

Belgian Auto Trader Limited
(formerly Knave of Spades Limited)

Annual report
for the 60 week period 30 March 1997

	Pages
Directors and advisers	1
Directors' report	2
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	9



Belgian Auto Trader Limited
(formerly Knave of Spades Limited)

1

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

Belgian Auto Trader Limited

(formerly Knave of Spades Limited)

2

Directors' report for the 60 week period 30 March 1997

The directors present their report and the audited financial statements for the 60 week period to 30 March 1997. The company was incorporated on 6 February 1996 as Knave of Spades Limited. The company changed its name to Belgian Auto Trader Limited on 27 February 1996.

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 share capital of Auto Trader Belgium Bvba, a Belgian company which was incorporated on 5 January 1995.

Review of business and future developments

As a holding company, the company anticipates no trading profits or losses.

Dividends

The directors did not declare any dividends in respect of the 60 week period ended 30 March 1997.

Share capital

The company was incorporated with an authorised ordinary share capital of 1,000 shares of £1 each, of which two were issued on incorporation. Both shares are owned by the Guardian Media Group plc.

Directors

The directors of the company during the period ended 30 March 1997 were as follows:

York Place Company Nominees Limited

(Appointed on incorporation,
resigned 27 February 1996)

J R Harris

(Appointed 27 February 1996)

T Maycock

(Appointed 27 February 1996)

Belgian Auto Trader Limited

(formerly Knave of Spades Limited)

Directors' interests in shares of the company

None of the directors at 30 March 1997 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 for that period.

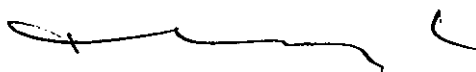
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the 60 week period 30 March 1997. The directors also confirm that applicable accounting 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.

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
26 August 1997

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

We have audited the financial statements on pages 5 to 12.

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.

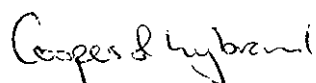
Basis of opinion

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 30 March 1997 and of its loss and cash flows 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
26 August 1997

Belgian Auto Trader Limited
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5

**Profit and loss account
for the 60 week period 30 March 1997**

	Notes	1997 £
All continuing operations		
Turnover	2	-
Other operating charges		(109,976)
Operating loss		<u>(109,976)</u>
Loss on ordinary activities before taxation	5	(109,976)
Taxation	6	<u>-</u>
Loss for the financial period	11	<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.

Belgian Auto Trader Limited
(formerly Knave of Spades Limited)

6

Balance sheet
at 30 March 1997

	Notes	1997 £
Fixed assets		
Investments	7	16,778
		<u>16,778</u>
Current assets		
Debtors	8	628,394
Cash at bank and in hand		-
		<u>645,172</u>
Total assets less current liabilities		<u>645,172</u>
Creditors: amounts falling due after more than one year	9	(755,146)
Net liabilities		<u>(109,974)</u>
Capital and reserves		
Called up share capital	10	2
Profit and loss account		(109,976)
Equity shareholders' funds	11	<u>(109,974)</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 26 August 1997 and were signed on its behalf by:



J R Harris
Director

Belgian Auto Trader Limited
(formerly Knave of Spades Limited)

7

**Cash flow statement
for the 60 week period ended 30 March 1997**

	Notes	1997 £
Net cash outflow from operating activities		(738,370)
Capital expenditure and financial investment	7	(16,778)
Purchase of subsidiary undertaking		<u>(755,148)</u>
Net cash outflow before financing		
Financing		2
Issue of ordinary share capital		755,146
Issue of unsecured loan stock		<u> </u>
Movement in cash	12	<u><u>-</u></u>

Reconciliation of net cash flow to movement in net debt

	Notes	1997 £
Movement in cash in the period		-
Cash inflow from increase in loan stock		(755,146)
Change in net debt		<u>(755,146)</u>
Net funds on incorporation		<u> </u>
Net debt at 30 March 1997	12	<u><u>(755,146)</u></u>

Belgian Auto Trader Limited
(formerly Knave of Spades Limited)

8

**Reconciliation of operating profit to net cash inflow
from operating activities**

	1997 £
Operating loss	(109,976)
Increase in debtors	<u>(628,394)</u>
Net cash inflow from operating activities	<u><u>(738,370)</u></u>

Notes to the financial statements for the 60 week period 30 March 1997

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.

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.

Belgian Auto Trader Limited

(formerly Knave of Spades Limited)

10

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

1997
£

Loss on ordinary activities before taxation is stated after charging:

Auditors' remuneration for audit

-

Foreign exchange losses

(109,976)

6 Taxation

There was no taxation charge in the period.

7 Fixed asset investments

1997
£

Cost

Additions

16,778

At 30 March 1997

16,778

Amounts written off

Written off in period

-

At 30 March 1997

-

Net book value

At 30 March 1997

16,778

On 27 March 1996 the company acquired some 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 a weekly motoring magazine.

8 Debtors

1997
£

Amounts owed by subsidiary undertakings

628,394

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

Belgian Auto Trader Limited

(formerly Knave of Spades Limited)

11

9 Creditors: amounts falling due after more than one year

	1997 £
Unsecured loan stock issued to holding company (Redeemable 31 December 2005)	755,146

£314,395 of the loan stock was issued on 29 March 1996, and the balance on 27 March 1997. It carries interest at 2% above National Westminster Bank base rate. Interest has been waived for the period.

10 Called up share capital

	1997 £
Authorised 1,000 ordinary shares of £1 each	1,000
Allotted, called up and fully paid 2 ordinary shares of £1 each	2

These shares were issued on incorporation of the company.

11 Reconciliation of movements in shareholders' funds

	1997 £
New share capital issued	2
Loss for the financial period	(109,976)
Closing shareholders' funds	(109,974)

12 Analysis of net debt

	On incorporation £	Cash flows £	At 30 March 1997 £
Cash in hand and at bank	-	-	-
Debt due after one year	-	(755,146)	(755,146)
Net debt	-	(755,146)	(755,146)

Belgian Auto Trader Limited **(formerly Knave of Spades Limited)**

12

13 Ultimate parent company

The directors regard the Guardian Media Group plc, a company registered in England and Wales, as the ultimate parent company. According to the register kept by the company, the Guardian Media Group plc had a 100% interest in the equity share capital of Belgian Auto Trader Limited at 30 March 1997. Copies of the parent'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.