

VITEC GROUP HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
Registered number 3800708

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VITEC GROUP HOLDINGS LIMITED

STRATEGIC REPORT

The Directors present their strategic report for the year ended 31 December 2013.

Principal activities

The Company acts as an investment holding company for the Vitec Group of companies that is ultimately owned by The Vitec Group plc. The Directors do not envisage any change to the business of the Company in the foreseeable future.

On 30 September 2013 the Company issued one ordinary share of £1 to its parent company, The Vitec Group plc, for an aggregate subscription price of \$14,000,000 (£8,989,918).

Business review

The profit for the year transferred to reserves amounted to £12,885,000 (2012: £134,092,000). The net assets at 31 December 2013 were £69,076,000 (2012: £61,247,000).

Principal risks and uncertainties

The Company is a wholly owned subsidiary of The Vitec Group plc and the principal risks and uncertainties and their mitigation of the Vitec Group are detailed in that company's 2013 Annual Report on pages 22 to 23.

The risks below are deemed to be specific major risks and their mitigation for the Company:

Recoverability of intercompany receivables

A Vitec Group subsidiary may not be able to meet or to pay a receivable due to all manner of reasons. Where amounts are due from group companies with net current liabilities, the ultimate parent company, The Vitec Group plc, commits to providing the debtor company with funds as required to meet its liabilities as they fall due.

Valuation of investments in subsidiaries

The impairment of the value of the Company's investments in subsidiaries is a key risk for holding companies. The carrying value of the Company's investments are reviewed at each Balance Sheet date to determine if any impairment provision is required against the value of the investment.

By order of the Board



Jonathan Bolton
Director
7 August 2014

Registered Office:
Bridge House
Heron Square
Richmond
TW9 1EN

VITEC GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements for the year ended 31 December 2013.

The particulars of any important events which have occurred since the end of the financial year and an indication of likely future developments of the business have been included within the Strategic report.

Dividends

Particulars of dividends paid are detailed in note 16 to the Financial Statements.

Directors

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

Jonathan Bolton
Martin Green
Paul Hayes

All Directors' remuneration is borne by the ultimate parent Company.

Auditor

KPMG Audit Plc has notified the Company that they will resign as auditor of the Company to facilitate the orderly wind down of the business of KPMG Audit Plc. It is proposed that KPMG Audit Plc's parent entity, KPMG LLP, is appointed by the Directors as auditor of the Company. In accordance with section 519 of the Companies Act 2006, it is confirmed that there are no circumstances connected with this resignation that should be brought to the attention of the members or creditors.

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 auditor is unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board



Jonathan Bolton
Director
7 August 2014

Registered Office:
Bridge House
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TW9 1EN

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

The Directors are responsible for preparing the Strategic Report, 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 AUDITOR'S 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 2013 set out on pages 5 to 11. 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 Directors' Responsibilities Statement set out on page 3, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 2013 and of its profit 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.

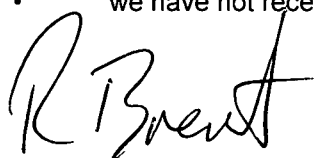
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report, 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.



Robert Brent (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

15 Canada Square

Canary Wharf

London E14 5GL

7 August 2014

VITEC GROUP HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Net income from shares in group undertakings	4	14,046	135,992
Interest receivable and similar income	5	107	-
Interest payable and similar charges	6	(1,268)	(1,900)
Profit on ordinary activities before taxation		12,885	134,092
Tax on profit on ordinary activities	7	-	-
Profit for the financial year	14	12,885	134,092

The Profit and Loss Account contains all the gains and losses recognised in the period and therefore no separate statement of total recognised gains and losses has been presented.

All the above results are derived from continuing activities.

The notes on page 7 to 11 form an integral part of these Financial Statements.

VITEC GROUP HOLDINGS LIMITED

BALANCE SHEET
as at 31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	8	140,080	140,764
Current assets			
Debtors – amounts falling due after one year	9	6,630	-
Cash at bank and in hand		7	1
		<u>6,637</u>	<u>1</u>
Creditors – amounts falling due within one year	10	<u>(2)</u>	<u>(2)</u>
Net current assets/(liabilities)		6,635	(1)
Total assets less current liabilities		146,715	140,763
Creditors – amounts falling due after one year	11	<u>(77,639)</u>	<u>(79,516)</u>
Net assets		69,076	61,247
Capital and reserves			
Called up share capital	12	-	-
Share premium	13	8,990	-
Profit and loss account	14	<u>60,086</u>	<u>61,247</u>
Shareholders' funds	15	69,076	61,247

The notes on pages 7 to 11 form an integral part of these Financial Statements.

The Financial Statements on pages 5 to 11 were approved by the Board of Directors on 7 August 2014 and were signed on its behalf by



Paul Hayes
Director

Registered in England no 3800708

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

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

The Company is a wholly-owned 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 Section 400 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 or balances with wholly-owned subsidiaries which form part of the group.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

a) Going concern

The Directors have reviewed the current activity, future prospects and resources available to the Company. On the basis of their assessment, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual Financial Statements.

b) Foreign currencies

Transactions in foreign currencies are translated at the exchange rate on that day. Foreign currency monetary assets and liabilities are translated at the year-end exchange rate. Where there is a movement in the exchange rate between the date of the transaction and the year-end, a currency translation gain or loss may arise. Any such differences are recognised in the Profit and Loss Account.

c) Investments

The Company's investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. The carrying value of the Company's investments are reviewed at each Balance Sheet date to determine if any impairment provision is required against the value of the investment.

d) Taxation

The charge for taxation is based on the profit/(loss) for the year and takes account of taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised on an undiscounted basis in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Balance Sheet date where there is an obligation to pay more tax, or a right to pay less tax, in the future.

3. Operating result

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

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Net income from shares in group undertakings

	2013 £'000	2012 £'000
Loss on capital reduction by subsidiaries	(9,674)	(165,349)
Dividends received	23,720	301,341
Net income from shares in group undertakings	<u>14,046</u>	<u>135,992</u>

On 1 January 2013 the Company received an interim dividend of £14,046,000 from Vitec Investments Limited, settled by way of the novation of a loan agreement with Palmer Euro Finance Netherlands BV for the same value.

On 26 February 2013 the Company approved a share capital reduction of \$15,290,000 (£9,674,000) by Palmer Dollar Finance and on the same date Palmer Dollar Finance declared a dividend of US\$15,290,000 (£9,674,000) to the Company. Settlement of the full dividend amount was made to Vitec Investments Limited, a wholly-owned subsidiary of the Company, in satisfaction of a payable owed by the Company, as documented in a loan agreement dated 26 February 2013.

5. Interest receivable and similar income

	2013 £'000	2012 £'000
Interest receivable from group undertakings	<u>107</u>	<u>-</u>

6. Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable to group undertakings	<u>1,268</u>	<u>1,900</u>

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Tax on profit on ordinary activities

(a) The tax charge is made up as follows:

	2013	2012
	£'000	£'000
<i>Current tax:</i>		
UK corporation tax	-	-
Tax charge on profit on ordinary activities	-	-

There is no deferred tax charge/(credit) recognised in the year (2012: £nil).

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2012: lower) than the effective rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are reconciled below:

	2013	2012
	£'000	£'000
Profit on ordinary activities before tax	12,885	134,092
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 23.25% (2012: 24.5%)	2,996	32,853
<i>Effects of:</i>		
Transfer pricing adjustment	-	(89)
Non-taxable income	(3,266)	(73,829)
Capital reduction	-	40,511
Group relief not paid for	270	554
Total current tax	-	-

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Fixed asset investments

	2013 £'000	2012 £'000
Cost and net book value		
At 1 January	140,764	166,724
Additions	8,990	139,389
Capital reduction by subsidiaries in the year	(9,674)	(165,349)
At 31 December	140,080	140,764

On 26 February 2013 the Company approved a share capital reduction of \$15,290,000 (£9,674,000) by Palmer Dollar Finance and on the same date Palmer Dollar Finance declared a dividend of US\$15,290,000 (£9,674,000) to the Company.

On 30 September 2013 the Company contributed a \$14,000,000 (£8,989,918) loan to Vitec Group US Holdings, Inc. through its immediate subsidiary Vitec Investments Limited in return for additional capital in Vitec Investments Limited.

The Company's principal investments in subsidiaries as at 31 December 2013 are as follows:

	Country of incorporation	Class and number of shares acquired	Percentage of shares in issue acquired
Palmer Dollar Finance	England and Wales	265,480 ordinary shares of \$1 each	100%
Palmer Finance	England and Wales	997 ordinary shares of €1 each	100%
Palmer Yen Finance	England and Wales	2,000,001 ordinary shares of 100 yen each	100%
Vitec Investments Limited	England and Wales	30,001,200 (2012: 30,001,100) ordinary shares of £1 each	100%

9. Debtors – amounts falling due after one year

	2013 £'000	2012 £'000
Amounts owed by group undertakings	6,630	-

10. Creditors – amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to group undertakings	2	2

11. Creditors – amounts falling due after one year

	2013 £'000	2012 £'000
Amounts owed to group undertakings	77,639	79,516

12. Share capital

	2013 £	2012 £
Allotted, called up and fully paid: 3 (2012: 2) Ordinary shares of £1 each	3	2

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Share premium

	2013 £'000	2012 £'000
Opening Balance	-	-
Premium on shares issued	8,990	-
Closing Balance	8,990	-

On 30 September 2013 the Company issued one ordinary share of £1 to its parent company, The Vitec Group plc, for an aggregate subscription price of \$14,000,000 (£8,989,918).

14. Profit and loss account

	2013 £'000	2012 £'000
Opening balance	61,247	(12,804)
Dividends paid (see note 16)	(14,046)	(60,041)
Retained profit for the year	12,885	134,092
Closing balance	60,086	61,247

15. Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Retained profit for the year	12,885	134,092
Dividends paid (see note 16)	(14,046)	(60,041)
Premium on issued shares in the year	8,990	-
Net increase in shareholders' funds	7,829	74,051
Opening shareholders' funds	61,247	(12,804)
Closing shareholders' funds	69,076	61,247

16. Dividends paid

	2013 £'000	2012 £'000
Intercompany dividend paid	(14,046)	(60,041)

On 1 January 2013 the Company declared an interim dividend of £14,046,000 payable to its sole shareholder.

17. Post balance sheet events

On 29 May 2014, the Company received from its parent, The Vitec Group plc, a loan to Vitec Group US Holdings Inc of \$15m in exchange for the issue by the Company of 1 ordinary share of £1.00. The Company on the same date, contributed this loan to its wholly owned subsidiary, Vitec Investments Ltd, in exchange for 100 ordinary shares of £1 each in that company with a subscription price of \$15m (£8,992,198).

18. 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 2013 of The Vitec Group plc are available from the Company Secretary, Bridge House, Heron Square, Richmond, TW9 1EN.