

PALMER YEN FINANCE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
Registered number 6761491



PALMER YEN FINANCE

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements for the year ended 31 December 2018.

This Directors' Report has been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime under sections 415A and 382 (3) of the Companies Act 2006. The Company has taken advantage of the exemption available to it under section 414B of the Companies Act 2006 to not prepare a Strategic Report.

The Company's functional currency is Japanese Yen as all its transactions are in Japanese Yen. The Company elects to present its Financial Statements in its functional currency.

Principal activities

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 profit for the year transferred to reserves amounted to Yen 4,233,000 (2017: Yen 3,805,000).

The Directors do not recommend the payment of a dividend (2017: Yen nil).

Directors

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

Jonathan Bolton
Martin Green
Kath Kearney-Croft

All Directors' remuneration is borne by the ultimate parent company and no allocation is made to the Company.

The Company has also granted indemnities to some of its Directors to the extent permitted by law. Qualifying third party indemnity provisions (as defined in Section 324 of the Companies Act 2006) have been adopted for some Directors and indemnify in relation to certain losses and liabilities which the Directors may incur to third parties in the course of acting as Directors of the Company.

Disclosure of information to the auditor

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 (as defined in section 418(2) of the Companies Act 2006) of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In 2018 Deloitte LLP were appointed as auditors. Deloitte 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 Deloitte LLP will therefore continue in office.

Approved and authorised for issue by the Board



Jonathan Bolton
Director

17 July 2019

Registered Office:

Bridge House
Heron Square
Richmond
TW9 1EN

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), 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 are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and 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 PALMER YEN FINANCE

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Palmer Yen Finance (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes 1 to 8.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALMER YEN FINANCE (continued)

Responsibilities of directors (continued)

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

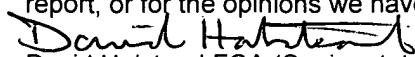
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.


David Halstead FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

St Albans
United Kingdom
19 July 2019

PALMER YEN FINANCE

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2018

	Notes	2018 Yen'000	2017 Yen'000
Operating expenses		(95)	(8)
Operating loss		<u>(95)</u>	<u>(8)</u>
Interest receivable from group undertakings		5,067	4,181
Interest payable to group undertakings		(739)	-
Profit before taxation		<u>4,233</u>	<u>4,173</u>
Tax on profit	5	-	(368)
Profit after tax		<u>4,233</u>	<u>3,805</u>

The Profit and Loss Account contains all the gains and losses recognised in the year and therefore no Statement of Other Comprehensive Income has been presented.

The notes on pages 8 to 10 form an integral part of these Financial Statements.

PALMER YEN FINANCE

BALANCE SHEET
as at 31 December 2018

	Notes	2018 Yen'000	2017 Yen'000
Fixed assets			
Loans – amounts falling due after more than one year by group undertakings		440,001	229,000
Current assets			
Taxation		363	-
Cash at bank and in hand		2,578	3,962
Creditors – amounts falling due within one year to group undertakings		(47)	-
Net current assets		2,894	3,962
Total assets less current liabilities		442,895	232,962
Creditors – amounts falling due after more than one year to group undertakings		(205,700)	-
Net assets		237,195	232,962
Capital and reserves			
Called up share capital	6	200,000	200,000
Profit and loss account		37,195	32,962
Shareholder's funds		237,195	232,962

The notes on pages 8 to 10 form an integral part of these Financial Statements.

The Financial Statements on pages 5 to 10 were approved by the Board of Directors on 17 July 2019 and were signed on its behalf by:



Kath Kearney-Croft
Director

Registered in England no 6761491
Palmer Yen Finance is a private unlimited company

PALMER YEN FINANCE**STATEMENT OF CHANGES IN EQUITY**

	Called up share capital Yen'000	Profit and loss account Yen'000	Total equity Yen'000
Balance at 1 January 2018	200,000	32,962	232,962
Total comprehensive income for the year			
Profit for the year	-	4,233	4,233
Balance at 31 December 2018	200,000	37,195	237,195
Balance at 1 January 2017	200,000	29,157	229,157
Total comprehensive income for the year			
Profit for the year	-	3,805	3,805
Balance at 31 December 2017	200,000	32,962	232,962

The notes on pages 8 to 10 form an integral part of these Financial Statements.

PALMER YEN FINANCE

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").

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("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 an indirect 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.

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 Company has applied IFRS 9 "Financial Instruments" from 1 January 2018, which has resulted in new accounting policies as set out below. There has been no impact on the Financial Statements as a result of adopting the new standard.

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 approval of the Financial Statements. Thus they continue to adopt the going concern basis in preparing the annual Financial Statements.

b) Foreign currency

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) Taxation

The charge for taxation is based on the profit 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.

d) Yen functional currency

The functional currency of the Company is Yen due to the Company generating and expending cash in this currency. The Company elects to present its Financial Statements in its functional currency.

PALMER YEN FINANCE

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Accounting policies (continued)

e) Financial assets classification and measurement

The Company classifies its financial instruments depending on the business model for managing the financial assets and their contractual cash flows. Loans to group undertakings are measured at amortised cost.

f) Loans to group undertakings

Loans are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less provision for impairment. The Company recognises expected credit losses which uses a lifetime expected loss allowance for all debt investments unless the asset is considered to have low credit risk, in which case the loss allowance recognised is limited to 12 months' expected losses.

g) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet represent cash on hand and at banks.

h) Interest payable

Interest-bearing borrowings are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these transaction costs are recognised in the Profit and Loss Account over the term of the related borrowings.

i) Accounting estimates and judgments

There are no significant estimates or judgments contained in the Financial Statements.

4. Operating result

Auditors' remuneration: Audit of Company's annual accounts of Yen 734,000 (2017: Yen 290,000) are borne by the ultimate parent company.

5. Tax on profit

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

	2018 Yen'000	2017 Yen'000
<i>Current tax:</i>		
UK corporation tax	-	368
Tax charge on profit	-	368

There is no deferred tax charge/(credit) recognised in the year (2017: Yen nil).

(b) Factors affecting total tax charge

The tax assessed on the profit before tax for the year is lower (2017: lower) than the effective rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are reconciled below:

	2018 Yen'000	2017 Yen'000
Profit before tax	4,233	4,173
Profit before tax multiplied by effective rate of corporation tax in the UK of 19% (2017: 19.25%)	804	803
<i>Effects of:</i>		
Group relief claimed free of charge	(804)	(435)
Total tax charge	-	368

PALMER YEN FINANCE

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Tax on profit (continued)

Reductions in the UK corporation tax rate from 19% (effective from 1 April 2017) to 17% (effective from 1 April 2020) have been imposed by Finance Act 2019 which was already substantively enacted by Finance Act 2016 on 6 September 2016. This will reduce the company's future current tax charge accordingly.

6. Share capital

	2018	2017
	Yen'000	Yen'000
Issued, allotted and called up:		
2,000,002 Ordinary shares of Yen 100 each	<u>200,000</u>	<u>200,000</u>

7. 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.

8. Ultimate parent company

The Company is a wholly owned subsidiary of Vitec Group Holdings Limited, and of its ultimate parent, The Vitec Group plc. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is The Vitec Group plc, a company which is registered in England and Wales. Copies of the Annual Report & Financial Statements 2018 of The Vitec Group plc are available from the Company Secretary, Bridge House, Heron Square, Richmond, TW9 1EN.