

VITEC GROUP HOLDINGS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009
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 2009

Principal activity

The Company carries out financing activities for The Vitec Group plc

Results

The loss for the year transferred to reserves amounted to £2,232,910 (2008 £4,280,829 loss)

The directors do not recommend the payment of a dividend (2008 £nil)

During the year

On 8 May 2009 a loan of US\$11.5 million made to another group company was exchanged for a Sterling loan from the Company. The Company then assigned this US Dollar loan to Palmer Dollar Finance in exchange for 11,500,000 new ordinary shares of \$1 each in Palmer Dollar Finance.

On 26 November 2009 the Company acquired from another group company, two other group companies, Palmer Finance and Palmer Yen Finance. Palmer Finance is the principal holder of Euro currency loans made by UK group companies to group companies with a Euro functional currency and Palmer Yen Finance is the principal holder of Yen currency loans made by UK group companies to group companies with a Yen functional currency.

Directors

The directors of the Company in the year under review were A Hewgill, J R Copeman, R J Cotton and J M Bolton. A Hewgill resigned as a director on 14 April 2009. J Copeman resigned as a director on 30 June 2010.

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

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 reappointed 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.

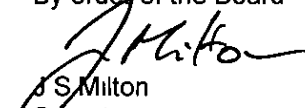
Articles of Association

The Company on 13 November 2009 adopted new Articles of Association to reflect changes implemented by the Companies Act 2006.

Registered Office

The Company changed its registered office from William Vinten Building, 73 Western Way, Bury St Edmunds, Suffolk IP33 3TB to One Wheatfield Way, Kingston upon Thames KT1 2TU on 2 November 2009.

By order of the Board


J S Milton
Secretary
9 August 2010

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 the directors have elected to prepare the company's 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 its profit or loss for that period. In preparing the 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 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 its 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 2009 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement 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 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 web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 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.



Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London, EC4Y 8BB

Date -

9th August 2010

VITEC GROUP HOLDINGS LIMITED

Profit and loss account for the year ended 31 December

	Note	2009 £	2008 £
Operating expenses		(27)	(8)
Operating loss	2	(27)	(8)
Interest receivable and similar income	3	-	13
Interest payable and similar charges	4	(3,142,769)	(5,987,178)
Loss on ordinary activities before taxation		(3,142,796)	(5,987,173)
Tax credit on ordinary activities	5	909,886	1,706,344
Loss on ordinary activities after tax and retained loss for the year transferred to reserves	11	(2,232,910)	(4,280,829)

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 accounts

VITEC GROUP HOLDINGS LIMITED

Balance Sheet as at 31 December

	Note	2009 £	2008 £
Fixed assets			
Investments	6	167,188,224	96,251,092
Current assets			
Debtors	7	909,888	1,706,346
Cash at bank and in hand		488	3,314
Creditors – amounts falling due within one year	8	(63,280,165)	-
Net current (liabilities) / assets		(62,369,789)	1,709,660
Creditors – amounts falling due after one year	9	(114,259,993)	(105,169,400)
Net liabilities		(9,441,558)	(7,208,648)
Capital & reserves			
Called up share capital	10	2	2
Profit and loss account	11	(9,441,560)	(7,208,650)
Shareholders' funds - equity	12	(9,441,558)	(7,208,648)

Approved by the Board on
and signed on its behalf by

2010



R Cotton
Director

Registered in England no 3800708

The notes on pages 6 to 9 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 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 has chosen to disclose balances 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 receivable and similar income

	2009	2008
	£	£
Bank interest receivable	-	13
	=====	=====

4 Interest payable and similar charges

	2009	2008
	£	£
Payable to parent company	-	1,082,771
Other	13	-
Payable to fellow group companies	3,142,756	4,904,407
	-----	-----
	3,142,769	5,987,178
	=====	=====

VITEC GROUP HOLDINGS LIMITED

Notes to the accounts (continued)

5. Tax on loss on ordinary activities

	2009 £	2008 £
(a) Analysis of credit in period		
<i>Current tax</i>		
UK tax credit on loss on ordinary activities – Group relief	909,886	1,706,344
	=====	=====
(b) Factors affecting tax credit for period		
The tax assessed for the year is different than the standard rate of corporation tax in the UK of 28% (2008 28.5%) The differences are due to		
Loss on ordinary activities before tax	(3,142,796)	(5,987,173)
	=====	=====
Taxation at standard rate	879,983	1,706,344
<i>Effects of</i>		
Transfer pricing adjustment	29,903	-
	-----	-----
Current tax credit for the year	909,886	1,706,344
	=====	=====
No provision for deferred tax is required		

6. Fixed Asset Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2009	96,251,092
Purchase of new subsidiaries in year	63,280,165
Investment into Palmer Dollar Finance	7,656,967

At 31 December 2009	167,188,224
	=====

In May 2009 a loan of US\$11.5 million made to another group company was exchanged for a Sterling loan from the Company. The Company then assigned this US Dollar loan to Palmer Dollar Finance in exchange for 11,500,000 new ordinary shares of \$1 each in Palmer Dollar Finance.

In November 2009 the Company acquired from another group company, two other group companies, Palmer Finance and Palmer Yen Finance. Palmer Finance is the principal holder of Euro currency loans made by UK group companies to group companies with a Euro functional currency and Palmer Yen Finance is the principal holder of Yen currency loans made by UK group companies to group companies with a Yen functional currency.

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	103,908,059
Palmer Finance	1,712,996	100%	Ordinary shares of 1 euro each	61,905,706
Palmer Yen Finance	2,000,001	100%	Ordinary shares of 100 yen each	1,374,459

				167,188,224
				=====

VITEC GROUP HOLDINGS LIMITED

Notes to the accounts (continued)

7. Debtors

	2009 £	2008 £
Amount due from parent company	2	2
Amount receivable from fellow group companies in respect of group tax relief	909,886	1,706,344
	<u>909,888</u>	<u>1,706,346</u>
	=====	=====

8. Creditors – amounts falling due within one year

	2009 £	2008 £
Amounts due to fellow group company	63,280,165	-
	<u>63,280,165</u>	<u>-</u>
	=====	=====

9. Creditors – amounts falling due after one year

	2009 £	2008 £
Amounts due to fellow group companies	114,259,993	105,169,400
	<u>114,259,993</u>	<u>105,169,400</u>
	=====	=====

10. Share capital

	2009 £	2008 £
Allotted, issued, fully paid 2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>
	=====	=====

11. Profit and loss account

	2009 £	2008 £
Balance as at 1 January	(7,208,650)	(2,927,821)
Retained loss for the year	(2,232,910)	(4,280,829)
	<u>(9,441,560)</u>	<u>(7,208,650)</u>
	=====	=====

VITEC GROUP HOLDINGS LIMITED

Notes to the accounts (continued)

12 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Retained loss for the year	(2,232,910)	(4,280,829)
Opening shareholders' funds	(7,208,648)	(2,927,819)
Closing shareholders' funds	<u>(9,441,558)</u> =====	<u>(7,208,648)</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.