

**Hurst Italia Limited**

Directors' report and financial statements for the year ended 30 March 2014

Registered number: 3172104

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## Directors' report

For the year ended 30 March 2014

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 30 March 2014.

The directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Principal activity, business review and future developments

The company has not traded during the year and the only transaction recorded was the waiver of the £3,722,000 balance owed to the parent company, Auto Trader Limited (formerly Trader Publishing Limited). The company is not expected to trade in the future.

The directors consider the state of affairs and the year end financial position to be satisfactory.

On 28 February 2014, Guardian Media Group sold their remaining 50.1% interest in Auto Trader Group Limited (formerly Trader Media Group Limited) to the existing shareholders Crystal A Holdco Sàrl and Crystal B Holdco Sàrl (collectively "Apax Partners") and Ed Williams. Additional disclosure on the transaction is given in the publicly available consolidated financial statements of Auto Trader Group Limited. The company remains a wholly owned subsidiary of Auto Trader Group Limited but the group is now ultimately controlled by Apax Partners through their 94% holding.

### Results and dividends

The company's profit for the financial year was £3,722,000 (2013: £nil).

The directors do not recommend the payment of a final dividend (2013: £nil).

### Directors

The directors who served during the year and up to the date of the signing of the financial statements unless otherwise stated were as follows:

S	Glithero	
T	Collet	
J	Walker	(appointed 26 July 2013)
Z	Byng-Maddick	(resigned 26 July 2013)

### Directors' indemnities

Qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

**Directors' report (continued)**  
For the year ended 30 March 2014

**Statement of directors' responsibilities**

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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 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.

**Disclosure of information to auditors**

The directors confirm, in the case of each director in office at the date the directors' report is approved, that:

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auto Trader House  
Cutbush Park Industrial Estate  
Danehill  
Lower Earley  
Reading  
Berkshire  
RG6 4UT

Approved by the directors on 12 June 2014



S Glithero  
Director

# **Independent auditors' report to the members of Hurst Italia Limited**

## **Report on the financial statements**

### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

### **What we have audited**

The financial statements, which are prepared by Hurst Italia Limited, comprise:

- Balance sheet as at 30 March 2014;
- Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Hurst Italia Limited (continued)**

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



**Matthew Hall (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Reading**  
**12 June 2014**

**Profit and loss account**  
For the year ended 30 March 2014

	Note	2014 £'000	2013 £'000
<b>Turnover</b>		-	-
Other operating income		3,722	-
<b>Operating profit</b>		3,722	-
Income from shares in group undertakings		-	-
<b>Profit on ordinary activities before taxation</b>	2	3,722	-
Tax on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>	9, 10	3,722	-

There are no recognised gains or losses other than those included in the results above; accordingly no statement of total recognised gains and losses is presented.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

All results arise from continuing activities in both years.

**Balance sheet**  
As at 30 March 2014

	Note	2014 £'000	2013 £'000
<b>Creditors: Amounts falling due within one year</b>	6	-	(252)
<b>Net current assets/(liabilities)</b>		-	(252)
<b>Total assets less current liabilities</b>		-	(252)
<b>Creditors: Amounts falling due after more than one year</b>	7	-	(3,470)
<b>Net assets/(liabilities)</b>		-	(3,722)
<b>Capital and reserves</b>			
Called-up share capital	8	-	-
Capital contribution reserve		210	210
Profit and loss account	9	(210)	(3,932)
<b>Total shareholder's funds/(deficit)</b>	10	-	(3,722)

The financial statements on pages 5 to 10 were approved by the board of directors on 12 June 2014 and were signed on its behalf by:



S Glithero  
Director

Registered number: 3172104

## Notes to the financial statements

For the year ended 30 March 2014

### 1 Accounting policies

#### Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies are set out below, all of which have been applied consistently throughout the year and the preceding year.

#### Cash flow statement

The company is a wholly owned subsidiary of Auto Trader Group Limited (formerly Trader Media Group Limited), a company incorporated in England and Wales, and the cash flows of the company are included in the consolidated financial statements of that company, which are publicly available. Consequently the company has taken advantage of the exemption available under paragraph 5 of Financial Reporting Standard 1 *Cash Flow Statements (revised 1996)* from preparing a cash flow statement.

#### Related party transactions

Under the provisions of Financial Reporting Standard 8 *Related Party Disclosures*, the company is exempt from the requirement to disclose details of related party transactions with entities that are part of Auto Trader Group Limited group, or investees of the Auto Trader Group Limited group.

#### Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

### 2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after crediting:

	2014 £'000	2013 £'000
Waiver of amount owed to parent undertaking	(3,722)	-

The fees payable for the audit of the company's financial statements have been borne by a fellow group company.

### 3 Employee information

The average monthly number of persons (excluding directors) employed during the year was nil (2013: nil). As such, no staff costs arose during either year.



## Notes to the financial statements (continued)

For the year ended 30 March 2014

### 4 Directors' remuneration

The emoluments of the directors have been borne by other group companies as their services provided to the company are considered incidental to services provided elsewhere within the group.

The remuneration of all directors was paid by Auto Trader Limited (formerly Trader Publishing Limited). The allocation of this remuneration in relation to their services as directors of the company is £nil (2013: £nil).

### 5 Tax on profit on ordinary activities

	2014 £'000	2013 £'000
<b>Current taxation</b>		
UK corporation tax	-	-
<b>Current taxation charge for the year</b>	-	-

The tax assessed for the year is lower (2013: equal) than the standard rate of corporation tax in the UK of 23% (2013: 24%).

The differences between the total current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before taxation is as follows:

	2014 £'000	2013 £'000
<b>Profit on ordinary activities before taxation</b>	3,722	-
Tax on profit on ordinary activities at the standard UK corporation tax rate of 23% (2013: 24%)	856	-
Income not subject to taxation	(856)	-
<b>Current taxation charge for the year</b>	-	-

The company earns its profits entirely in the UK, therefore the rate used for taxation is the standard rate for UK corporation tax.

### 6 Creditors: Amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to parent undertaking	-	252

Amounts owed to parent undertaking are non-interest bearing, unsecured and are repayable on demand.

## Notes to the financial statements (continued)

For the year ended 30 March 2014

### 7 Creditors: Amounts falling due after more than one year

	2014 £'000	2013 £'000
Amounts owed to parent undertaking	-	3,470

These balances are non-interest bearing, unsecured and have no fixed repayment date.

### 8 Called-up share capital

	2014 £	2013 £
<i>Allotted, called-up and fully paid</i>		
1 ordinary share of £1	1	1

### 9 Profit and loss account

	2014 £'000	2013 £'000
At beginning of year	(3,932)	(3,932)
Profit for the financial year	3,722	-
At end of year	(210)	(3,932)

### 10 Reconciliation of movements in total shareholder's funds/(deficit)

	2014 £'000	2013 £'000
Opening total shareholder's deficit	(3,722)	(3,722)
Profit for the financial year	3,722	-
Closing total shareholder's funds/(deficit)	-	(3,722)

### 11 Contingent liabilities – financial guarantees

The company and certain other subsidiaries in the Auto Trader Group Limited group (formerly Trader Media Group Limited) have jointly and severally guaranteed the borrowings under a syndicated debt facility and a junior debt facility. Details of these banking arrangements are included in the financial statements of Auto Trader Group Limited, Trader Media Corporation Limited and Trader Media Finance Limited.

## Notes to the financial statements (continued)

For the year ended 30 March 2014

### 12 Ultimate controlling parties

The company's immediate parent company is Auto Trader Limited (formerly Trader Publishing Limited), which is incorporated in Great Britain and registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by Trader Media Corporation (2003) Limited. The largest group in which the results of the company are consolidated is that headed by Auto Trader Group Limited (formerly Trader Media Group Limited). The consolidated financial statements of both groups are available to the public and will be filed with the registrar of companies.

The company is jointly controlled by Crystal A TopCo Sàrl (indirectly holding 33.6% of the ordinary shares) and Crystal B TopCo Sàrl (indirectly holding 60.3% of the ordinary shares). Crystal A TopCo Sàrl and Crystal B TopCo Sàrl (companies operated by Apax Partners, a private equity firm) are incorporated under the laws of Luxembourg.