

PROVIDENT HOME SHOPPING LIMITED
(COMPANY NUMBER: 753518)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1992

1. The directors present herewith the audited accounts for the year ended 31st December 1992.

Review of activity

2. The company has not traded during the year, the only transactions being the settling of liabilities.

Results

3. The profit and loss account for the year is set out on page 3.

Directors

4. The directors of the Company at 31st December 1992, both of whom were directors for the whole of the year ended on that date, except where stated, were:-

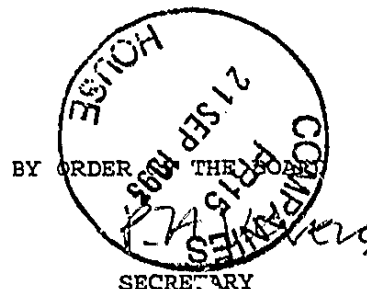
Mr. P.W. Bretherton (appointed Chairman 23rd November 1992)
Mr. H.J. Bell

Mr. N.M. Illingworth resigned as a director of the Company on 17th February 1992. Mr. P.R. Fryer, Mr. D.R. Swann, Mr. G.M. Wadeson, Mr. J.B. Walker and Mr. K.F. Harris resigned as directors of the Company on 23rd November 1992. Mr. K. Flaherty resigned as a director of the Company on 31st December 1992.

Directors' Interests

5. Both directors of the Company at 31st December 1992 were also directors of the parent undertaking at that date, and consequently, as permitted by the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985, their interests are disclosed only in the financial statements of the parent undertaking.

Colonnade
Bradford: 4th March 1993



REPORT OF THE AUDITOR TO THE MEMBERS OF

PROVIDENT HOME SHOPPING LIMITED

We have audited the financial statements on pages 3 to 8 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31st December 1992 and have been properly prepared in accordance with the Companies Act 1985.

LEEDS: 4th March 1993

Coopers & Lybrand.
Chartered Accountants
& Registered Auditor

PROVIDENT HOME SHOPPING LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1992

	<u>Notes</u>	<u>1992</u> £'000	<u>1991</u> £'000
TURNOVER	2	-	14,231
COST OF SALES		-	11,126
GROSS PROFIT		-	3,105
NET OPERATING EXPENSES	3	-	2,701
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	-	404
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	-	90
RETAINED PROFIT FOR THE YEAR		-	314

STATEMENT OF RETAINED PROFITS

	<u>1992</u> £'000	<u>1991</u> £'000
RETAINED PROFITS AT 1ST JANUARY 1992	1,781	1,467
RETAINED PROFIT FOR THE YEAR	-	314
RETAINED PROFITS AT 31ST DECEMBER 1992	1,781	1,781

The notes on pages 5 to 8 form part of these accounts

Auditor's report - page 2

PROVIDENT HOME SHOPPING LIMITED
BALANCE SHEET - 31ST DECEMBER 1992

	<u>Notes</u>	<u>1992</u> £'000	<u>1991</u> £'000
CURRENT ASSETS			
Debtors	8	1,845	1,850
		—	—
		1,845	1,850
CREDITORS: amounts falling due within one year	9	-	5
NET ASSETS			
		1,845	1,845
CAPITAL AND RESERVES			
Called up share capital	10	64	64
Profit and loss account		1,781	1,781
		—	—
		1,845	1,845

These accounts were approved by the Board on 4th march 1993

Howard Baker
P. B. Pether
 Directors

The notes on pages 5 to 8 form part of these accounts

Auditor's report - page 2

PROVIDENT HOME SHOPPING LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1992Principal accounting policies

1. The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings, and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below:-

a) Fixed assets and depreciation

Land is not depreciated. It is the Company's policy to maintain its properties in a state of good repair. Following the revaluation of the freehold and long leasehold property as at 31st December 1989, the residual lives of these properties were reassessed and it is considered that the residual values are such that depreciation required by the Companies Act 1985 and statement of standard accounting practice No.12 is not significant.

Depreciation of other tangible fixed assets has been calculated by reference to the expected useful lives of the assets concerned. The following are the principal rates used:-

Short leasehold premises	over lease period on straight line basis
Motor cars	25% on reducing balance basis
Commercial vehicles	25% on straight line basis
Fixtures and fittings	10% on straight line basis
Computer equipment	33.3% on straight line basis

Accelerated depreciation is charged, if applicable, in respect of obsolete items.

Profits and losses arising from the disposal of properties which have previously been revalued are calculated by reference to their historic costs.

b) Pension costs

Pension costs are charged to the profit and loss account at a contribution rate, expressed as a percentage of payroll, which is based upon the pension costs across the Group as a whole (note 11).

c) Foreign currency translation

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the day the transaction occurs or the contracted rate if the transaction is covered by a forward exchange contract. Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the end of the financial year.

Turnover

2. Turnover represents the net invoiced value of sales, excluding value added tax and trade discounts. The inter-group sales during 1991 were £14,050,218.

PROVIDENT HOME SHOPPING LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1992Net operating expenses

3. Net operating expenses are made up as follows:-

	<u>1992</u> £'000	<u>1991</u> £'000
Distribution costs	-	375
Administrative expenses	-	2,326
	<hr/>	<hr/>
	-	2,701
	<hr/>	<hr/>

Profit before taxation

4. The profit is stated after charging:-

	<u>1992</u> £'000	<u>1991</u> £'000
Directors' emoluments for management services including pension contributions (note 6)	-	276
Depreciation	-	560
Auditors' remuneration	-	14
Management charges paid	-	225
Redundancy costs	-	262

And after crediting:-

Profit on sale of tangible fixed assets (including transfer from revaluation reserve)	-	131
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Tax on profit on ordinary activities

5. The tax charge in the profit and loss account is made up as follows:-

	<u>1992</u> £'000	<u>1991</u> £'000
Corporation tax on the profit for the year at the rate of 33.25 %	-	125
	<hr/>	<hr/>
	-	125
Over provision for taxation in prior years:		
Corporation tax	-	(35)
	<hr/>	<hr/>
	-	90
	<hr/>	<hr/>

PROVIDENT HOME SHOPPING LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1992Directors' emoluments

6. Particulars of the emoluments of the directors (excluding pension contributions) disclosed in accordance with Part I of Schedule 6 of the Companies Act 1985, are as follows:-

	<u>1992</u>	<u>1991</u>
Emoluments of the Chairman	£ Nil	£ Nil
Emoluments of the highest paid director	£ Nil	£58,642

Number of directors (excluding those above) whose emoluments were within the ranges:

	<u>1992</u>	<u>1991</u>
£ 0 - £ 5,000	7	5
£30,001 - £35,000	-	1
£35,001 - £40,000	-	1
£40,001 - £45,000	-	1
£50,001 - £55,000	-	1

Employee information

- 7a) The average number of persons employed by the Company, including executive directors, during the year was as follows:-

	<u>1992</u>	<u>1991</u>
Full time	8	201
Part time	-	8
	<u>8</u>	<u>209</u>

- b) Employment costs - all employees including executive directors:-

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Aggregate gross wages and salaries	-	1,992
Employer's national insurance contributions	-	173
Employer's pension contributions under the Group's pension scheme (note 11)	-	116
Total direct costs of employment	<u>-</u>	<u>2,281</u>

PROVIDENT HOME SHOPPING LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 1992Debtors

	<u>1992</u> £'000	<u>1991</u> £'000
8.		
Amounts falling due within one year:		
Amounts owed by Group undertakings	1,845	1,850
	<u>1,845</u>	<u>1,850</u>

Creditors - amounts falling due within one year

	<u>1992</u> £'000	<u>1991</u> £'000
9.		
Amounts owed to fellow subsidiary undertakings	-	5
	<u>-</u>	<u>5</u>

Called up share capital

	<u>Authorised</u> <u>1992 and 1991</u> £'000	<u>Allotted, called</u> <u>up and fully paid</u> <u>1992 and 1991</u> £'000
10.		
Ordinary shares of £1 each	100	64
	<u>100</u>	<u>64</u>

Pension Scheme

11. The Company's parent undertaking is Provident Financial plc which operates funded defined benefit schemes for the majority of its employees including those of the Company. Independent professionally qualified actuaries undertake regular valuations of the Group's schemes, details of which can be found in the accounts of Provident Financial plc for the year to 31st December 1992. The pension costs of the Company for the year, recharged from the Group, were £Nil (1991: £116,000).

Ultimate Parent undertaking

12. The Company's ultimate parent undertaking is Provident Financial plc, a company incorporated in England. Copies of that Company's consolidated accounts can be obtained from the Company Secretary, Provident Financial plc, Colonnade, Sunbridge Road, Bradford, BD1 2LQ.