

Belgian Auto Trader Limited

3155680

Annual report for the year ended 29 March 1998

	Pages
Directors and advisers	1
Directors' report	2
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7



Directors and advisers

Directors

J R Harris
(Chairman)

T Maycock

Registered Auditors

Coopers & Lybrand
Abacus Court
6 Minshull Street
Manchester
M1 3ED

Secretary and registered office

T Maycock
St. James Court
Wilderspool Causeway
Warrington
WA4 6PS

Solicitors

Garrett & Co.
Bank House
9 Charlotte Street
Manchester
M1 4EU

Directors' report for the year ended 29 March 1998

The directors present their report and the audited financial statements for the year ended to 29 March 1998.

Principal activities

The company is concerned with the management and development of motoring magazines and newspapers. The company has a 99.9% in equity share capital holding in the equity share capital of Auto Trader Belgium Bvba.

Review of business and future developments

As a holding company, the company anticipates no trading profits or losses, other than those relating to the costs of audit and taxation and to the costs of the investment.

Dividends

The directors did not declare any dividends in respect of the year ended 29 March 1998.

Directors

The directors of the company during the period ended 29 March 1998, both of whom have been directors for the whole of the year ended on that date, are listed on page 1.

Directors' interests in shares of the company

None of the directors at 29 March 1998 had any interest in the shares of the company nor any beneficial interest in shares of any other group company.

Directors' responsibility

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 29 March 1998. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Creditor payment policy

The group has implemented systems to ensure the prompt recognition of all identifiable liabilities to creditors and payments are made to these creditors in line with the CBI's Prompt Payment Code.

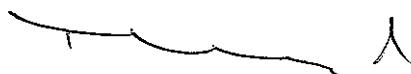
Year 2000 and EMU

The company's approach to these issues is being co-ordinated by the parent company. Full details are noted in the financial statements of the parent company, Guardian Media Group plc.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



T Maycock
Company secretary

24 June 1998

Report of the auditors to the members of Belgian Auto Trader Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

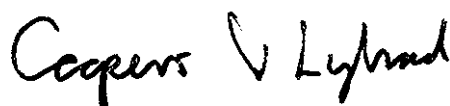
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 29 March 1998 and of its loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand

Chartered Accountants and Registered Auditors
Manchester

25 June 1998

**Profit and loss account
for the year ended 29 March 1998**

	Notes	1998 £	1997 £
All continuing operations			
Turnover	2	-	-
Operating expenses		(733,264)	(109,976)
Operating loss		<u>(733,264)</u>	<u>(109,976)</u>
Loss on ordinary activities before taxation	5	(733,264)	(109,976)
Taxation	6	59,152	-
Loss for the financial period	12	<u><u>(674,112)</u></u>	<u><u>(109,976)</u></u>

Statement of retained losses

	£	£
At 31 March 1997	(109,976)	-
Loss for the financial year	(674,112)	(109,976)
Retained loss at 29 March 1998	<u><u>(784,088)</u></u>	<u><u>(109,976)</u></u>


The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial period stated above, and their historical cost equivalents.

**Balance sheet
at 29 March 1998**

	Notes	1996 £	1997 £
Fixed assets			
Investments	7	16,778	16,778
		<u>16,778</u>	<u>16,778</u>
Current assets			
Debtors	8	232,282	628,394
		<u>232,282</u>	<u>628,394</u>
Creditors: amounts falling due within one year	9	(4,000)	-
		<u>(4,000)</u>	<u>-</u>
Net current assets		<u>228,282</u>	<u>628,394</u>
Total assets less current liabilities		<u>245,060</u>	<u>645,172</u>
Creditors: amounts falling due after more than one year	10	(1,029,146)	(755,146)
		<u>(1,029,146)</u>	<u>(755,146)</u>
Net liabilities		<u>(784,086)</u>	<u>(109,974)</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		(784,088)	(109,976)
		<u>(784,088)</u>	<u>(109,976)</u>
Equity shareholders' funds	12	<u>(784,086)</u>	<u>(109,974)</u>

The financial statements on pages 5 to 10 were approved by the board of directors on 24 June 1998 and were signed on its behalf by:


J R Harris
Director

Notes to the financial statements for the year ended 29 March 1998

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

The company is exempt from the requirement to produce consolidated financial statements on the basis that it is a wholly owned subsidiary of Guardian Media Group plc.

Deferred taxation

Provision is made for deferred tax at the rate of corporation tax expected in the year in which the liability is likely to arise except in respect of any material timing differences which are unlikely to result in a tax liability in the foreseeable future.

Cashflow statement

The company is a wholly owned subsidiary of Guardian Media Group plc and the cashflows of the company are included in the consolidated group cashflow statement of Guardian Media Group plc. Consequently the company is exempt from publishing a cashflow statement under Financial Reporting Standard No.1.

Foreign currencies

Foreign exchange differences are taken to the profit and loss account in the period in which they arise.

2 Turnover

There is no turnover at the present time.

3 Directors' emoluments

None of the directors received remuneration for their services as directors of the Company. The directors received remuneration in respect of their services to Auto Trader Publications (GMG) Limited.

4 Employee information

The average number of persons (including executive directors) employed during the year is analysed below is nil. As such there are no associated staff costs.

5 Loss on ordinary activities before taxation

	1998 £	1997 £
Loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration for audit	4,000	-
Foreign exchange losses	84,792	109,976
Provision against recoverability of loan to subsidiary	644,472	-
	<u>644,472</u>	<u>-</u>

6 Taxation

	1998 £	1997 £
United Kingdom corporation tax at 31% (1997: 33%)		
Current year credit for group relief receivable	27,526	-
Under recovery in respect of prior years	31,626	-
	<u>59,152</u>	<u>-</u>

7 Fixed asset investments

	1998 £	1997 £
Cost		
At 29 March 1998 and 30 March 1997	16,778	16,778
Amounts written off		
At 29 March 1998 and 30 March 1997	-	-
Net book value		
At 29 March 1998 and 30 March 1997	<u>16,778</u>	<u>16,778</u>

The investment represents 99.9% of the equity share capital holding in the ordinary share capital of Auto Trader Belgium Bvba, a company incorporated in Belgium. Auto Trader Belgium Bvba publishes motoring magazines.

The investment is stated at cost less any amounts written off for a permanent diminution in value.

8 Debtors

	1998 £	1997 £
Amounts owed by Group undertakings in respect of Group relief receivable	27,526	-
Amount owed by ultimate parent company	31,628	-
Amounts owed by subsidiary undertaking	173,128	628,394
	<u>232,282</u>	<u>628,394</u>

All the above amounts are due within one year of the balance sheet date.

9 Creditors: amounts falling due within one year

	1998 £	1997 £
Accruals	4,000	-
	<u>4,000</u>	<u>-</u>

10 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Unsecured loan stock issued to ultimate parent company (Redeemable 31 December 2005)	1,029,146	755,146
	<u>1,029,146</u>	<u>755,146</u>

A further £274,000 of the unsecured loan stock was issued on 27 March 1998. All loan stock carries interest at 2% above National Westminster Bank base rate. Interest has been waived for the period.

11 Called up share capital

	1998 £	1997 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

12 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Opening shareholders funds	(109,974)	-
New share capital issued	-	2
Loss for the financial year	(674,112)	(109,976)
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>(784,086)</u>	<u>(109,974)</u>

13 Ultimate holding company

The company's ultimate holding company is Guardian Media Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the ultimate holding company's consolidated financial statements may be obtained from The Secretary, Guardian Media Group plc, 164 Deansgate, Manchester, M60 2RR. All the ordinary shares of Guardian Media Group plc are owned by the Scott Trust.