

8033124

## CAP Midco Limited

### Report and Financial Statements

31 December 2012



**Directors**

Ian Leslie Rendle  
Ajay Kumar Handa  
Anthony Doherty  
Robert John Powis

**Secretary**

Ajay Kumar Handa

**Auditors**

Ernst & Young LLP  
1 Bridgewater Place  
Water Lane  
Leeds LS11 5QR

**Bankers**

Lloyds TSB Bank plc  
25 Gresham Street  
London  
EC2V 7HN

National Westminster Bank Plc  
135 Bishopsgate  
London  
EC2M 3UR

**Solicitors**

Linklaters LLP  
One Silk Street  
London  
EC2Y 8HQ

**Registered Office**

Capitol House  
Bond Court  
Leeds  
LS1 5EZ

Registered No 08033124

## **Directors' report**

The directors present their report and financial statements for the period ended 31 December 2012

The company was incorporated on 17 April 2012 and commenced trading on 18 May 2012

### **Results and dividends**

The loss for the period after taxation amounted to £16,870,000. The directors do not recommend a final dividend.

### **Principal activity and review of the business**

CAP Midco Limited is engaged in the provision of used vehicle valuations, future value forecasts, car specification data and associated services.

On 18 May 2012, the group acquired the trade and assets of CAP from EMAP Ltd for a cash consideration of £170,000,000. The group has ensured that there was minimal impact to the trade acquired during the transition period.

The recognised revenue for the period from 18<sup>th</sup> May to 31<sup>st</sup> December was £7,295,000 and the operating loss was £5,543,000. Since the acquisition, the group has invested over £700,000 in product development and infrastructure to support both existing and future business activities.

The directors continue to believe that the company is well placed to take advantage of future opportunities.

### **Financial and non-financial KPIs**

The company uses a number of financial and non-financial key performance indicators (KPIs) to measure performance and these are reported both at board level and to employees in monthly briefings.

### **Principal risks and uncertainties**

#### **Economic**

The automotive industry, to which the company provides services, is exposed to some economic uncertainty.

The company has continued to invest in existing and new products to ensure the business remains both relevant and resilient.

#### **Technology and Infrastructure**

The company is reliant on its technology and infrastructure to deliver its product offering.

Since the acquisition of CAP, the company has invested in its product platforms to ensure they remain robust and maintain their integrity. The company has a business continuity plan in place which ensures that the business can continually service its customers in any event.

#### **Financial instruments**

The company is exposed to financial risk through its trading activities. The company has policies in place to manage its exposure to financial risk.

To mitigate liquidity risk, the company applies cash collection targets, employs revolving credit facilities and manages long term debt.

To manage credit risks which may arise resulting from trading, the company operates a policy of full year subscription payments in advance of supplying access to information and services, for the majority of its business. Credit terms are provided to key accounts where an appropriate payment history can be demonstrated and credit worthiness procedures have been satisfied.

The company uses interest rate swaps in order to guarantee capped interest payments where payments are variable and hence exposed to interest rate movement.

## Directors' report

### Events since the balance sheet date

There have not been any reportable events since the balance sheet date

### Research and development

The company invests in researching and developing new products to take to market. Capitalisation of cost occurs when either the product has been technically and commercially tested. All other costs are expensed to the profit and loss account, as incurred.

### Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing these financial statements.

### Directors

The directors who held office during the period were as follows

Paul Alan Newcombe	(appointed 17 April 2012, resigned 17 April 2012)
Wiet Austin Stokhuyzen	(appointed 17 April 2012, resigned 16 October 2012)
Edward Jonathan Tymms Shuckburgh	(appointed 17 April 2012, resigned 16 October 2012)
Ian Leslie Rendle	(appointed 28 June 2012)
Ajay Kumar Handa	(appointed 28 June 2012)
Anthony Doherty	(appointed 16 October 2012)
Robert John Powis	(appointed 16 October 2012)

### Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### Employees

The company provides information to its employees on a regular basis. This information includes the company's performance, its prospects in the market it serves and the future outlook of the business.

The company recognises the special needs of disabled people and supports a policy of equal opportunities for all employees. Help is given to all personnel, both able and disabled, in job training and career development. Promotions for all employees are made on the basis of an individual's suitability and aptitude. Wherever possible the company will continue to employ anyone who becomes disabled whilst in its employment.

### Political and charitable contributions

During the period ended 31 December 2012 the company made no political contributions.

During the period ended 31 December 2012 the company donated a total of £1,200 to UK charities.

### Disclosure of information to the auditors


So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## Directors' report

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Ian Rendle', with a long horizontal line extending to the left.

Ian Leslie Rendle  
Director

26<sup>th</sup> June 2013

## 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 elected to prepare 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAP MIDCO LIMITED**

We have audited the financial statements of CAP Midco Limited for the period ended 31 December 2012 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 22. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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 group's and the parent 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 Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's loss for the period 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.

### **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.

## Statement of directors' responsibilities

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stuart Watson (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Leeds

28 June 2013



## Group profit and loss account

for the period ended 31 December 2012

	Notes	Period ended 31 December 2012 £000
<b>Group turnover</b>	2	7,925
Cost of sales		<u>(3,842)</u>
<b>Gross margin</b>		4,083
Administrative expenses		(2,521)
Goodwill amortisation		<u>(7,105)</u>
<b>Group operating loss</b>	3	(5,543)
Bank interest receivable		16
Interest payable and similar charges	6	<u>(11,343)</u>
<b>Loss on ordinary activities before taxation</b>		(16,870)
Taxation	7	-
<b>Loss for the period attributable to the parent company</b>	19	<u>(16,870)</u>

All amounts relate to continuing activities and arise from the acquisition of CAP during the period (note 12)

## Group statement of total recognised gains and losses

for the period ended 31 December 2012

There was no comprehensive income other than the loss of £16,870,000 for the period ended 31 December 2012

## Group balance sheet

at 31 December 2012

	Notes	31 December 2012 £000
<b>Fixed assets</b>		
Goodwill	9	165,254
Intangible fixed assets	10	150
Tangible fixed assets	11	1,186
		<u>166,590</u>
<b>Current assets</b>		
Debtors	13	5,560
Cash at bank and in hand		5,660
		<u>11,220</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(139,289)</u>
<b>Current liabilities</b>		<u>(128,069)</u>
<b>Total assets less current liabilities</b>		<u>38,521</u>
<b>Creditors: amounts falling due after one year</b>	15	<u>(55,391)</u>
<b>Net liabilities</b>		<u>(16,870)</u>
<b>Capital and reserves</b>		
Share capital	18	-
Retained earnings	19	<u>(16,870)</u>
<b>Shareholders' deficit</b>		<u>(16,870)</u>

The financial statements were approved by the Board on 26th June 2013 and signed on its behalf by



Ajay Kumar Handa  
26<sup>th</sup> June 2013

## Company balance sheet

at 31 December 2012

		31 December 2012 Notes £000
<b>Fixed assets</b>		
Tangible fixed assets		-
Investments	12	-
		-
<b>Current assets</b>		
Debtors	13	181,946
Cash at bank and in hand		-
		181,946
<b>Creditors: amounts falling due within one year</b>	14	(126,964)
<b>Current liabilities</b>		54,982
<b>Total assets less current liabilities</b>		54,982
<b>Creditors: amounts falling due after one year</b>	15	(55,333)
<b>Net liabilities</b>		(351)
<b>Capital and reserves</b>		
Share capital	18	-
Retained earnings	19	(351)
<b>Shareholders' deficit</b>		(351)

The financial statements were approved by the Board on 26<sup>th</sup> June 2013 and signed on its behalf by



Ajay Kumar Handa

26<sup>th</sup> June 2013

## Group cash flow statement

for the period ended 31 December 2012

	Notes	Period ended 31 December 2012 £000
<b>Net cash inflow from operating activities</b>	21	<u>7,198</u>
<b>Returns on investments and servicing of finance</b>		
Interest received		16
Interest paid		(1,190)
Facility commitment fees		(68)
Issue costs of new long-term loans		<u>(4,544)</u>
		<u>(5,786)</u>
<b>Taxation</b>		
Corporation tax paid		<u>-</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire intangible fixed assets		(6)
Payments to acquire tangible fixed assets		<u>(735)</u>
		<u>(741)</u>
<b>Acquisition and disposals</b>		
Purchase of business		(170,000)
Acquisition costs		(3,317)
Net cash acquired through business purchase		<u>1,551</u>
		<u>(171,766)</u>
<b>Financing</b>		
Issue of ordinary share capital		-
Share issue costs		-
New-long-term loans		62,500
Short-term parent company loan		<u>114,255</u>
		<u>176,755</u>
<b>Increase in cash</b>		<u>5,660</u>

**Group cash flow statement (continued)**

for the period ended 31 December 2012

**Reconciliation of net cash flow to movement in net debt**

	<i>Period ended 31 December 2012 £000</i>
<i>Notes</i>	
Increase in cash	(5,660)
Short-term loan	61,000
Cash inflow from increase in loans	62,500
Short-term parent company loan	114,255
Loan arrangement fee	(4,544)
Repayment of short-term loan	(61,000)
Change in net debt resulting from cash flows	166,551
Interest accrued on parent company loan	8,949
Amortisation of loan arrangement fees	351
	175,851
<b>Movement in net debt</b>	
<b>Net debt at 17 April 2012</b>	-
<b>Net debt at 31 December 2012</b>	175,851

## Reconciliation of shareholders' funds

for the period ended 31 December 2012

	<i>Period ended 31 December 2012 £000</i>
<b>Group</b>	
Total recognised gains and losses	(16,870)
Dividends	-
Shareholders' deficit at 17 April 2012	-
	<hr/>
Shareholders' deficit at 31 December 2012	(16,870)
	<hr/>
<b>Parent company</b>	
	<i>Period ended 31 December 2012 £000</i>
Total recognised losses	(351)
Dividends	-
Shareholders' deficit at 17 April 2012	-
	<hr/>
Shareholders' deficit at 31 December 2012	(351)
	<hr/>

## Notes to the financial statements

at 31 December 2012

### 1. Accounting policies

#### ***Basis of preparation***

The financial statements of CAP Midco Limited were approved for issue by the Board on 26<sup>th</sup> June 2013

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

#### ***Basis of consolidation***

The group financial statements consolidate the financial statements of CAP Midco Limited and all its subsidiary undertakings drawn up to 31 December each year

No profit and loss account is presented for CAP Midco Limited as permitted by section 408 of the Companies Act 2006

In the parent company financial statements investments in subsidiaries are accounted for at the lower of cost and net realisable value

#### ***Goodwill***

Goodwill is calculated on the basis of the difference between the cost of an acquired entity and the aggregate fair value of that entity's identifiable assets and liabilities. Goodwill is amortised at rates calculated to write off the asset on a straight line basis over its' estimated useful economic lives, not to exceed fifteen years

An impairment review has been completed comparing the carrying amount of the asset with its recoverable value, this determined that the recoverable amount is higher than the carrying amount. As a consequence, no impairment charge has arisen as a result of the impairment review

#### ***Intangible fixed assets***

Intangible assets are non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the entity through custody or legal rights

Amortisation is provided, at the following annual rates in order to write off each asset over its estimated useful life

Trademarks	the shorter of the useful life of the asset, or five years
Development costs	the shorter of the useful life of the asset, or five years

#### ***Tangible fixed assets***

All tangible fixed assets are held at cost less accumulated depreciation and any provision for impairment. Depreciation is calculated on fixed assets in order to write off their cost less residual value in equal instalments over their estimated useful lives

Depreciation is provided, at the following annual rates in order to write off each asset over its estimated useful life

Leasehold buildings	unexpired lease term
Fixtures & fittings	three years
Hardware & software	three years

#### ***Revenue recognition***

Turnover represents the sales value of goods and services supplied, excluding value added tax, and is recognised on the accruals basis of accounting. Revenue is recognised for subscriptions over the period of the subscription

## Notes to the financial statements

at 31 December 2012

### **Research and development**

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

### **Provisions for liabilities**

Provisions for liabilities are recognised where there are present obligations as a result of past events, it is probable that there will be a cost required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

There are currently no obligations requiring a provision for liabilities.

### **Deferred tax**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of incoming resources and resources expended in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### **Derivative instruments**

Interest rate swaps are used to adjust interest exposures.

The criteria for interest rate swaps are

- the instrument must be related to an asset or a liability, and
- it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa.

Interest differentials are recognised by accruing the net interest payable. Interest rate swaps are not re-valued, but are included on the group balance sheet at cost and amortised on a straight line basis. If they are terminated early, the gain/loss is spread over the remaining maturity of the original instrument.

### **Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

### **Interest-bearing loans and borrowings**

All interest-bearing loans and borrowings are initially recognised at net proceeds and reduced by repayments made in the period. Interest is charged to the profit and loss account as incurred.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

## **2. Turnover**

Turnover represents the amounts derived from the provision of vehicle valuation data and related services.



## Notes to the financial statements

at 31 December 2012

### 3. Group operating loss

This is stated after charging

	<i>Period ended 31 December 2012 £000</i>
Research and development expenditure written off	301
Amortisation of deferred development expenditure	33
Total research and development	<u>334</u>
Amortisation of goodwill	7,105
Amortisation of intangible fixed assets	34
Depreciation of tangible fixed assets	84
Operating lease rentals – buildings	88
– other	122
Auditor's remuneration (see analysis below)	<u>1,096</u>

The remuneration of the auditors is further analysed as follows

	<i>Period ended 31 December 2012 £000</i>
Audit of financial statements	30
Tax compliance services	47
Corporate Finance Services	<u>1,019</u>
	<u>1,096</u>

### 4. Directors' remuneration

	<i>Period ended 31 December 2012 £000</i>
Aggregate remuneration in respect of qualifying services	<u>345</u>
Employer's Pension Contribution	<u>9</u>

Payments to 3<sup>rd</sup> parties for Directors' services, included above, amount to £187,000

The aggregate remuneration of the highest paid director was £84,000

The total number of directors accruing benefits under defined benefit schemes was 4

## Notes to the financial statements

at 31 December 2012

### 5. Staff costs

The average monthly number of persons employed by the company (including directors) during the period, analysed by category, was as follows

	<i>Period ended 31 December 2012 No</i>
Sales, marketing and support services	53
Technical and operations	44
Administration	13
	<u>110</u>

The aggregate payroll costs of these persons were as follows

	<i>Period ended 31 December 2012 £000</i>
Wages and salaries	2,430
Social security costs	232
Other pension costs	83
	<u>2,745</u>

### 6. Interest payable and similar charges

	<i>Period ended 31 December 2012 £000</i>
Bank loan interest	1,615
Other loan interest	9,292
Amortisation of loan issue costs	351
Interest and similar charges payable to parent undertaking	85
	<u>11,343</u>

## Notes to the financial statements

at 31 December 2012

### 7. Taxation

(a) Tax on loss on ordinary activities

*Period ended  
31 December  
2012  
£000*

#### **Current income tax**

UK corporation tax at 24%

-

Tax overprovided in previous years

-

Total current tax

-

#### **Deferred tax**

Origination and reversal of timing differences

-

Effects of change in tax rate on opening balance

-

Adjustment for prior years

-

Deferred tax expense

-

Tax on profit on ordinary activities

-

(b) The tax charge is made up as follows

*Period ended  
31 December  
2012  
£000*

Current tax

UK corporation tax

-

Deferred tax

Effect of increased tax rate on deferred tax balance

-

Total tax charge

-

## Notes to the financial statements

at 31 December 2012

(c) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24%. The differences are reconciled below

	<i>Period ended 31 December 2012 £000</i>
Loss on ordinary activities before tax	(16,870)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24%	(4,049)
<i>Effects of</i>	
Decelerated capital allowances	27
Unrelieved tax losses	2,162
Non-deductible expenses	94
Group relief surrendered for nil payment	1,763
Other timing differences	3
Total current tax	-

d) Factors which may affect future tax charges include unrelieved tax losses and changes in the tax rate

The 2012 Budget announced a number of changes to the corporation tax rate. These included a reduction in the UK corporation tax rate from 26% to 24% effective from 1 April 2012 and a further reduction in the UK corporation tax rate to 23% effective from 1 April 2013.

The rate reduction to 24% was substantively enacted on 26 March 2012, the further reduction to 23% was substantively enacted on 3 July 2012. Deferred tax has therefore been provided at 23%.

Proposed further changes to reduce the rate of UK corporation tax to 20% by 2015 were included in the 2013 Budget but these changes had not been substantively enacted by the balance sheet date.

e) The group has an unrecognised deferred tax asset of £2.1 million in respect of unrelieved tax losses, unclaimed capital allowances and other timing differences. The deferred tax asset has not been recognised on the basis that it is not regarded as more likely than not that there will be future suitable taxable profits to enable the asset to reverse.

If the reduction in corporation tax had been substantively enacted at the balance sheet date, the impact would have been to reduce the unrecognised deferred tax asset by approximately £274,000.

### 8. Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company is £351,000.

## Notes to the financial statements

at 31 December 2012

### 9. Goodwill

<i>Group</i>	<i>Total £000</i>
Cost	
At 16 April 2012	-
Acquisition of business	172,359
Increase during the period	-
At 31 December 2012	172,359
Amortisation and impairment	
At 16 April 2012	-
Provided during the period	7,105
At 31 December 2012	7,105
Net book value at 31 December 2012	165,254

### 10. Intangible fixed assets

<i>Group</i>	<i>Trademarks £000</i>	<i>Development costs £000</i>	<i>Total £000</i>
Cost			
At 16 April 2012	-	-	-
Acquired at 18 May 2012	9	169	178
Additions	6	-	-
Disposals	-	-	-
At 31 December 2012	15	169	184
Amortisation and impairment			
At 16 April 2012	-	-	-
Provided during the period	1	33	34
Disposals	-	-	-
At 31 December 2012	1	33	34
Net book value at 31 December 2012	14	136	150

## Notes to the financial statements

at 31 December 2012

### 11. Tangible fixed assets

<i>Group</i>	<i>Leasehold buildings £000</i>	<i>Fixtures &amp; fittings £000</i>	<i>Hardware &amp; software £000</i>	<i>Total £000</i>
Cost				
At 16 April 2012	-	-	-	-
Acquired at 18 May 2012	106	8	421	535
Additions	166	1	568	735
Disposals	-	-	-	-
At 31 December 2012	272	9	989	1,270
Depreciation and impairment				
At 16 April 2012	-	-	-	-
Provided during the period	14	2	68	84
Disposals	-	-	-	-
At 31 December 2012	14	2	68	84
Net book value at 31 December 2012	258	7	921	1,186

### 12. Investment in subsidiaries

Details of the investments in which the group and parent company (unless indicated) holds 20% or more of the nominal value of any class of share capital are as follows

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
CAP Automotive Limited	1 Ordinary Share	100%	Data supply

Both subsidiaries are incorporated in the United Kingdom

On 18 May 2012 the group acquired the trade and assets of CAP from EMAP Ltd for a cash consideration of £170,000,000. The assets of CAP have been included in the consolidated balance sheet at fair value at the date of acquisition.

## Notes to the financial statements

at 31 December 2012

Net assets at date of acquisition

	<i>Book value</i>	<i>Revaluation adjustments £000</i>	<i>Fair value to group £000</i>
Intangible fixed assets	178	-	178
Tangible fixed assets	535	-	535
Debtors	3,106	-	3,106
Cash	1,551	-	1,551
Deferred income	(3,764)	-	(3,764)
Creditors due within one year	(648)	-	(648)
Net assets	958	-	958
Goodwill arising on acquisition			172,359
			173,317
Discharged by			
Cash consideration			170,000
Costs associated with the acquisition			3,317
			173,317

### 13. Debtors

	<i>Group 31 December 2012 £000</i>	<i>Parent company 31 December 2012 £000</i>
Trade debtors	4,784	-
Amounts owed by group undertakings	7	181,946
Other debtors	35	-
Prepayments and accrued income	734	-
	5,560	181,946

All amounts include above are due within one year

## Notes to the financial statements

at 31 December 2012

### 14. Creditors: amounts falling due within one year

	<i>Group</i>	<i>Parent company</i>
	<i>31 December</i>	<i>31 December</i>
	<i>2012</i>	<i>2012</i>
	<i>£000</i>	<i>£000</i>
Bank loans (note 15)	2,975	2,975
Amounts due to parent undertakings	123,204	123,204
Trade creditors	546	-
Other taxes and social security	1,282	-
Bank loan interest payable	785	785
Other creditors	18	-
Deferred income	9,412	-
Accruals	1,067	-
	<u>139,289</u>	<u>126,964</u>

### 15. Creditors: amounts falling after more than one year

	<i>Group</i>	<i>Parent company</i>
	<i>31 December</i>	<i>31 December</i>
	<i>2012</i>	<i>2012</i>
	<i>£000</i>	<i>£000</i>
Bank loans	55,333	55,333
Deferred income	58	-
	<u>55,391</u>	<u>55,333</u>

Bank Loans are repayable as follows

Amounts repayable within five years	17,734
Amounts repayable after five years	<u>40,574</u>
	58,308



## Notes to the financial statements

at 31 December 2012

Details of loans repayable after five years

	<i>Group</i>	<i>Parent company</i>
	<i>31 December</i>	<i>31 December</i>
	<i>2012</i>	<i>2012</i>
	<i>£000</i>	<i>£000</i>
£25,000,000 Loan facility repayable in instalments commencing 30 June 2013	3,750	-
£37,500,000 Loan facility repayable on 30 June 2019	37,500	-
	41,250	-
Less issue costs	676	-
	40,574	-

The Bank loans are secured by a floating charge over the group's trading assets

### 16. Obligations under leases and hire purchase contracts

There are no amounts due under finance leases and hire purchase contracts

Annual commitments under non-cancellable operating leases are as follows

	<i>Group &amp; Company</i>	
	<i>Buildings</i>	<i>Other</i>
	<i>2012</i>	<i>2012</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire		
Within one year	-	1
In two to five years	137	141
In over five years	-	-
	137	142

### 17. Derivatives

The Group purchases interest rate swaps to manage the interest rate risk volatility of its' Bank loans. The fair values of the derivatives held at the balance sheet date, determined by reference to their market values are as follows

	<i>Group</i>
	<i>2012</i>
	<i>£000</i>
Interest rate swaps	193
	193

## Notes to the financial statements

at 31 December 2012

### 18. Allotted and issued share capital

*Group and Parent company*

*31 December  
2012*

Allotted, called-up and fully paid

*Ordinary shares of £1 each*

1

On 17 April 2012, 1 ordinary share with a nominal value of £1, was allotted for cash at £1

### 19. Reserves

*Group*

Profit and loss account	Total
<i>31 December 2012</i>	<i>31 December 2012</i>
<i>£000</i>	<i>£000</i>

At 16 April 2012

-

Loss for the year

(16,870) (16,870)

At 31 December 2012

(16,870) (16,870)

*Parent company*

Profit and loss account	Total
<i>31 December 2012</i>	<i>31 December 2012</i>
<i>£000</i>	<i>£000</i>

At 16 April 2012

-

Loss for the year

(351) (351)

At 31 December 2012

(351) (351)

## Notes to the financial statements

at 31 December 2012

### 20. Related party transactions

#### Group

During the period the group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows

<i>Related party</i>	<i>Interest payable £000</i>	<i>Purchases from related party £000</i>	<i>Amounts owed from related party £000</i>	<i>Amounts owed to related party £000</i>
Montagu Private Equity Associates LLP		631,024		68,098
Immediate parent undertaking				
Period ended 31 December 2012	8,864	707	-	113,295

Under FRS 8 the company is exempt from the requirement to disclose details of transactions with its ultimate controlling party and subsidiary companies, on the basis that it is a wholly owned subsidiary undertaking of its parent, PM Guernsey Limited, and all of its subsidiary undertakings are wholly owned

### 21. Notes to statement of cash flows

#### (a) Reconciliation of operating profit to net cash inflow from operating activities

	<i>Period ended 31 December 2012 Notes £000</i>
Group operating loss	(5,543)
Amortisation of goodwill	7,105
Amortisation of intangible assets	34
Depreciation of tangible fixed assets	84
Increase in debtors	(2,453)
Increase in creditors	7,971
<b>Net cash inflow from operating activities</b>	<b>7,198</b>

#### (b) Analysis of net debt

	<i>At 17 April 2012 £000</i>	<i>Cash flow £000</i>	<i>Other non-cash movements £000</i>	<i>At 31 December 2012 £000</i>
Cash	-	(5,660)	-	(5,660)
Bank Loan	-	57,956	351	58,307
Parent company loan	-	114,255	8,949	123,204
	-	166,551	9,300	175,851

## Notes to the financial statements

at 31 December 2012

### **22. Ultimate parent undertaking and parent undertaking of larger group**

As at 31 December 2012 the immediate parent undertaking was CAP Automotive Holdings Limited, a company incorporated in the UK. The ultimate parent undertaking is PM Group S A R L, a company incorporated in Luxembourg. The ultimate controlling party is Montagu IV Fund partnerships which owns 100% of PM Group S A R L.

The largest group into which the company is consolidated is CAP Automotive Holdings Limited and the smallest group into which the company is consolidated is CAP Midco Limited.