BAYV Investments Limited

Annual report for the year ended 31 March 2012

Registered number 6312708

BAYV Investments Limited

Annual report
for the year ended 31 March 2012

Contents

BAYV Investments Limited

Officers and professional advisors

Directors

Mr G Clarke
Mr A Hill

Company secretary

Mr P Jones

Registered office

Kingsway Buildings
Bridgend Industrial Estate
Bridgend
CF31 3RY

Bankers

Barclays Bank PLC

Solicitors

MacFarlanes LLP

Auditors

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

Directors' report
for the year ended 31 March 2012

The directors present their report and the audited consolidated financial statements for the year to 31 March 2012

Principal activities

The principal activities of the group are the retailing and servicing of electrical appliances and other household goods along with operating as financiers The principal activities of the company are that of a holding company

Review of business and future developments

The group incurred a net loss of £6 7m during the year against a profit of £1 4m in the prior year This was primarily driven by a reduction in the level of turnover, adversely impacting margins In addition the group incurred exceptional costs during the year connected with the restructuring and refinancing of its operations and its banking facilities

As indicated in last year's report, the group, in common with much of the UK economy, faced difficult trading conditions During the year we successfully completed the development of the new advanced hand held technology and the new GPRS meter This new technology began to be rolled out during the year and although a beneficial impact has been obtained, it was not sufficient to abate the underperformance in the year

Review of the principal risks and uncertainties

The directors are of the view that the principal risks that the group's business faces are the current difficult economic situation with continuing pressure on household budgets as a result of the increase in household costs such as travel and utilities and the threat of increasing unemployment These factors may potentially impact the group's ability to maintain and grow its retail volumes and impact on the level of arrears

Subsequent events

On 26 October 2012 Rutland Partners LLP, through its investment fund Rutland Fund II, completed the acquisition of BAYV Investments Limited from a syndicate of banks that had previously controlled the Buy As You View Group The senior management team, led by Adrian Hill (Chairman) and Graham Clarke (CEO) will remain with the business and are investing alongside Rutland Over recent years the business has made a partial recovery helped in part by improved controls and by significant developments in new smart meter payment collections technology The strategy is to complete the turnaround through the roll-out of the new smart meters across the network and to fund controlled growth in customer numbers managed through the existing regional network

Rutland's acquisition of the Buy As You View Group gives the business much needed stability and a firm financial base on which it can return to controlled growth The group's third party debt has been extinguished and has been replaced by £34 0m of loan notes due to Rutland and management The group now has the resources to drive forward a programme of developing new technology and more efficient, sophisticated services for customers The directors are committed to continuing to grow the business from its strong base in South Wales and have ambitious plans to build on the existing loyal customer base, reaching out into more communities and continuing the evolution of its product range and service offer

Directors' report
for the year ended 31 March 2012 (continued)

Key performance indicators

The board monitors the performance of the group by reference to gross profit, operating profit and profit on ordinary activities before taxation

	2012	2011
Gross profit %	**74 2%**	71 4%
Operating (loss) / profit %	**(7.2%)**	6 4%
(Loss) / profit on ordinary activities before taxation	**(£6,916,171)**	£2,044,116

Dividends and transfers to reserves

The results for the financial year are shown on page 7 of the financial statements

The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2012 (2011 £nil) and that the profit for the financial year be transferred to reserves

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs

Given the size of the group, the directors have delegated the responsibility of monitoring financial risk management to a sub-committee that includes members of the board and independent consultants The policies set by the sub-committee are implemented by the company's management team

Price risk

The group is exposed to price risk as a result of its operations However, given the size of the group's operations, the costs of managing exposure to price risk exceed any potential benefits The directors will revisit the appropriateness of this policy should the group's operations change in size or nature

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made

Liquidity risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient available funds for operations and sales

Interest rate cash flow risk

The group has both interest bearing assets and interest bearing liabilities Interest bearing assets include only loans to customers, all of which earn interest at a fixed rate The group's existing debt is at a fixed margin above LIBOR The directors will revisit the appropriateness of their exposure to interest rate risks should the group's operations change in size or nature

Directors' report
for the year ended 31 March 2012 (continued)

Employees

BAYV is committed to attracting, developing and retaining the very best of employees We do this by offering competitive remuneration packages, a definitive career path and a working environment that gives everyone the opportunity to achieve their aspirations through commitment, loyalty and trust

We believe in building on strengths and improving on weaknesses through a number of training and development programmes on an internal and external basis

We operate an open two way communication policy that embraces employee ideas and input through a number of different channels including the company internal magazine, the Intranet, a weekly communication pack and a number of roadshows throughout the year A "Great Ideas" scheme is available that encourages and rewards employees that submit new initiatives to improve business performance

Additional communication methods include an employee consultative group and for matters of a more sensitive nature, a confidential employee helpline

Reward and recognition
To ensure employees share in our success, the company offers competitive pay and benefit packages that are directly linked to performance This is controlled through regular Performance Development Reviews and the achievement of commercially based targets

We also recognise those who go above and beyond the call of duty through the "Employee of the month" scheme where an individual is recognised both financially and publicly through the company magazine and Intranet

Equal opportunities policy
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and the appropriate training is arranged It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability

The group is committed to ensuring that all of our employees and job applicants are treated fairly, have equality of opportunity and are not discriminated against The group does not discriminate on the grounds of sex, sexual orientation, marital status, age, ethnic origin, colour, nationality, disability, religion or religious belief

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements are detailed on page 1

Charitable contributions

The group made the following charitable contributions during the financial year

	2012	2011
	£	£
	9,572	11,748

Directors' report
for the year ended 31 March 2012 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Provision of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware All of the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the Board

A. Hill
Director

Date: 14th November 12

Independent auditors' report to the members of BAYV Investments Limited

We have audited the group and parent company financial statements (the "financial statements") of BAYV Investments Limited for the year ended 31 March 2012 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2012 and of the group's loss and cashflows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

M A Ellis

Mark Ellis (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff 19th November 2012

BAYV Investments Limited (registered number: 6312708)

Consolidated profit and loss account for the year ended 31 March 2012

	Note	2012	2011
		£	£
Turnover	1,2	**57,333,050**	71,872,504
Cost of sales		**(14,785,709)**	(20,554,268)
Gross profit	2	**42,547,341**	51,318,236
Net operating expenses	2	**(46,698,380)**	(46,712,265)
Operating (loss) / profit before exceptionals		**(2,639,526)**	4,846,610
Exceptional net operating expenses	2	**(1,511,513)**	(240,639)
Operating (loss) / profit	2	**(4,151,039)**	4,605,971
Interest receivable		**14,661**	166,879
Interest payable and similar charges	5	**(2,779,793)**	(2,728,734)
(Loss) / profit on ordinary activities before taxation	6	**(6,916,171)**	2,044,116
Tax credit / (charge) on profit on ordinary activities	7	**244,393**	(692,922)
(Loss) / profit for the financial year	21,22	**(6,671,778)**	1,351,194

All operations are continuing

There is no material difference between the (loss) / profit on ordinary activities before taxation and the (loss) / profit for the financial year stated above, and their historical cost equivalents

The company 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

BAYV Investments Limited (registered number: 6312708)

Balance sheets
as at 31 March 2012

		Group		Company	
	Note	**2012**	2011	**2012**	2011
		£	£	£	£
Fixed assets					
Tangible assets	9	**7,215,581**	6,282,649	-	-
Intangible assets	10	**710,755**	837,041	-	-
Investments	11	-	-	**4,217,545**	4,217,545
		7,926,336	7,119,690	**4,217,545**	4,217,545
Current assets					
Loans amounts falling due after more than one year	12	**44,449,567**	54,101,835	-	-
Loans amounts falling due within one year	12	**26,410,966**	32,624,933	-	-
Stocks	13	**1,834,767**	2,196,422	-	-
Debtors	14	**3,315,797**	3,577,581	**8,656,671**	8,495,934
Cash at bank and in hand		**4,566,560**	7,359,707	**7,226**	8,181
		80,577,657	99,860,478	**8,663,897**	8,504,115
Creditors: amounts falling due within one year	15	**(11,570,712)**	(19,012,710)	**(917,737)**	(29,475)
Net current assets		**69,006,945**	80,847,768	**7,746,160**	8,474,640
Total assets less current liabilities		**76,933,281**	87,967,458	**11,963,705**	12,692,185
Creditors: amounts falling due after more than one year	16	**(69,709,979)**	(74,072,378)	**(2,200,000)**	(2,200,000)
Net assets		**7,223,302**	13,895,080	**9,763,705**	10,492,185
Capital and reserves					
Called up share capital	19	**1,667**	1,667	**1,667**	1,667
Share premium account	20	**12,032,366**	12,032,366	**12,032,366**	12,032,366
Profit and loss account	21	**(4,810,731)**	1,861,047	**(2,270,328)**	(1,541,848)
Total shareholders' funds	22	**7,223,302**	13,895,080	**9,763,705**	10,492,185

The financial statements on pages 7 to 23 were approved by the board of directors on 14 November 12 and were signed on its behalf by

A. Hill
Director

Consolidated cash flow statement for the year ended 31 March 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	23	**12,651,216**	7,881,257
Returns on investments and servicing of finance			
Interest received		**14,661**	166,879
Interest paid		**(2,745,765)**	(2,688,345)
Net cash outflow from returns on investments and servicing of finance		**(2,731,104)**	(2,521,466)
Taxation			
Tax paid		**(116,251)**	(112,275)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(2,297,008)**	(3,726,685)
Sale of tangible fixed assets		**-**	12,849
Net cash outflow for capital expenditure and financial investment		**(2,297,008)**	(3,713,836)
Net cash inflow before financing		**7,506,853**	1,533,680
Financing			
Issue of ordinary share capital		**-**	33,833
Decrease in borrowings	24	**(10,300,000)**	(2,490,156)
Net cash outflow from financing		**(10,300,000)**	(2,456,323)
Decrease in cash	24	**(2,793,147)**	(922,643)

Reconciliation of net cash flow to movement in net debt

	Note	2012 £	2011 £
Decrease in cash in the year		**(2,793,147)**	(922,643)
Decrease in debt		**10,300,000**	2,490,156
Net debt at 1 April		**(72,140,298)**	(73,707,811)
Net debt at 31 March	24	**(64,633,445)**	(72,140,298)

Notes to the financial statements for the year ended 31 March 2012

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and in accordance with the Companies Act 2006 A summary of the principal accounting policies, which have been applied consistently, is set out below

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention, and in accordance with United Kingdom law and accounting standards Further disclosures in respect of the going concern position of the group are set out in the director's report

Basis of consolidation

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity Subsidiaries are fully consolidated from the date on which control is transferred to the group They are de-consolidated from the date that control ceases

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus the costs directly attributable to the acquisition Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation

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

Fixtures and equipment	25 – 33⅓%

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

Intangible fixed assets

Goodwill arising on consolidation of subsidiaries represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired and is being amortised over its useful life which is considered to be 10 years

Notes to the financial statements for the year ended 31 March 2012 (continued)

1 Accounting policies (continued)

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 Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation

Turnover

Turnover, which excludes value added tax and is derived in the United Kingdom, comprises retail turnover, maintenance income and finance income, and is recognised as follows

(a) Retail turnover from the sale of goods is recognised on delivery of the related goods Retail turnover also include arrangement fees which are recognised as income on inception of the loans

(b) Revenue from the sale of maintenance is credited to the profit and loss account over the period to which the maintenance contract relates

(c) Finance income, is recognised so as to give a constant periodic rate of return on the net cash investment in loans

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term

Deferred tax

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 Deferred tax assets are not accounted for unless their realisation is reasonably certain 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

Pension costs

The company operates defined contribution pension schemes The assets of the schemes are held separately from those of the company in independently administered funds The pension cost charge represents contributions payable by the company to the funds

Employee Benefit Trust

In accordance with the requirements with UITF 38, the assets and liabilities of the Group's Employee Benefit Trust is included in the Group's balance sheet at 31 March 2012

BAYV Investments Limited (registered number: 6312708)

Notes to the financial statements
for the year ended 31 March 2012 (continued)

2 Segmental information and net operating expenses

2012	Retail	Finance income	Total
	£	£	£
Turnover	**32,188,444**	**25,144,606**	**57,333,050**
Cost of sales	**(14,785,709)**	**-**	**(14,785,709)**
	17,402,735	**25,144,606**	**42,547,341**
Net operating expenses			
Administrative expenses			**(43,159,678)**
Bad debt charge			**(12,980,939)**
Other			**(28,667,226)**
Exceptional administrative expenses			**(1,511,513)**
Distribution costs			**(3,538,702)**
Total			**(46,698,380)**
Operating loss			**(4,151,039)**

2011	Retail	Finance income	Total
	£	£	£
Turnover	42,162,726	29,709,778	71,872,504
Cost of sales	(20,554,268)	-	(20,554,268)
	21,608,458	29,709,778	51,318,236
Net operating expenses			
Administrative expenses			(43,798,262)
Bad debt charge			(13,852,148)
Other			(29,239,385)
Exceptional administrative expenses			(706,729)
Other operating income			466,090
Distribution costs			(3,380,093)
Total			(46,712,265)
Operating profit			4,605,971

BAYV Investments Limited (registered number: 6312708)

Notes to the financial statements for the year ended 31 March 2012 (continued)

2 Segmental information and net operating expenses (continued)

Exceptional net operating expenses	**2012**	2011
	£	£
Costs associated with a refinancing exercise	**863,672**	295,323
Costs associated with restructuring	**647,841**	411,406
Net revenue from a successful VAT appeal	**-**	(466,090)
Total exceptional net operating expenses	**1,511,513**	240,639

3 Directors' emoluments

Retirement benefits are not accruing to any directors (2011 £nil) under money purchase pension schemes

	2012	2011
	£	£
Aggregate emoluments	**363,053**	354,169

	2012	2011
	£	£
Highest paid director		
Aggregate emoluments	**218,595**	210,184

4 Employee information

The average weekly number of persons (including executive directors) employed by the group during the financial year was

	2012	2011
Selling and distribution	**497**	517
Administration	**140**	132
	637	649

	2012	2011
	£	£
Staff costs (for the above persons)		
Wages and salaries	**15,168,568**	15,305,117
Social security costs	**1,591,945**	1,599,964
Pension costs	**6,146**	13,682
	16,766,659	16,918,763

Notes to the financial statements for the year ended 31 March 2012 (continued)

5 Interest payable and similar charges

	2012	2011
	£	£
Interest on bank loans	**2,449,294**	2,415,852
Bank charges	**330,499**	312,882
	2,779,793	2,728,734

6 (Loss) / profit on ordinary activities before taxation

	2012	2011
	£	£
(Loss) / profit on ordinary activities before taxation is stated after (crediting)/charging		
Profit on sale of tangible fixed assets	**-**	(4,483)
Depreciation of owned tangible fixed assets	**1,364,076**	1,567,165
Amortisation of intangible fixed assets	**126,286**	126,286
Auditors' remuneration		
Audit fees	**57,000**	54,000
Non-audit fees – taxation services	**109,630**	196,012
Non-audit fees – other	**44,289**	14,000
Operating lease rentals		
Land and buildings	**741,290**	777,493
Car leasing costs	**1,821,062**	1,829,273

7 Tax on (loss) / profit on ordinary activities

(a) Analysis of tax (credit) / charge in the year

	2012	2011
	£	£
Current tax:		
UK Corporation tax on (loss) / profit of the year	**(106,282)**	105,750
Adjustment in respect of previous years	**532**	10,245
Total current tax	**(105,750)**	115,995
Deferred tax:		
Origination and reversal of timing differences	**(234,356)**	460,249
Adjustment in respect of previous years	**(1,499)**	-
Changes in tax rates and laws	**97,212**	116,678
Total deferred tax	**(138,643)**	576,927
Tax on profit on ordinary activities	**(244,393)**	692,922

Notes to the financial statements for the year ended 31 March 2012 (continued)

7 Tax on (loss) / profit on ordinary activities (continued)

(b) Factors affecting the current tax (credit) / charge for the year

The tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2012 of 26% (2011 28%)

The differences are explained below

	2012	2011
	£	£
(Loss) / profit on ordinary activities before tax	**(6,916,171)**	2,044,116
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 28%)	**(1,798,204)**	572,380
Accelerated capital allowances	**240,478**	(496,709)
Other timing differences	**(5,811)**	(25,796)
Tax losses not recognised	**1,376,306**	-
Tax at marginal rates	**(1,926)**	(6,220)
Adjustment in respect of previous years	**532**	10,246
Expenses not deductible for tax purposes	**82,875**	62,094
Total current tax	**(105,750)**	115,995

(c) Factors affecting future tax charges

The UK Government announced in March 2012 that the headline rate of corporation tax would be reduced by 2% on 1 April 2012 to 24% This rate change will affect the amount of future cash tax payments to be made by the Company This change in the rate of corporation tax was substantively enacted on 26 March 2012 and accordingly deferred tax has been measured at 24%

8 (Loss) / profit for the financial year

As permitted by section 408 of the Companies Act 2006, 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

	2012	2011
	£	£
Holding company's loss for the financial year	**(728,480)**	(258,795)
Retained by subsidiary undertakings	**(5,943,298)**	1,609,989
	(6,671,778)	1,351,194

BAYV Investments Limited (registered number: 6312708)

Notes to the financial statements for the year ended 31 March 2012 (continued)

9 Tangible fixed assets

Group	Short leasehold land and buildings	Fixtures and equipment	Total
	£	£	£
Cost			
At 1 April 2011	1,284,253	9,610,538	10,894,791
Additions	-	2,297,008	2,297,008
Disposals	(6,160)	(2,212,332)	(2,218,492)
At 31 March 2012	**1,278,093**	**9,695,214**	**10,973,307**
Accumulated depreciation			
At 1 April 2011	498,623	4,113,519	4,612,142
Charge for the year	101,082	1,262,994	1,364,076
Disposals	(6,160)	(2,212,332)	(2,218,492)
At 31 March 2012	**593,545**	**3,164,181**	**3,757,726**
Net book value			
At 31 March 2012	**684,548**	**6,531,033**	**7,215,581**
At 31 March 2011	785,630	5,497,019	6,282,649

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 April 2011 and 31 March 2012	**1,231,290**
Accumulated amortisation	
At 1 April 2011	394,249
Charge for the year	126,286
At 31 March 2012	**520,535**
Net book value	
At 31 March 2012	**710,755**
At 31 March 2011	837,041

Notes to the financial statements for the year ended 31 March 2012 (continued)

11 Fixed asset investments

Company	**Interests in group undertakings**
	£
Cost and net book value	
At 1 April 2011 and 31 March 2012	**4,217,545**

Investments in group undertakings are stated at cost less any cumulative impairment charges

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** Group	Company	**Principal activity**
Buy As You View Holdings Limited	England and Wales	Ordinary	-	100%	Holding company
Buy As You View Limited	England and Wales	Ordinary	100%	-	Dormant
Dunraven Finance Limited	England and Wales	Ordinary	100%	-	Retailing, renting and servicing of household goods and financier
Just Rentals Limited	England and Wales	Ordinary	100%	-	Dormant
BAYV Investments (EBT) Limited	England and Wales	Ordinary	100%	100%	Trustee of Employee Benefit Trust

For basis of consolidation see note 1

The trading activities of Buy As You View Limited were transferred to Dunraven Finance Limited on 4 February 2012

12 Loans

During the financial year assets with a capital value of £33,644,443 (2011 £44,217,972) were supplied under hire purchase contracts The capital value is included within the total loan balance of £70,860,533 (2011 £86,726,768) included on the group balance sheet as at 31 March 2012

13 Stocks

Group	**2012**	2011
	£	£
Finished goods and goods for resale	**1,834,767**	2,196,422

14 Debtors

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Amounts owed by group undertakings	**-**	-	**4,683,409**	4,522,672
Other debtors	**894,952**	1,891,405	**-**	-
Corporation tax	**106,281**	-	**-**	-
Group relief	**-**	-	**3,973,262**	3,973,262
Deferred tax (note 18)	**1,170,276**	1,031,633	**-**	-
Other taxation and social security	**489,745**	-	**-**	-
Assets of Employee Benefit Trust	**654,543**	654,543	**-**	-
	3,315,797	3,577,581	**8,656,671**	8,495,934

Amounts owed by group undertakings are interest free, unsecured and carry no fixed term of repayment

15 Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Bank loans (note 17)	**2,500,000**	9,300,000	**-**	-
Trade creditors	**2,060,202**	1,974,296	**-**	24,600
Amounts owed to group undertakings	**-**	-	**917,737**	-
Corporation tax	**-**	115,720	**-**	-
Other taxation and social security	**-**	11,062	**-**	-
Other creditors	**829,119**	892,201	**-**	4,875
Accruals and deferred income	**5,526,848**	6,064,888	**-**	-
Liabilities of Employee Benefit Trust	**654,543**	654,543	**-**	-
	11,570,712	19,012,710	**917,737**	29,475

Amounts owed to group undertakings are interest free, unsecured and carry no fixed term of repayment

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Bank loans (note 17)	**64,500,005**	68,000,005	**-**	-
Other loans (note 17)	**2,200,000**	2,200,000	**2,200,000**	2,200,000
Accruals and deferred income	**3,009,974**	3,872,373	**-**	-
	69,709,979	74,072,378	**2,200,000**	2,200,000

BAYV Investments Limited (registered number: 6312708)

Notes to the financial statements for the year ended 31 March 2012 (continued)

17 Bank and other loans

Bank loans and overdrafts of £67,000,005 (2010 £77,300,005) are secured by a fixed charge over certain loan agreements of Dunraven Finance Limited and a floating charge over the assets of the group

Interest is payable on bank loans at 2 25% over LIBOR

The bank facility held at 31 March 2012 was due for settlement on 7 April 2013 On 26 October 2012 this loan was settled

Other loans consist of £300,000 (2011 £300,000) owed to 3i Investments Ltd by way of an unsecured, interest-free loan with no fixed repayment date, and £1,900,000 (2011 £1,900,000) owed to Mr B Jones and entities related to him, by way of loan notes repayable within more than 12 months from 31 March 2012

18 Deferred tax

Group	2012 £	2011 £
Provision for deferred tax comprises		
Accelerated capital allowance	**1,013,175**	861,511
Short term timing differences	**157,101**	170,193
Pension provision	-	(71)
	1,170,276	1,031,633

The movement in the provision for deferred taxation is set out below

	£
At 31 March 2011	1,031,633
Credited to profit and loss account	138,643
At 31 March 2012	**1,170,276**

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012 A further reduction to the main rate is proposed to reduce the rate to 22% from 1 April 2014 These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

A deferred taxation asset of £3,187,000 (2011 £2,100,000) in respect of taxation losses has not been recognised on the grounds that its recovery is considered uncertain

Notes to the financial statements for the year ended 31 March 2012 (continued)

19 Called up share capital

Group and Company

	2012	2011
	£	£
Allotted and fully paid		
166,666 (2011 166,666) ordinary shares of 1p each	**1,667**	1,667

All of the ordinary shares in issue form a single class ranking pari passu with the exception of certain of the shareholders having a preferential right to receipt of sale proceeds on the disposal of the company's share capital

20 Share premium account

Group and company	**£**
At 1 April 2011 and 31 March 2012	**12,032,366**

21 Profit and loss account

	Group	**Company**
	£	**£**
At 31 March 2011	1,861,047	(1,541,848)
Loss for the financial year	(6,671,778)	(728,480)
At 31 March 2012	**(4,810,731)**	**(2,270,328)**

22 Reconciliation of movement in shareholders' funds

Group	**2012**	2011
	£	£
Opening shareholders' funds	13,895,080	12,510,053
(Loss) / profit for the financial year	(6,671,778)	1,351,194
Share capital issued	-	33,833
Closing shareholders' funds	**7,223,302**	13,895,080

Notes to the financial statements for the year ended 31 March 2012 (continued)

22 Reconciliation of movement in shareholders' funds (continued)

Company	2012	2011
	£	£
Opening shareholders' funds	10,492,185	10,717,147
Loss for the financial year	(728,480)	(258,795)
Share capital issued	-	33,833
Closing shareholders' funds	**9,763,705**	10,492,185

23 Reconciliation of operating profit to net cash inflow from continuing operating activities

	2012	2011
	£	£
Operating (loss) / profit	**(4,151,039)**	4,605,971
Depreciation of tangible fixed assets	**1,364,076**	1,567,165
Amortisation of intangible fixed assets	**126,286**	126,286
Profit on sale of tangible fixed assets	-	(4,483)
Decrease in loans	**15,866,235**	3,619,334
Decrease in stocks	**361,655**	57,986
Decrease / (increase) in debtors	**506,708**	(1,404,403)
Decrease in creditors	**(1,422,705)**	(686,599)
Net cash inflow from continuing operating activities	**12,651,216**	7,881,257

24 Analysis of changes in net debt

	2011	Cash flow	2012
	£	£	£
Cash at bank and in hand	7,359,707	(2,793,147)	**4,566,560**
Debt due within 1 year	(9,300,000)	6,800,000	**(2,500,000)**
Debt due after 1 year	(70,200,005)	3,500,000	**(66,700,005)**
	(79,500,005)	10,300,000	**(69,200,005)**
Net debt	(72,140,298)	7,506,853	**(64,633,445)**

Notes to the financial statements for the year ended 31 March 2012 (continued)

25 Contingent liabilities

The company has jointly guaranteed bank and other borrowings of other group undertakings The total of such borrowings at 31 March 2012 was £67,000,005 (2011 £77,300,005)

26 Operating lease commitments

At 31 March 2012 the group had annual commitments under non cancellable operating leases as follows

	2012		2011	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Expiring within one year	6,285	285,161	-	377,875
Expiring between one and two years	-	353,538	-	676,684
Expiring between two and five years	482,216	117,866	350,586	287,663
Expiring in over five years	519,935	-	651,565	-
	1,008,436	756,565	1,002,151	1,342,222

27 Related party transactions

In accordance with the exemptions afforded by Financial Reporting Standard 8 'Related party disclosures' there is no disclosure in these financial statements of transactions with entities that are part of the BAYV Investments Limited group

During the year the group repaid £10,300,000 of its long-standing revolving warehouse facility with the lending syndicate of banks The balance outstanding at the year-end was £67,000,005 (2011 £77,300,005) and the interest thereon amounted to £2,392,294 (2011 £2,358,801)

At 31 March 2012, the group owed £300,000 (2011 £300,000) to 3i Investments Ltd by way of an unsecured, interest-free loan with no fixed repayment date

Also at 31 March 2012, the group owed £1,900,000 (2011 £1,900,000) to one shareholder, Mr B Jones, by way of loan notes repayable within more than 12 months from 31 March 2012 The interest thereon amounted to £57,000 (2011 £57,042)

28 Controlling parties

At the date of approval of the financial statements, 60% of the voting rights in the company's equity share capital is controlled by a syndicate of banks who have provided finance to the group, and a further 20% is controlled by 3i Group plc

Notes to the financial statements for the year ended 31 March 2012 (continued)

29 Subsequent events

On 26 October 2012 Rutland Partners LLP, through its investment fund Rutland Fund II, completed the acquisition of the company Further details are set out in the Director's report