

Trader Media Corporation Limited

Directors' report and financial statements for the year ended 29 March 2015

Registered number: 04829865

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Directors' report

For the year ended 29 March 2015

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 29 March 2015.

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 principal activity of the company is that of an intermediate holding and financing company.

On 24 March 2015 Auto Trader Group plc was admitted to the London Stock Exchange and on admission became the holding company of Auto Trader Holding Limited (formerly Auto Trader Group Limited). The company remains a wholly owned subsidiary of Auto Trader Holding Limited (formerly Auto Trader Group Limited) but the ultimate parent company is now Auto Trader Group plc. Additional disclosure on the transaction is given in the publicly available consolidated financial statements of Auto Trader Group plc.

On 24 March 2015 the company settled the syndicated loan facility of £840.3 million as part of an overall capital restructure of the Group. All remaining debt within both the B2X and B4 tranches was repaid in full. The Junior Debt Facility under which £358.4 million was drawn down by an intermediate parent company was repaid on the same date.

Prior to settlement, interest payable on the syndicated bank loan, some of which is held by a fellow group undertaking, was £39,795,000 compared to £34,580,000 in the previous year. LIBOR has remained low at no more than 0.5% in the year (2014: 0.5%) which has benefitted the company's interest charge. As the settlement of debt took place towards the end of the year the repayment of the debt has not had a significant impact on the interest payable in the year.

The company had interest rate swap agreements which hedged a reducing spiral of the syndicated bank loan and expired in March 2015 and March 2017. In conjunction with the capital restructure of the Group, the interest rate swap arrangements were settled in full. A fee of £3.2 million was incurred on exiting the arrangement.

A more detailed Financial Review, future developments, principal risks and uncertainties, KPIs, donations, corporate governance reports, corporate and social responsibility report and financial risk management objectives are provided within the Annual Report of the company's parent company Auto Trader Group plc (registered number 09439967).

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Auto Trader Group plc. The directors have received confirmation that Auto Trader Group plc intends to support the company for at least one year after the financial statements are signed.

Results and dividends

The company's loss for the financial year was £46,271,000 (2014: profit £296,987,000).

No dividend was declared in respect of the year ended 29 March 2015 (2014: £145,529) per £0.10 ordinary share.

Directors' report (continued)

For the year ended 29 March 2015

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	
J	Walker	
I	Somerset	(appointed 25 September 2014)
T	Collet	(resigned 3 October 2014)

Directors' indemnities

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

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.

Directors' report (continued)

For the year ended 29 March 2015

Statement of 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.

1 Tony Wilson Place
Manchester
Greater Manchester
M15 4FN

Approved by the directors on 19 June 2015



S Glithero
Director

Independent auditors' report to the members of Trader Media Corporation Limited

Report on the financial statements

Our opinion

In our opinion, Trader Media Corporation Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 29 March 2015 and of its loss 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.

What we have audited

Trader Corporation Limited's financial statements comprise:

- the balance sheet as at 29 March 2015;
- the 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 the preparation of the financial statements 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.

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.

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.

Independent auditors' report to the members of Trader Media Corporation Limited (continued)

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 3, 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) ("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.

What an audit of financial statements involves

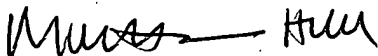
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements 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.



Matthew Hall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

19 June 2015

Profit and loss account

For the year ended 29 March 2015

	Note	2015 £'000	2014 £'000
Turnover		-	-
Administrative expenses		(20)	(13)
Operating loss		(20)	(13)
Income from shares in group undertakings		-	343,796
Interest receivable and similar income	2	27	16
Interest payable and similar charges	2	(46,278)	(46,812)
(Loss)/profit on ordinary activities before taxation	3	(46,271)	296,987
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit for the financial year	13	(46,271)	296,987

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 (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historic cost equivalents.

All results arise from continuing activities in both years.

Balance sheet

As at 29 March 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	8	707,808	707,808
Current assets			
Debtors	9	89,427	643,225
Cash at bank and in hand		3,093	567
		<u>92,520</u>	<u>643,792</u>
Creditors: Amounts falling due within one year	10	<u>(800,557)</u>	<u>(465,272)</u>
Net current (liabilities)/ assets		<u>(708,037)</u>	<u>178,520</u>
Total assets less current liabilities		<u>(229)</u>	<u>886,328</u>
Creditors: Amounts falling due after more than one year	11	<u>-</u>	<u>(840,286)</u>
Net (liabilities)/assets		<u>(229)</u>	<u>46,042</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	<u>(229)</u>	<u>46,042</u>
Total shareholders' (deficit)/funds	14	<u>(229)</u>	<u>46,042</u>

The financial statements on pages 7 to 15 were approved by the board of directors on 19 June 2015 and were signed on its behalf by:



S Glithero
Director

Registered number: 04829865

Notes to the financial statements

For the year ended 29 March 2015

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.

The financial statements contain information about Trader Media Corporation Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Auto Trader Group plc, a company incorporated in England and Wales.

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Auto Trader Group plc. The directors have received confirmation that Auto Trader Group plc intends to support the company for at least one year after the financial statements are signed.

Cash flow statement

The company is a wholly owned subsidiary of Auto Trader Group plc, 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.

Debt

Debt is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing debt instrument is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in respective carrying amounts together with any costs or fees incurred are recognised in the profit and loss account.

Investments

Fixed asset investments are shown at cost less any provision for impairment. Dividends received are credited to the profit and loss account when the right to receive payment is established.

Annually, the directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of fixed asset investments may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of net realisable value or value in use. If this is the case, an impairment charge is recorded to reduce the carrying value of the related investment.

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 plc group, or investees of the Auto Trader Group plc group.

Notes to the financial statements (continued)

For the year ended 29 March 2015

1 Accounting policies (continued)

Financial instruments

Interest payable or receivable on derivative financial instruments (primarily interest rate swaps) is recognised in the profit and loss account in line with the contractual dates. The fair values of derivative financial instruments are not recognised in the balance sheet.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred on the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all evidence available, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

2 Interest

	2015 £'000	2014 £'000
Interest receivable and similar income		
On bank balances	27	16
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	2015 £'000	2014 £'000
Interest payable and similar charges		
On bank loans and overdrafts	30,675	26,538
On financial instruments	5,853	1,456
Debt issue costs	-	10,776
On inter group balances	9,750	8,042
	<hr/>	<hr/>
	46,278	46,812

Debt issue costs incurred relate to the refinancing of the syndicated loan facility in the prior year (note 11).

Notes to the financial statements (continued)

For the year ended 29 March 2015

3 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging:

	2015 £'000	2014 £'000
Fees payable for the audit of the company's financial statements	<u>15</u>	<u>13</u>

4 Employee information

The average number of persons (excluding directors) employed during the year was nil (2014: nil). As such, no staff costs arose during either year.

5 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) and not recharged. The allocation of this remuneration in relation to their services as directors of the company is £80,600 (2014: £51,000).

Notes to the financial statements (continued)

For the year ended 29 March 2015

6 Tax on (loss)/profit on ordinary activities

	2015 £'000	2014 £'000
Current taxation		
UK corporation tax	-	-

The tax assessed for the year is higher (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%).

The differences between the total current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit on ordinary activities before taxation is as follows:

	2015 £'000	2014 £'000
(Loss)/profit on ordinary activities before taxation	(46,271)	296,987
Tax on (loss)/profit on ordinary activities at the standard UK corporation tax rate of 21% (2014: 23%)	(9,717)	68,307
Income not subject to taxation	-	(79,073)
Group relief for nil consideration	9,717	10,757
Debt buy back gain	-	9
Current taxation credit for the year	-	-

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

As a result of the change in the UK corporation tax rate to 20% from 1 April 2015, which was substantively enacted on 2 July 2013, the relevant deferred tax balances have been re-measured.

7 Dividends

	2015 £'000	2014 £'000
Equity shares		
Final paid of £nil (2014: £145,529) per £0.10 ordinary share	-	145,529

Notes to the financial statements (continued)

For the year ended 29 March 2015

8 Investments

Shares in subsidiary undertakings
£'000

Cost and net book value

At beginning and end of year 707,808

The company holds the following investments:

Subsidiary undertakings	Country of registration or incorporation	Principal activity	Class of shares held	Percentage owned
Trader Media Holdings Limited	England and Wales	Holding company	Ordinary	100%
Trader Media Property Limited	England and Wales	Holding company	Ordinary	100%
Auto Trader Limited (formerly Trader Publishing Limited)	England and Wales	Classified advertising	Ordinary	100%

The company holds the following principal subsidiaries through its interest in Auto Trader Limited:

Subsidiary undertakings	Country of registration or incorporation	Principal activity	Class of shares held	Percentage owned
Trader Finance (2009) Limited	England and Wales	Financing	Ordinary	100%
Webzone Limited	Republic of Ireland	Classified advertising	Ordinary	100%

The directors believe that the carrying value of fixed asset investments is supported by their underlying net assets.

9 Debtors

	2015 £'000	2014 £'000
Amounts owed by group undertakings	89,404	643,083
Taxation and social security	4	102
Prepayments and accrued income	19	40
	<u>89,427</u>	<u>643,225</u>

Amounts owed by group undertakings are unsecured, non-interest bearing and are repayable on demand.

Notes to the financial statements (continued)

For the year ended 29 March 2015

10 Creditors: Amounts falling due within one year

	2015	2014
	£'000	£'000
Amounts owed to group undertakings	800,303	460,910
Accruals and deferred income	254	4,362
	<u>800,557</u>	<u>465,272</u>

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

11 Creditors: Amounts falling due after more than one year

	2015	2014
	£'000	£'000
Syndicated bank loans net of issue costs	-	632,000
Amounts owed to group undertakings	-	208,286
	<u>-</u>	<u>840,286</u>

Syndicated bank loans and amounts owed to group undertakings are repayable as follows:

Within 2 to 5 years	<u>-</u>	<u>840,286</u>
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On 28 February 2014 the company refinanced the syndicated loan facility as part of the overall refinancing of the group. £267.0 million of the bank debt was transferred to a new tranche B4 that was due to expire in December 2017. All of the remaining debt was within tranche B2X with a maturity of June 2017. Debt issue costs of £10,776,000 were incurred in relation to the refinancing and these were charged to the profit and loss account in full in the year ended 31 March 2014.

Interest on the bank debt and amounts owed to group undertakings disclosed above was charged at LIBOR plus a margin of between 4.25% and 4.5% (2014: 2% and 4.5%) depending on the consolidated leverage ratio of Trader Media Group Holdings Limited up to 24 March 2015. This calculation encompasses the junior debt of £358.4 million drawn down by a parent company on 28 February 2014.

On 24 March 2015 the company settled the syndicated loan facility as part of a capital reorganisation of the Group and fully repaid all outstanding amounts at that date.

The company had elected to hedge a proportion of the bank debt by the purchase of interest rate swaps. On 24 March 2015 the company settled the remaining interest rate swap arrangements. The fair value of the swap arrangements at the date of settlement was payable on termination of the agreement. An amount of £3,227,000 has been charged to the profit and loss account in the year in respect of the settlement fee. The notional principal amount of the outstanding interest rate swap contracts at the balance sheet date was £nil (2014: £335,000,000).

Notes to the financial statements (continued)

For the year ended 29 March 2015

12 Called-up share capital

	2015 £	2014 £
<i>Allotted, called-up and fully paid</i>		
1,000 (2014: 1,000) ordinary shares of 10p each	<u>100</u>	<u>100</u>

13 Profit and loss account

	2015 £'000
At beginning of year	46,042
Loss for the financial year	(46,271)
Dividend paid	-
At end of year	<u>(229)</u>

14 Reconciliation of movements in shareholders' (deficit)/funds

	2015 £'000	2014 £'000
Opening shareholders' funds/(deficit)	46,042	(105,416)
(Loss)/profit for the financial year	(46,271)	296,987
Dividend paid	-	(145,529)
Closing total shareholders' (deficit)/funds	<u>(229)</u>	<u>46,042</u>

15 Contingent liabilities – financial guarantees

During the year the junior debt facility which the Company and other certain group companies had jointly and severally guaranteed the borrowings was repaid in full. Details of these banking arrangements are included in the financial statements of Auto Trader Group plc and Trader Media Finance Limited.

16 Ultimate controlling parties

The company's immediate parent company is Trader Media Corporation (2003) Limited, which is incorporated in Great Britain and registered in England and Wales.

The ultimate parent undertaking and controlling party is Auto Trader Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Auto Trader Group plc consolidated financial statements can be obtained from the Company Secretary at 1 Tony Wilson Place, Manchester, M15 4FN.