. Cape - Vice-President, L. A. Charleston - Assistant Director, Institutional Division, E. Craig - Vice-President Regional Operations, B. Crooks - Assistant Vice-President, C. Davis - Manager of Services, UK Group, Birmingham, T. Denver - Assistant Vice-President, C. Diaz - Assistant Vice-President, E. A. Doyle - Corporate Executive Vice-President, UK Managing Director, D. Ghosh - Assistant Company Secretary UK Group, T. F. Gillespie - Vice-President, J. A. Gordonsmith - Corporate Senior Vice-President, Secretary UK Director, M. S. Grossman - Vice-President, A. P. Hendricks - Corporate Executive Vice-President, UK Director, B. B. Hopewell - Senior Vice-President, M. V. Karmen - Corporate Executive Vice-President, B. C. Klemann - Corporate Executive Vice-President, G. F. Kopp - Corporate Senior Vice-President, P. Labelle - Vice-President, Accounting Services, F. Lang - Assistant Vice-President, Marketing, H. L. Letourneau - Vice-President, R. Lewis - Assistant Vice-President, Regional Auditor, J. Logan - General Manager, Corporate Accounting Services, P. Lortz - Assistant Vice-President, Marketing, J. D. Lubotta - President and Chief Executive Officer, M. S. Lubotta - Corporate Executive Vice-President, Treasurer, UK Director, L. Marks - Honorary Board, J. Maisonneuve - Manager, General Accounting Services, J. M. Materek - Assistant Vice-President, T. Meagher - Director of Collection Operations, UK Group, London, J. H. Moynan - Corporate Senior Vice-President, Director of Administrative Services, B. R. Noble - Senior Vice-President, Director, S. Osman - Company Secretary & Accountant, UK Group, M. Ovadia - Assistant Controller, S. Owens - Assistant Vice-President, R. F. Padgham - Manager, Advertising, R. J. Prince - Corporate Senior Vice-President, Director Institutional Division, J. Robertson - Manager, Computer Operations, H. A. Rooth - Vice-President, J. A. Scott - Vice-President, M. M. Scullion - Manager, Communications, I. W. Sellors - Vice-President, A. J. Sheldon - Vice-President, P. Sisson - Assistant Vice-President, G. R. Stephens - Corporate Executive Vice-President, Assistant Secretary, UK Director, D. P. Tibbetts - Vice-President, J. Vallee - General Manager of Computer Information Services, R. Vaughan - Assistant Vice-President, Regional Co-ordinator, D. C. Withers - Director and General Manager, CN&N, J. Worsely - Collection Co-ordinator, UK Group, London, T. A. Wunsch - Vice-President, Hospital/Medical Division.





INTERNATIONAL DIRECTORY OF OFFICES

Atlanta	(404) 261-3865	Suite 514, 3030 Peachtree Road North West, Atlanta, Georgia 30305
Baltimore	(301) 583-8400	Suite 203, Cromwell Center, 809 Glenegles Court, Townson, Maryland 21204
Bloomfield	(201) 777-3565	2nd Floor, 925 Clifton Avenue, Clifton, New Jersey, 07013
Boston	(617) 321-6100	Suite 201, 214 Commercial Street, Malden, Massachusetts 02148
Bridgeport	(203) 374-2033	4695 Main Street, Lower Level, Bridgeport, Connecticut 06606
Buffalo	(716) 852-6481	Suite 826-830, Main & Seneca Building, 237 Main Street, Buffalo New York 14203
Charleston	(304) 343-8813	2nd Floor, 1206 Kanawha Boulevard, Charleston, West Virginia 25301
Cherry Hill	(609) 234-9000	Suite H, 139 Gaither Drive, Mt. Laurel, New Jersey 08054
Chicago	(312) 822-9720	Suite 2230, 500 North Michigan Avenue, Chicago, Illinois 60611
Cleveland	(216) 842-6768	Suite 301, Lincoln Tower, 6902 Pearl Road, Cleveland, Ohio 44130
Dallas	(214) 748-9823	Suite 300, 2906 Maple Avenue, Dallas, Texas 75201
Denver	(303) 759-8020	Suite GL100, 1777 South Bellaire Street, Denver, Colorado 80222
Detroit	(313) 557-1430	Suite 436, North Park Plaza Building, 17117 West Nine Mile Road, Southfield, Michigan 48075
Grand Rapids	(616) 531-3222	1851 R. W. Berends Drive, SW, Wyoming, Michigan 49509
Harrisburg	(717) 761-7373	Hemlock Building, 5000 Lenker Street, Mechanicsburg, Pennsylvania 17055
Houston	(713) 789-7120	Suite 216, 1 Westheimer Place, 2620 Fountain View, Houston, Texas 77057
Indianapolis	(317) 788-9711	Suite 33, 537 Turtle Creek South Drive, Indianapolis, Indiana 46227
Jackson	(601) 362-8643	2616-A Southerland, Jackson, Mississippi 39216
Kansas City	(913) 236-6200	Suite 425, 1900 West 47th Place, Shawnee Mission, Kansas 66205
Long Island	(516) 746-7800	Suite 200, 300 Garden City Plaza, Garden City, Long Island, New York 11530
Los Angeles	(818) 574-3031	601 West Las Tunas, Arcadia, California 91006
Memphis	(901) 365-8100	Suite 370, Building D, 2500 Mt. Moriah Road, Memphis, Tennessee 38118
Miami	(305) 652-9595	Suite 208, 951 North East 167th Street, North Miami Beach, Florida 33162
Milwaukee	(414) 463-6010	Suite 50, 9120 West Hampton Avenue, Milwaukee, Wisconsin 53225
Minneapolis	(612) 222-1533	7800 Metro Parkway, Suite 112, Bloomington, Mn. 55420
Montgomery	(205) 262-6111	Suite 210, 555 South Perry St., Montgomery, Alabama 36104
Nashville	(615) 859-3842	Suite 215, 515 Two Mile Parkway, Goodlettsville, Tennessee 37072
New Haven	(203) 932-5861	1088 Orange Avenue, West Haven, Connecticut 06511
New Orleans	(504) 246-3891	Suite 312, 10001 Lake Forest Boulevard, New Orleans, Louisiana 70127
New York	(212) 869-8250	Suite 400, 311 W. 43rd Street, New York, New York 10036
Philadelphia	(215) 687-4601	Suite 300, Devon Hill Plaza, Devon, Pennsylvania 19333
Phoenix	(602) 264-2755	Suite 100, 550 West Indian School Road, Phoenix, Arizona 85013
Pittsburgh	(412) 922-8500	Suite 655, Seven Parkway Center, Pittsburgh, Pennsylvania 15220
Portland	(503) 760-6880	15348 South East Division, Portland, Oregon 97236
Portland	(207) 781-4030	Falmouth Shopping Center, U.S. Route 1, Falmouth, Maine 04105
Richmond	(804) 353-9525	Suite 201, 2120 Staples Mill Road, Richmond, Virginia 23230
St. Louis	(314) 569-3555	Suite B-20, 2388 Shuertz Road, St. Louis, Missouri 63141
San Diego	(619) 292-0804	6633 Convoy Court, San Diego, California 92111
San Francisco	(415) 364-3036	Suite 307, 654 Bair Island Road, Redwood City, California 94063
San Juan	(809) 723-9530	Suite 706, Miramar Plaza, 954 Ponce de Leon Avenue, Santurce, Puerto Rico 00907
Santa Ana	(714) 953-7447	Suite 201, 1850 East 17th Street, Santa Ana, California 92711
Scranton	(717) 961-2400	Suite 404, 401 Adams Avenue, Scranton, Pennsylvania 18501
Seattle	(206) 583-2000	Suite 440, United Airlines Bldg, 2033 Sixth Ave., Seattle, Washington 98121
Tampa	(813) 875-1269	Suite 305, 324 N. Dale Mabry, Tampa, Florida 33609
Toledo	(419) 865-8045	Suite 210, 5355 Southwyck Boulevard, Toledo, Ohio 43614
Washington	(301) 731-4020	Suite 801, 5900 Princess Garden Parkway, Lanham, Maryland 20706
Waterbury	(203) 755-2231	Elton Hotel, 30 West Main Street, Waterbury, Connecticut 06720
Westchester	(914) 681-0202	Suite 310, Fortune Building, 280 North Central Avenue, Hartsdale, New York 10530
Winston-Salem	(919) 721-1940	2075A Kerensky Street, Winston-Salem, North Carolina 27113-5896
Calgary	(403) 258-2221	Suite 200, Center 7500, 7500 MacLeod Trail S., Calgary, Alberta T2h 0L9
Edmonton	(403) 482-5412	Suite 201, 12315 Stony Plain Road, Place 123, Edmonton, Alberta T5N 3N2
Halifax	(902) 429-9160	Suite 701, 1888 Brunswick Street, Halifax, Nova Scotia B3J 3J8
Hamilton	(416) 526-1721	Suite 808, Union Gas Building, 20 Hughson Street South, Hamilton, Ontario L8N 2A1
Kingston	(613) 549-6774	Suite 209, Westgate Square, 847 Princess Street, Kingston, Ontario K7L 1G9
Kitchener	(519) 576-3530	Suite 307, 7 Duke Street West, Kitchener, Ontario N2H 6N7
London	(519) 673-0280	Suite 406, Royal Bank Building, 383 Richmond Street, London, Ontario N6A 3C4
Moncton	(506) 855-2977	Suite 301, 814 Main Street, Moncton, New Brunswick E1C 1E6
Montreal	(514) 483-4211	376 Victoria Avenue, Westmount, Montreal, Quebec H3Z 2N4
Montreal	(514) 384-4211	Main Floor, 9697 St. Laurent Boulevard, Montreal, Quebec H3L 3R6
Ottawa	(613) 235-1831	Suite 201, 170 Metcalfe Street, Ottawa, Ontario K2P 1P3
Quebec	(418) 529-9481	Suite 150, 1150 Scott Street, Quebec City, Quebec G1R 3E5
Regina	(306) 522-6624	Suite 208, 1911 Park Street, Regina, Saskatchewan S4N 2G5
Rimouski	(418) 723-9274	Suite 128, 116 St. Germain West, Rimouski, Quebec G5L 4B5
Saint John	(506) 657-3434	Suite 500, Parrtown Place, 32 King Street, Saint John, New Brunswick E2L 1G3
Saskatoon	(306) 652-7712	Suite 303, 416-21st Street East, Saskatoon, Saskatchewan S7K 0C2
St. John's	(709) 753-7390	Suite 203, 432 Water Street, St. John's, Newfoundland A1C 1E2
Sudbury	(705) 673-8462	7th Floor, 111 Larch Street, Sudbury, Ontario P3E 4N3
Toronto	(416) 977-4151	9th Floor, 415 Yonge Street, Toronto, Ontario M5B 2E7
Vancouver	(604) 263-1442	Suite 300, 5511 West Boulevard, Vancouver, British Columbia V6C 3W5
Windsor	(519) 258-1856	Suite 509, 251 Goyeau Street, Windsor, Ontario N9A 6R5
Winnipeg	(204) 942-7544	Suite 501, 294 Portage Ave., Winnipeg, Manitoba R3C 0B9
Birmingham	(201) 236-5127	61 Cornwall Street, Birmingham, England B3 2EE
London	(01) 317-1616	11th Floor, Riverside House, London SE18 6DN, England
Manchester	(061) 236-8922	Austin House, 14/16 Charlotte St., Manchester, England M1 4FL

