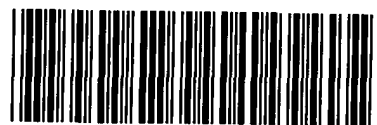


**Trader Finance (2009) Limited**

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

Registered number: 06765198

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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 to purchase and hold the debt of Trader Media Corporation Limited, a fellow group undertaking.

During the year the company purchased no further debt held by Trader Media Corporation Limited, a fellow group undertaking.

Throughout the year, the cumulative gain on debt purchases made in prior years has been realised over the period from the date of repurchase to the repayment date of the debt. The gain recorded in the current year was £2.9 million (2014: £2.0 million) and has been presented as other operating income.

The company received interest on the debt held at a rate of LIBOR plus a margin of between 4.25% and 4.5% up to the date of the debt repayment. The total interest received in the year increased to £9.7 million (2014: £8.0 million) as the company benefited from the increase in margin following the refinancing of the Group's debt in February 2014.

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.

In connection with the transaction, Trader Media Corporation Limited repaid its existing syndicated loan facility in full, which resulted in the Company repaying its loan balances. Any remaining gain on the purchase of debt was therefore recognised in the year.

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).

### Results and dividends

The company's profit for the financial year was £12,033,000 (2014: £9,478,000) which was transferred to reserves.

The directors do not recommend payment of a final dividend (2014: £nil).

## 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 Finance (2009) Limited**

## **Report on the financial statements**

### **Our opinion**

In our opinion, Trader Finance (2009) 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 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.

### **What we have audited**

Trader Finance (2009) 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 Finance (2009) 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
<b>Turnover</b>		-	-
Administrative expenses		-	-
Other operating income		2,854	1,965
<b>Operating profit</b>	2	2,854	1,965
Interest receivable and similar income	3	9,750	8,042
<b>Profit on ordinary activities before taxation</b>		12,604	10,007
Tax on profit on ordinary activities	6	(571)	(529)
<b>Profit for the financial year</b>	10	12,033	9,478

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 year stated above and their historical cost equivalents.

All results arise from continuing activities in both years.

**Balance sheet**  
As at 29 March 2015

	Note	2015 £'000	2014 £'000
<b>Current assets</b>			
Debtors	7	199,039	206,846
Cash at bank and in hand		4	1
		<u>199,043</u>	<u>206,847</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(101,616)</u>	<u>(121,453)</u>
<b>Net assets</b>		<u>97,427</u>	<u>85,394</u>
<b>Capital and reserves</b>			
Called up share capital	9	46,510	46,510
Profit and loss account	10	<u>50,917</u>	<u>38,884</u>
<b>Total shareholder's funds</b>	11	<u>97,427</u>	<u>85,394</u>

The financial statements on pages 7 to 13 were approved by the board of directors on 19 June 2015 and were signed on its behalf by:



S Glithero  
Director

Registered number: 06765198



# 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.

### 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.

### 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.

### 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.

### Discounted debt

Debt purchased at a discount to nominal value is stated at cost on acquisition. The difference between acquisition cost and nominal value is realised over the period to the date on which the debt is due to be redeemed using the effective interest rate method.

## Notes to the financial statements (continued)

For the year ended 29 March 2015

### 2 Operating profit

Operating profit is stated after crediting:

	2015 £'000	2014 £'000
Gain on debt purchased at a discount	<u>2,854</u>	<u>1,965</u>

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

### 3 Interest receivable and similar income

	2015 £'000	2014 £'000
On amounts due from group undertakings	<u>9,750</u>	<u>8,042</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 the year (2014: £nil).

### 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 £33,000 (2014: £33,000).

## Notes to the financial statements (continued)

For the year ended 29 March 2015

### 6 Tax on profit on ordinary activities

	2015 £'000	2014 £'000
<b>Current taxation</b>		
UK corporation tax	-	-
<b>Deferred taxation</b>		
Origination and reversal of timing differences	571	385
Effect of rate changes on deferred taxation	-	144
<b>Total deferred taxation</b>	571	529
<b>Tax on profit on ordinary activities</b>	571	529

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

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

	2015 £'000	2014 £'000
<b>Profit on ordinary activities before taxation</b>	12,604	10,007
Tax on profit on ordinary activities at the standard UK corporation tax rate of 21% (2014: 23%)	2,647	2,302
Non-taxable income	(600)	(452)
Group relief for nil consideration	(2,047)	(1,850)
<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.

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

# Notes to the financial statements (continued)

For the year ended 29 March 2015

## 7 Debtors

	2015 £'000	2014 £'000
Amounts owed by group undertakings	199,039	205,431
Deferred tax asset	-	571
Prepayments and accrued income	-	844
	<u>199,039</u>	<u>206,846</u>

The company received interest on the amounts due from group undertakings at a rate of LIBOR plus a margin of between 4.25% and 4.5% (2014: 4.25% and 4.5%) up to the repayment date of 24 March 2015.

	Deferred taxation £'000
At beginning of year	571
Charged to the profit and loss account	(571)
At end of year	<u>-</u>

Deferred taxation is provided as follows:

	2015 £'000	2014 £'000
Other timing differences	<u>-</u>	<u>571</u>

## 8 Creditors: Amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	<u>101,616</u>	<u>121,453</u>

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

## 9 Called up share capital

	2015 £	2014 £
<i>Allotted, called-up and fully paid</i>		
46,510,465 (2014: 46,510,465) ordinary shares of £1 each	<u>46,510,465</u>	<u>46,510,465</u>

## Notes to the financial statements (continued)

For the year ended 29 March 2015

### 10 Profit and loss account

	2015 £'000
At beginning of year	38,884
Profit for the financial year	12,033
At end of year	<u>50,917</u>

### 11 Reconciliation of movements in total shareholder's funds

	2015 £'000	2014 £'000
Opening shareholder's funds	85,394	75,916
Profit for the financial year	12,033	9,478
Closing shareholder's funds	<u>97,427</u>	<u>85,394</u>

### 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 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.