

PALMER YEN FINANCE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
Registered number 6761491

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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 2016.

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 5,740,000 (2015: Yen 7,410,000).

The Directors do not recommend the payment of a dividend (2015: 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
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

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; 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 PALMER YEN FINANCE

We have audited the Financial Statements of Palmer Yen Finance for the year ended 31 December 2016 set out on pages 4 to 8. 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 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, 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 profit 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 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 Directors' report:

- we have not identified material misstatements in that report; 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

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; or
- the Directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.



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

PALMER YEN FINANCE**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2016**

	Notes	2016 Yen'000	2015 Yen'000
Operating expenses		(9)	(40)
Operating loss	4	<u>(9)</u>	<u>(40)</u>
Interest receivable from group undertakings		6,388	8,248
Profit before taxation		<u>6,379</u>	<u>8,208</u>
Tax on profit	5	(639)	(798)
Profit after tax		<u>5,740</u>	<u>7,410</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.

All the above results are derived from continuing activities.

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

PALMER YEN FINANCE

BALANCE SHEET **as at 31 December 2016**

	Notes	2016 Yen'000	2015 Yen'000
Current assets			
Debtors – amounts falling due after more than one year by group undertakings		180,000	410,000
Cash at bank and in hand		49,157	3,917
Net current assets		229,157	413,917
Creditors – amounts falling due after more than one year to group undertakings		-	(190,500)
Net assets		229,157	223,417
Capital and reserves			
Called up share capital	6	200,000	200,000
Profit and loss account		29,157	23,417
Shareholders' funds		229,157	223,417

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 12 April 2017 and were signed on its behalf by


Paul Hayes
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 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
Balance at 1 January 2015	200,000	16,007	216,007
Total comprehensive income for the year			
Profit for the year	-	7,410	7,410
Balance at 31 December 2015	200,000	23,417	223,417

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

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) The tax charge is made up as follows:

	2016 Yen'000	2015 Yen'000
<i>Current tax:</i>		
UK corporation tax	639	798
Tax charge on profit	<u>639</u>	<u>798</u>

There is no deferred tax charge/(credit) recognised in the year (2015: Yen nil).

(b) Factors affecting total tax charge

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

	2016 Yen'000	2015 Yen'000
Profit before tax	<u>6,379</u>	<u>8,208</u>
Profit before tax multiplied by effective rate of corporation tax in the UK of 20% (2015: 20.25%)	1,276	1,662
<i>Effects of:</i>		
Group relief claimed free of charge	<u>(637)</u>	<u>(864)</u>
Total tax charge	<u>639</u>	<u>798</u>

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

	2016 Yen'000	2015 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'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 2016 of The Vitec Group plc are available from the Company Secretary, Bridge House, Heron Square, Richmond, TW9 1EN.