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Registered number: 9044731

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## EMPEROR 1 LIMITED

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### DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

WEDNESDAY



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COMPANIES HOUSE

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**EMPEROR 1 LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

J Masters  
R Keane  
M Trepte  
R Williams  
V Kumar  
D Barr  
N Bleach (appointed 29 April 2015)

**REGISTERED NUMBER**

9044731

**REGISTERED OFFICE**

Priors Way  
Maidenhead  
Berkshire  
SL6 2HP

**INDEPENDENT AUDITOR**

Nexia Smith & Williamson  
Statutory Auditor & Chartered Accountants  
25 Moorgate  
London  
EC2R 6AY

**ACCOUNTANTS AND BUSINESS  
ADVISORS**

Smith & Williamson LLP  
25 Moorgate  
London  
EC2R 6AY

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**EMPEROR 1 LIMITED**

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## EMPEROR 1 LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2015

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#### INTRODUCTION

The directors present their report and the accounts for the year ended 30 November 2015.

The principal activity of the company is that of a holding company. The group is engaged in producing and distributing automotive technical data.

#### BUSINESS REVIEW

The Group has traded satisfactorily with sales of £25.5m for the year (£12.6 m for the circa six month period ended 30 November 2014). On a constant currency basis, Autodata Publishing Group Limited sales are ahead of last year by 9.7% and recurring operating profit ahead by 38.4%. The group continues to invest in its staff and systems to ensure that its products remain relevant and valuable to the automotive industry.

The directors expect the group to continue to improve upon its strong market position in the UK and Europe, whilst continuing to develop opportunities in Australia and other markets.

During the year the group migrated to its new core online subscription product. The investment in the new product and improved technology infrastructure supports the group's future growth in delivering information to customers in digital formats.

After the year end the group acquired its distributors in France and Finland to strengthen its position in those markets. These acquisitions cost a total £12.4m including deal costs, funded through a combination of cash and debt, with further amounts payable if certain profit and sales targets are met. These acquisitions are expected to add £1.5m to the group's operating profit before non-recurring items in the year to 30th November 2016.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The group's operations expose it to a variety of financial risks:

##### *Market risk*

The value of the Group's goodwill is dependent on the ability of the Group to generate future cash, which is primarily dependent on market conditions.

##### *Currency risk*

More than 50% of the Group's turnover is invoiced in currencies other than Sterling and it holds funds in US Dollars, Australian Dollars and Euros in addition to its Sterling accounts, and has Euro denominated bank borrowings. It is the policy of the Group that the associated currency risk should be assessed on a continual basis and that appropriate measures be taken to safeguard its position in the event of Sterling entering a period of uncertainty. The Euro denominated bank borrowings provide a hedge against fluctuations in the Sterling / Euro exchange rates.

##### *Price risk*

The Group is exposed to price risk due to normal inflationary increases in the purchase price of goods and services.

##### *Credit risk*

The Group has implemented policies that require appropriate credit checks on potential customers before sales in excess of certain limits are made. The amount of exposure to any individual customer is subject to limits reassessed annually by the board.

##### *Interest rate risk*

The Group's bank debt bears interest at floating rates of interest, whilst the Group's other debt bears interest at a fixed rate.

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**EMPEROR 1 LIMITED**

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**GROUP STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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*Liquidity risk*

Virtually all of the Group's bank and other borrowings are repayable in full in 2021. It is expected that the borrowings will either be refinanced or will be repaid as a result of a sale of the group.

**GOING CONCERN**

The directors have adopted the going concern basis for preparing the financial statements (see note 1.2).

This report was approved by the board on 23<sup>rd</sup> February 2016 and signed on its behalf.



**D Barr**  
Director

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**EMPEROR 1 LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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The directors present their report and the audited financial statements for the year ended 30 November 2015.

**DIRECTORS**

The directors who served during the year were:

J Masters  
R Keane  
M Trepte  
R Williams  
V Kumar  
D Barr  
N Bleach (appointed 29 April 2015)

**FINANCIAL INSTRUMENTS**

The exposure to risks arising from financial instruments is set out in the strategic report.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

**AUDITOR**

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *23rd February 2016* and signed on its behalf.



**D Barr**  
Director

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## EMPEROR 1 LIMITED

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2015**

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The directors are responsible for preparing the Group strategic report, 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 company and the group 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## **EMPEROR 1 LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMPEROR 1 LIMITED**

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We have audited the financial statements of Emperor 1 Limited for the year ended 30 November 2015, which comprise the group Profit and loss account, the group and company Balance sheets, the group Cash flow statement, the group Statement of total recognised gains and losses and the related notes numbered 1 to 28. 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, 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 Financial Reporting Council's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 November 2015 and of the group's 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.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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



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**EMPEROR 1 LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMPEROR 1 LIMITED**

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**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.



Stephen Drew (Senior statutory auditor)

for and on behalf of

**Nexia Smith & Williamson**

Statutory Auditor

Chartered Accountants

25 Moorgate

London

EC2R 6AY

Date: 21 April 2016

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EMPEROR 1 LIMITED

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CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 NOVEMBER 2015

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	Note	2015 £000	2014 £000
<b>TURNOVER</b>	1,2	<b>25,514</b>	<b>12,571</b>
Cost of sales		<u>(5,377)</u>	<u>(2,701)</u>
<b>GROSS PROFIT</b>		<b>20,137</b>	<b>9,870</b>
Administrative expenses		<u>(11,494)</u>	<u>(9,851)</u>
<b>OPERATING PROFIT</b>	3	<b>8,643</b>	<b>19</b>
Interest receivable and similar income		<b>7</b>	<b>12</b>
Interest payable and similar charges	6	<u>(15,315)</u>	<u>(8,263)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(6,665)</b>	<b>(8,232)</b>
Tax on loss on ordinary activities	7	<u>(1,760)</u>	<u>(124)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	18	<u><b>(8,425)</b></u>	<u><b>(8,356)</b></u>

All amounts relate to continuing operations.

The notes on pages 12 to 29 form part of these financial statements.

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**EMPEROR 1 LIMITED**

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**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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	<b>Note</b>	<b>2015 £000</b>	<b>2014 £000</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(8,425)</b>	<b>(8,356)</b>
Foreign exchange differences on consolidation		<u>(66)</u>	<u>(51)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u><b>(8,491)</b></u>	<u><b>(8,407)</b></u>

The notes on pages 12 to 29 form part of these financial statements.

**EMPEROR 1 LIMITED**  
**REGISTERED NUMBER: 9044731**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 NOVEMBER 2015**

	Note	£000	2015 £000	2014 £000
<b>FIXED ASSETS</b>				
Intangible assets	8		137,186	144,118
Tangible assets	9		993	1,477
			<u>138,179</u>	<u>145,595</u>
<b>CURRENT ASSETS</b>				
Stocks	11	1		55
Debtors	12	9,208		7,077
Cash at bank and in hand		8,367		3,331
		<u>17,576</u>		<u>10,463</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(28,912)</u>		<u>(17,058)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(11,336)</u>	<u>(6,595)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>126,843</u>	<u>139,000</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		<u>(143,260)</u>	<u>(146,927)</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Other provisions	16		<u>(377)</u>	<u>(377)</u>
<b>NET LIABILITIES</b>			<u><u>(16,794)</u></u>	<u><u>(8,304)</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	17		3	3
Share premium account	18		101	100
Profit and loss account	18		<u>(16,898)</u>	<u>(8,407)</u>
<b>SHAREHOLDERS' DEFICIT</b>	19		<u><u>(16,794)</u></u>	<u><u>(8,304)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*23<sup>rd</sup> February 2016*



**D Barr**  
Director

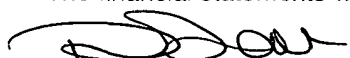
The notes on pages 12 to 29 form part of these financial statements.

**EMPEROR 1 LIMITED**  
**REGISTERED NUMBER: 9044731**

**COMPANY BALANCE SHEET**  
**AS AT 30 NOVEMBER 2015**

	Note	£000	2015 £000	2014 £000
<b>FIXED ASSETS</b>				
Investments	10		1,162	1,162
<b>CURRENT ASSETS</b>				
Debtors		318		157
<b>CREDITORS:</b> amounts falling due within one year	13	(212)		(72)
<b>NET CURRENT ASSETS</b>			106	85
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,268	1,247
<b>CREDITORS:</b> amounts falling due after more than one year	14		(1,163)	(1,143)
<b>NET ASSETS</b>			105	104
<b>CAPITAL AND RESERVES</b>				
Called up share capital	17		3	3
Share premium account	18		101	100
Profit and loss account	18		1	1
<b>SHAREHOLDERS' FUNDS</b>	19		105	104

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

 23rd February 2016

**D Barr**  
Director

The notes on pages 12 to 29 form part of these financial statements.

**EMPEROR 1 LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

	Note	2015 £000	2014 £000
Net cash flow from operating activities	20	8,443	2,075
Returns on investments and servicing of finance	21	(2,137)	(1,743)
Taxation		(599)	(867)
Capital expenditure and financial investment	21	(682)	(92)
Acquisitions and disposals	21	-	(141,905)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>5,025</b>	<b>(142,532)</b>
Financing	21	11	145,861
<b>INCREASE IN CASH IN THE YEAR</b>		<b>5,036</b>	<b>3,329</b>

During the year, significant non-cash transactions were: (a) the accrual of interest of £12,640,000 (2014 - £6,250,000); (b) foreign exchange gains on bank loans of £5,572,000 (2014 - £283,000); and (c) the amortisation of loan issue costs of £531,000 (2014 - £258,000).

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

	2015 £000	2014 £000
Increase in cash in the year	5,036	3,329
Cash inflow from increase in debt and lease financing	(8)	(145,780)
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>5,028</b>	<b>(142,451)</b>
New finance lease	-	(14)
Other non-cash changes	3,660	(1,116)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>8,688</b>	<b>(143,581)</b>
Net debt at 1 December 2014	(143,581)	-
<b>NET DEBT AT 30 NOVEMBER 2015</b>	<b>(134,893)</b>	<b>(143,581)</b>

The notes on pages 12 to 29 form part of these financial statements.

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## EMPEROR 1 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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

##### 1.2 Going concern

The Group is incurring recurring interest charges on private equity loans which the Group is currently unable to settle from cash generated from operating activities. The holders of the private equity loans have the right to elect to receive interest due to them as cash and if they so elect, it is possible that the Group would be unable to meet its obligations as they fell due.

However, the holders of the private equity loans have notified the directors they expect to elect to have the interest settled by the issue of further loans for the foreseeable future. The directors are therefore of the opinion that the Group will be able to continue its activities for the foreseeable future and for this reason have prepared the financial statements on the going concern basis.

The Group's borrowings are virtually all repayable in 2021 and the directors expect that they will be repaid from either a refinancing or from the proceeds of a sale of the business.

##### 1.3 Basis of consolidation

The financial statements consolidate the accounts of Emperor 1 Limited and all of its subsidiary undertakings ('subsidiaries').

##### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is allocated over the period of subscriptions and licence fees.

##### 1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Software	-	3 years straight line
Goodwill	-	20 years straight line

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## EMPEROR 1 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	Over the period of the lease
Plant and machinery	-	5 years straight line
Motor vehicles	-	4 years straight line
Office equipment	-	4 years straight line
Computer equipment	-	4 years straight line

##### 1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.9 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.



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## EMPEROR 1 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Exchange differences arising from the translation of the opening net investment in the company's subsidiary undertakings at the rate of exchange ruling at the balance sheet date and the subsidiaries' profit or loss at an average exchange rate for the year are recorded as movements on reserves.

##### 1.13 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

#### 2. TURNOVER

A geographical analysis of turnover is as follows:

	2015 £000	2014 £000
United Kingdom	7,167	3,642
Rest of European Union	15,717	8,008
Rest of world	2,630	921
	<u>25,514</u>	<u>12,571</u>

The revenue shown above represents the consolidated turnover of Autodata Publishing Group Limited from the date of acquisition by the Group in 2014. Had the revenue for 2015 been translated to sterling using 2014 average rates, it would have been £26,784,000, which represents an increase of 9.7% on the consolidated revenue of Autodata Publishing Group Limited for the year ended 30 November 2014 of £24,421,000.

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**EMPEROR 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Amortisation - goodwill	<b>7,400</b>	<b>3,914</b>
Depreciation of tangible fixed assets:		
- owned by the group	<b>608</b>	<b>354</b>
Auditor's remuneration	<b>57</b>	<b>59</b>
Auditor's remuneration - non-audit	<b>113</b>	<b>90</b>
Operating lease rentals:		
- plant and machinery	<b>11</b>	<b>3</b>
- other operating leases	<b>266</b>	<b>170</b>
Difference on foreign exchange	<b>(4,928)</b>	<b>(165)</b>
Amortisation of capitalised software costs	<b>83</b>	<b>-</b>
Software development	<b>-</b>	<b>362</b>
Recurring costs incurred due to ownership structure	<b>259</b>	<b>165</b>

Recurring costs incurred as a result of the change in ownership relates to costs incurred by Autodata Limited as a result of it being acquired by the Group.

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>7,889</b>	<b>5,084</b>
Social security costs	<b>994</b>	<b>599</b>
Other pension costs	<b>576</b>	<b>327</b>
	<b>9,459</b>	<b>6,010</b>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Production	<b>96</b>	<b>101</b>
Selling	<b>53</b>	<b>64</b>
Administration	<b>38</b>	<b>32</b>
	<b>187</b>	<b>197</b>

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EMPEROR 1 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015

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5. DIRECTORS' REMUNERATION

	2015 £000	2014 £000
Remuneration	775	492
Company pension contributions to defined contribution pension schemes	72	30

During the year retirement benefits were accruing to 4 directors (2014 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £196 thousand (2014 - £195 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £24 thousand (2014 - £12 thousand).

6. INTEREST PAYABLE

	2015 £000	2014 £000
On bank loans and overdrafts	2,395	1,230
On other short term loans	-	634
On loan notes and other loans	12,920	6,399
	15,315	8,263

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EMPEROR 1 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015

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7. TAXATION

	2015 £000	2014 £000
<b>Analysis of tax charge in the year/period</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on loss for the year/period	1,646	45
Adjustments in respect of prior periods	(189)	-
	<hr/> 1,457	<hr/> 45
Foreign tax on income for the year/period	288	152
	<hr/> 1,745	<hr/> 197
<b>Total current tax</b>		
<b>Deferred tax</b> (see note 15)		
Origination and reversal of timing differences	15	(73)
	<hr/> 1,760	<hr/> 124
<b>Tax on loss on ordinary activities</b>		

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EMPEROR 1 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015

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7. TAXATION (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2014 - *higher than*) the standard rate of corporation tax in the UK of 20.33% (2014 - 21%). The differences are explained below:

	2015 £000	2014 £000
Loss on ordinary activities before tax	(6,665)	(8,232)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.33% (2014 - 21%)	(1,355)	(1,729)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	1,504	838
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,718	851
Depreciation for period in excess of capital allowances	(10)	57
Adjustments to tax charge in respect of prior periods	(189)	-
Short term timing difference leading to an increase (decrease) in taxation	14	11
Use of overseas losses	(30)	-
Overseas withholding tax	-	10
Unrelieved tax losses carried forward	10	24
Unrelieved loss on foreign subsidiaries	10	41
Enhanced relief of research and development	-	(15)
Difference between UK rate of tax and overseas tax rates	73	33
Offset of pre-acquisition profits against post acquisition losses	-	76
Current tax charge for the year/period (see note above)	1,745	197

Under the thin capitalisation rules, a percentage of certain of the Group's interest payments is not allowable as a tax deduction and expenses not deductible for tax purposes mainly comprises of such loan interest.

Factors that may affect future tax charges

Future tax charges will continue to be increased by the disallowance of a percentage of certain of the Group's interest payments for tax purposes.

EMPEROR 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015

8. INTANGIBLE FIXED ASSETS

Group	Software £000	Goodwill £000	Total £000
<b>Cost</b>			
At 1 December 2014	1	148,031	148,032
Additions	551	-	551
At 30 November 2015	552	148,031	148,583
<b>Amortisation</b>			
At 1 December 2014	-	3,914	3,914
Charge for the year	83	7,400	7,483
At 30 November 2015	83	11,314	11,397
<b>Net book value</b>			
At 30 November 2015	469	136,717	137,186
At 30 November 2014	1	144,117	144,118

9. TANGIBLE FIXED ASSETS

Group	Short-term leasehold property £000	Motor vehicles £000	Office equipment £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 December 2014	3,190	238	623	1,215	5,266
Additions	38	17	7	125	187
Disposals	-	(153)	(26)	(580)	(759)
Foreign exchange movement	(1)	(4)	(11)	-	(16)
At 30 November 2015	3,227	98	593	760	4,678
<b>Depreciation</b>					
At 1 December 2014	2,217	171	533	868	3,789
Charge for the year	366	19	53	170	608
On disposals	-	(114)	(27)	(562)	(703)
Foreign exchange movement	1	(2)	(8)	-	(9)
At 30 November 2015	2,584	74	551	476	3,685
<b>Net book value</b>					
At 30 November 2015	643	24	42	284	993
At 30 November 2014	973	67	90	347	1,477

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**EMPEROR 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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**10. FIXED ASSET INVESTMENTS**

<b>Company</b>	<b>Loans to subsidiaries £000</b>
<b>Cost or valuation</b>	
At 1 December 2014 and 30 November 2015	<b>1,162</b>
<b>Net book value</b>	
At 30 November 2015	<b>1,162</b>
At 30 November 2014	<b>1,162</b>

**Details of the company's subsidiaries are as follows:**

<b>Company</b>	<b>Principal activity</b>	<b>Country of registration or incorporation</b>	<b>Shares held Class</b>	<b>%</b>
Emperor 2 Limited	Holding company	Great Britain	A Ordinary	100**
Emperor 2 (Midco) Limited*	Holding company	Great Britain	Ordinary	100
Emperor 3 Limited*	Holding company	Great Britain	A Ordinary	100**
Autodata Publishing Group Limited*	Holding company	Great Britain	Ordinary	100
Autodata Limited*	Provision of data	Great Britain	Ordinary	100
Autodata Information Services Limited*	Holding company	Great Britain	Ordinary	100
Autodata Australia PTY Ltd*	Distribution	Australia	Ordinary	100
Autodata Publishing Inc*	Distribution	US	Ordinary	100
SAS Autodata*	Service company	France	Ordinary	100
Autodata Austria GmbH*	Distribution	Austria	Ordinary	100

\*Indirect subsidiaries

\*\* As well as the A Ordinary shares, these companies also have 1 B Ordinary share in issue, representing 0.01% of the total equity issued by these companies. The Group has options to acquire the B Ordinary shares in the event of a listing, sale or disposal (as defined in the articles of the company).

**11. STOCKS**

	<b>Group</b>	<b>Company</b>
	<b>2015 £000</b>	<b>2014 £000</b>
Finished goods and goods for resale	<b>1</b>	<b>55</b>

**EMPEROR 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

**12. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	7,176	5,783	-	-
Amounts owed by group undertakings	810	-	318	155
Corporation tax repayable	-	411	-	-
Other debtors	28	14	-	-
Called up share capital not paid	-	2	-	2
Prepayments and accrued income	733	350	-	-
Deferred tax asset (see note 15)	461	517	-	-
	<b>9,208</b>	<b>7,077</b>	<b>318</b>	<b>157</b>

**13. CREDITORS:  
Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net obligations under finance leases and hire purchase contracts	-	12	-	-
Trade creditors	298	669	-	-
Amounts owed to group undertakings	810	-	-	-
Corporation tax	812	76	-	-
Other taxation and social security	199	262	-	-
Other creditors	106	89	-	-
* Accruals and deferred income	26,687	15,950	212	72
	<b>28,912</b>	<b>17,058</b>	<b>212</b>	<b>72</b>

**14. CREDITORS:  
Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Loan notes	53,177	51,636	1,163	1,143
Bank loans	44,246	49,568	-	-
Other loans	45,837	45,697	-	-
Other creditors	-	26	-	-
	<b>143,260</b>	<b>146,927</b>	<b>1,163</b>	<b>1,143</b>



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## EMPEROR 1 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

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**14. CREDITORS:**  
**Amounts falling due after more than one year (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Company</u>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Repayable other than by instalments	<b>143,260</b>	<b>146,900</b>	<b>1,163</b>	<b>1,143</b>

#### Bank loan

The Group's bank facilities comprise a loan of €64,313,000, which has been fully drawn, and an undrawn revolving facility of £3,000,000. All borrowings are secured on the assets of the Group and certain subsidiaries.

The loan is repayable in full on 25 June 2021 and bears interest at a rate of 4.5% over EURIBOR. The revolving facilities, if used, will bear interest at a rate of 4.0% over LIBOR. Future interest margin rates are subject to amendment depending on the gearing of the group headed by the immediate parent company.

The group has entered into an interest rate cap arrangement covering the period to 30 September 2017; under the arrangement, the effective maximum interest rate is 1% plus the margin.

#### Loan notes

The loan notes are unsecured and bear interest at a rate of 12% per annum, calculated daily. Interest accrues to 22 May each year and is to be settled in cash or by the issue of new loan notes at the option of the loan note holders.

The loan notes are repayable in the event of a listing, sale or business sale (as defined in the company's articles of association) or otherwise on 22 May 2021.

#### Other loans

The other loan is unsecured and bears interest at a rate of 12% per annum, calculated daily. Interest accrues to 22 May each year and is to be either settled in cash or is to be rolled up, or a combination thereof, at the option of the lender.

The loan, any rolled up interest and any unpaid interest is repayable in the event of a listing, sale or business sale (as defined in the company's articles of association) or otherwise on 22 May 2021.

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**EMPEROR 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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**15. DEFERRED TAXATION**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At beginning of year/period	<b>517</b>	-	-	-
(Charge for)/released during the year (P&L)	<b>(15)</b>	<b>(66)</b>	-	-
Arising on acquisition	-	<b>590</b>	-	-
Foreign currency translation	<b>(41)</b>	<b>(7)</b>	-	-
At end of year/period	<b>461</b>	<b>517</b>	-	-

The deferred taxation balance is made up as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	<b>65</b>	<b>102</b>	-	-
Tax losses	<b>599</b>	<b>295</b>	-	-
Short term timing differences	<b>396</b>	<b>415</b>	-	-
	<b>1,060</b>	<b>812</b>	-	-
Deferred tax asset not recognised	<b>(599)</b>	<b>(295)</b>	-	-
Provision for deferred tax	<b>461</b>	<b>517</b>	-	-

Certain deferred tax assets as at 30 November 2015 are not recognised because their eventual recovery is uncertain.

The deferred tax is calculated at rates applicable to the relevant territory in which the deferred tax assets arise. The rates used are UK 20% (2014 - 20%), Australia 30% (2014 - 30%) and US – 34% (2014 - 30%). The tax rates are those which are expected to be applicable when the timing differences are forecast to reverse.

Tax losses of £234,000 (2014 - £272,000) relating to one of the Group's overseas operations and can only be used to offset future profits of that company.

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## EMPEROR 1 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

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#### 16. PROVISIONS

	Dilapidation provision £000
<b>Group</b>	
At 1 December 2014 and 30 November 2015	<b>377</b>

#### **Dilapidation provision**

Autodata Limited has agreed with its landlord to reinstate its premises to their original condition at the end of the lease term. The exact liability will be dependent on the cost of undertaking the work at the time the lease expires and whether any of the works can be reduced through negotiation with the landlord. The lease expires in September 2017.

The Company has no provisions

#### 17. SHARE CAPITAL

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
79,044 (2014 - 79,000) A ordinary shares of £0.01 each	790	790
956 (2014 - 960) B ordinary shares of £0.10 each	96	96
14,430 C ordinary shares of £0.10 each	1,443	1,443
4,720 (2014 - 3,720) D ordinary shares of £0.10 each	472	372
	<b>2,801</b>	<b>2,701</b>

During the year, 1,000 D ordinary shares were issued for a cash consideration of £1,250.

#### Rights attached to the shares

The holders of the A ordinary shares have the right to appoint directors to the board of the company without limit and have 80% of the votes at any general meeting of the company. Any written resolution of the A ordinary shareholders must be passed by a 75% majority. Any holder of the B ordinary shares have the right to appoint themselves as a director of the company. At any general meeting of the company, the holders of the B and C ordinary shares together have 20% of the votes. The holders of the D ordinary shares do not have the right to receive notice of general meetings of the company, nor to attend or vote at such meetings.

The shares rank pari passu as regards the rights to dividends.

In the event of a listing, sale or liquidation of the company, an initial sum (as defined in the articles) will be distributed to the shareholders pari passu, with any excess being distributed 75% to the holders of the A and B ordinary shares and 25% to the holders of the C and D ordinary shares.

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**EMPEROR 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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**18. RESERVES**

<b>Group</b>	<b>Share premium account £000</b>	<b>Profit and loss account £000</b>
At 1 December 2014	101	(8,407)
Loss for the financial year	-	(8,425)
Foreign currency translation	-	(66)
	<hr/>	<hr/>
At 30 November 2015	<u>101</u>	<u>(16,898)</u>

<b>Company</b>	<b>Share premium account £000</b>	<b>Profit and loss account £000</b>
At 1 December 2014 and 30 November 2015	101	1
	<hr/>	<hr/>

**19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

<b>Group</b>	<b>2015 £000</b>	<b>2014 £000</b>
Opening shareholders' deficit	(8,304)	-
Loss for the financial year/period	(8,425)	(8,356)
Shares issued during the year/period	-	3
Share premium on shares issued (net of expenses)	1	100
Other recognised gains and losses during the year/period	(66)	(51)
	<hr/>	<hr/>
Closing shareholders' deficit	<u>(16,794)</u>	<u>(8,304)</u>

<b>Company</b>	<b>2015 £000</b>	<b>2014 £000</b>
Opening shareholders' funds	104	-
Profit for the financial year/period	-	1
Shares issued during the year/period	-	3
Share premium on shares issued (net of expenses)	1	100
	<hr/>	<hr/>
Closing shareholders' funds	<u>105</u>	<u>104</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year/period dealt with in the accounts of the company was £NIL (2014 - £1 thousand).

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**EMPEROR 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £000	2014 £000
Operating profit	8,643	19
Amortisation of intangible fixed assets	7,483	3,914
Depreciation of tangible fixed assets	608	355
Decrease in stocks	55	30
(Increase)/decrease in debtors	(1,807)	679
Decrease in creditors	(966)	(2,639)
Forex on bank loan	(5,573)	(283)
<b>Net cash inflow from operating activities</b>	<b>8,443</b>	<b>2,075</b>

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £000	2014 £000
<b>Returns on investments and servicing of finance</b>		
Interest received	7	12
Interest paid	(2,144)	(1,755)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(2,137)</b>	<b>(1,743)</b>
	2015 £000	2014 £000
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(551)	-
Purchase of tangible fixed assets	(187)	(119)
Sale of tangible fixed assets	56	27
<b>Net cash outflow from capital expenditure</b>	<b>(682)</b>	<b>(92)</b>
	2015 £000	2014 £000
<b>Acquisitions and disposals</b>		
Purchase of subsidiary undertaking	-	(148,985)
Acquisition costs	-	(2,761)
Cash at bank acquired with subsidiary undertaking	-	9,841
<b>Net cash from acquisitions and disposals</b>	<b>-</b>	<b>(141,905)</b>

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**EMPEROR 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2015 £000	2014 £000
<b>Financing</b>		
Issue of ordinary shares	3	82
New bank loans	-	49,741
Issue of loan notes	20	48,020
Other loans and bridging loans	-	102,720
Repayment of bridging loans	-	(54,700)
Repayment of finance leases	(12)	(2)
<b>Net cash inflow from financing</b>	<u>11</u>	<u>145,861</u>

**22. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS**

	1 December 2014 £000	Cash flow £000	Other non-cash changes £000	Exchange Movement £000	30 November 2015 £000
Cash at bank and in hand	3,331	5,036	-	-	8,367
<b>Debt:</b>					
Debts due within one year	(12)	12	-	-	-
Debts falling due after more than one year	(146,900)	(20)	(1,912)	5,572	(143,260)
<b>Net (debt)/funds</b>	<u>(143,581)</u>	<u>5,028</u>	<u>(1,912)</u>	<u>5,572</u>	<u>(134,893)</u>

**23. CONTINGENT LIABILITIES**

The Group is in dispute with a former distributor of its products concerning the distributor's legal claim for damages following termination of the distribution agreement. The Group also has a claim for payment of an outstanding debt owed by the distributor. The Group has been advised that it was fully entitled to terminate the distribution agreement and gave sufficient notice of its intention to do so. The directors consider that the distributor's claim is entirely without merit and will vigorously defend any action that may be taken and similarly will pursue the Group's claim for payment. Provision has been made for the Group's cost of these actions but no provision has been made for the distributor's claim for damages.

**24. PENSION COMMITMENTS**

The group makes payments to defined contribution pension schemes. The assets of the scheme are held separately from those of the company in an independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £576,000 (2014: £327,000). Pension costs of £nil remained outstanding at the year end.

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**EMPEROR 1 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2015**

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**25. OPERATING LEASE COMMITMENTS**

At 30 November 2015 the group had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>2015</b>	<b>Other</b>
	<b>2015</b>	<b>2014</b>		
<b>Group</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expiry date:</b>				
Within 1 year	31	31	-	-
Between 2 and 5 years	220	195	-	-

**26. RELATED PARTY TRANSACTIONS**

Transactions with Group companies

At 1 December 2014, the company was owed £1,317,000 by Emperor 2 Limited, a subsidiary company. During the year, the company charged interest of £139,000 (2014 - £74,000) and as at 30 November was owed £1,480,000.

Transactions with directors

The loan notes issued by the company are held by certain directors. During the year, further loan notes of £20,000 were issued for cash. Interest payable by the company to the loan note holders was £139,000 (2014 - £73,000); such interest is accrued, but not paid.

As at 30 November 2015, the following balances were due to the directors:

	<b>2015</b>		<b>2014</b>
	<b>Loan notes</b>	<b>Accrued interest</b>	<b>Accrued interest</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
R Williams	493	90	31
M Trepte	444	81	28
D Barr	206	38	13
R Keane	20	1	-

On 1 September 2014, the company issued 1,500 ordinary D shares for a consideration of £1,764 to Mr R Keane, a director of the company. The consideration was unpaid as at 30 November 2014, but was paid in the current year. The company also issued 1,000 ordinary D shares for a cash consideration of £1,250 to Mr N Bleach, a director of the company.

Transactions with controlling parties

As at 1 December 2014 the group owed capital of £98,002,000 and accrued interest of £6,177,000 to entities controlled by Five Arrows Manager S.á.r.l and Bowmark Capital LLP, which also control the company. Interest of £12,501,000 (2014 - £6,177,000) has been accrued in respect of the loans. As at the year end, £114,872,000 was owed to these entities.

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## **EMPEROR 1 LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015**

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#### **27. POST BALANCE SHEET EVENTS**

After the year end the group acquired its distributors in France and Finland to strengthen its position in those markets. These acquisitions cost a total £12.4m including deal costs, funded through a combination of cash and debt, with further amounts of up to £6.1m payable if certain profit and sales targets are met. These acquisitions are expected to add £3.7 million to the group's turnover and £1.5 million to the group's operating profit before non-recurring items in the year to 30th November 2016.

#### **28. CONTROLLING PARTY**

The majority of the company's shares are owned by private equity funds managed by Five Arrows Manager S.à.r.l. (a company registered in Luxemburg) and private equity funds managed by Bowmark Capital LLP. The two management companies have joint control of the company through their management of the A shares and through a shareholder agreement.