

PALMER YEN FINANCE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
Registered number 06761491

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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 2021.

This Directors' Report has been prepared in accordance with the special provisions applicable to small companies subject to the small companies' exemptions 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.

The particulars of any important events affecting the company which have occurred since the end of the financial year are detailed in Note 9.

Principal activities

The Company carries out financing activities for Videndum plc. A change in the Company's activities is not expected in the foreseeable future.

Key performance indicators

The Company uses net assets to review and monitor performance.

Results and dividends

The profit for the year transferred to reserves amounted to Yen 3,266,000 (2020: Yen 3,955,000).

The Directors do not recommend the payment of a dividend (2020: 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

Andrea Rigamonti (appointed 1 December 2021)

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

During the year two (2020: two) Directors exercised share options in the ultimate parent company.

The ultimate parent company has granted indemnities to the Company's Directors to the extent permitted by law. Qualifying third party indemnity provisions (as defined in Section 234 of the Companies Act 2006) have been adopted for 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 or any other Group company of which they are a Director.

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

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.

PALMER YEN FINANCE

DIRECTORS' REPORT (continued)

Approved and authorised for issue by the Board



Jonathan Bolton
Director

28 JUNE 2022

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 Annual 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 Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 accounting estimates that are reasonable and prudent; 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.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PALMER YEN FINANCE

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 2021 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 10.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

PALMER YEN FINANCE

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of its policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pension legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

PALMER YEN FINANCE

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

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

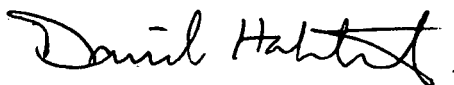
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.
- 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
28 June 2022

PALMER YEN FINANCE

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2021

	Notes	2021 Yen'000	2020 Yen'000
Administrative expenses		(9)	(10)
Interest receivable from group undertakings		3,275	3,965
Profit before taxation		3,266	3,955
Tax on profit	6	-	-
Profit after tax		3,266	3,955

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

The notes on pages 10 to 13 form an integral part of these Financial Statements.

PALMER YEN FINANCE

BALANCE SHEET as at 31 December 2021

	Notes	2021 Yen'000	2020 Yen'000
Fixed assets			
Loans – amounts falling due after more than one year by group undertakings	8	250,600	247,300
Current assets			
Cash at bank and in hand		60	94
Net current assets		60	94
Total assets less current liabilities		250,660	247,394
Net assets		250,660	247,394
Capital and reserves			
Share capital	7	200,000	200,000
Profit and loss account		50,660	47,394
Shareholder's funds		250,660	247,394

The notes on pages 10 to 13 form an integral part of these Financial Statements.

The Financial Statements on pages 7 to 13 were approved by the Board of Directors on *28 JUNE* 2022 and were signed on its behalf by:



Jonathan Bolton
Director

Registered in England no 06761491
Palmer Yen Finance is a private unlimited company

PALMER YEN FINANCE**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 December 2021

	Called up share capital Yen'000	Profit and loss account Yen'000	Total equity Yen'000
Balance at 1 January 2021	200,000	47,394	247,394
Profit for the year	-	3,266	3,266
Total comprehensive income for the year	-	3,266	3,266
Balance at 31 December 2021	200,000	50,660	250,660
Balance at 1 January 2020	200,000	43,439	243,439
Profit for the year	-	3,955	3,955
Total comprehensive income for the year	-	3,955	3,955
Balance at 31 December 2020	200,000	47,394	247,394

The notes on pages 10 to 13 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").

These Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the IASB 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 Financial Statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006

The Company is an indirect wholly owned subsidiary of Videndum plc and is included in the consolidated financial statements of Videndum 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. Impact of adoption of new accounting standards

In the current year, the Company adopted the Phase 2 amendments Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Company to reflect the effects of transitioning from interbank offered rates ("IBOR") to alternative benchmark interest rates (also referred to as "risk-free rates" or "RFRs") without giving rise to accounting impacts that would not provide useful information to users of financial statements.

As a result of the Phase 2 amendments, when the contractual terms of the Company's loan receivables are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Company changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. The Company has not restated the prior period. The amendments have been applied retrospectively with no impact to equity as at 1 January 2021.

If additional changes are made, which are not directly related to the reform, the applicable requirements of IFRS 9 are applied to the other changes.

There has been no material impact on the Financial Statements of adopting the amendment.

There has been no material impact on the Financial Statements of adopting other new standards or amendments.

4. 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 Company's assets are loan receivables from other Group companies and as such the recovery of those balances is impacted by the trading performance of the borrowers within the Group. As part of the Company's Directors' consideration of the appropriateness of adopting the going concern basis in preparing the Company's financial statements, a range of scenarios for the Group, which includes the borrowers, have been modelled through to the end of 2022.

PALMER YEN FINANCE

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Accounting policies (continued)

a) Going concern (continued)

The Company's Directors have reviewed the latest forecasts of the Group, which includes the borrowers, which show there are no expected breaches of covenants under the Group's £165 million Revolving Credit Facility and that the Group has sufficient cash headroom to continue in operational existence for the foreseeable future.

They also consider that the current operations provide sufficient financial sustainability to generate positive cash flows for the foreseeable future.

Accordingly, the Company's Directors continue to adopt the going concern basis in preparing the annual financial statements.

b) 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.

c) 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.

d) 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.

e) 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.

f) Cash and cash equivalents

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

g) 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.

h) Accounting estimates and judgments

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

i) Financial liabilities classification and measurement

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

5. Operating result

Auditor remuneration: Audit fees for the audit of Company's annual accounts of Yen 1,403,740 (2020: Yen 872,000) are borne by the ultimate parent company.

The company has no employees.

PALMER YEN FINANCE

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Tax on profit

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

	2021 Yen'000	2020 Yen'000
<i>Current tax:</i>		
Foreign tax	-	-
Total Tax credit on profit before tax	-	-

(b) Factors affecting total tax charge

The tax assessed on the profit before tax for the year is lower (2020: lower) than the effective rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	2021 Yen'000	2020 Yen'000
Profit before tax	3,266	3,955
Profit at the UK statutory rate of 19.00% (2020: 19.00%)	621	751
<i>Effects of:</i>		
Group relief claimed free of charge	(621)	(751)
Total tax credit	-	-

The UK tax rate for the year ended 31 December 2021 is 19%. This was substantively enacted on 17 March 2020.

On 24 May 2021 the UK government substantively enacted to increase the UK corporation tax from 19% to 25% with effect from 1 April 2023.

7. Share capital

	2021 Yen'000	2020 Yen'000
Issued, allotted and called up: 2,000,002 Ordinary shares of Yen 100 each	200,000	200,000

8. Related party balances

Loans receivable from group undertakings falling due after more than one year are unsecured and bear floating rates of interest.

9. Post balance sheet events

The Company's parent company changed its name from Vitec Group Holdings Limited to Videndum Group Holdings Limited on 24 May 2022.

The Company's ultimate parent company changed its name from The Vitec Group plc to Videndum plc on 23 May 2022.

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

PALMER YEN FINANCE

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Ultimate parent company

The Company is a wholly owned subsidiary of Videndum Group Holdings Limited (formerly Vitec Group Holdings Limited), and of its ultimate parent, Videndum plc (formerly The Vitec Group plc). The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Videndum plc, a company which is registered in England and Wales. Copies of the Annual Report & Financial Statements 2021 of Videndum plc are available from the Company Secretary, Bridge House, Heron Square, Richmond, TW9 1EN.