

**VITEC GROUP HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**  
**Registered Number 3800708**



# VITEC GROUP HOLDINGS LIMITED

## DIRECTORS' REPORT

The directors submit their report and the audited accounts for the year ended 31 December 2004.

### Principal activity

The Company provided debt finance to and received debt finance from other companies within The Vitec Group plc.

### Results

The profit for the year transferred to reserves amounted to £ 21,550 (2003: £20,125).

The directors do not recommend the payment of a dividend (2003: nil).

### Directors

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

The interests of R D Peate in the share capital of the Company's ultimate parent company at 31 December 2004 and 1 January 2004 were:

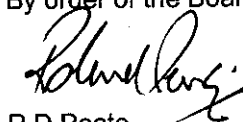
| Ordinary shares |            | Share options |            | Long Term Incentive Plan |            |
|-----------------|------------|---------------|------------|--------------------------|------------|
| 31.12.2004      | 01.01.2004 | 31.12.2004    | 01.01.2004 | 31.12.2004               | 01.01.2004 |
| 1,198           | 1,198      | 28,941        | 28,941     | 40,519                   | 35,034     |
| =====           | =====      | =====         | =====      | =====                    | =====      |

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 directors' remuneration and audit fees are borne by the ultimate parent company.

By order of the Board



R D Peate  
Secretary

14 June 2005

# **VITEC GROUP HOLDINGS LIMITED**

## **Statement of Directors' 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 8.

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 2004 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

21st June 2005

# VITEC GROUP HOLDINGS LIMITED

## Profit and loss account for the year ended 31 December 2004

|                                                      | Note | 2004<br>£ | 2003<br>£ |
|------------------------------------------------------|------|-----------|-----------|
| Operating expenses                                   |      | (32)      | -         |
| Operating loss                                       | 2    | (32)      | -         |
| Interest receivable                                  | 3    | 514,630   | 607,002   |
| Interest payable                                     | 4    | (493,048) | (578,252) |
| Profit on ordinary activities before tax             |      | 21,550    | 28,750    |
| Tax on ordinary activities                           | 5    | -         | (8,625)   |
| Retained profit for the year transferred to reserves | 9    | 21,550    | 20,125    |
|                                                      |      | =====     | =====     |

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 to 8 form an integral part of these accounts.

# VITEC GROUP HOLDINGS LIMITED

## Balance Sheet as at 31 December 2004

|                                                      | Notes | 2004<br>£ | 2003<br>£    |
|------------------------------------------------------|-------|-----------|--------------|
| <b>Current assets</b>                                |       |           |              |
| Debtors                                              | 6     | 2         | 11,500,002   |
| <b>Creditors-amounts falling due within one year</b> | 7     | (42,021)  | (11,563,571) |
| Net current liabilities                              |       | (42,019)  | (63,569)     |
| Net liabilities                                      |       | (42,019)  | (63,569)     |
| <b>Capital and reserves</b>                          |       |           |              |
| Called up share capital                              | 8     | 2         | 2            |
| Profit and loss account                              | 9     | (42,021)  | (63,571)     |
| Shareholder's funds – equity                         | 10    | (42,019)  | (63,569)     |

Approved by the Board on 14 June 2005  
and signed on its behalf

  
A. Hewgill  
Director

The notes on pages 6 to 8 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.

The Company is a subsidiary of The Vitec Group plc and is included in the consolidated financial statements of The Vitec Group plc, which are publicly available. Consequently the Company has taken advantage of the exemption from preparing group accounts afforded by Section 228 of the Companies Act 1985 as well as a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised 1996). The Company is also exempt under the terms of the Financial Reporting Standard No 8 from disclosing related party transactions (but not balances) with entities that are part of The Vitec Group plc.

The accounts have been prepared on a going concern basis as the ultimate parent company, The Vitec Group plc, has indicated its willingness to provide the Company with such funds as maybe required to enable the Company to meet its liabilities as they fall due.

### 2. Operating loss

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

### 3. Interest receivable

|                                             | 2004    | 2003    |
|---------------------------------------------|---------|---------|
|                                             | £       | £       |
| Receivable from fellow subsidiary companies | 514,630 | 607,002 |
|                                             | =====   | =====   |

### 4. Interest payable

|                           | 2004    | 2003    |
|---------------------------|---------|---------|
|                           | £       | £       |
| Payable to parent company | 493,048 | 578,252 |
|                           | =====   | =====   |

### 5. Tax on profit on ordinary activities

|                                                                                                                 | 2004    | 2003   |
|-----------------------------------------------------------------------------------------------------------------|---------|--------|
|                                                                                                                 | £       | £      |
| (a) Analysis of charge in period                                                                                |         |        |
| <i>Current tax:</i>                                                                                             |         |        |
| UK tax on profit on ordinary activities                                                                         | -       | 8,625  |
|                                                                                                                 | =====   | =====  |
| (b) Factors affecting tax charge for period                                                                     |         |        |
| The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 30% (2003: 30%). |         |        |
| Profit on ordinary activities before tax                                                                        | 21,550  | 28,750 |
|                                                                                                                 | =====   | =====  |
| Profit on ordinary activities times standard tax rate                                                           | 6,465   | 8,625  |
| <i>Effects of:</i>                                                                                              |         |        |
| Transfer pricing                                                                                                | (1,842) |        |
| Group relief waived with no payment                                                                             | (4,623) | -      |
|                                                                                                                 | -----   | -----  |
| Current tax charge for the year                                                                                 | -       | 8,625  |
|                                                                                                                 | =====   | =====  |

# VITEC GROUP HOLDINGS LIMITED

## Notes to the accounts

|                                                               |                        |                          |
|---------------------------------------------------------------|------------------------|--------------------------|
| <b>6. Debtors – amounts falling due within one year</b>       | <b>2004</b>            | <b>2003</b>              |
|                                                               | <b>£</b>               | <b>£</b>                 |
| Amount due from ultimate parent company                       | 2                      | 2                        |
| Due from fellow subsidiary companies                          | -                      | 11,500,000               |
|                                                               | <u>2</u>               | <u>11,500,002</u>        |
|                                                               | <u><u>2</u></u>        | <u><u>11,500,002</u></u> |
| <br><b>7. Creditors – amounts falling due within one year</b> | <br><b>2004</b>        | <br><b>2003</b>          |
|                                                               | <b>£</b>               | <b>£</b>                 |
| Bank overdraft                                                | -                      | 34,866                   |
| Corporation tax                                               | -                      | 28,705                   |
| Amount owed to ultimate parent company                        | 42,021                 | 11,500,000               |
|                                                               | <u>42,021</u>          | <u>11,563,571</u>        |
|                                                               | <u><u>42,021</u></u>   | <u><u>11,563,571</u></u> |
| <br><b>8. Share capital</b>                                   | <br><b>2004</b>        | <br><b>2003</b>          |
|                                                               | <b>£</b>               | <b>£</b>                 |
| 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>                 |
|                                                               | <u><u>2</u></u>        | <u><u>2</u></u>          |
| <br><b>9. Profit and loss account</b>                         | <br><b>2004</b>        | <br><b>2003</b>          |
|                                                               | <b>£</b>               | <b>£</b>                 |
| Balance as at 1 January                                       | (63,571)               | (83,696)                 |
| Retained profit for the year                                  | 21,550                 | 20,125                   |
|                                                               | <u>(42,021)</u>        | <u>(63,571)</u>          |
| Balance as at 31 December                                     | <u><u>(42,021)</u></u> | <u><u>(63,571)</u></u>   |

# VITEC GROUP HOLDINGS LIMITED

## Notes to the accounts

### 10. Reconciliation of movements in shareholders' funds

|                              | 2004<br>£       | 2003<br>£       |
|------------------------------|-----------------|-----------------|
| Retained profit for the year | 21,550          | 20,125          |
| Opening shareholders' funds  | (63,569)        | (83,694)        |
| Closing shareholders' funds  | <u>(42,019)</u> | <u>(63,569)</u> |

### 11. 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.