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## WE REMAIN FULLY COMMITTED TO MAINTAINING OUR HEAD OFFICE HERE IN SOUTH WALES AND THE MOVE TO OUR NEW OFFICES IS PART OF OUR LONG-TERM BUSINESS PLAN

customer marketplace.

He said: "It is important that we get back to basics and focus on providing customers with the products they want, finance they need and customer service they can rely on. More than 60 per cent of our new business comes directly from existing customer referrals and it is essential that we build on that if we are to continue to succeed."

Mr Clarke's previous role was chief operating officer for Caversham Finance.

BAYV started as a high street retailer and rental business in 1972 and now serves more than 100,000 customers across the UK from its South Wales head office and five regional offices in Scotland, the North East and North West of England, Yorkshire and the Midlands.

Mr Hill, previously CEO of HFC Bank, said: "Our operations are growing in a sustainable and steady way and we plan to continue on that theme as we move forward."

"In the face of the worldwide credit crunch, we have secured a three-year credit facility from our banking partners, further illustrating the confidence held in the BAYV operating businesses.

"Achieving that growth funding in the current economic climate is a major success and is driven by our outstanding workforce, a motivated management team and a proactive shareholder in 3i."

As previously announced, BAYV will move from its head office at Ty Rhondda in Llantrisant during the year to new premises near

Bridgend.

Mr Clarke said: "We remain fully committed to maintaining our head office here in South Wales and the move to our new offices is part of our long-term business plan."

BAYV sells a wide range of household goods from TVs to sofas to some of society's most disadvantaged individuals, of whom around half get state benefits.

Customers, over a three-year period, pay the cost of the goods by inserting an agreed number of £1 coins a week into a coin meter attached to their TVs, with collections taking place every two months. At the end of the hire-purchase period, customers (who can call on a maintenance service) take ownership of the goods.

BAYV charges an annual percentage rate of around 40 per cent.

KEYHOLE surgery equipment maker Gyrus, which has its UK manufacturing HQ in Cardiff, has been bought by Japanese camera giant Olympus in a deal valuing the firm at £935m.

Olympus, although well known for its digital cameras, is also one of the world's largest medical camera makers.

The deal is set to further expand Olympus' medical division and leverage its position in America, where Gyrus has a significant presence.

Gyrus makes a range of keyhole surgery equipment, from forceps to tiny cameras used to view internal organs. It floated 10 years ago. ■



JOHN CULLEN  
Partner, Harris Lipman LLP

## Crunch times ahead?

"IT'S BETTER to be a dog in a peaceful time than a man in a chaotic period" – Chinese proverb

We have heard a lot about the credit crunch recently. It is just one of the factors that is undoubtedly going to lead to tougher times for most during the course of 2008.

Despite 15 years of uninterrupted financial growth and company defaults at a 15-year low when compared to the number of registered companies in England and Wales, company borrowing has been increasing steadily since 2003. While the banks are reluctant to lend money to their customers given the high rates they have to pay each other, some say that company lending will continue to increase in 2008.

Interest rates also now appear to have affected consumer spending. With house prices no longer rising significantly, there is no easy option for consumers to continue to remortgage to settle credit card debts and live today utilising tomorrow's money.

The high street sales figures for Christmas show that consumers have started cutting back.

All of this does not necessarily mean that we are heading for a recession. However, it has been some time since our economy was attached to what appears to be a bungee rope.

Those that can remember the early 90s will recall the pain that a lot of businesses and people went through. Circumstances are not the same because interest rates are not as high as they were then and jobs are still being created, albeit at a much slower rate than recently. It would take the most pessimistic of forecasters to predict such a problem.

Hopefully, as 2008 progresses, the CBI's prediction of a soft landing for the UK economy will come to pass together with the Treasury's prediction of a better 2009, but then who could have predicted the effect that the credit crunch of 2007 has had on the world?

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