

PALMER YEN FINANCE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
Registered number 6761491

THURSDAY



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07/06/2018
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PALMER YEN FINANCE

DIRECTORS' REPORT

The Directors present their report and the audited Financial Statements for the year ended 31 December 2017.

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'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.

Results and dividends

The profit for the year transferred to reserves amounted to Yen 3,805,000 (2016: Yen 5,740,000).

The Directors do not recommend the payment of a dividend (2016: 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 (appointed 24 April 2017)
Paul Hayes (resigned 28 April 2017)

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

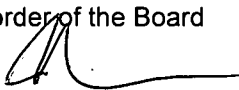
Disclosure of information to the auditor

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

KPMG LLP will be ceasing to be the Company's auditor following the completion of their audit of the financial statements for the year ended 31 December 2017. A written resolution of the members of the Company in accordance with section 514 of the Companies Act 2006 will be circulated seeking approval for the appointment of Deloitte LLP as replacement auditor for the financial year ending 31 December 2018.

By order of the Board


Jonathan Bolton
Director

9 May 2018

Registered Office:
Bridge House
Heron Square
Richmond
TW9 1EN

PALMER YEN FINANCE

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Opinion

We have audited the Financial Statements of Palmer Yen Finance ("the Company") for the year ended 31 December 2017 set out on pages 4 to 8.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the Financial Statements. We have nothing to report in these respects.

Directors' report

The Directors are responsible for the Directors' report. Our opinion on the Financial Statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the Financial Statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the Directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Adrian Wilcox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

14 May

2018

PALMER YEN FINANCE

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2017

	Notes	2017 Yen'000	2016 Yen'000
Operating expenses		(8)	(9)
Operating loss	4	<u>(8)</u>	<u>(9)</u>
Interest receivable from group undertakings		4,181	6,388
Profit before taxation		<u>4,173</u>	<u>6,379</u>
Tax on profit	5	(368)	(639)
Profit after tax		<u>3,805</u>	<u>5,740</u>

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

The notes on pages 7 to 8 form an integral part of these Financial Statements.

PALMER YEN FINANCE

BALANCE SHEET as at 31 December 2017

	Notes	2017 Yen'000	2016 Yen'000
Debtors – amounts falling due after more than one year by group undertakings		229,000	180,000
Current assets			
Cash at bank and in hand		<u>3,962</u>	<u>49,157</u>
Net current assets		<u>3,962</u>	<u>49,157</u>
Net assets		<u>232,962</u>	<u>229,157</u>
Capital and reserves			
Called up share capital	6	200,000	200,000
Profit and loss account		<u>32,962</u>	<u>29,157</u>
Shareholders' funds		<u>232,962</u>	<u>229,157</u>

The notes on pages 7 to 8 form an integral part of these Financial Statements.

The Financial Statements on pages 4 to 8 were approved by the Board of Directors on 9 May 2018 and were signed on its behalf by



Kath Kearney-Croft
Director

Registered in England no 6761491

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

	Share capital Yen'000	Profit and loss account Yen'000	Total equity Yen'000
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
Balance at 1 January 2016	200,000	23,417	223,417
Total comprehensive income for the year			
Profit for the year	-	5,740	5,740
Balance at 31 December 2016	200,000	29,157	229,157

The notes on pages 7 to 8 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"). 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 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 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)

4. Operating result

Directors' remuneration of Yen 145,000 is borne by the ultimate parent company.

Audit fees of Yen 290,000 are borne by the ultimate parent company.

5. Tax on profit

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

	2017 Yen'000	2016 Yen'000
<i>Current tax:</i>		
UK corporation tax	368	639
Tax charge on profit	368	639

There is no deferred tax charge/(credit) recognised in the year (2016: Yen nil).

(b) Factors affecting total tax charge

The tax assessed on the profit before tax for the year is lower (2016: lower) than the effective rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are reconciled below:

	2017 Yen'000	2016 Yen'000
Profit before tax	4,173	6,379
Profit before tax multiplied by effective rate of corporation tax in the UK of 19.25% (2016: 20%)	803	1,276
<i>Effects of:</i>		
Group relief claimed free of charge	(435)	(637)
Total tax charge	368	639

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. Share capital

	2017 Yen'000	2016 Yen'000
Issued, allotted and called up: 2,000,002 Ordinary shares of Yen 100 each	200,000	200,000

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's immediate parent is Vitec Group Holdings Limited, a company which is registered in England and Wales. The Company is an indirect 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 2017 of The Vitec Group plc are available from the Company Secretary, Bridge House, Heron Square, Richmond, TW9 1EN.