

**Buy as you View Holdings plc**

**Annual report for the year  
ended 31 March 2002**

Registered no: 3571899



# **Buy As You View Holdings plc**

## **Annual report for the year ended 31 March 2002**

	<b>Pages</b>
Directors and secretary	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Report of the auditors	5
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the financial statements	9 - 19

# **Buy As You View Holdings plc**

1

## **Directors and secretary**

### **Executive directors**

Mr B W R Jones  
Mr G H Coleman  
Mr M R Henderson  
Mr P A Thompson  
Mr M E Lanyon

### **Non-executive directors**

Mr A C Webb  
Mr A Rogers (appointed 1 January 2002)

### **Secretary and registered office**

Mr G Dodd

Ty Rhondda  
Forest View Business Park  
Llantrisant  
CF72 8LX

## **Directors' report for the year ended 31 March 2002**

The directors present their report and the audited financial statements for the year ended 31 March 2002.

### **Principal activities**

The principal activities of the group are the retailing, renting and servicing of electrical appliances and operating as financiers.

### **Review of business and future developments**

During the period the group continued to expand its trading activities. The directors are satisfied with the progress made and are confident that the performance will be satisfactory in the foreseeable future.

### **Dividends and transfers to reserves**

The results for the year are shown on page 6 of the financial statements.

The directors recommended the payment of an interim dividend of £4.1818 (2001: £4.1818) per ordinary share as set out in note 9 of the financial statements and that the retained profit for the financial year be transferred to reserves.

### **Employees**

The group maintains its commitment to pro-active programmes for involving employees in group affairs. This is achieved in a variety of ways, including presentations and staff briefings. The group's philosophy is to offer competitive salaries and benefits and focussed training programmes to enable staff to perform well and to develop to their full potential.

It is the policy of the group that disabled people should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary retraining.

### **Directors**

The directors of the company at 31 March 2002, all of whom have been directors for the whole of the year ended on that date, unless otherwise stated, are listed on page 1.

# Buy As You View Holdings plc

3

## Directors' report for the year ended 31 March 2002 (continued)

### Directors' interests

The beneficial and non-beneficial interests of the directors in the shares of the company at 31 March 2002 and 31 March 2001 were:-

	Ordinary shares of £1 each Number
<b>Beneficial</b>	
Mr B W R Jones	16,500
Mr G H Coleman	16,500
	<hr/>
	33,000
	<hr/>
<b>Non-beneficial</b>	
Mr B W R Jones	11,000
Mr G H Coleman	11,000
	<hr/>
	22,000
	<hr/>

### Charitable contributions

The group made charitable contributions and similar payments of £406,631 (2001: £311,525) during the year.

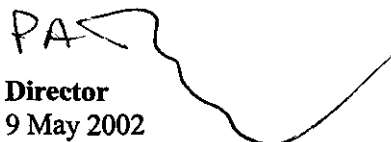
### Supplier payment policy

The company's current policy concerning the payment of its trade creditors is to:

- (a) Settle the terms of payment with suppliers when agreeing the terms of business;
- (b) Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts (if appropriate); and
- (c) Pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies for goods and services without exception.

By order of the Board

PA 

Director  
9 May 2002

## Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company and the group as at the end of the financial period and of the profit or loss of the group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2002. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, and for taking reasonable steps to safeguard the assets of the company and the group in order to prevent and detect fraud and other irregularities.

**By order of the board**

A handwritten signature in black ink, appearing to be 'PA' followed by a stylized, wavy line.

**Director**  
9 May 2002

## **Independent auditors' report to the members of Buy as You View Holdings plc**

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies in note 1.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable 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 issued by the Auditing Practices Board.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

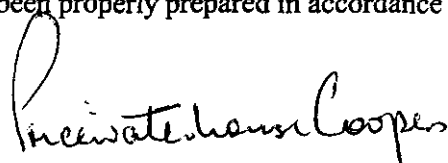
### **Basis of audit opinion**

We conducted our audit in accordance with 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 affairs of the company and the group at 31 March 2002 and of the profit and cashflows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Cardiff**  
9 May 2002

**Consolidated profit and loss account  
for the year ended 31 March 2002**

	Notes	2002 £	2001 £
<b>Retail:-</b>			
Turnover	1	22,544,519	19,216,852
Cost of sales		(10,502,812)	(9,357,550)
		<hr/>	<hr/>
		12,041,707	9,859,302
<b>Finance:-</b>			
Turnover	1	16,215,868	11,714,348
		<hr/>	<hr/>
<b>Gross profit</b>		28,257,575	21,573,650
Other operating income and expenses	2	(20,673,115)	(15,218,805)
		<hr/>	<hr/>
<b>Operating profit</b>		7,584,460	6,354,845
Interest payable and similar charges	5	(1,736,046)	(1,509,825)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	6	5,848,414	4,845,020
Tax on profit on ordinary activities	7	(1,785,531)	(1,480,377)
		<hr/>	<hr/>
Profit for the financial year	8	4,062,883	3,364,643
Dividends paid	9	(92,000)	(92,000)
		<hr/>	<hr/>
<b>Retained profit for the year</b>	19	3,970,883	3,272,643
		<hr/>	<hr/>

All operations are continuing.

The group has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

# Buy As You View Holdings plc

7

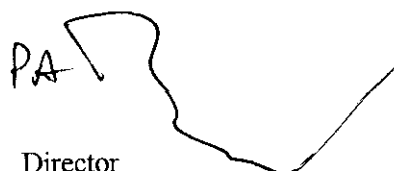
## Balance sheets at 31 March 2002

	Notes	Group		Company	
		2002	2001	2002	2001
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10	2,663,822	1,932,473	-	-
Investments	11	282,500	282,500	332,505	332,505
		<u>2,946,322</u>	<u>2,214,973</u>	<u>332,505</u>	<u>332,505</u>
<b>Current assets</b>					
Loans: amounts falling due after more than one year	12	37,606,868	30,327,144	-	-
Loans: amounts falling due within one year	12	16,898,055	12,452,308	-	-
Stocks	13	713,246	441,403	-	-
Debtors	14	2,864,008	2,789,152	5,000	5,000
Cash at bank and in hand		1,247	568	-	-
		<u>58,083,424</u>	<u>46,010,575</u>	<u>5,000</u>	<u>5,000</u>
<b>Creditors: amounts falling due within one year</b>	15	(10,800,056)	(8,860,129)	(282,505)	(282,505)
<b>Net current assets/(liabilities)</b>		<u>47,283,368</u>	<u>37,150,446</u>	<u>(277,505)</u>	<u>(277,505)</u>
<b>Total assets less current liabilities</b>		<u>50,229,690</u>	<u>39,365,419</u>	<u>55,000</u>	<u>55,000</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(28,020,060)	(21,209,671)	-	-
Provisions for liabilities and charges	17	(82,999)	-	-	-
<b>Net assets</b>		<u>22,126,631</u>	<u>18,155,748</u>	<u>55,000</u>	<u>55,000</u>
<b>Capital and reserves</b>					
Called up share capital	18	55,000	55,000	55,000	55,000
Profit and loss account	19	22,071,631	18,100,748	-	-
<b>Equity shareholders' funds</b>	20	<u>22,126,631</u>	<u>18,155,748</u>	<u>55,000</u>	<u>55,000</u>

The financial statements on pages 6 to 19 were approved by the board of directors on 9 May 2002 and were signed on its behalf by:



Director



Director

**Consolidated cash flow statement  
for the year ended 31 March 2002**

	Notes	2002 £	2001 £
<b>Net cash outflow from continuing operating activities</b>	21	(2,075,741)	(2,786,241)
<b>Returns on investment and servicing of finance</b>			
Interest paid		(1,736,046)	(1,509,825)
<b>Taxation</b>			
Tax paid		(1,894,599)	(1,635,335)
<b>Capital expenditure</b>	23	(1,253,575)	(1,215,347)
<b>Equity dividends paid</b>		(92,000)	(92,000)
		<hr/>	<hr/>
<b>Cash outflow before financing</b>	22	(7,051,961)	(7,238,748)
		<hr/>	<hr/>
<b>Financing</b>			
Repayment of loans		(500,000)	(1,205,106)
Provision of loans		8,549,023	7,256,149
		<hr/>	<hr/>
		8,049,023	6,051,043
		<hr/>	<hr/>
<b>Increase/(decrease) in cash</b>	22	997,062	(1,187,705)
		<hr/>	<hr/>

**Reconciliation of net cash flow to movement in net debt**

	Notes	2002 £	2001 £
<b>Increase/(decrease) in cash in the year</b>		997,062	(1,187,705)
Cash inflow from increase in debt and lease financing		(8,049,023)	(6,051,043)
		<hr/>	<hr/>
<b>Change in net debt</b>	22	(7,051,961)	(7,238,748)
Net debt at 1 April		(22,595,045)	(15,356,297)
		<hr/>	<hr/>
<b>Net debt at 31 March</b>		(29,647,006)	(22,595,045)
		<hr/>	<hr/>

**Notes to the financial statements  
for the year ended 31 March 2002****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

**Basis of consolidation**

The consolidated financial statements include the company and its subsidiary undertakings other than *Coinmechs Limited* and have been prepared using the merger method of accounting.

The results of *Coinmechs Limited* have been excluded from the consolidated financial statements as the directors consider the results of that company to be immaterial in the context of the group as a whole.

**Tangible fixed assets**

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:-

	%
Motor vehicles	25
Fixtures and equipment	10 - 25

Leasehold land and buildings are amortised over 25 years or, if shorter, the period of the lease.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**1 Principal accounting policies (continued)**

**Turnover**

Turnover, which excludes value added tax, comprises the following:-

- (a) Retail turnover, which includes the sale of maintenance vouchers and arrangement fees, is recognised in the period of sale. Full provision is made for liabilities that the group has assumed in respect of these sales; and
- (b) Finance income, which is recognised as it is receivable to provide a constant periodic rate of return on the net cash investment in loans.

**Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**2 Other operating income and expenses**

	2002 £	2001 £
Distribution costs	2,246,714	1,462,105
Administrative expenses	18,426,401	13,756,700
	<hr/>	<hr/>
	20,673,115	15,218,805
	<hr/>	<hr/>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**3 Directors' emoluments**

	2002 £	2001 £
Aggregate emoluments	2,150,201	2,016,255
Company pension contributions to money purchase schemes	288,027	278,618
	<u>2,438,228</u>	<u>2,294,873</u>

Retirement benefits are accruing to 4 directors (2001: 4 directors) under money purchase pension schemes

	2002 £	2001 £
<b>Highest paid director</b>		
Aggregate emoluments and benefits	1,043,032	951,339
Company pension contributions to money purchase schemes	253,835	253,835
	<u>1,296,867</u>	<u>1,205,174</u>

**4 Employee information**

The average weekly number of persons (including executive directors) employed by the group during the year was 486 (2001: 361).

	2002 £	2001 £
<b>Staff costs (for the above persons)</b>		
Wages and salaries	11,131,537	8,522,423
Social security costs	1,082,941	879,861
Pension costs	342,882	313,982
	<u>12,557,360</u>	<u>9,716,266</u>

**5 Interest payable and similar charges**

	2002 £	2001 £
On bank loans and overdrafts	<u>1,736,046</u>	<u>1,509,825</u>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**6 Profit on ordinary activities before taxation**

	2002 £	2001 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Profit on sale of fixed assets	(58,725)	(10,123)
Depreciation charge for the period on tangible owned fixed assets	580,951	503,915
Auditors' remuneration:		
Audit fees (company £Nil)	21,500	19,000
Non-audit fees	88,045	105,367
Operating lease rentals:		
Car leasing costs	1,367,787	745,460
Other	544,498	945,128

**7 Tax on profit on ordinary activities**

	2002 £	2001 £
<b>Current tax:</b>		
UK Corporation tax on profits of the period	1,716,000	1,478,000
Adjustment in respect of previous periods	(13,468)	2,377
	<u>1,702,532</u>	<u>1,480,377</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	82,999	-
	<u>82,999</u>	<u>-</u>
Total deferred tax (note 17)		
	<u>1,785,531</u>	<u>1,480,377</u>

The current tax charge for the period is lower (2001: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
UK Corporation tax on profit on ordinary activities before tax at 30%	1,754,524	1,453,506
Effects of:		
- Capital allowances in excess of depreciation	(82,848)	(39,657)
- Other timing differences	(9,000)	-
- Expenses not deductible for tax purposes	53,324	64,151
Adjustments in respect of earlier years	(13,468)	2,377
	<u>1,702,532</u>	<u>1,480,377</u>

## Notes to the financial statements for the year ended 31 March 2002 (continued)

### 8 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:-

	2002 £	2001 £
Holding company's profit for the financial year	-	-
Retained by subsidiary undertakings	4,062,883	3,364,643
	<u>4,062,883</u>	<u>3,364,643</u>

### 9 Dividends

	2002 £	2001 £
Interim paid £4.1818 (2001: £4.1818) per ordinary share	92,000	92,000
	<u>92,000</u>	<u>92,000</u>

Shareholders who controlled 33,000 ordinary £1 shares in Buy As You View Holdings plc waived their right to the interim dividend.

### 10 Tangible fixed assets

Group	Short leasehold land and buildings £	Fixtures and equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 April 2001	-	2,343,132	503,857	2,846,989
Additions	140,000	965,473	269,214	1,374,687
Disposals	-	(4,504)	(341,681)	(346,185)
<b>At 31 March 2002</b>	<u>140,000</u>	<u>3,304,101</u>	<u>431,390</u>	<u>3,875,491</u>
<b>Depreciation</b>				
At 1 April 2001	-	588,106	326,410	914,516
Charge for year	-	478,659	102,292	580,951
Eliminated in respect of disposals	-	(2,514)	(281,284)	(283,798)
<b>At 31 March 2002</b>	<u>-</u>	<u>1,064,251</u>	<u>147,418</u>	<u>1,211,669</u>
<b>Net book value</b>				
<b>At 31 March 2002</b>	<u>140,000</u>	<u>2,239,850</u>	<u>283,972</u>	<u>2,663,822</u>
<b>At 31 March 2001</b>	<u>-</u>	<u>1,755,026</u>	<u>177,447</u>	<u>1,932,473</u>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**11 Fixed asset investments**

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interests in group undertakings	<b>282,500</b>	<b>282,500</b>	<b>332,505</b>	<b>332,505</b>

The company's interests in group undertakings comprise the following:-

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held by		Principal business activity
			Group	Company	
Buy As You View Limited	England and Wales	Ordinary	100%	100%	Retailing, renting and servicing of electrical appliances
Dunraven Finance Limited	England and Wales	Ordinary	100%	100%	Financier
Just Rentals Limited	England and Wales	Ordinary	100%	100%	Dormant
Coinmechs Limited	England and Wales	Ordinary	99.9%	99.9%	Meter manufacturer

For basis of consolidation see note 1.

**12 Loans**

During the period assets with a capital value of £22,544,519 (2001: £19,216,852) were supplied under hire purchase contracts.

**13 Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials and consumables	<b>59,646</b>	<b>33,360</b>	-	-
Finished goods and goods for resale	<b>653,600</b>	<b>408,043</b>	-	-
	<b>713,246</b>	<b>441,403</b>	-	-

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**14 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>				
Prepayments and accrued income	124,536	88,679	5,000	5,000
Amounts owed by group undertakings	342,354	45,563	-	-
	<u>466,890</u>	<u>134,242</u>	<u>5,000</u>	<u>5,000</u>
<b>Amounts falling due after one year</b>				
Prepayments and accrued income	2,397,118	2,654,910	-	-
	<u>2,864,008</u>	<u>2,789,152</u>	<u>5,000</u>	<u>5,000</u>

**15 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see below)	5,048,283	3,395,613	-	-
Trade creditors	1,169,512	1,180,929	-	-
Corporation tax	707,471	899,538	-	-
Other taxation and social security	879,310	788,968	-	-
Other creditors	818,054	639,532	-	-
Accruals and deferred income	2,177,426	1,955,549	-	-
Amounts owed to subsidiary undertakings	-	-	282,505	282,505
	<u>10,800,056</u>	<u>8,860,129</u>	<u>282,505</u>	<u>282,505</u>

**Group**

Bank loans and overdrafts of £13,698,223 (2001: £6,780,628) are secured by a fixed charge over certain loan agreements of Dunraven Finance Limited and a floating charge over the assets of the group.

Bank loans and overdrafts of £15,950,030 (2001 : £15,814,985) are secured by a fixed charge over certain loan agreements of Dunraven Finance Limited.

Interest is payable on bank loans at between 1% and 1.75% over base rate.

Trade creditors of the group at 31 March 2002 represented 45 days purchases (31 March 2001: 45 days), based on the ratio of the company's trade creditors at that date to the amounts invoiced in previous months.

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**16 Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans (see note 15)	24,599,970	19,200,000	-	-
Accruals and deferred income	3,420,090	2,009,671	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	28,020,060	21,209,671	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**Bank loans and overdrafts**

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Maturity of debt:				
In one year or less	5,048,283	3,395,613	-	-
Between one and two years	10,200,000	8,800,000	-	-
Between two and five years	13,399,970	10,400,000	-	-
In more than five years	1,000,000	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	29,648,253	22,595,613	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**17 Provisions for liabilities and charges**

**Group**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Provision for deferred tax comprises:		
Accelerated capital allowance	82,823	-
Short term timing differences	176	-
	<hr/>	<hr/>
	82,999	-
	<hr/>	<hr/>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**18 Called up share capital**

	2002 £	2001 £
<b>Authorised</b>		
55,000 ordinary shares of £1 each	55,000	55,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
50,000 ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>
<b>Allotted, called up and unpaid</b>		
5,000 ordinary shares of £1 each	5,000	5,000
	<hr/>	<hr/>
	55,000	55,000
	<hr/>	<hr/>

**19 Profit and loss account**

	Group £	Company £
At 31 March 2001	18,100,748	-
Retained profit for the year	3,970,883	-
	<hr/>	<hr/>
At 31 March 2002	22,071,631	-
	<hr/>	<hr/>

**20 Reconciliation of movement in shareholders' funds**

	2002 £	2001 £
Opening shareholders' funds	18,155,748	14,883,105
Profit for the financial year	3,970,883	3,272,643
	<hr/>	<hr/>
Closing shareholders' funds	22,126,631	18,155,748
	<hr/>	<hr/>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**21 Reconciliation of operating profit to net cash outflow from continuing operating activities**

	2002 £	2001 £
Operating profit	7,584,460	6,354,845
Depreciation of tangible fixed assets	580,951	503,915
Profit on sale of fixed assets	(58,725)	(10,123)
Increase in loans	(11,725,471)	(11,311,948)
Increase in stocks	(271,843)	(166,391)
(Increase)/decrease in debtors	(74,856)	138,792
Increase in creditors	1,889,743	1,704,669
	<hr/>	<hr/>
<b>Net cash outflow from continuing operating activities</b>	<b>(2,075,741)</b>	<b>(2,786,241)</b>
	<hr/>	<hr/>

**22 Analysis of changes in net debt**

	2001 £	Cash flow £	2002 £
Cash at bank and in hand	568	679	1,247
Overdraft	(2,326,208)	996,383	(1,329,825)
	<hr/>	<hr/>	<hr/>
	(2,325,640)	997,062	(1,328,578)
Debt due within 1 year	(1,069,405)	(2,649,053)	(3,718,458)
Debt due after 1 year	(19,200,000)	(5,399,970)	(24,599,970)
	<hr/>	<hr/>	<hr/>
	(22,595,045)	(7,051,961)	(29,647,006)
	<hr/>	<hr/>	<hr/>

**23 Capital expenditure**

	2002 £	2001 £
Purchase of tangible fixed assets	(1,374,687)	(1,399,678)
Sale of tangible fixed assets	121,112	184,331
	<hr/>	<hr/>
	(1,253,575)	(1,215,347)
	<hr/>	<hr/>

**Notes to the financial statements  
for the year ended 31 March 2002 (continued)**

**24 Contingent liabilities**

	Group 2002 £	2001 £	Company 2002 £	2001 £
Amount of guarantees in respect of bank overdrafts and loans of subsidiary undertakings	-	-	29,648,253	22,595,613

**25 Financial commitments**

At 31 March 2002 the group had annual commitments under non cancellable operating leases as follows:-

	2002		2001	
	Land and buildings £	Other £	Land and Buildings £	Other £
Expiring within one year	18,863	281,045	2,349	161,300
Expiring between one and two years	13,000	991,277	-	604,343
Expiring between two and five years	-	-	60,210	99,528
Expiring in over five years	685,385	28,127	427,252	-
	<u>717,248</u>	<u>1,300,449</u>	<u>489,811</u>	<u>865,171</u>

Capital expenditure authorised and contracted for but not provided for in the accounts amounts to £Nil (2001: £Nil).

**26 Related party transactions**

In accordance with the exemptions afforded by Financial Reporting Standard No 8, there is no disclosure in these financial statements of transactions with entities that are part of the Buy As You View Holdings plc group.

Buy As You View Limited also rents a property on an arms length basis from a company Dunraven Developments Limited which is under the common control of the shareholders of the company. During the year amounts payable to Dunraven Developments Limited totalled £257,792 (2001 : £189,103).