VITEC GROUP HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Registered Number 3800708

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VITEC GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements for the year ended 31 December 2010

Principal activity

The Company carries out financing activities for The Vitec Group plc A change in the Company's activities is not expected in the foreseeable future

Results and dividends

The loss for the year transferred to reserves amounted to £1,317,780 (2009 £2,232,910) The Directors do not recommend the payment of a dividend (2009 £nil)

On 22 December 2010, subsidiaries of the Company, Palmer Finance and Palmer Dollar Finance, repaid capital of £11,747,040 (€13,690,000) and £4,750,081 ($7,365,000), respectively, to the Company The capital repayments resulted in the reduction of loans equivalent to the value of the capital reductions due by the Company to another Group company

Directors

The Directors of the Company in the year under review and to the date of this report were

Jon Bolton
Richard Cotton (resigned 4 February 2011)
Martin Green (appointed 4 February 2011)
Paul Hayes (appointed 13 June 2011)

Auditors

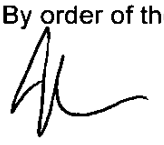
The auditors, KPMG Audit Plc, have indicated their willingness to continue in office Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office

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

Under the Companies Act 2006, there is no longer a statutory requirement for the Company to hold an annual general meeting or to lay the Company's Annual Report and Financial Statements before the sole shareholder in general meeting for approval

By order of the Board



Jon M Bolton
Director

23 August 2011

Registered Office
One Wheatfield Way
Kingston upon Thames
Surrey
KT1 2TU

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 they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 judgements 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 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 enable them to ensure that the Financial Statements comply with the Companies Act 2006 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

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 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on the Financial Statements

In our opinion the Financial Statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

24/08/11

Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

VITEC GROUP HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	Note	2010 £	2009 £
Operating expenses		(36)	(27)
Operating loss	2	(36)	(27)
Interest payable and similar charges	3	(2,199,659)	(3,142,769)
Loss on ordinary activities before taxation		(2,199,695)	(3,142,796)
Tax credit on ordinary activities	4	881,915	909,886
Loss on ordinary activities after tax and retained loss for the year transferred to reserves	10	(1,317,780)	(2,232,910)

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 6 to 9 form an integral part of these Financial Statements

VITEC GROUP HOLDINGS LIMITED

BALANCE SHEET
as at 31 December 2010

	Note	**2010** £	2009 £
Fixed assets			
Investments	5	150,691,103	167,188,224
Current assets			
Debtors	6	881,917	909,888
Cash at bank and in hand		678	488
Creditors – amounts falling due within one year	7	(63,280,165)	(63,280,165)
Net current liabilities		(62,397,570)	(62,369,789)
Creditors – amounts falling due after one year	8	(99,052,871)	(114,259,993)
Net liabilities		(10,759,338)	(9,441,558)
Capital & reserves			
Called up share capital	9	2	2
Profit and loss account	10	(10,759,340)	(9,441,560)
Shareholders' funds – equity	11	(10,759,338)	(9,441,558)

The notes on pages 6 to 9 form an integral part of these Financial Statements

The Financial Statements on pages 4 to 9 were approved by the Board of Directors on 23 August 2011 and were signed on its behalf by

Jon M Bolton
Director

Registered in England no 3800708

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting convention

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

The Financial Statements 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 an indirect subsidiary of The Vitec Group plc and is included in the consolidated financial statements of The Vitec Group plc, which are publicly available The Company is therefore exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements These financial statements present information about the Company as an individual undertaking and not about its group

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of The Vitec Group plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions with wholly owned subsidiaries which form part of the group

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 payable and similar charges

	2010 £	2009 £
Other	-	13
Payable to fellow group companies	2,199,659	3,142,756
	2,199,659	3,142,769

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 Tax on loss on ordinary activities

(a) The tax charge is made up as follows

	2010 £	2009 £
Current tax		
UK corporation tax	(881,915)	(909,886)
Tax charge on loss on ordinary activities	(881,915)	(909,886)

There is no deferred tax charge/(credit) recognised in the year (2009 £0)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the effective rate of corporation tax in the UK of 28% (2009 28%) The differences are reconciled below

	2010 £	2009 £
Loss on ordinary activities before tax	(2,199,695)	(3,142,796)
Loss on ordinary activities multiplied by effective rate of corporation tax in the UK of 28% (2009 28%)	(615,915)	(879,983)
Effects of		
Transfer pricing adjustment	(266,000)	(29,903)
Total current tax	(881,915)	(909,886)

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Fixed Asset Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2010	167,188,224
Capital repaid by subsidiaries in the year	(16,497,121)
At 31 December 2010	150,691,103

On 22 December 2010, subsidiaries of the Company, Palmer Finance and Palmer Dollar Finance repaid capital of £11,747,040 (€13,690,000) and £4,750,081 ($7,365,000) respectively to the Company The capital repayments were effected by the reduction of loans equivalent to the value of the capital reductions due by the Company to another Group company

The investment in subsidiaries consists of the following

	No of shares acquired	Percentage of shares in issue acquired	Class	Cost of investment £
Palmer Dollar Finance	198,594,380	100%	Ordinary shares of $1 each	99,157,978
Palmer Finance	1,712,996	100%	Ordinary shares of 1 euro each	50,158,706
Palmer Yen Finance	2,000,001	100%	Ordinary shares of 100 yen each	1,374,459
				150,691,103

6. Debtors

	2010 £	2009 £
Amount due from parent company	2	2
Amount receivable from fellow group companies in respect of group tax relief	881,915	909,886
	881,917	909,888

7. Creditors – amounts falling due within one year

	2010 £	2009 £
Amounts due to fellow group company	63,280,165	63,280,165

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Creditors – amounts falling due after one year

	2010 £	2009 £
Amounts due to fellow group companies	99,052,871	114,259,993

9. Share capital

	2010 £	2009 £
Allotted, issued and called up		
2 ordinary shares of £1 each	2	2

10. Profit and loss account

	2010 £	2009 £
Balance as at 1 January	(9,441,560)	(7,208,650)
Retained loss for the year	(1,317,780)	(2,232,910)
Balance as at 31 December	(10,759,340)	(9,441,560)

11. Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Retained loss for the year	(1,317,780)	(2,232,910)
Opening shareholders' funds	(9,441,558)	(7,208,648)
Closing shareholders' funds	(10,759,338)	(9,441,558)

12 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 Annual Report & Accounts 2010 of The Vitec Group plc are available from the Company Secretary, One Wheatfield Way, Kingston upon Thames, Surrey, KT1 2TU