



## CORPORATE GOVERNANCE

Corporate governance refers to the structures and processes employed by the Company to direct and manage its business and affairs, so as to best achieve the Company's objectives. The Board of Directors and management of the Company view sound corporate governance practices as an essential component of the efficient and profitable operation of the Company.

The shareholders elect the Directors who in turn are responsible for overseeing all aspects of the operation of the Company, including appointing management and ensuring that the business is managed properly, taking into account the interests of the shareholders and other stakeholders such as employees, clients, suppliers and the community at large.

The Board of Directors discharges its responsibilities directly and through its committees which consist of an Audit Committee and a Compensation Committee. The Board of Directors meets regularly to

review the business operations and financial results of the Company, including regular meetings with management to discuss specific aspects of the operations of the Company. During the year ended December 31, 2001, there were six meetings of the Board of Directors.

Specific responsibilities of the Board of Directors include reviewing and approving:

- the Company's strategic and operating plans
- significant operational and financial matters and providing direction to management on these matters
- corporate objectives and goals applicable to the senior management personnel of the Company
- credit above certain limits which include loans to clients and assumption of credit risk
- quarterly and annual financial statements, and other major communications to shareholders and the investing public

### AUDIT COMMITTEE

The Audit Committee makes recommendations as to the implementation and operation of internal controls and financial systems. The Committee reviews the annual consolidated financial statements with management and the external auditors before making any recommendations to the Board relating to approval of the statements. When required, the Committee meets directly with the independent auditors. Interim financial statements are reviewed with the full Board at regular meetings. During 2001 there was one meeting of this committee.

### COMPENSATION COMMITTEE

The Compensation Committee makes recommendations to the Board with respect to the remuneration of executive officers of the Company. The Committee reviews compensation paid to management of similarly sized companies to ensure that

remuneration is consistent with industry standards. The Committee also considers and makes recommendations with respect to such matters as incentive plans, employee benefit plans and the structure and granting of stock options. During 2001 there were two meetings of this committee.

#### OTHER MATTERS

The size of the Board is appropriate for Accord as the members, other than the president, are unrelated (free from conflicting interest), reflect diverse expertise, and function independently of management. Although neither a corporate governance committee nor a nominating committee has yet been formed, the Board of Directors and its committees have had, and continue to have, varied responsibilities. They include nominating new directors, assessing the effectiveness of the Board as a whole and the contribution of individual directors, reviewing the adequacy and form of compensation of

directors, and approving requests of directors to engage outside advisors at the expense of the Company.

The Board of Directors does not have a formal chair and it is felt that given the current structure of the Board, one is not needed. The Board of Directors believes that there are adequate structures and processes in place to facilitate the functioning of the Board independent from management without the need for a chair. Should a need develop in the future, the Board will consider whether a formal or acting chair or a “lead” director is needed.

#### EXPECTATIONS OF MANAGEMENT

The Board expects management to operate the Company in accordance with approved annual business and strategic plans, to do everything possible to enhance shareholder value and to manage the Company in a prudent manner. Management is expected

to provide regular financial and operating reports to the Board and to make the Board aware of all important issues and major business developments, particularly those which had not been previously anticipated. Management is expected to find opportunities for business acquisitions and expansion, and to make appropriate recommendations to the Board.

*The Company's corporate governance practices comply with the fundamental principles underlying the guidelines outlined by The Toronto Stock Exchange.*



## MANAGEMENT'S REPORT TO THE SHAREHOLDERS

The management of Accord Financial Corp. is responsible for the preparation, presentation and integrity of the consolidated financial statements, financial information and discussion and analysis contained in this annual report. This responsibility includes the selection of the accounting principles in addition to judgments and estimates in accordance with Canadian generally accepted accounting principles appropriate in the circumstances. The accounting principles which form the basis of the consolidated financial statements and the more significant policies applied are described in note 1 to the consolidated financial statements.

In order to meet its responsibility, management maintains systems of accounting and administrative controls that assure, on a reasonable basis, the reliability of financial information and the orderly and efficient conduct of the Company's business.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board is assisted in exercising its responsibilities through the Audit Committee of the Board, which is composed of non-management Directors. The Committee meets periodically with management and the auditors to satisfy itself that management's responsibilities are properly discharged, to review the consolidated financial statements and to recommend approval of the consolidated financial statements to the Board.

KPMG LLP, independent auditors appointed by the shareholders, express an opinion on the fair presentation of the consolidated financial statements. They have full and unrestricted access to the Audit Committee and management to discuss matters arising from their audit, which includes a review of accounting records and internal controls.

### *Signed*

Fred Fishman  
Treasurer & Chief Financial Officer

Toronto, Ontario  
February 22, 2002



## AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the consolidated balance sheets of Accord Financial Corp. as at December 31, 2001 and 2000 and the consolidated statements of earnings, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

### *Signed*

Chartered Accountants

Toronto, Canada  
February 22, 2002



## CONSOLIDATED BALANCE SHEETS

December 31, 2001 and 2000

	2001	2000
<b>Assets</b>		
Factored receivables and loans, net (note 2)	\$ 55,777,208	\$ 69,487,761
Cash	333,534	229,862
Income tax receivable	1,388,600	—
Other assets (note 3)	396,401	463,112
Capital assets, net (note 4)	1,156,027	1,242,780
Investment in and advances to affiliate (note 5)	6,743,109	5,993,101
Intangible assets and goodwill (note 6)	1,531,792	1,868,399
	<b>\$ 67,326,671</b>	<b>\$ 79,285,015</b>
<b>Liabilities</b>		
Bank indebtedness (note 7)	\$ 11,731,816	\$ 30,748,011
Due to clients	7,932,182	3,486,894
Accounts payable and other liabilities	1,998,533	2,985,610
Income taxes payable	—	287,824
Deferred income	936,842	1,124,303
Notes payable (note 8)	2,118,706	1,465,683
	<b>24,718,079</b>	<b>40,098,325</b>
<b>Shareholders' equity</b>		
Capital stock (note 9)	4,091,560	4,091,560
Retained earnings	33,848,766	32,260,295
Cumulative translation adjustment	4,668,266	2,834,835
	<b>42,608,592</b>	<b>39,186,690</b>
<b>Commitments and contingencies</b> (notes 2, 5, 7, 8, 12, and 13)		
	<b>\$ 67,326,671</b>	<b>\$ 79,285,015</b>

See accompanying notes to consolidated financial statements.

On behalf of the Board

*Signed*

Ken Hitzig, Director

*Signed*

Austin C. Beutel, Director

## *CONSOLIDATED STATEMENTS OF EARNINGS*

Years ended December 31, 2001 and 2000

	2001	2000
<b>Revenue</b>		
Factoring commissions, discounts, interest and other income	\$ 27,618,601	\$ 30,663,976
Equity in earnings of affiliate (note 5)	578,634	367,258
	<b>28,197,235</b>	<b>31,031,234</b>
<b>Expenses</b>		
Interest	1,569,770	2,516,015
General and administrative	14,421,488	14,421,428
Credit and loan losses	6,753,902	1,328,666
Amortization	828,270	654,380
	<b>23,573,430</b>	<b>18,920,489</b>
Earnings before income taxes	4,623,805	12,110,745
Income taxes (note 10)	1,704,878	4,683,281
<b>Net earnings</b>	<b>\$ 2,918,927</b>	<b>\$ 7,427,464</b>
<b>Earnings per common share (note 11)</b>		
Basic	\$ 0.31	\$ 0.79
Fully diluted	\$ 0.30	\$ 0.76

## *CONSOLIDATED STATEMENTS OF RETAINED EARNINGS*

Years ended December 31, 2001 and 2000

	2001	2000
Retained earnings, beginning of year	\$ 32,260,295	\$ 26,154,915
Net earnings	2,918,927	7,427,464
Dividends	(1,330,456)	(1,322,084)
<b>Retained earnings, end of year</b>	<b>\$ 33,848,766</b>	<b>\$ 32,260,295</b>

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2001 and 2000

	2001	2000
Cash provided by (used in)		
<b>Operating activities</b>		
Net earnings	\$ 2,918,927	\$ 7,427,464
Items not affecting cash		
Allowance for losses	(300,860)	57,432
Deferred income	(187,461)	96,357
Amortization	828,270	654,380
Future income tax	50,209	(55,216)
Equity in earnings of affiliate	(578,634)	(367,258)
	<b>2,730,451</b>	<b>7,813,159</b>
Change in non-cash working capital items		
Receivables and loans to clients	14,011,413	(14,552,047)
Due to clients	4,445,288	(1,365,010)
Income taxes receivable, net	(1,676,424)	37,260
Other assets	16,502	(48,315)
Accounts payable and other liabilities	(997,077)	(138,046)
Change from translation	1,730,988	1,070,756
	<b>17,530,690</b>	<b>(14,995,402)</b>
	<b>20,261,141</b>	<b>(7,182,243)</b>
<b>Investing activities</b>		
Advances to affiliate	(821,375)	(2,095,847)
Expenditures on capital assets, net	(292,466)	(511,851)
Dividends from affiliate	650,000	245,000
	<b>(463,841)</b>	<b>(2,362,698)</b>
<b>Financing activities</b>		
Bank indebtedness	(19,016,195)	10,034,071
Notes issued, net	653,023	724,248
Options exercised	—	300,650
Dividends paid	(1,330,456)	(1,322,084)
	<b>(19,693,628)</b>	<b>9,736,885</b>
Increase in cash	103,672	191,944
Cash, beginning of year	229,862	37,918
Cash, end of year	\$ 333,534	\$ 229,862
Supplemental cash flow information		
Cash interest paid	\$ 1,569,770	\$ 2,859,640
Cash income taxes paid	\$ 3,462,375	\$ 3,828,106

See accompanying notes to consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accord Financial Corp. (the "Company") is incorporated, by way of Articles of Continuance dated March 24, 1992, under the Business Corporations Act (Ontario) and is engaged in providing factoring services to industrial and commercial enterprises in Canada and the United States.

### **1. Basis of presentation**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies of the company are as follows:

#### **(a) Basis of consolidation**

These financial statements consolidate the accounts of the Company and its subsidiaries, Accord Business Credit Inc., J.T.A. Factors, Inc., Montcap Financial Corp. and Accord Financial, Inc. Significant intercompany balances and transactions are eliminated upon consolidation.

The investment in the 50% owned affiliate is accounted for by the equity method of accounting.

#### **(b) Revenue recognition**

Factoring commissions and discounts are recorded as income at the time the

receivables are factored, less a portion thereof relating to future collection expenses. The deferred portion is included in income as the receivables are collected. Interest charges on loans are included in income on an accrual basis.

#### **(c) Allowance for losses**

An allowance for credit & loan losses is maintained at an amount which, in management's judgment, is sufficient to cover future losses on factored receivables, portfolio loans and guarantees undertaken by the Company on its clients' behalf. The amount is based upon several considerations including current economic trends, condition of the loan and receivable portfolios and typical industry loss experience.

Credit losses on factored receivables are charged to the allowance for losses when debtors are known to be bankrupt or insolvent. Losses on loans are charged to the allowance for losses when collectibility becomes questionable and the underlying collateral is considered insufficient to secure the loan balance.

#### **(d) Capital asset amortization**

Capital assets are stated at cost. Amortization is recorded on the declining-

balance basis over the estimated useful lives of the assets: furniture and equipment at 20% per annum; computer equipment and automobiles at 30% per annum. Amortization of leasehold improvements is recorded on a straight-line basis over the term of the respective leases.

#### **(e) Income taxes**

The Company follows the asset and liability method of accounting for income taxes, whereby future assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

#### **(f) Intangible assets and goodwill**

Intangible assets and goodwill arising on the acquisition of subsidiaries are recorded

at cost and are amortized to income from the date acquired on a straight-line basis over varying terms not exceeding ten years. Goodwill is written down to fair value when declines in value are considered to be other than temporary based upon the expected cash flows of the respective subsidiaries.

The Canadian Institute of Chartered Accountants has approved a new accounting standard on intangible assets and goodwill. Under the new standard, all intangible assets and goodwill with indefinite lives that are currently included in the consolidated balance sheet will no longer be amortized to income over time, and will be subject to a periodic impairment review to ensure that the fair value remains greater than, or equal to, book. Any excess of book value over fair value will be charged to income in the period in which the impairment is determined. This new standard was adopted on January 1, 2002 at which time the Company stopped amortizing goodwill that was acquired prior to July 1, 2001. Intangible assets and goodwill with indefinite lives arising from acquisitions subsequent to July 1, 2001 are not amortized under the new standard.

**(g) Stock incentive plan**

The Company has a stock incentive plan. No compensation expense is recognized for this plan when stock options are issued to employees. Any consideration paid by employees upon exercise of stock options is credited to share capital.

**(h) Foreign currency translation**

The assets and liabilities of the Company's self-sustaining foreign subsidiary are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date. Revenue and expenses are translated into Canadian dollars at the average monthly exchange rate then prevailing. Resulting foreign exchange gains and losses are credited or charged to the currency translation adjustment account included in shareholders' equity.

**(i) Financial assets and liabilities**

Financial assets and liabilities recorded at cost are short-term in nature and therefore the carrying values approximate fair values.

**(j) Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and

assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the years. Estimates that are particularly judgmental relate to the determination of the allowance for losses relating to factored receivables and loans. Management believes that the allowance for losses is adequate. Actual results could differ from those estimates.

**(k) Earnings per share**

Effective for fiscal years beginning on or after January 1, 2001, the Canadian Institute of Chartered Accountants approved a new accounting standard for computing and disclosing earnings per share. The most significant change is that when calculating diluted earnings per share under the new standard, it is assumed that the proceeds received from the exercise of stock options are used to repurchase outstanding shares, whereas under the previous standard, it was assumed that they were invested to earn a return. The Company adopted the standard retroactively to January 1, 2001. There was no material impact to diluted earnings per share for the current or prior year as a result of the change.

## 2. Factored receivables and loans

	2001	2000
Factored receivables	\$ 27,498,160	\$ 44,012,520
Loans to clients	29,795,048	27,292,241
	57,293,208	71,304,761
Allowance for losses	1,516,000	1,817,000
	\$ 55,777,208	\$ 69,487,761

In addition to the above, the Company has also entered into agreements with clients whereby the Company has assumed the credit risk with respect to most of the clients' receivables. At December 31, 2001, the gross amount of these receivables was \$93,298,443 (2000 - \$101,233,105). These receivables and factored receivables and loans have been considered by management in determining the allowance for losses.

The nature of the Company's business requires the Company to fund or assume credit risk on receivables offered to it by its clients. All credit is approved by a staff of credit officers, and larger amounts must be authorized by supervisory personnel, management, and in the case of credit in excess of \$1,000,000, by the Board of Directors. The Company monitors and controls its risks and exposures through financial, credit and legal reporting

systems and, accordingly, believes that it has in place procedures for evaluating and limiting the credit risks to which it is subject. Interest rate risks are controlled through charging interest on loans which varies with bank prime rates of interest.

## 3. Other assets

	2001	2000
Employee loans	\$ 20,000	\$ 20,000
Future income taxes (note 10)	228,358	278,567
Prepaid expenses and other assets	148,043	164,545
	\$ 396,401	\$ 463,112

## 4. Capital assets

Capital assets are stated at cost net of accumulated amortization of \$3,203,355 (2000 - \$2,852,608).

## 5. Investment in and advances to affiliate

In February 1999, the Company acquired a 50% interest in a newly incorporated company, MFI Export Finance Inc. ("MFI") for \$100. MFI provides factoring services to Canadian companies exporting to the Caribbean. At December 31, 2001, a secured loan totalling \$6,743,009 (2000 - \$5,993,001) was outstanding and interest earned during the year amounted to \$603,986 (2000 - \$606,293).

Interest on the secured loan varies with the bank prime rate. The loan is repayable a) \$3,500,000 maturing in 2005; b) \$1,000,000 maturing in 2006; and c) the remaining amount due on demand. Earnings from this investment, in addition to loan interest, are accounted for by the equity method and totalled \$578,634 (2000 - \$367,258).

Pursuant to a purchase and sale agreement effective January 1, 2002, the Company, in conjunction with the remaining 50% shareholder of MFI, (collectively, the "Vendors"), has accepted an offer to sell its interest in MFI to individuals and corporations including the current management of MFI for \$200,000.

In connection with this agreement, the Vendors have guaranteed the accounts receivable balance of \$8,317,031 owing to MFI from its clients as at December 31, 2001.

Effective January 1, 2002, the Company has also amended its loan agreement with MFI such that the total outstanding principal amount of the loan shall become due and payable in full on April 30, 2003 and the applicable interest rate changes from varying with the bank's prime rate to a fixed rate.

The assets, liabilities and retained earnings of MFI as at December 31 are as follow:

	2001	2000
Assets	\$ 8,390,613	\$ 7,832,801
Liabilities	\$ 8,390,413	\$ 7,832,564
Shareholders' equity	\$ 200	\$ 237

### 6. Intangible assets and goodwill

	2001	2000
Intangible assets	\$ 1,614,505	\$ 1,678,409
Goodwill	1,001,975	1,212,085
	2,616,480	2,890,494
Accumulated amortization	1,084,688	1,022,095
	\$ 1,531,792	\$ 1,868,399

Intangible assets comprise non-competition and use of name agreements, client lists, credit files, and computer software. In 2001, intangible assets and goodwill of \$424,975 and related accumulated amortization were removed from the accounts as the intangible assets were fully amortized.

### 7. Bank indebtedness

Revolving lines of credit have been established at several banking institutions bearing interest varying with the bank prime rate or LIBOR. These lines of credit, which are secured, are collateralized primarily by factored receivables

and loans to clients. At December 31, 2001, the amounts outstanding under these lines of credit totalled \$11,731,816 (2000 - \$30,748,011). The Company is in compliance with the loan covenants under these lines of credit as at December 31, 2001.

### 8. Notes payable

Notes payable are to individuals or entities and consist of advances from employees, clients and other related individuals. Notes are unsecured, due on demand and bear interest varying with the bank prime rate or LIBOR. Interest expense on these notes for the year was \$107,490 (2000 - \$107,542).

### 9. Capital stock

The authorized capital stock of the Company consists of an unlimited number of first preferred shares, issuable in series, and an unlimited number of common shares.

The first preferred shares may be issued in one or more series and rank in preference to the common shares. Designations, preferences, rights, conditions or prohibitions relating to each class of shares may be fixed by the Board of Directors. At December 31, 2001 and 2000 there were no preferred shares outstanding.

The common shares issued and outstanding are as follows:

	Number	Amount
Balance, Jan 1, 2000	9,383,257	\$ 3,790,910
Issued on exercise of options	120,000	300,650
Balance, Dec. 31, 2000	9,503,257	\$ 4,091,560
Issued on exercise of options	—	—
Balance, Dec. 31, 2001	9,503,257	\$ 4,091,560

The Company has established an employee stock option plan. Under the terms of the plan, an aggregate of 1,000,000 common shares has been reserved for issue upon the exercise of options granted to key managerial employees of the Company and its subsidiaries.

According to the terms of the plan, options may be earned upon the achievement by the Company of certain minimum earnings formulas.

The Company has established a non-executive directors' stock option plan. Under the terms of the plan, an aggregate of 500,000 common shares has been reserved for issue upon the exercise of options granted to non-executive directors of the Company and its subsidiaries.

Options are granted to purchase common shares at prices not less than the market price of such shares at the grant date.

## 9. Capital stock (continued)

There were no stock options exercised during the current year. During 2000, 120,000 stock options were exercised for cash proceeds of \$300,650 which were credited to share capital.

### Summary of stock options outstanding:

	2001	2000
Outstanding, beginning of year	483,000	498,000
Granted	108,000	111,000
Exercised	—	(120,000)
Cancelled	(59,000)	(6,000)
Outstanding, end of year	532,000	483,000
Earned and exercisable, end of year	303,000	327,000

  

	2001	
Exercise price	Expiry date	Earned and Outstanding Exercisable
Employee stock option plan		
\$ 3.50	July 1, 2002	6,000 6,000
3.10	April 30, 2003	33,000 33,000
5.25	April 27, 2004	69,000 69,000
4.50	April 27, 2005	129,000 82,000
5.10	April 25, 2006	96,000 22,000
6.25	July 3, 2007	108,000 —
Non-executive directors' stock option plan		
\$ 4.05	October 29, 2003	91,000 91,000
December 31, 2001		532,000 303,000

	2000	
Exercise price	Expiry date	Earned and Outstanding Exercisable
Employee stock option plan		
\$ 3.50	July 1, 2002	26,000 26,000
3.10	April 30, 2003	39,000 39,000
5.25	April 27, 2004	75,000 75,000
4.50	April 27, 2005	141,000 94,000
5.10	April 25, 2006	111,000 37,000
Non-executive directors' stock option plan		
\$ 4.05	October 29, 2003	91,000 56,000
December 31, 2000		483,000 327,000

The weighted average exercise price of the options that are earned and exercisable at December 31, 2001 was \$ 4.41 (2000 - \$4.42). The weighted average exercise price on all options outstanding at December 31, 2001 was \$4.89 (2000 - \$4.50).

## 10. Income taxes

	2001	2000
Current	\$ 1,654,669	\$ 4,738,497
Future income tax expense (recovery)	50,209	(55,216)
	\$ 1,704,878	\$ 4,683,281

Income tax expense differs from the amount that would be computed by applying the Canadian federal and provincial statutory

income tax rates of 41.7% (2000 - 43.9%) to earnings before income taxes. The reasons for the differences are as follows:

	2001	%
Tax computed at statutory rate	\$ 1,928,127	41.7
Increase (decrease) resulting from:		
Lower effective tax rate on income of subsidiaries	(23,779)	(0.5)
Equity in earnings of affiliate	(241,290)	(5.2)
Other	41,820	0.9
Income tax provision	\$ 1,704,878	36.9

	2000	%
Tax computed at statutory rate	\$ 5,316,617	43.9
Increase (decrease) resulting from:		
Lower effective tax rate on income of subsidiaries	(604,887)	(5.0)
Equity in earnings of affiliate	(161,410)	(1.3)
Other	132,961	1.1
Income tax provision	\$ 4,683,281	38.7

Future income tax assets are comprised of the following:

	2001	2000
Allowance for losses	\$ 196,710	\$ 264,730
Capital assets	31,648	13,837
Future income tax assets	\$ 228,358	\$ 278,567

### 11. Earnings per common share

Earnings per common share have been calculated using the weighted average number of common shares outstanding during the year of 9,503,257 (2000 - 9,437,088). Fully diluted earnings from operations per share have been computed on the basis that all of the stock options had been exercised.

### 12. Contingent liabilities

In the normal course of business there is outstanding litigation for which the amount of settlement, if any, is not expected to have a material effect upon the Company.

### 13. Commitments

The Company occupies office space under leases which expire between 2003 and 2007.

The minimum rentals payable under long-term operating leases, exclusive of certain operating costs and property taxes for which the Company and its subsidiaries are responsible, over the next five years and thereafter are as follows:

2002	\$ 400,000
2003	175,000
2004	30,000
2005	25,000
2006	25,000
Thereafter	5,000
	<b>\$ 660,000</b>

### 14. Segmented information

Management has determined that the Company operates in one dominant industry segment which involves providing factoring services to industrial and commercial enterprises in Canada and the United States.

2001 (in thousands)	Canada	United States	Interco.	Consolidated
Identifiable assets	\$ 29,372	\$ 37,955	\$ —	\$ 67,327
Additions to capital assets, intangible assets and goodwill, net	\$ 144	\$ 148	\$ —	\$ 292
Revenue	\$ 16,476	\$ 12,013	\$ (292)	\$ 28,197
Expenses				
Interest	962	899	(292)	1,569
General and administrative	9,251	5,171	—	14,422
Credit and loan losses	739	6,015	—	6,754
Amortization	479	349	—	828
Income taxes	1,748	(43)	—	1,705
	13,179	12,391	(292)	25,278
Net earnings	\$ 3,297	\$ (378)	\$ —	\$ 2,919

2000 (in thousands)	Canada	United States	Interco.	Consolidated
Identifiable assets	\$ 27,741	\$ 51,544	\$ —	\$ 79,285
Additions to capital assets, intangible assets and goodwill, net	\$ 406	\$ 106	\$ —	\$ 512
Revenue	\$ 17,271	\$ 13,914	\$ (154)	\$ 31,031
Expenses				
Interest	1,236	1,434	(154)	2,516
General and administrative	9,371	5,051	—	14,422
Credit and loan losses	636	693	—	1,329
Amortization	310	344	—	654
Income taxes	2,315	2,368	—	4,683
	13,868	9,890	(154)	23,604
Net earnings	\$ 3,403	\$ 4,024	\$ —	\$ 7,427