

VITEC GROUP HOLDINGS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002
Registered Number 3800708



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VITEC GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited accounts for the year ended 31 December 2002.

Principal activity

The company provides debt finance to and receives debt finance from other companies within The Vitec Group plc.

Results

The profit for the year transferred to reserves amounted to £20,125 (2001: £22,229).

The directors do not recommend the payment of a dividend (2001: nil).

Directors

The directors of the company in the year under review were R A Green, A Hewgill and R D Peate.

During the year A Hewgill and R D Peate were appointed as directors on 14 May 2002 and 17 June 2002 respectively and R A Green resigned as a director on 13 May 2002.

The interests of R D Peate in the share capital of the company's ultimate parent company at 31 December 2002 and 17 June 2002 were:

	Ordinary shares		Share options	
	31.12.2002	01.01.2002 or if later, date of appointment	31.12.2002	01.01.2002 or if later, date of appointment
R D Peate	1,200 =====	700 =====	70,624 =====	64,496 =====

A Hewgill is also a director of the company's ultimate parent company. His interests in the shares of that company are shown in its accounts.

The directors had no interests in the share capital of the company.

All director's remuneration and audit fees are borne by the ultimate parent company.

By order of the Board



R D Peate
Secretary

6 October 2003

VITEC GROUP HOLDINGS LIMITED

Statement of Director's Responsibilities

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Report of the independent auditors to the members of Vitec Group Holdings Limited

We have audited the financial statements on pages 4 to 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

23 October 2003

VITEC GROUP HOLDINGS LIMITED

Profit and loss account for the year ended 31 December 2002

	Note	Year ended 2002 £	Year ended 2001 £
Operating expenses		-	2,230
Operating profit	2	-	2,230
Interest receivable	3	656,349	813,402
Interest payable	4	(627,599)	(784,652)
Profit on ordinary activities before tax		28,750	30,980
Tax on ordinary activities	5	(8,625)	(8,751)
Retained profit for the year transferred to reserves	10	20,125	22,229

The profit and loss account contains all the gains and losses recognised in the period and the retained profit for the period is the only movement in shareholders' funds.

All the above results are derived from continuing activity.

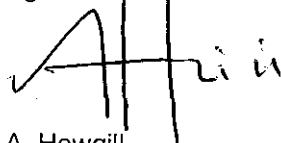
The notes on page 6 and 7 form an integral part of these accounts.

VITEC GROUP HOLDINGS LIMITED

Balance Sheet as at 31 December 2002

	Notes	2002 £	2001 £
Current assets			
Debtors	6	2	2
Creditors-amounts falling due within one year	7	<u>(83,696)</u>	<u>(103,821)</u>
Net current liabilities		(83,694)	(103,819)
Debtors – amounts due after one year	6	<u>11,500,000</u>	<u>11,500,000</u>
Total assets less current liabilities		11,416,306	11,396,181
Creditors –amounts due after more than one year	8	<u>(11,500,000)</u>	<u>(11,500,000)</u>
Net liabilities		<u>(83,694)</u>	<u>(103,819)</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	(83,696)	(103,821)
Shareholder's funds – equity		<u>(83,694)</u>	<u>(103,819)</u>

Approved by the Board on *6 October* 2003 and
signed on its behalf



A. Hewgill
Director

The notes on pages 6 to 7 form an integral part of these accounts.

VITEC GROUP HOLDINGS LIMITED

Notes to the accounts

1. Basis of preparation

The accounts have been prepared in accordance with all applicable accounting standards under the historical cost convention.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary of the ultimate parent company.

2. Operating profit

All director's remuneration and audit fees are borne by the ultimate parent company.

3. Interest receivable

	2002 £	2001 £
Receivable from fellow subsidiary companies	656,349	813,042
	=====	=====

4. Interest payable

	2002 £	2001 £
Payable to parent company	627,599	784,652
	=====	=====

5. Tax on profit on ordinary activities

	2002 £	2001 £
(a) Analysis of charge in period		
Current tax:		
UK tax on profit on ordinary activities	8,625	8,751
	=====	=====

(b) Factors affecting tax charge for period

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 30% (2001: 30%). The differences are due to:

Profit on ordinary activities before tax	28,750	30,980
	=====	=====
Profit on ordinary activities times standard tax rate	8,625	9,294
Effects of:		
Expenses not deductible for tax	-	(543)
	-----	-----
Current tax charge for the year	8,625	8,751
	=====	=====

VITEC GROUP HOLDINGS LIMITED

Notes to the accounts

7. Creditors – amounts falling due within one year

	2002 £	2001 £
Bank overdraft	63,616	92,366
Corporation tax	20,080	11,455
	<u>83,696</u>	<u>103,281</u>

8. Creditors – amounts falling due to after more than one year

	2002 £	2001 £
Amounts owed to parent company	11,500,000	11,500,000
	<u>11,500,000</u>	<u>11,500,000</u>

9. Share capital

	2002 £	2001 £
Authorised: Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, issued and fully paid: Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

10. Profit and loss account

	2002 £	2001 £
Balance as at 1 January	(103,821)	(126,050)
Retained profit for the year	20,125	22,229
	<u>(83,696)</u>	<u>(103,821)</u>

11. Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	20,125	22,229
Opening shareholders' funds	(103,819)	(126,048)
	<u>(83,694)</u>	<u>(103,819)</u>

12. Parent company

The company is a wholly-owned subsidiary of The Vitec Group plc, a company which is registered in England and Wales and is the ultimate parent company. Copies of the accounts of The Vitec Group plc are available from One Wheatfield Way, Kingston upon Thames, KT1 2TU.