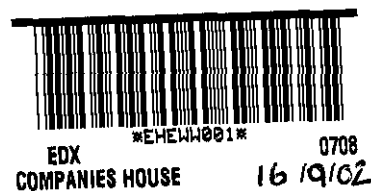


# Buyers Guide Plc

## Annual Report and Financial Statements 31 December 2001

*Registered Number: 3833128*



**DIRECTORS**

H E Flight\*  
J Browning\*  
A Caplin (*appointed 16 March 2001*)  
K R Leech\*  
R I Walker

*\* non-executive director*

**SECRETARY**

A Flitcroft

**AUDITORS**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JD

**BANKERS**

HSBC plc  
City Branch  
77 Grainger Street  
Newcastle upon Tyne  
NE99 1SA

HSBC plc  
PO Box 14  
St Helier  
Jersey  
JE4 8NJ

**SOLICITORS**

Ashurst Morris Crisp  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA

**REGISTERED OFFICE**

C/o Ashurst Morris Crisp  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA

## CHAIRMAN'S STATEMENT

### (Incorporating Operating and Financial Review)

#### Trading Results

The Company is disappointed to report an operating loss for the year ended 31 December 2001 of £1,082,660, which is stated inclusive of exceptional charges of £701,538. This loss reflects the deterioration in trading conditions experienced in our On-line Advertising business. The exceptional charges reflect the write down of the goodwill, which arose on the original acquisition of the On-line Advertising business and legal fees incurred on an abortive transaction during the year.

Turnover in the year was £1,226,069 which, in accordance with the Company's disclosed accounting policies for Revenue Recognition, consists of sales arising and recognised in the year of £849,664 plus revenue deferred in earlier periods and recognised in this period of £376,405. It is very difficult to meaningfully compare turnover in the current 12 month period with the prior period of 6 months. However, the total amount of sales invoices issued in the 6 months to 31 December 2001 showed a decrease of 59% to £304,462 compared to the 6 month period to 31 December 2000 of £735,868. This reduction is further explained below.

#### Review of the Year

Income is generated by the Company from the businesses listed on its online service, paying fees which vary dependent on the amount of information provided on their products and/or services. During the first six months of 2001 the Company found trading difficult due to a general downturn in advertising spend and more specifically uncertainty about the benefits of advertising on the internet. These difficulties continued to be experienced during the second half of the year and beyond and are reflected in disappointing results for the Company.

Towards the latter part of the year and into this year sales generated continued to fall. The Company is now no longer able to cover direct costs and associated overheads and the Board concluded that this situation would be extremely unlikely to change in the short to medium term. As a result goodwill has not only been amortised during the year by £168,603 but in addition has been fully written down by a further £590,112. This is a proper reflection of the current cash outflow from operating activities and the Company's losses.

As we concluded that the On-line Advertising business was no longer capable of generating significant income in the future on 24 May 2002 we announced its disposal to a company controlled by Miss L J Bowden and Mr J J Bowden, who until 23 May 2002 were directors of the Company for £65,625 in cash of which £33,313 has been paid and £32,312 will be paid on 21 August 2002. The sale of the On-line Advertising business leaves the Company with no business but with cash resources of approximately £3.8 million as at 23 May 2002. Following the year end, the Directors pursued a potential transaction involving the acquisition of Cobra Therapeutics Limited. Unfortunately this transaction could not be completed and as a result, the Company incurred significant legal and other costs which will be taken as an expense in 2002. The Board is considering with its advisers its strategy going forward.

#### Personnel

Staff numbers diminished considerably over the year. Furthermore, all the employees employed in the On-line Advertising business transferred with the business on 23 May 2002.

#### Balance Sheet and Cash Flow

As at 31 December 2001 the Company had cash and liquid resources of £4,083,573 (2000: £4,133,153). The net cash outflow from operating activities arises as a result of direct costs and associated overheads not being covered by cash generated from revenues. This has been offset by interest received on the cash resources of the Company.

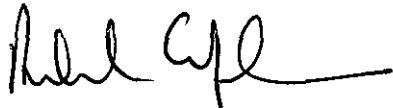
The net assets of the Company at 31 December 2001 were £3,814,661 (2000: £4,705,834). The reduction in net assets is, partly, a result of the goodwill amortisation and impairment totalling £758,715.

#### Dividend

The Board does not recommend the payment of a dividend.

Anthony Caplin  
*Executive Chairman*

31 May 2002

X 

## DIRECTORS

### Non-executive directors

#### *J Browning*

Mr Browning is a co-founder of First Tuesday, the global network for internet entrepreneurs. He is also co-editor of New Economy Watch, a publication created in conjunction with Forbes Magazines, tracking new economic developments and he is a contributing editor of Wired. He has consulted on the application of new technology and new media to business strategy with a number of technology and strategy consultancies, including Monitor Company, CSC Index, Analysis and McKinsey & Co. Previously John spent 12 years at The Economist writing on business, economy and technology.

#### *H E Flight, MP*

Mr Flight has had a career of 30 years in the Investment Management industry, and was joint Managing Director of Guinness Flight from 1987. Following its acquisition by the Investec Group in 1998, Mr Flight became joint Chairman of Investec Guinness Flight whose name has changed subsequently to Investec Asset Management. Mr Flight is a director of two investment trusts and three open-ended investment companies. Mr Flight entered Parliament as the Conservative MP for Arundel and South Downs in May 1997 and has served since as Shadow Economic Secretary to the Treasury and is currently Shadow Paymaster General. He has an MBA from the University of Michigan, USA. Mr Flight stood down as Chairman of the Company in favour of Mr Caplin on 30 April 2001.

#### *K R Leech*

Mr Leech is also the Executive Chairman of ML Laboratories Plc ('ML'), a United Kingdom company, listed on the London Stock Exchange that is engaged in the research and development of ethical pharmaceuticals and related products. He is the co-founder of ML and controls 53 per cent. of its equity. Mr Leech is also a significant shareholder of Ci4net.com Inc, a US public company that invests in European internet companies. In addition, Mr Leech is a Director and principal shareholder of numerous privately owned companies resulting from his role as a provider of private venture capital. The activities of the companies are varied and include other leisure and technology related companies. Mr Leech is also the beneficial owner, directly or indirectly of Glen Investments Limited, a private investment company. In October 1988 Mr Leech was awarded an honorary Doctorate of Laws degree from the University of Manchester.

## Executive Directors

### *A Caplin, Chairman*

Mr Caplin is Chairman of iRevolution Plc, Dynamic Commercial Finance Plc, Hansard Plc, Durlacher Corporation Plc as well as a small number of private companies. He is also non-executive deputy chairman of Northamber Plc and a non-executive director of Easynet Plc, Barts and The Royal London NHS Trust, Tadpole Technology Plc, Fattoria Villa Saletta S.rl., as well as a number of private companies. Mr Caplin is also Chairman of The European Electronic Messaging Association.

### *R I Walker*

Mr Walker was Chief Finance Officer of TPN Holdings Plc from August 1999 to January 2002. Mr Walker spent 12 years from 1985 to 1997 working for Baker Tilly, a top 20 UK accountancy practice, qualifying as a Chartered Accountant in 1990. Pre qualifying, Mr Walker specialised in business services at Baker Tilly, undertaking a number of director level secondments. Post qualifying, he progressed to a position of Senior Management within Baker Tilly's Corporate Special Services Department, acting as an advisor to numerous public and limited companies spanning a range of industries, including leisure, real estate and retail, amongst others. In 1997 he joined Colourweb (UK) Ltd, a company specialising in web printing, as acting Managing Director.

## CORPORATE GOVERNANCE STATEMENT

The Company is listed on the Alternative Investment Market and is therefore not required to comply with the provisions of the combined code. However, the Company is committed to high standards of corporate governance and the directors have established governance procedures and policies that are considered appropriate to the nature and size of the Company, details of which are shown below. The directors consider that, except for the matters noted below, the Company has, throughout the year, been in compliance with the provisions of the Combined Code.

The remuneration committee and audit committee include the executive Chairman as a member which is not as specified by provisions B2.1, B2.2 and D3.1 of the Combined Code, although this is considered appropriate for a Company of its size particularly considering the Chairman's non executive role in the core business.

During the year, the Company granted share options to Mr A Caplin, as detailed in the Report on Directors' Remuneration. These options were granted at an exercise price which was lower than the share price on the date of award. This is not in accordance with provision B1.5 of the Combined Code.

### THE WORKINGS OF THE BOARD AND ITS COMMITTEE

#### The Board

The Board currently comprises the executive Chairman, one executive director and three independent non-executive directors. The senior independent non-executive director is Mr H E Flight. Their biographies appear on pages 5 and 6. The Company has appointed an executive Chairman during the year, but has not appointed a Chief Executive Officer, the core business being delegated to Mr J J Bowden and Miss L J Bowden who resigned from the Board on 23 May 2002. They demonstrate a range of experience and sufficient calibre to bring independent judgement on issues of strategy, performance, resources and standards of conduct, which is vital to the success of the Company. The Board is responsible to shareholders for the proper management of the Company. A statement of the directors' responsibilities in respect of the financial statements is set out on page 16 and a statement on going concern is given on page 15.

The Board has prepared a formal schedule of matters specifically reserved to it for decision. All directors have access to the advice and services of the company secretary, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. In addition, the company secretary ensures that the directors receive appropriate training as necessary. The appointment and removal of the company secretary is a matter for the Board as a whole. All directors are subject to re-election at least every three years. Non-executive directors' contracts are initially for a duration of six months and then renewable for a period of twelve months.

The Board met three times in the year to December 2001 and will meet every quarter thereafter, reviewing trading performance, ensuring adequate funding, setting and monitoring strategy and examining major acquisition possibilities. The non-executive directors have a particular responsibility to ensure that the strategies proposed by the executive directors are fully considered. To enable the Board to discharge its duties, all directors receive appropriate and timely information. Briefing papers are distributed to all directors in advance of Board meetings. The Chairman ensures that the directors take independent professional advice as required.

In view of the small size of the Board, a Nomination Committee has not been established to deal with the appointment of new directors and this function is exercised by the Board as a whole. All directors are subject to re-election at least every three years. Non-executive directors' contracts are initially for a duration of six months and then renewable for a period of twelve months.

The Board has established an Audit Committee and a Remuneration Committee with duties and responsibilities formally delegated to them.

**Audit Committee**  
H E Flight (*Chairman*)  
A Caplin  
J Browning

**Remuneration Committee**  
H E Flight (*Chairman*)  
A Caplin  
J Browning

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly measured and reported and for reviewing reports from auditors, relating to the Company's financial statements and the Company's internal control system. The Audit Committee monitors the effectiveness of these systems. The Committee meets not less than twice annually, meetings are also attended, by invitation, by the finance director.

The Remuneration Committee is responsible for setting the remuneration of the executive directors (except the Chairman) and the senior management, having due regard to the interests of the shareholders. The Chairman's remuneration is determined by a sub-committee comprising only the two non-executive directors.

Further details of the Company's policies on remuneration, service contracts and compensation payments are given in the Report on Directors' Remuneration on pages 10 to 12.

## **INTERNAL CONTROL**

The directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve the Company's strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

An ongoing process, in accordance with the guidance of the Turnbull Committee on internal control, has been established for identifying, evaluating and managing the significant risks faced by the Company. The process has been in place for the full year under review and up to date of approval of the annual report and financial statements. The Board regularly reviews the process as part of its review of risks within Board meetings.

The Company's key risk management processes and system of internal control procedures include the following:

### **Management structure**

Authority to operate the day to day control of the core business is delegated to two executive directors within limits set by the Board. The appointment of executives to the most senior positions within the Company requires the approval of the Board. Functional, operating and financial reporting standards are established by the Board.

### **Information and financial reporting systems**

The Company prepares regular management accounts, sales reports and other financial information. There are established procedures for the consideration of all variances from the budgets by senior management and the executive directors. Management information is monitored by the Board at each Board meeting against previously agreed budgets.

### **Identification and evaluation of business risks**

The major financial, commercial, legal, regulatory and Board operating risks within the Company are identified through annual reporting procedures. The Board regularly reviews these risks to ensure that they are being effectively managed and appropriately insured.



### **Investment appraisal**

A budgetary process and authorisation levels regulate capital expenditure. For expenditure beyond specified levels, proposals have to be agreed by the Board. Commercial, legal and financial due diligence work is carried out if a business is to be acquired.

### **Audit Committee**

The audit committee monitors the controls which are in force and any perceived gaps in the control environment. The audit committee also considers and determines relevant action in respect of any control issues raised by external auditors.

The key processes used by the Board to review the effectiveness of the system of internal control include the following:

- Review of the accounting and internal control procedures document;
- Annual consideration of whether the procedures set out in the Company's accounting and internal control procedures document have been followed;
- The Chairman of the Audit Committee reports the outcome of the Audit Committee meetings to the Board and the Board receives minutes of the meetings; and
- Review of the role of insurance in managing risks across the Company.

### **RELATIONS WITH SHAREHOLDERS**

Communications with shareholders are given a high priority. The Chairman's Statement includes a detailed review of the business and future developments. There is regular dialogue with institutional shareholders including presentations after the Company's preliminary announcement of the year end results and at the half year.

The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation. The Chairman and the Chairman of the audit and remuneration committees will be available at Annual General Meetings to answer questions. Details of resolutions to be proposed at the Annual General Meeting can be found in the Notice of the Meeting at the end of this Annual Report.

## REPORT ON DIRECTOR'S REMUNERATION

### THE COMMITTEE

The Remuneration Committee comprises three of the Company's directors who are identified in the Corporate Governance Report on page 8. The committee meets at least annually to review all the aspects of the executive directors' performance, remuneration and incentives. The awarding of bonuses to the executive directors and any change to their remuneration package or incentive schemes requires the prior approval of the committee.

### REMUNERATION POLICY

The salary and benefits are reviewed annually. The committee is responsible for determining how the executive directors (except the Chairman) and senior management will be rewarded and incentivised. The Chairman's remuneration is determined by a sub-committee, comprising only the two non-executive directors. The remuneration of non-executive directors is fixed by the Board as a whole.

The committee makes recommendations to the Board, within agreed terms of reference, on an overall remuneration package for executive directors and other senior management in order to attract, retain and motivate high quality executives capable of achieving the group's objectives. The package consists of basic salary, benefits, share options and performance related bonuses.

### BASIC SALARY AND BENEFITS

In considering each director's performance, the committee will make reference to the contribution each individual has made and also the performance of the Company.

Each director's basic salary and benefits are set out in page 11.

### PERFORMANCE RELATED BONUSES

These are calculated based on fixed formulae. The formulae for Mr J J Bowden and Miss L J Bowden measured the Company's performance against specified targets relating to sales.

### PENSIONS

The Company has put in place a defined contribution pension scheme, which complies with the stakeholder pension requirements and is available to all employees and directors. No one has joined the scheme.

### SHARE OPTIONS

The committee considers that share options are one of the mechanisms by which directors and employees can be given appropriate longer-term incentives. The grant of the options to directors under the Company's share option scheme requires the approval of the committee.

The interests in the Company's share options for directors are set out on page 12.

**DIRECTORS' REMUNERATION**

The remuneration of the directors is as follows:

	Basic salary and fees £	Benefits £	Performance related bonuses £	Year ended 31 December to 2001 Total £	Six months to 31 December 2000 Total £
<i>Executive directors:</i>					
L J Bowden <sup>(3)</sup>	52,000	—	15,304	67,304	42,959
J J Bowden <sup>(3)</sup>	52,000	—	13,187	65,187	42,758
R I Walker	30,000	—	—	30,000	12,500
A Caplin <sup>(2)</sup>	37,500	—	—	37,500	—
<i>Non-executive directors:</i>					
H E Flight	25,000	—	—	25,000	12,500
R P Bradshaw <sup>(1)</sup>	1,897	—	—	1,897	5,000
J Browning	10,000	—	—	10,000	5,000
K R Leech	10,000	—	—	10,000	5,000
	<u>£218,397</u>	<u>£ —</u>	<u>£28,491</u>	<u>£246,888</u>	<u>£125,717</u>

(1) Resigned 16 March 2001

(2) Appointed 16 March 2001

(3) Resigned 23 March 2002

The fees in respect of Mr R I Walker were paid to TPN Holdings Plc.

**DIRECTORS' SERVICE CONTRACTS**

Mr J J Bowden and Miss L J Bowden both had service agreements with the Company which were terminable by either party on not less than 12 calendar months written notice. Neither Mr J J Bowden nor Miss L J Bowden received any compensation upon their resignation from the Board on 23 May 2002.

Mr A Caplin has a service agreement with the Company. The agreement was initially for a duration of six months and then renewed subject to review of performance at six monthly intervals.

During the year there was an agreement between the Company, TPN Holdings Plc and Mr R I Walker to supply his services as a finance director subject to six months notice of termination by TPN Holdings Plc or the Company. Since the balance sheet date the agreement has ceased and Mr R I Walker is now employed directly by the Company.

Mr H E Flight and Mr A Caplin retire by rotation and, being eligible, offer themselves for re-election. Biographical details of all directors can be found on pages 5 and 6.

## DIRECTORS' INTEREST IN OPTIONS

Share options have been granted to executive and non-executive directors reflecting their involvement in and contribution to the success of the Company. In addition it motivates them to act in the interests of the shareholders. The grant of share options to non-executive directors is not considered to affect their independence but to reward good performance of their duties.

		Exercise price £	At 1 January 2001 No	Granted during the year No	Exercised during the year No	Lapsed/ cancelled during 31 December the year No	At 31 December 2001 No
L J Bowden	(a)	0.2900	700,000	—	—	—	700,000
J J Bowden	(a)	0.2900	700,000	—	—	—	700,000
R I Walker	(b)	0.2900	350,000	—	—	—	350,000
H E Flight	(b)	0.2900	300,000	—	—	—	300,000
R P Bradshaw	(b)	0.2900	140,000	—	—	(140,000)	—
J Browning	(b)	0.2900	140,000	—	—	—	140,000
K R Leech	(b)	0.2900	140,000	—	—	—	140,000
A Caplin	(b)	0.0621	—	2,180,000	—	—	2,180,000
			<u>2,470,000</u>	<u>2,180,000</u>	<u>—</u>	<u>(140,000)</u>	<u>4,510,000</u>

The options are exercisable as follows:

- |     |  |                                  |
|-----|--|----------------------------------|
| (a) | On the 1st anniversary of the grant date | 25% of options granted           |
|     | On the 2nd anniversary of the grant date | a further 25% of options granted |
|     | On the 3rd anniversary of the grant date | a further 25% of options granted |
|     | On the 4th anniversary of the grant date | all options become fully vested  |
| (b) | On the 3rd anniversary of the grant date | 25% of options granted           |
|     | On the 4th anniversary of the grant date | a further 25% of options granted |
|     | On the 5th anniversary of the grant date | a further 25% of options granted |
|     | On the 6th anniversary of the grant date | all options become fully vested  |

The date of grant for the above options brought forward was 24 July 2000. The options granted during the year were granted on 30 April 2001. The expiry date of all options is on the 10th anniversary of their grant date. The options were granted to Mr A Caplin in a block on the advice of the Company's advisers.

There are no performance criteria conditional upon which the options are exercisable.

The market price of the Company's shares on 31 December 2001 was £0.07 per share and the high and low share prices during the year were £0.23 and £0.06 respectively.

Mr R P Bradshaw's options were returned as cancelled on the date of his resignation as a director.

## DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2001.

### RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 18 and are reviewed in the Chairman's Statement on pages 3 and 4. The directors do not recommend a dividend.

### PRINCIPAL ACTIVITY

The principal activity of the Company during the year was that of a provider of information on businesses supplying products and services to local government and public bodies in the UK.

### DIRECTORS AND THEIR INTERESTS

The directors of the Company are listed on page 2.

The directors' beneficial interests in the share capital of the Company, other than with respect to options to acquire ordinary shares (which are detailed in the analysis of options included in the Report on Directors' Remuneration), were as follows:

	<i>At</i>	
	<i>31 December</i>	<i>2000</i>
	<i>At</i>	<i>or subsequent date</i>
	<i>31 December</i>	<i>of appointment</i>
	<i>2001</i>	<i>2001</i>
	<i>Ordinary</i>	<i>Ordinary</i>
	<i>shares</i>	<i>shares</i>
	<i>0.1p each</i>	<i>0.1p each</i>
H E Flight	345,000	345,000
L J Bowden	86,000	86,000
J J Bowden <sup>(2)</sup>	172,000	172,000
J Browning	—	—
K R Leech <sup>(1)</sup>	70,365,000	70,692,000
R I Walker	—	—
A Caplin	—	—

(1) Mr K R Leech's interest includes the holding of 65,519,241 ordinary shares by Buyersguide (Holdings) Limited (a wholly owned subsidiary of TPN Holdings Plc), he being the beneficial owner of a controlling shareholding in TPN Holdings Plc. The interest disclosed also includes the 3,782,759 shares beneficially held by DBP Holdings Limited (a wholly owned subsidiary of C4net.com Inc. of which Mr Leech beneficially owns 40 per cent.) and 111,000, 152,000 and 110,000 ordinary shares held by Alan Leech, Alexis Leech and Liam Leech respectively (Mr Leech's children).

(2) Mr J Bowden's interest includes 86,000 shares held by his wife.

During the year 130,000 preference shares of the Company were held by TPN Holdings Plc, of which Mr K R Leech holds the controlling shareholding.

On 4 January 2002, an administrative receiver was appointed to TPN Holdings Plc and on 21 March 2002, an administrative receiver was appointed to Buyersguide (Holdings) Limited, consequently Mr K R Leech no longer has a beneficial interest in the shares held by those companies in the Company.

## DIRECTORS' REPORT continued

The director's beneficial interests in TPN Holdings Plc were as follows:

	2001 ordinary 0.1p shares	2000 ordinary 0.1p shares
H E Flight	30,600	30,600
L J Bowden	43,895	406,522
J J Bowden	43,895	406,523
J Browning	—	—
K R Leech	6,094,716	6,847,428
R I Walker	—	—
A Caplin	—	—

None of the directors had any other interest in shares or debt of any other member of the group during the year. The total number of ordinary shares in issue by TPN Holdings Plc is 10,033,009. Kevin Leech is the beneficial owner of 850,000 series 'A' preferred shares being the total number of series 'A' preferred shares in issue.

In addition to the directors listed above, Mr R P Bradshaw served as a director until 16 March 2001 when he resigned.

### POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the Company made no charitable or political contributions.

### MAJOR INTERESTS IN SHARES

On 19 April 2002 the following had notified an interest in the ordinary shares of the Company required to be disclosed to the Company in accordance with section 198 to 208 of the Companies Act 1985:

	Ordinary Shares	% holding
Buyersguide (Holdings) Limited (a wholly owned subsidiary of TPN Holdings Plc)	65,519,241	75.09
Collins Stewart Limited	3,973,000	4.55
DBP Holdings Limited	3,782,759	4.34
Unicorn Asset Management	3,450,000	3.95

### CREDITOR PAYMENT POLICY AND PRACTICE

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2001, the Company had an average of 3 days purchases outstanding in trade creditors.

## DIRECTORS' REPORT continued


### GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board

  
Andrew J A Flitcroft  
Company Secretary

31 May 2002

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUYERS GUIDE PLC

We have audited the Company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, Statement of Cashflows and the related notes 1 to 22. These financial statements have been prepared on the basis of the accounting policies set out therein.

### 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman's Statement (incorporating Operating and Financial Review), Directors, Corporate Governance Statement and Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.


### Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young LLP  
Registered Auditor  
Newcastle upon Tyne

31 May 2002

## PROFIT AND LOSS ACCOUNT

### for the year ended 31 December 2001

			<i>Year Ended 31 December 2001 £</i>	<i>6 months to 31 December 2000 £</i>
	<i>Notes</i>			
<b>TURNOVER</b>	2		1,226,069	1,150,942
Cost of sales			598,390	484,332
<b>GROSS PROFIT</b>			627,679	666,610
Administrative expenses — before exceptional items		1,008,801		612,576
Administrative expenses — exceptional items	4	701,538	1,710,339	—
<b>OPERATING (LOSS)/PROFIT</b>	3		(1,082,660)	54,034
Bank interest receivable			200,487	93,236
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(882,173)	147,270
Tax on (loss)/profit on ordinary activities	6		9,000	28,000
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>			(891,173)	119,270
<b>RETAINED PROFIT BROUGHT FORWARD</b>			119,270	—
<b>RETAINED (LOSS)/PROFIT CARRIED FORWARD</b>			£(771,903)	£119,270
(Loss)/earnings per share — basic and diluted	7		(1.02)p	0.16p

There are no recognised gains or losses in either year other than the (loss)/profit attributable to shareholders of the Company.

# **BALANCE SHEET** **at 31 December 2001**

	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Intangible assets	8	—	758,715
Tangible assets	9	12,793	15,661
		<u>12,793</u>	<u>774,376</u>
<b>CURRENT ASSETS</b>			
Debtors	10	78,114	361,701
Cash at bank and in hand		4,083,573	4,133,153
		<u>4,161,687</u>	<u>4,494,854</u>
<b>CREDITORS: amounts falling due within one year</b>	11	340,034	561,306
<b>NET CURRENT ASSETS</b>		<u>3,821,653</u>	<u>3,933,548</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,834,446	4,707,924
<b>CREDITORS: amounts due after more than one year</b>			
Deferred income	12	1,785	2,090
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	18,000	—
		<u>£3,814,661</u>	<u>£4,705,834</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	15	217,250	217,250
Share premium account	16	4,369,314	4,369,314
Profit and loss account	16	(771,903)	119,270
<b>SHAREHOLDERS' FUNDS</b>			
Equity		3,684,661	4,575,834
Non-equity		130,000	130,000
		<u>£3,814,661</u>	<u>£4,705,834</u>

Richard I Walker  
Anthony L Caplin

Finance Director  
Chairman

31 May 2002

*Richard I Walker*  
*Anthony L Caplin*

# STATEMENT OF CASHFLOWS

## for the year ended 31 December 2001

	Notes	Year ended 31 December 2001 £	6 months to 31 December 2000 £
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	21(a)	(247,432)	(457,559)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		200,487	93,236
<b>TAXATION</b>		—	—
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets		(2,635)	(4,083)
<b>ACQUISITIONS AND DISPOSALS</b>			
Net cash acquired with trade		—	114,997
<b>EQUITY DIVIDENDS PAID</b>		—	—
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Withdrawals from/(payments into) short-term deposits		57,858	(4,067,291)
<b>FINANCING</b>			
Issue of ordinary share capital		—	5,001,920
Share issue costs		—	(615,358)
<b>INCREASE IN CASH</b>	21(b)	<u>£8,278</u>	<u>£65,862</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Notes	Year ended 31 December 2001 £	6 months to 31 December 2000 £
Increase in cash in the year	21(b)	8,278	65,862
Cash (inflow)/outflow from (decrease)/increase in liquid resources	21(b)	(57,858)	4,067,291
Movement in net funds	21(b)	(49,580)	4,133,153
Net funds at 1 January 2001		4,133,153	—
Net funds at 31 December 2001	21(b)	<u>£4,083,573</u>	<u>£4,133,153</u>

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2001

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected useful life as follows:

Computer equipment	—	4 years straight line
Fixtures and fittings	—	4 years straight line

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### Goodwill

Goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life of five years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### Leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

#### Research and development

Research and development expenditure is written off as incurred, except that the development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

#### Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

#### Income recognition

The Company's contract revenues are derived principally from one activity, internet advertising.

The recognition of income is in accordance with the terms and conditions of advertising contracts. Revised terms and conditions were introduced with effect from 1 July 2000. Under these, for advertising contracts of twelve months, 90 per cent. of the income is recognised in the month that the advertising copy is prepared and approved for publication by the customer. The remaining income is associated with the obligation to publish the advert on the Company's web site and this is recognised pro rata over the period of the advertisement.

Revenues from renewing existing advertising contracts are recognised in the same way, except that all revenue is deferred until the previous contract has expired.

Revenues under contracts dated earlier than 1 July 2000 are recognised pro rata over the period of the advertisement.

Deferred income is primarily comprised of income received and receivable under internet advertising agreements in advance of revenue recognition, and is included within creditors.

## 2. TURNOVER AND SEGMENTAL ANALYSIS

In the year to 31 December 2001, the Company's entire turnover was to markets within the United Kingdom and derived from one activity, internet advertising.

Turnover, (loss)/profit on ordinary activities before taxation and net assets are attributable to one continuing activity.

Turnover consists of revenues recognised over the year as follows:

	Year ended 31 December 2001 £	6 months to 31 December 2000 £
Release of deferred income brought forward from prior periods		
— pre 1 July 2000	173,396	619,855
— post 30 June 2000	203,009	—
Recognition of income from sales in the year	849,664	531,087
Total turnover	<u>£1,226,069</u>	<u>£1,150,942</u>

## 3. OPERATING (LOSS)/PROFIT

	Year ended 31 December 2001 £	6 months to 31 December 2000 £
This is stated after charging:		
Auditors' remuneration		
— audit fee	25,000	25,000
— other services	11,000	—
Depreciation of owned assets	5,503	2,283
Amortisation of goodwill	168,603	84,302
Operating lease rentals — land and buildings	20,000	10,000
Research and development expenditure written off	<u>13,959</u>	<u>28,337</u>

### Auditors Remuneration

In addition to the auditors remuneration noted above, fees paid to the auditors of £96,404 were charged to the share premium account in 2000 in connection with the flotation (2001: £nil).

## 4. EXCEPTIONAL ITEMS

	Year ended 31 December 2001 £	6 months to 31 December 2000 £
Impairment of goodwill	590,112	—
Legal costs re aborted transaction	<u>111,426</u>	<u>—</u>
	<u>£701,538</u>	<u>£ —</u>

### Impairment of goodwill

The directors, in view of the disposal of the Online Advertising business, have written down the carrying value of goodwill to its estimated recoverable amount.

### Legal costs re aborted transaction

During the year, the directors entered into negotiations with a view to a merger, the transaction was subsequently aborted, but the above legal costs had been incurred and are accrued in the balance sheet.

## 5. STAFF COSTS

Staff costs, including directors' remuneration, during the year amounted to:

	Year ended 31 December 2001 £	6 months to 31 December 2000 £
Wages and salaries	803,441	428,569
Social security costs	75,107	41,628
	<u>£878,548</u>	<u>£470,197</u>

The average number of employees during the year was as follows:

	Year ended 31 December 2001 No.	6 months to 31 December 2000 No.
Design, production and technical	4	5
Sales and marketing	20	34
General, administrative and executive	5	5
	<u>29</u>	<u>44</u>

Details of directors' remuneration and interests in share options, are set out on pages 10 to 12.

## 6. TAXATION

	Year ended 31 December 2001 £	6 months to 31 December 2000 £
UK Corporation tax — current year	9,000	—
Payment for group relief	—	28,000
	<u>£9,000</u>	<u>£28,000</u>

The Company has trading losses at 31 December 2001 of approximately £170,000 which can be carried forward and offset against future profits of the same trade. The tax charge for the year has arisen on interest income that cannot be offset by trading losses brought forward.

There were no movements in deferred taxation during the current and previous periods and no provision for deferred taxation at the balance sheet date.

Deferred taxation unprovided for in the financial statements is set out below, this represents a contingent asset at the balance sheet date and is calculated using a tax rate of 30% (2000: 30%).

	Year ended 31 December 2001 £	6 months to 31 December 2000 £
Other timing differences	—	(30,800)
Loss available for offset	—	(85,200)
	<u>£—</u>	<u>£(116,000)</u>

As the Company disposed of its current trade in May 2002, the benefit of the losses being carried forward at 31 December 2001 will be unavailable to the Company.

**7. (LOSS)/EARNINGS PER SHARE**

The calculation of basic (loss)/earnings per share is based on the loss for the year of £891,173 (2000: profit of £119,270), and on ordinary shares being the weighted average number of ordinary shares in issue during the year 87,250,000 (2000: 76,345,272).

As the Company has incurred a loss in the year there are no dilutive shares for 2001.

There were no dilutive shares in 2000, as the average market value in the period was less than the exercise price of the share options.

**8. INTANGIBLE FIXED ASSETS**

	<i>Goodwill</i> £
Cost:	
At 1 January 2001 and at 31 December 2001	843,017
Amortisation:	
At 1 January 2001	84,302
Provided during the year	168,603
Impairment loss	590,112
At 31 December 2001	843,017
Net book value:	
At 31 December 2001	£ —
At 1 January 2001	£758,715

**9. TANGIBLE FIXED ASSETS**

	<i>Fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost:			
At 1 January 2001	11,934	6,010	17,944
Additions	878	1,757	2,635
At 31 December 2001	12,812	7,767	20,579
Depreciation:			
At 1 January 2001	1,727	556	2,283
Provided during the year	4,035	1,468	5,503
At 31 December 2001	5,762	2,024	7,786
Net book value:			
At 31 December 2001	£7,050	£5,743	£12,793
At 1 January 2001	£10,207	£5,454	£15,661

**10. DEBTORS**

	2001 £	2000 £
Trade debtors	60,972	327,034
Other debtors	4,597	295
Prepayments and accrued income	12,545	34,372
	£78,114	£361,701



**11. CREDITORS: amounts falling due within one year**

	2001	2000
	£	£
Trade creditors	3,747	6,848
Amounts owed to group undertakings	36,812	36,812
Other taxes and social security costs	35,697	80,893
Corporation tax	9,000	—
Accruals	157,726	78,346
Deferred income	97,052	358,407
	<u>£340,034</u>	<u>£561,306</u>

**12. CREDITORS: amounts falling due after more than one year**

	2001	2000
Deferred income	<u>£1,785</u>	<u>£2,090</u>

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	<i>Provision for onerous lease</i>
At 1 January 2001	—
Arising during the year	18,000
At 31 December 2001	<u>£18,000</u>

*Provision for onerous lease*

A provision has been made for payments under a lease due to expire in eighteen months as the property has been vacated by the Company and it has not been possible to sub-let.

**14. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS**

The Company has taken advantage of the exemption to exclude short term debtors and creditors from the disclosures given below other than currency exposures.

The Company's principal financial instruments comprise cash, short term deposits and non-equity shares. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial instruments, such as trade debtors and trade creditors, that arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. It is not the policy of the Company to use financial instruments as hedges.

**Non equity shares**

The Company has in issue £130,000 preference shares denominated in sterling, with no terms for redemption or conversion. The rights of preference shareholders to dividends are disclosed in note 15. In the opinion of the directors, the fair value of the shares is £130,000.

## 14. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (continued)

## Interest rate risk profile of financial assets

	Total	Floating rate financial assets
31 December 2001		
— sterling	<u>£4,083,573</u>	<u>£4,083,573</u>
31 December 2000		
— sterling	<u>£4,133,153</u>	<u>£4,133,153</u>

The benchmark rate for determining interest receipts for the floating rate financial assets is LIBOR.

## Currency exposures

It is the Company's policy not to utilise any foreign currency. There is no foreign currency exposure at the end of the year.

## Borrowing facilities

The Company has no borrowing facilities arranged.

## Fair values

There are no material differences between fair values and book values for any financial assets and liabilities.

## 15. SHARE CAPITAL

	2001 £	2000 £
<i>Authorised</i>		
120,000,000 ordinary shares of 0.1p each	120,000	120,000
130,000 preference shares of £1 each	<u>130,000</u>	<u>130,000</u>
	<u>£250,000</u>	<u>£250,000</u>
<i>Allotted, called up and fully paid</i>		
87,250,000 ordinary shares of 0.1p each	87,250	87,250
130,000 preference shares of £1 each	<u>130,000</u>	<u>130,000</u>
	<u>£217,250</u>	<u>£217,250</u>

The holders of the preference shares shall be entitled to a non-cumulative preferential dividend at the rate equal to six monthly LIBOR minus 1 per cent and to a further dividend on the basis of 1p for every £1 distributed as the dividend per ordinary shares once the total dividend on each ordinary share that has been paid in any year reaches £10.

On a return of capital on winding-up or (other than on redemption or purchase of shares) otherwise, the holders of the preference shares shall be entitled in priority to any payment to the holders of any other class of shares to the repayment of a sum equal to the nominal capital paid up or credited as paid up on the preference shares held by them respectively.

The preference shares carry no votes at meetings except in respect of resolutions modifying any rights or privileges of the preference shares.

**15. SHARE CAPITAL (continued)**

A total of 6,380,000 options for shares were granted for nil consideration. The options are exercisable as follows:

**Executive and Non-executive Directors:**

On the 3rd anniversary of the grant date	25% of options granted
On the 4th anniversary of the grant date	a further 25% of options granted
On the 5th anniversary of the grant date	a further 25% of options granted
On the 6th anniversary of the grant date	all options become fully vested

**Senior Managers:**

On the 1st anniversary of the grant date	33% options granted
On the 2nd anniversary of the grant date	a further 33% options granted
On the 3rd anniversary of the grant date	all options become fully vested

**Certain Executive Directors and Other Employees:**

On the 1st anniversary of the grant date	25% of options granted
On the 2nd anniversary of the grant date	a further 25% of options granted
On the 3rd anniversary of the grant date	a further 25% of options granted
On the 4th anniversary of the grant date	all options become fully vested

The date of grant for 4,200,000 the above options was 24 July 2000 and the price to be paid for the shares allotted is 29p. A further 2,180,000 were granted on 30 April 2001 the price to be paid for the shares allotted is 0.621p. The expiry date of all options is on the 10th anniversary of their grant date.

**16. RESERVES**

	<i>Share premium £</i>	<i>Reserves £</i>	<i>Total £</i>
At 1 January 2001	4,369,314	119,270	4,488,584
Retained loss for the year	—	(891,173)	(891,173)
At 31 December 2001	<u>£4,369,314</u>	<u>£(771,903)</u>	<u>£3,597,411</u>

**17. RECONCILIATION OF SHAREHOLDERS' FUNDS**

	<i>2001 £</i>	<i>2000 £</i>
Retained (loss)/profit for the year	(891,173)	119,270
New shares issued		
— Equity	—	4,456,562
— Non-equity	—	130,000
Total movement for the year	(891,173)	4,705,832
Shareholders' funds at 1 January 2001	4,705,834	2
Shareholders' funds at 31 December 2001	<u>£3,814,661</u>	<u>£4,705,834</u>

**18. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2001 the Company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2001</i>	<i>2000</i>
Operating leases, which expire:		
In over five years	<u>£20,000</u>	<u>£20,000</u>

**19. PARENT UNDERTAKING AND CONTROLLING PARTY**

As at 31 December 2001, the Company's immediate parent undertaking is Buyersguide (Holdings) Limited. In the directors' opinion the Company's ultimate holding company is Glen Investments Limited, a company incorporated in Jersey and which Mr K R Leech ultimately controls.

The parent undertaking of the largest and smallest group for which group financial statements are drawn up and of which the Company is a member is TPN Holdings Plc (formerly TownPagesNet.com Plc). Financial statements for TPN Holdings Plc can be obtained from Companies House.

**20. RELATED PARTY TRANSACTIONS**

On 24 July 2000, the directors, Mr J Bowden and Miss L Bowden granted to Buyers Guide Plc, a lease of floors 1 and 2 of Osborne Terrace, Jesmond, Newcastle upon Tyne for ten years at an initial rental of £20,000 per annum.

On 24 July 2000, TPN Holdings Plc agreed to supply accounting systems, payroll, general financial accounting and reporting, treasury and data recovery services. Fees payable in the year totalled £60,000 (2000: £43,403). Since the balance sheet date the agreement has ceased.

During the year, TPN Holdings Plc charged to the Company, staff costs in respect of auction technology development totalling £4,500 (2000: £11,835).

No amounts (2000: £10,000) have been charged to the Company by TPN Holdings Plc in respect of IT support during the year.

As disclosed in the Report on Directors' Remuneration, £30,000 (2000: £12,500) fees in respect of Mr R I Walker's services as finance director have been paid to TPN Holdings Plc and no further amounts (2000: £21,938) in respect of time spent by Mr R I Walker and Mr R P Bradshaw.

At the balance sheet date the Company was owed £6,500 by Buyersguide (Holdings) Limited and £14,400 by TPN Holdings Plc. Full provision has been made in these financial statements against these debts.

Since the year end, a number of further transactions have been announced as disclosed in note 22.

## 21. NOTES TO THE CASH FLOW STATEMENT

### (a) Reconciliation of operating (loss)/profit to net cash outflow from operating activities

	Year ended 31 December 2001 £	6 months to 31 December 2000 £
Operating (loss)/profit	(1,082,660)	54,034
Depreciation	5,503	2,283
Amortisation of goodwill	168,603	84,302
Impairment of goodwill	590,112	—
Decrease/(increase) in debtors	283,587	(64,066)
Decrease in creditors	(230,577)	(534,112)
Increase in provisions	18,000	—
Net cash outflow from operating activities	<u>£(247,432)</u>	<u>£(457,559)</u>

### (b) Analysis of changes in net funds

	At 1 January 2001 £	Cash flows £	At 31 December 2001 £
Cash at bank and in hand	65,862	8,278	74,140
Liquid resources	<u>4,067,291</u>	<u>(57,858)</u>	<u>4,009,433</u>
	<u>£4,133,153</u>	<u>£(49,580)</u>	<u>£4,083,573</u>

Liquid resources comprise short term deposits.

## 22. POST BALANCE SHEET EVENT

On 4 January 2002, an administrative receiver was appointed to TPN Holdings Plc and on 21 March 2002, an administrative receiver was appointed to Buyersguide (Holdings) Limited.

On 23 May 2002 the Company disposed of the On-line Advertising business to a company controlled by Mr J J Bowden and Miss L J Bowden for £65,625 in cash of which £33,313 has been paid and £32,312 is payable on 21 August 2002.

Following the year end, the Directors pursued a potential transaction involving the acquisition of Cobra Therapeutics Limited. Unfortunately this transaction could not be completed and as a result, the Company incurred significant legal and other costs which will be taken as an expense in 2002.

# Buyers Guide plc

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at the offices of Ashurst Morris Crisp, Broadwalk House, 5 Appold Street, London EC2A 2HA at 11.00a.m. on 2 July 2002 for the following purposes:

### ORDINARY BUSINESS

1. To receive and adopt the financial statements for the year ended 31 December 2001 and the Report of the directors and auditors thereon.
2. To re-elect Howard Flight as a director who retires pursuant to the Articles of Association of the Company and who offers himself for re-election.
3. To re-elect Tony Caplin as a director who retires pursuant to the Articles of Association of the Company and who offers him self for re-election.
4. To reappoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.

### SPECIAL BUSINESS

5. To change the name of the Company to "Venturia plc".
6. To authorise the directors generally and unconditionally for the purposes of section 80 of the Companies Act 1985, to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the said Act) up to an aggregate nominal amount of £30,000, this authority to expire at the conclusion of the annual general meeting of the Company in 2003 (save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired).
7. That subject to the passing of resolution 6 above, the directors be and are hereby empowered to allot equity securities (as defined in section 94(2) of the Companies Act 1985) for cash pursuant to the authority conferred by resolution 6 above as if section 89(1) of the said Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:-
  - (a) in connection with an offer or issue in favour of ordinary shareholders and holders of any other class of equity securities where the equity securities are proportionate (as nearly as practicable) to the respective number of ordinary shares and any other class of equity securities held by such holders but subject to such exclusions or other arrangements as the directors may deem necessary or desirable in relation to fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements of any regulatory body or stock exchange in any territory; and

- (b) otherwise than pursuant to (a) above, up to an aggregate nominal amount of £4,362, and this power shall be in substitution for any existing power and shall expire at the conclusion of the annual general meeting of the Company to be held in 2003 save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

By Order of the Board  
*Andrew JA Flitcroft*

Registered office:  
 Broadwalk House  
 5 Appold Street  
 London EC2A 2HA

31 May 2002

Notes:

- (i) Shareholders are entitled to attend and vote at the annual general meeting and may appoint one or more proxies to so attend and, on a poll, vote instead of them. A proxy need not be a member of the Company.
- (ii) A form of proxy is enclosed with this document. To be valid, it must be returned to the Company's registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA, not later than 10.55a.m. on 30 June 2002.
- (iii) The completion and return by a member of a duly completed form of proxy will not preclude any such member from attending in person and voting at the annual general meeting.
- (iv) Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, only those shareholders registered in the register of members of the Company 48 hours before the meeting will be entitled to attend and vote at the annual general meeting in respect of the number of shares registered in their name at that time. Subsequent changes to the register will be disregarded in determining the right of any person to attend or vote at the annual general meeting.
- (v) Pursuant to the terms of the sale of the Company's on-line advertising business the Company is required to change its name to a name not containing the words Buyers Guide. Accordingly your directors propose to change the name of the Company to "Venturia plc".
- (vi) Your directors may only allot shares or grant rights over shares if authorised to do so by shareholders. The authority granted at the last annual general meeting is due to expire at this year's annual general meeting. Accordingly, Resolution No. 6 will be proposed as an ordinary resolution to grant a new authority to allot unissued share capital up to an aggregate nominal value of £30,000, representing approximately 33 per cent. of the total issued ordinary share capital as at 30 May 2002. If given, this authority will expire at the annual general meeting in 2003. Other than in respect of the Company's obligations under its employee share schemes, the directors have no present intention of issuing any of the authorised but unissued share capital of the Company.
- (vii) Your directors also require additional authority from shareholders to allot shares or grant rights over shares where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings. Accordingly, Resolution No. 7 will be proposed as a special resolution to grant such authority. If given, this authority will expire at the conclusion of the annual general meeting in 2003. Apart from pro rata issues to existing shareholders this power is limited to shares with a nominal value of £4,362 representing five per cent. of the issued share capital of the Company.

# Buyers Guide plc

## Annual General Meeting FORM OF PROXY

I/We (name(s) in full) .....

of (address(es)) .....

being a holder of ordinary shares in the above-named Company, hereby appoint the Chairman of

the meeting, or failing him (*see Note 1 below*) .....

as my/our proxy to vote for me/us on my/our behalf at the 2002 Annual General Meeting of the Company to be held at Ashurst Morris Crisp, Broadwalk House, 5 Appold Street, London EC2A 2HA on 2 July 2002 at 11.00 a.m. and at any adjournment thereof and in the event of a poll I/we direct my/our proxy to vote in respect of the resolutions to be proposed at the meeting as indicated below.

Please indicate with an "X" in the appropriate box below how your proxy should vote (*see Note 2 below*).

Resolutions		For	Against
Resolution 1	To receive and adopt the financial statements for the year ended 31 December 2001, and the report of the directors and auditors thereon.		
Resolution 2	To re-elect Howard Flight as a director.		
Resolution 3	To re-elect Tony Caplin as a director.		
Resolution 4	To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the directors to fix their remuneration.		
Resolution 5	To change the name of the Company to "Venturia plc".		
Resolution 6	To authorise the directors to allot relevant securities pursuant to section 80 of the Companies Act 1985.		
Resolution 7	To empower the directors to allot equity securities pursuant to section 95 of the Companies Act 1985.		

Dated this.....day of .....2002

Signature or common seal (*see Notes 3 and 4 below*) .....

### Notes:

1. You may appoint one or more proxies of your own choice, if you are unable to attend the meeting but would like to vote. If such an appointment is made, delete the words "the Chairman of the meeting" and insert the name(s) of the person or persons appointed as proxy/proxies in the space provided. A proxy need not be a member of the Company. If no name is entered, the return of this form duly signed will authorise the Chairman of the meeting to act as your proxy.
2. If this form is returned without any indication as to how the person(s) appointed shall vote on the resolutions, such person(s) will exercise his/her/their discretion as to how to vote or whether to abstain from voting.
3. If the shareholders is a corporation, this form of proxy must be executed under its common seal or under the hand of a duly authorised officer or attorney.
4. If two or more persons are jointly entitled to a share conferring the right to vote, any one of them may vote at the meeting either in person or by proxy, but if more than one joint holder is present at the meeting either in person or by proxy, the one whose name stands first in the register of members in respect of the joint holding shall alone be entitled to vote in respect thereof. In any event, the names of all joint holders should be stated on the form of proxy.
5. In order that this form of proxy shall be valid, it must be deposited (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or a copy certified in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the directors), at Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL, not later than 48 hours before the time appointed for the meeting. The completion and return of a form of proxy will not, however, preclude shareholders from attending and voting in person at the meeting or at any adjournment thereof, should they wish to do so.



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**LLOYDS TSB REGISTRARS  
THE CAUSEWAY  
GORING BY SEA  
WORTHING  
WEST SUSSEX BN99 6ZL**

First fold

Third fold and tuck in