

VITEC GROUP HOLDINGS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008
Registered Number 3800708

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VITEC GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report, together with the audited financial statements, for the year ended 31 December 2008.

Principal activity

The company carries out financing activities for The Vitec Group plc.

Results

The loss for the year transferred to reserves amounted to £4,280,829 (2007: £2,408,637 loss).

The directors do not recommend the payment of a dividend (2007: £nil).

Directors

The directors of the Company in the year under review were A Hewgill, R D Peate, J R Copeman, R J Cotton and J M Bolton.

J M Bolton and R J Cotton were appointed directors on 29 October 2008 and 3 November 2008 respectively and R D Peate resigned as a director on 29 October 2008.

A Hewgill resigned as a director on 14 April 2009.

All directors' remuneration is borne by the ultimate parent company.

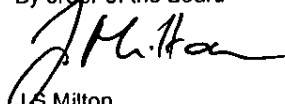
Auditors

The auditors, KPMG Audit Plc, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting. The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Annual General Meeting

The Company will hold its 2009 Annual General Meeting at a date to be confirmed by the Company Secretary.

By order of the Board


J S Milton
Secretary
23 September 2009

Registered Office:
William Vinten Building
73 Western Way
Bury ST Edmunds
Suffolk
IP33 3TB

VITEC GROUP HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VITEC GROUP HOLDINGS LIMITED

We have audited the financial statements of Vitec Group Holdings Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VITEC GROUP HOLDINGS LIMITED (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

24th September 2009

VITEC GROUP HOLDINGS LIMITED

Profit and loss account for the year ended 31 December

	Note	2008 £	2007 £
Operating expenses		(8)	-
Operating loss	2	(8)	-
Interest receivable and similar income	3	13	1,905
Interest payable and similar charges	4	(5,987,178)	(3,442,815)
Loss on ordinary activities before taxation		(5,987,173)	(3,440,910)
Tax credit on ordinary activities	5	1,706,344	1,032,273
Loss on ordinary activities after tax and retained loss for the year transferred to reserves	11	(4,280,829)	(2,408,637)

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

All the above results are derived from continuing activity.

The notes on page 7 to 10 form an integral part of these accounts.

VITEC GROUP HOLDINGS LIMITED

Balance Sheet as at 31 December

	Note	2008 £	2007 £
Fixed assets			
Investments	6	96,251,092	71,401,241
Current assets			
Debtors	7	1,706,346	1,032,275
Cash at bank and in hand		3,314	817
Creditors – amounts falling due within one year	8	-	(4,811,000)
Net current assets / (liabilities)		<u>1,709,660</u>	<u>(3,777,908)</u>
Creditors – amounts falling due after one year	9	(105,169,400)	(70,551,152)
Net liabilities		<u>(7,208,648)</u>	<u>(2,927,819)</u>
Capital & reserves			
Called up share capital	10	2	2
Profit and loss account	11	(7,208,650)	(2,927,821)
Shareholders' funds - equity	12	<u>(7,208,648)</u>	<u>(2,927,819)</u>

Approved by the Board on *23 September* 2009
and signed on its behalf by:



R. Cotton
Director

The notes on pages 7 to 10 form an integral part of these accounts.

VITEC GROUP HOLDINGS LIMITED

Notes to the accounts

1. Accounting convention

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

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.

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 disclosed related party transactions (but not balances) with entities that are part of The Vitec Group plc.

The Company's investments in other group companies are reported at cost. The carrying value of the Company's investments are reviewed at inception and at each balance sheet date to determine if any provision is required against the value of the investment.

2. Operating loss

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

3. Interest receivable and similar income

	2008	2007
	£	£
Bank interest receivable	13	1,905
	=====	=====

4. Interest payable and similar charges

	2008	2007
	£	£
Payable to parent company	1,082,771	3,166,788
Payable to fellow group companies	4,904,407	276,027
	-----	-----
	5,987,178	3,442,815
	=====	=====

VITEC GROUP HOLDINGS LIMITED

Notes to the accounts (continued)

5. Tax on loss on ordinary activities

	2008 £	2007 £
(a) Analysis of credit in period		
Current tax:		
UK tax credit on loss on ordinary activities – Group relief	1,706,344 =====	1,032,273 =====
(b) Factors affecting tax credit for period		
The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 28.5% (2007: 30%)		
Loss on ordinary activities before tax	(5,987,173) =====	(3,440,910) =====
Taxation at standard rate	1,706,344 =====	1,032,273 =====

On 1 April 2008 the UK tax rate has decreased from 30% to 28% resulting in a tax rate for the year of 28.5%. No provision for deferred tax is required.

6. Fixed Asset Investments

	Shares in subsidiary undertaking £
Cost	
At 1 January 2008	71,401,241
Increase in year	28,168,972
Capital repaid by subsidiary in year	(3,319,121) -----
At 31 December 2008	96,251,092 =====

In 2006 the Company formed an unlimited subsidiary, Palmer Dollar Finance. The purpose of this subsidiary is to be the principal holder of US Dollar currency loans made by UK group companies to group companies with a US Dollar functional currency.

During 2008 loans made in US Dollars to other group companies were exchanged for Sterling loans from the Company. The Company then assigned these US Dollar loans to Palmer Dollar Finance in exchange for shares. Occasionally the Company's unlimited subsidiary uses the cash it has received as interest payments to reduce its share capital by cancelling some of its shares and repaying an equivalent amount of cash to its shareholders.

The investment in a subsidiary consists of the following:

	No of shares acquired	Percentage of shares in issue acquired	Class	Cost of investment £
Palmer Dollar Finance	187,094,380	100%	Ordinary shares of \$1 each	96,251,092 =====

VITEC GROUP HOLDINGS LIMITED

Notes to the accounts (continued)

7. Debtors

	2008 £	2007 £
Amount due from parent company	2	2
Amount receivable from fellow group companies in respect of group tax relief	1,706,344	1,032,273
	<u>1,706,346</u>	<u>1,032,275</u>
	=====	=====

8. Creditors – amounts falling due within one year

	2008 £	2007 £
Amounts due to fellow group company	-	4,811,000
	=====	=====

9. Creditors – amounts falling due after one year

	2008 £	2007 £
Amounts due to fellow group companies	105,169,400	70,551,152
	=====	=====

10. Share capital

	2008 £	2007 £
Authorised:		
100 ordinary shares of £1 each	100	100
	=====	=====
Allotted, issued, fully paid:		
2 ordinary shares of £1 each	2	2
	=====	=====

11. Profit and loss account

	2008 £	2007 £
Balance as at 1 January	(2,927,821)	(519,184)
Retained loss for the year	(4,280,829)	(2,408,637)
	<u>(7,208,650)</u>	<u>(2,927,821)</u>
	=====	=====

VITEC GROUP HOLDINGS LIMITED

Notes to the accounts (continued)

12. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Retained loss for the year	(4,280,829)	(2,408,637)
Opening shareholders' funds	(2,927,819)	(519,182)
Closing shareholders' funds	<u>(7,208,648)</u> =====	<u>(2,927,819)</u> =====

13. Ultimate 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.