

VITEC GROUP HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
Registered number 3800708



VITEC GROUP HOLDINGS LIMITED

STRATEGIC REPORT

The Directors present their strategic report for the year ended 31 December 2016.

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.

Business review

The loss for the year amounted to £2,529,000 (2015: loss £2,435,000). The net assets at 31 December 2016 were £85,037,000 (2015: £87,566,000).

Principal risks and uncertainties

The Company is a wholly owned subsidiary of The Vitec Group plc. The Vitec Group's principal risks and uncertainties and their mitigation are detailed in that company's Annual Report & Accounts 2016 on pages 28 and 29.

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
12 April 2017

VITEC GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements for the year ended 31 December 2016.

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

The Directors do not recommend the payment of a dividend (2015: £nil).

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

The auditor, KPMG LLP, has indicated its willingness to continue in office. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP 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 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
12 April 2017

Registered Office:
Bridge House
Heron Square
Richmond
TW9 1EN

VITEC GROUP HOLDINGS LIMITED

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), including FRS 101 Reduced Disclosure Framework.

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 2016 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 2016 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

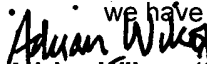
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements. Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.


Adrian Wilcox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

Canary Wharf

London E14 5GL

12 April 2017

VITEC GROUP HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Interest receivable from group undertakings		80	175
Interest payable to group undertakings		(2,609)	(2,610)
Loss before taxation		<u>(2,529)</u>	<u>(2,435)</u>
Tax on loss	5	-	-
Loss after tax		<u>(2,529)</u>	<u>(2,435)</u>

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

All the above results are derived from continuing activities.

The notes on page 8 to 12 form an integral part of these Financial Statements.

VITEC GROUP HOLDINGS LIMITED

BALANCE SHEET
as at 31 December 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments	6	162,190	162,190
Current assets			
Debtors – amounts falling due after more than one year from group undertakings		487	3,016
Total assets		162,677	165,206
Creditors – amounts falling due after more than one year to group undertakings		(77,640)	(77,640)
Net assets		85,037	87,566
Capital and reserves			
Called up share capital	7	-	-
Share premium	8	31,100	31,100
Profit and loss account		53,937	56,466
Shareholders' funds		85,037	87,566

The notes on pages 8 to 12 form an integral part of these Financial Statements.

The Financial Statements on pages 5 to 12 were approved by the Board of Directors on 12 April 2017 and were signed on its behalf by



Paul Hayes
Director

Registered in England no 3800708

VITEC GROUP HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2016	-	31,100	56,466	87,566
Total comprehensive income for the year				
Loss for the year	-	-	(2,529)	(2,529)
Balance at 31 December 2016	-	31,100	53,937	85,037
Balance at 1 January 2015	-	17,912	58,901	76,813
Total comprehensive income for the year				
Loss for the year	-	-	(2,435)	(2,435)
Contributions by and distributions to owners				
New shares issued	-	13,188	-	13,188
Balance at 31 December 2015	-	31,100	56,466	87,566

The notes on pages 8 to 12 form an integral part of these Financial Statements.

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

These Financial Statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/2015 Cycle) issued July 2015 and effective immediately have been applied.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006, and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

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.

2. Exemptions taken by the Company under FRS 101

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly-owned subsidiaries which form part of the Group;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated Financial Statements of the ultimate parent company include equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

3. 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 at least twelve months from the date of the approval of the Financial Statements. 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 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.

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Operating result

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

Audit fees of £2,000 are borne by the ultimate parent company.

5. Tax on profit

(a) There is no current or deferred tax charge recognised in the year (2015: £nil).

(b) Factors affecting total tax charge

The tax assessed on the loss before tax for the year is higher (2015: higher) than the effective rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are reconciled below:

	2016 £'000	2015 £'000
Loss before tax	(2,529)	(2,435)
Loss multiplied by effective rate of corporation tax in the UK of 20% (2015: 20.25%)	(506)	(493)
Effects of:		
Non-taxable income		
Group relief surrendered free of charge	283	368
Losses not recognised for deferred tax	223	125
Total tax charge	-	-

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020 and replacing the rate enacted in 2015) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

6. Fixed asset investments

	2016 £'000	2015 £'000
Cost and net book value		
At 1 January	162,190	149,002
Additions	-	13,188
At 31 December	162,190	162,190

The Company's investments in subsidiaries as at 31 December 2016 are as follows:

	Country of incorporation	Class of shares held	Percentage of shares held
ALC Broadcast Limited	England & Wales ⁽¹⁾	Ordinary shares of £1 each	100%*
Anton/Bauer Europe B.V.	Netherlands ⁽²⁾	Ordinary shares of €1 each	100%*
Autocue LLC	United States ⁽³⁾	Membership units of NPV	100%*
Autoscript Limited	England & Wales ⁽¹⁾	Ordinary shares of £1 each	100%*
Camera Corps Ltd	England & Wales ⁽¹⁾	Ordinary shares of £1 each	100%*

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Fixed asset investments (continued)

	Country of incorporation	Class of shares held	Percentage of shares held
Camera Dynamics sarl	France ⁽⁴⁾	Ordinary shares of NPV	100%*
Chalfont Investments Inc	United States ⁽⁵⁾	Ordinary shares of US\$0.01 each	100%*
Colorama Photodisplay Holdings Limited	England & Wales ⁽¹⁾	Ordinary shares of £1 each	100%*
Gitzo S.A.	France ⁽⁶⁾	Ordinary shares of NPV	100%*
Haigh-Farr, Inc.	United States ⁽⁷⁾	Ordinary shares of US\$1 each	100%*
Henry (Holdings) Limited**	England & Wales ⁽¹⁾	Ordinary shares of £1 each	100%*
Kata Vitec P Limited	Israel ⁽⁸⁾	Ordinary shares of ILS1 each	100%*
LCB Beteiligungs GmbH	Germany ⁽⁹⁾	Ordinary shares of €25,000 each	100%*
Lino Manfrotto & Co Spa	Italy ⁽¹⁰⁾	Ordinary shares of €5.556 each	100%*
Litepanels Ltd	England & Wales ⁽¹⁾	Ordinary shares of US\$1 each	100%*
Manfrotto Bags Ltd	Israel ⁽⁸⁾	Ordinary shares of ILS1 each	100%*
Manfrotto Distribution Benelux B.V.	Netherlands ⁽¹¹⁾	Ordinary shares of €454 each	100%*
Manfrotto Distribution GmbH	Germany ⁽¹²⁾	Shares of €25,000 each	100%*
Manfrotto Distribution HK Limited	Hong Kong ⁽¹³⁾	Shares of HKD1 each	100%*
Manfrotto Distribution Inc	United States ⁽¹⁴⁾	Ordinary shares of NPV	100%*
Manfrotto Distribution SAS	France ⁽⁶⁾	Shares of €16 each	100%*
Manfrotto Distribution Shanghai Limited	China ⁽¹⁵⁾	Ordinary shares of US\$1 each	100%*
Manfrotto UK Limited	England & Wales ⁽¹⁾	Ordinary shares of £1 each	100%*
Mount Olive 2016, LLC	United States ⁽¹⁶⁾	Membership units of NPV	100%*
Offhollywood, LLC	United States ⁽¹⁷⁾	Membership units of NPV	100%*
Palmer Dollar Finance	England & Wales ⁽¹⁾	Ordinary shares of \$1 each	100%
Palmer Finance	England & Wales ⁽¹⁾	Ordinary shares of €1 each	100%
Palmer Yen Finance	England & Wales ⁽¹⁾	Ordinary shares of JP¥100 each	100%
Panlight Limited	England & Wales ⁽¹⁾	Ordinary shares of £1 each	100%
Petrol Bags Limited	Israel ⁽¹⁸⁾	Ordinary shares of ILS1 each	100%*

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Fixed asset investments (continued)

	Country of incorporation	Class of shares held	Percentage of shares held
RECO Srl	Italy ⁽¹⁰⁾	Shares of NPV	100%*
Teradek Ukraine LLC	Ukraine ⁽²⁰⁾	Membership interests of NPV	100%*
SmallHD LLC	United States ⁽¹⁹⁾	Membership units of NPV	100%*
Teradek, LLC	United States ⁽²¹⁾	Membership units of NPV	100%*
Vinten Instruments Limited**	England & Wales ⁽¹⁾	Ordinary shares of £0.01 each	100%*
Vitec Broadcast Services Inc	United States ⁽⁵⁾	Ordinary shares of US\$0.01 each	100%*
Vitec Group US Holdings, Inc.	United States ⁽⁵⁾	Ordinary shares of US\$0.01 each	100%*
Vitec Holdings Limited	Guernsey ⁽²²⁾	Ordinary shares of £0.10 each	100%*
Vitec Investments Limited	England & Wales ⁽¹⁾	Ordinary shares of £1 each	100%
Vitec UK Finance Limited**	England & Wales ⁽¹⁾	Ordinary shares of US\$1 each	100%*
Vitec UK Investments Limited**	England & Wales ⁽¹⁾	Ordinary shares of £1 each	100%*
Vitec Videocom GmbH	Germany ⁽⁹⁾	Ordinary shares of DEM50,000 each	100%*
Vitec Videocom Limitada	Costa Rica ⁽²³⁾	Shares of CRC50 each	100%*
Vitec Videocom, Inc	United States ⁽⁵⁾	Ordinary shares of \$0.01 each	100%*
Vitecgroup Italia spa	Italy ⁽²⁴⁾	Ordinary shares of €1,000 each	75%*
Wheatfield Kingston Finance (UK)**	England & Wales ⁽¹⁾	Ordinary share of £1 each	100%
Wooden Camera, Inc.	United States ⁽²⁵⁾	Ordinary shares of NPV	100%*
Wooden Camera Retail, Inc.	United States ⁽²⁵⁾	Ordinary shares of NPV	100%*

* The ordinary capital of these companies was owned by a subsidiary of Vitec Group Holdings Limited at 31 December 2016.

** These companies were struck off on 28 February 2017.

The registered addresses of the above companies are listed below:

(1) Bridge House, Heron Square, Richmond, TW9 1EN, United Kingdom.

(2) Sint Lambertuslaan 9, 6212 AR Maastricht, Netherlands

(3) 124 West 30th Street, Suite 312, New York, NY 1001, United States

(4) 171 avenue des Grésillons, 92635 Gennevilliers cedex, France

(5) Corporation Service Company, 2711 Centerville Road - Suite 400, Wilmington, DE 19808, United States

(6) Parc Tertiaire Silic, 44 Rue De La Couture, 94150 Rungis, France

(7) 40 Spring Hill Drive, Bedford, NH 03110, United States

(8) Abraham & Bachar cp., Keren Hayesod 36, Jerusalem, Israel

(9) Parkring 29, 85748 Garching, Germany

(10) Via Valsugana 100, 36022 Cassola VI, Italy

(11) J.P Poelstraat 5, 1483 GC De Rijp, Netherlands

(12) Ferdinand-Porsche-Strasse 19, 41149 Cologne, Germany

(13) Unit No.03, 3/F, Tower 3, Phase 1, Enterprise Square, No.9 Sheung Yuet Road, Kowloon Bay, Hong Kong

VITEC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Fixed asset investments (continued)

⁽¹⁴⁾ Corporation Service Company, 830 Bear Tavern Road, West Trenton, NJ 08628, United States

⁽¹⁵⁾ Room 2704-05, Shanghai Mart Tower, No.2299, Yan'an Road (West), Shanghai, 200336, China

⁽¹⁶⁾ Corporation Service Company, 2595 Interstate Drive – Suite 103, Harrisburg, PA 17110, United States ⁽¹⁷⁾ Corporation Service Center, 2711 Centerville Road – Suite 440, Wilmington, New Castle County, DE 19808, United States

⁽¹⁸⁾ 3 Hasolelim Street, 67897, Tel Aviv, Israel

⁽¹⁹⁾ Corporation Service Company, 327 Hillsborough Street, Raleigh, NC 27603, United States

⁽²⁰⁾ Per. Nechipurenko 4, Suite 15, Odessa, 65045, Ukraine

⁽²¹⁾ CSC-Lawyers Incorporating Service, 2710 Gateway Oaks Drive – Suite 150N, Sacramento, CA 95833-3505, United States

⁽²²⁾ Glatigny Court, Glatigny Esplanade, St. Peter Port, GY1 1WR, Guernsey

⁽²³⁾ Parque Industrial de Cartago, Edificio Numero 68, Cartago, Costa Rica

⁽²⁴⁾ Via Monte Rosa, 91, 20149 Milano, Italy

⁽²⁵⁾ 1826 West Commerce Street, Dallas, Texas 75208, United States

7. Share capital

	2016 £	2015 £
Allotted, called up and fully paid:		
5 (2015: 5) Ordinary shares of £1 each	5	5

8. Share premium

	2016 £'000	2015 £'000
Opening Balance	31,100	17,912
Premium on shares issued	-	13,188
Closing Balance	31,100	31,100

9. Post balance sheet events

There were no material adjusting or non-adjusting events that require disclosure between the Balance Sheet date and the date of this report.

10. Contingent liabilities

The Company is a guarantor to a £125 million Multicurrency Revolving Credit Facility Agreement, signed on 5 July 2016, between The Vitec Group plc, several of its subsidiaries and five banks.

The Company is also a guarantor in accordance with the provisions of a \$50 million Private Placement facility between companies within The Vitec Group as original borrowers, and Pricoa Capital Group Limited. The Company is jointly and severally liable with the other original borrowers for liabilities arising under this agreement.

These guarantees are considered to be inter group insurance arrangements and in accordance with IFRS 4 are accounted for as contingent liabilities.

11. 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 2016 of The Vitec Group plc are available from the Company Secretary, Bridge House, Heron Square, Richmond, TW9 1EN.