

**VITEC INVESTMENTS LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**  
**Registered Number 3618239**



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## VITEC INVESTMENTS LIMITED

### DIRECTORS' REPORT

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

#### Principal activity

The company makes investments in companies in Continental Europe.

#### Results

The loss for the year transferred to reserves amounted to £ 72,075 (2001: £66 profit).

The directors declared an interim dividend of £2,099,324 (2001: £28,271,090). This dividend was paid in July 2002.

#### Directors

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

R A Green resigned as a director on 13 May 2002. A Hewgill and R D Peate were appointed as directors on 14 May 2002.

The interests of R D Peate in the share capital of the company's ultimate parent company at 31 December 2002 and 14 May 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 INVESTMENTS 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 year. 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 financial statements 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 Investments 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 2002 and of its result 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

*23rd October 2003*

# **VITEC INVESTMENTS LIMITED**

## **Profit and loss account for the year ended 31 December 2002**

	Notes	2002 £	2001 £
Operating expenses	2	(70)	(101)
Interest payable and similar charges	3	-	(183)
Operating loss before tax		<u>(70)</u>	<u>(284)</u>
Dividends receivable from subsidiaries		2,099,324	28,271,090
Profit on ordinary activities before tax		<u>2,099,254</u>	<u>28,270,806</u>
Tax on ordinary activities		(72,005)	350
Profit on ordinary activities after tax		<u>2,027,249</u>	<u>28,271,156</u>
Dividends payable		(2,099,324)	(28,271,090)
Retained (loss)/profit for the year transferred to reserves	9	<u>(72,075)</u> =====	<u>66</u> =====

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

All the above results are derived from continuing activity.

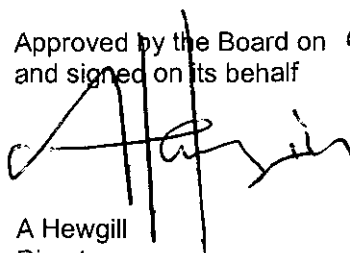
The notes on pages 6 to 8 form an integral part of these accounts.

# VITEC INVESTMENTS LIMITED

## Balance Sheet as at 31 December 2002

	Notes	2002 £	2001 £
<b>Fixed assets</b>			
Investments	5	202,386,859	202,386,859
<b>Current assets</b>			
Debtors	6	-	350
Creditors amounts falling due within one year	7	(108,151)	(36,426)
Net current liabilities		<u>(108,151)</u>	<u>(36,076)</u>
Total assets less current liabilities		<u>202,278,708</u>	<u>202,350,783</u>
<b>Capital and reserves</b>			
Called-up share capital	8	84,764,933	84,764,933
Other reserves	9	117,167,248	117,167,248
Profit and loss account	9	346,527	418,602
Shareholders' funds – equity		<u>202,278,708</u>	<u>202,350,783</u>

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



A Hewgill  
Director

The notes on pages 6 to 8 form an integral part of these accounts

# VITEC INVESTMENTS 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.

### 2. Operating loss

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

### 3. Interest payable and similar charges

	2002 £	2001 £
Bank interest	-	183
	=====	=====

### 4. Tax on loss on ordinary activities

	2002 £	2001 £
(a) Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	-	-
Adjustment in respect of previous periods	72,005	(350)
	-----	-----
	72,005	(350)
	=====	=====
(b) Factors affecting tax charge in the 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	2,099,254	28,270,806
	=====	=====
Profit on ordinary activities times standard tax rate	629,776	8,481,242
Effects of:		
Overseas dividend receivable disclosed before profit on ordinary activities	(629,797)	(8,481,327)
Adjustment in respect of prior periods	72,005	350
UK tax on overseas dividends disclosed before loss before tax	462,353	-
Group relief waived	(462,332)	-
Losses carried forward	-	85
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Current tax (charge)/credit for the year	(72,005)	350
	=====	=====

# VITEC INVESTMENTS LIMITED

## Notes to the accounts

### 5. Investments

	2002 £	2001 £
At 1 January	202,386,859	202,375,847
Additions	-	11,012
At 31 December	<u>202,386,859</u> =====	<u>202,386,859</u> =====

The company's principal subsidiary as at 31 December 2002 is as follows:

Subsidiary undertaking:	Vitec Luxembourg Holdings Sarl
Principal activity:	Holding company
Proportion of share capital held by the company:	100%
Class of share:	Ordinary

### 6. Debtors

	2002 £	2001 £
Corporation tax	-	350
	<u>-</u> =====	<u>350</u> =====

### 7. Creditors – amounts falling due within one year

	2002 £	2001 £
Bank overdraft	36,496	36,426
Corporation tax	71,655	-
	<u>108,151</u> =====	<u>36,426</u> =====

### 8. Share capital

	2002 £	2001 £
Authorised:		
200,000,000 Ordinary shares of £1 each	<u>200,000,000</u> =====	<u>200,000,000</u> =====
Allotted, issued and fully paid :		
84,764,933 Ordinary shares of £1 each	<u>84,764,933</u> =====	<u>84,764,933</u> =====



# VITEC INVESTMENTS LIMITED

## Notes to the accounts

### 9. Movement on reserves

	2002	2001
	£	£
Other reserves:		
Balance as at 1 January	117,167,248	117,167,248
Movement in year	-	-
	<u>117,167,248</u>	<u>117,167,248</u>
	=====	=====
Profit & loss account:		
Balance as at 1 January	418,602	418,536
Retained (loss)/profit for the year	(72,075)	66
	<u>346,527</u>	<u>418,602</u>
	=====	=====

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

	2002	2001
	£	£
(Loss) / profit for the financial year	(72,075)	66
Opening shareholders' funds	202,350,783	202,350,717
	<u>202,278,708</u>	<u>202,350,783</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.