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Registered number: 9096091

EMPEROR 2 (MIDCO) LIMITED

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

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EMPEROR 2 (MIDCO) LIMITED

COMPANY INFORMATION

DIRECTORS

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

REGISTERED NUMBER

9096091

REGISTERED OFFICE

Priors Way
Maidenhead
Berkshire
SL6 2HP

INDEPENDENT AUDITOR

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

ACCOUNTANTS

Smith & Williamson LLP
25 Moorgate
London
EC2R 6AY

EMPEROR 2 (MIDCO) LIMITED

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EMPEROR 2 (MIDCO) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2015

INTRODUCTION

The directors present their report and the accounts for the year to 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 (£12.6m 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.

The group's most significant asset is the goodwill arising on the acquisition of Autodata Publishing Group Limited. The group is funded by a combination of bank debt and loans / loan notes. The group incurred a loss due to the combination of goodwill amortisation and interest charges.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations expose it to a variety of financial risks and uncertainties:

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 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.

EMPEROR 2 (MIDCO) LIMITED

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

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Interest rate risk

The Group's bank debt bears interest at floating rates of interest; the inter-company borrowing bears interest at a fixed rate.

Liquidity risk

Virtually all of the Group's intercompany borrowings are repayable on demand. The Group's bank borrowings are repayable in full in 2021.

It is expected that the borrowings will either be financed 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 23rd February 2016 and signed on its behalf.



**D Barr
Director**

EMPEROR 2 (MIDCO) LIMITED

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

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
D Barr
M Trepte
R Williams
V Kumar
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

EMPEROR 2 (MIDCO) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2015

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.

EMPEROR 2 (MIDCO) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMPEROR 2 (MIDCO) LIMITED

We have audited the financial statements of Emperor 2 (Midco) Limited for the year ended 30 November 2015, which comprise the group Profit and loss account, the group and company Balance sheets, the group Statement of total recognised gains and losses and the related notes 1 to 26. 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.

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.

EMPEROR 2 (MIDCO) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMPEROR 2 (MIDCO) LIMITED

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

Chartered Accountants & Statutory Auditor

25 Moorgate

London

EC2R 6AY

Date: 26 April 2016

EMPEROR 2 (MIDCO) LIMITED

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

	Note	2015 £000	2014 £000
TURNOVER	1,2	25,514	12,571
Cost of sales		<u>(5,377)</u>	<u>(2,701)</u>
GROSS PROFIT		20,137	9,870
Administrative expenses		<u>(11,494)</u>	<u>(9,851)</u>
OPERATING PROFIT	3	8,643	19
Interest receivable and similar income		7	12
Interest payable and similar charges	6	<u>(15,316)</u>	<u>(8,264)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,666)	(8,233)
Tax on loss on ordinary activities	7	<u>(1,760)</u>	<u>(124)</u>
LOSS FOR THE FINANCIAL YEAR	18	<u>(8,426)</u>	<u>(8,357)</u>

All amounts relate to continuing operations.

The notes on pages 11 to 26 form part of these financial statements.

EMPEROR 2 (MIDCO) LIMITED

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

	2015 £000	2014 £000
LOSS FOR THE FINANCIAL YEAR	(8,426)	(8,357)
Foreign exchange differences on consolidation	<u>(66)</u>	<u>(51)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(8,492)</u>	<u>(8,408)</u>

The notes on pages 11 to 26 form part of these financial statements.

EMPEROR 2 (MIDCO) LIMITED
REGISTERED NUMBER: 9096091

CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Intangible assets	8		137,186		144,118
Tangible assets	9		993		1,477
			<u>138,179</u>		<u>145,595</u>
CURRENT ASSETS					
Stocks	11	1		55	
Debtors	12	9,207		7,074	
Cash at bank and in hand		8,367		3,331	
		<u>17,575</u>		<u>10,460</u>	
CREDITORS: amounts falling due within one year	13	(126,869)		(113,330)	
NET CURRENT LIABILITIES			<u>(109,294)</u>		<u>(102,870)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>28,885</u>		<u>42,725</u>
CREDITORS: amounts falling due after more than one year	14		(45,408)		(50,756)
PROVISIONS FOR LIABILITIES					
Other provisions	16		(377)		(377)
NET LIABILITIES			<u>(16,900)</u>		<u>(8,408)</u>
CAPITAL AND RESERVES					
Called up share capital	17		-		-
Profit and loss account	18		(16,900)		(8,408)
SHAREHOLDERS' DEFICIT	19		<u>(16,900)</u>		<u>(8,408)</u>

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 11 to 26 form part of these financial statements.

EMPEROR 2 (MIDCO) LIMITED
REGISTERED NUMBER: 9096091

COMPANY BALANCE SHEET
AS AT 30 NOVEMBER 2015

	Note	2015 £000	2014 £000
TOTAL ASSETS LESS CURRENT LIABILITIES		-	-
CAPITAL AND RESERVES			
Called up share capital	17	-	-
SHAREHOLDERS' FUNDS	19	-	-

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



D Barr
Director

The notes on pages 11 to 26 form part of these financial statements.

EMPEROR 2 (MIDCO) LIMITED

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

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 funded by inter-company borrowings which are repayable on demand. Therefore the ability of the group to continue as a going concern is dependent on the continuing support of its parent undertakings.

The directors are of the opinion that this support will continue for the foreseeable future and have therefore prepared the financial statements on the going concern basis.

The bank loan is repayable in 2021 and the directors expected that the loan 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 2 (Midco) 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 the subscriptions and of licence fees.

EMPEROR 2 (MIDCO) LIMITED

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

1. ACCOUNTING POLICIES (continued)

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

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:

Leasehold property	-	over the period of the lease
Office equipment	-	5 years straight line
Motor vehicles	-	4 years straight line
Computer equipment	-	4 years straight line

1.7 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.

1.8 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.

1.9 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.

EMPEROR 2 (MIDCO) LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.12 Pensions

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

1.13 Investments

Investments are stated at cost, less any provision for impairment.

EMPEROR 2 (MIDCO) LIMITED

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

2. TURNOVER

A geographical analysis of turnover is as follows:

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

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.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£000	£000
Amortisation - intangible fixed assets	7,400	3,914
Depreciation of tangible fixed assets:		
- owned by the group	608	354
Auditor's remuneration	52	53
Auditor's remuneration - non-audit	118	90
Operating lease rentals:		
- plant and machinery	11	3
- other operating leases	266	170
Difference on foreign exchange	(4,928)	(165)
Amortisation of deferred research and development expenditure	83	-
Recurring costs incurred due to ownership structure	259	165
Software development	-	362

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.

EMPEROR 2 (MIDCO) LIMITED

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

4. STAFF COSTS

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

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

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

	2015	2014
	No.	No.
Production	96	101
Selling	53	64
Administration	38	32
	187	197

5. DIRECTORS' REMUNERATION

	2015	2014
	£000	£000
Remuneration	534	486
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).

EMPEROR 2 (MIDCO) LIMITED

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

6. INTEREST PAYABLE

	2015 £000	2014 £000
On bank loans and overdrafts	2,395	1,230
On other loans	-	634
On loans from group undertakings	12,921	6,400
	<u>15,316</u>	<u>8,264</u>

7. TAXATION

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

EMPEROR 2 (MIDCO) LIMITED

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

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	(6,666)	(8,233)
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	839
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5	870
Depreciation 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
Overseas withholding tax	(30)	9
Unrelieved tax losses carried forward	10	24
Unrelieved loss on foreign subsidiaries	10	41
Enhanced relief on research and development	-	(15)
Group relief	1,713	(19)
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

Expenses not deductible for tax purposes mainly comprise loan interest.

Factors that may affect future tax charges

Future tax charges may be affected by the recognition of unrecognised deferred tax assets (see note 15).

Future tax charges are expected to be reduced by group relief for which no payments will be made.

EMPEROR 2 (MIDCO) LIMITED

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

8. INTANGIBLE FIXED ASSETS

Group	Software £000	Goodwill £000	Total £000
Cost			
At 1 December 2014	1	148,031	148,032
Additions	551	-	551
At 30 November 2015	552	148,031	148,583
Amortisation			
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
Net book value			
At 30 November 2015	469	136,717	137,186
At 30 November 2014	1	144,117	144,118

EMPEROR 2 (MIDCO) LIMITED

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

9. TANGIBLE FIXED ASSETS

Group	Leasehold property £000	Motor vehicles £000	Office equipment £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost						
At 1 December 2014	3,190	238	506	117	1,215	5,266
Additions	38	17	1	6	125	187
Disposals	-	(153)	-	(26)	(580)	(759)
Foreign exchange movement	(1)	(4)	-	(11)	-	(16)
At 30 November 2015	3,227	98	507	86	760	4,678
Depreciation						
At 1 December 2014	2,217	171	433	100	868	3,789
Charge for the year	366	19	47	6	170	608
On disposals	-	(114)	-	(27)	(562)	(703)
Foreign exchange movement	1	(2)	-	(8)	-	(9)
At 30 November 2015	2,584	74	480	71	476	3,685
Net book value						
At 30 November 2015	643	24	27	15	284	993
<i>At 30 November 2014</i>	<i>973</i>	<i>67</i>	<i>73</i>	<i>17</i>	<i>347</i>	<i>1,477</i>

EMPEROR 2 (MIDCO) LIMITED

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

10. FIXED ASSET INVESTMENTS

During the period the company acquired 100% of the issued A Ordinary shares of Emperor 3 Limited and an option to acquire the one issued B Ordinary share; the cost of the shares and the option was £101.

Details of the company's subsidiaries are as follows:

Company	Principal activity	Country of registration or incorporation	Shares held Class	%
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, this company also has 1 B Ordinary share in issue, representing 0.01% of the total equity issued by this company. The Group has an option to acquire the B Ordinary share in the event of a listing, sale or disposal (as defined in the articles of the parent company).

11. STOCKS

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

12. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade debtors	7,177	5,783	-	-
Amounts owed by group undertakings	809	-	-	-
Corporation tax repayable	-	411	-	-
Other debtors	28	14	-	-
Prepayments and accrued income	733	350	-	-
Deferred tax asset (see note 15)	460	516	-	-
	<u>9,207</u>	<u>7,074</u>	<u>-</u>	<u>-</u>

EMPEROR 2 (MIDCO) LIMITED

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

13. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Net obligations under finance leases and hire purchase contracts	-	12	-	-
Trade creditors	298	669	-	-
Amounts owed to group undertakings	116,276	102,522	-	-
Corporation tax	812	76	-	-
Other taxation and social security	199	262	-	-
Other creditors	106	89	-	-
Accruals and deferred income	9,178	9,700	-	-
	126,869	113,330	-	-

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

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	44,246	49,568	-	-
Amounts owed to group undertakings - loan notes	1,162	1,162	-	-
Other creditors	-	26	-	-
	45,408	50,756	-	-

EMPEROR 2 (MIDCO) LIMITED

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

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>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Repayable other than by instalments	45,408	50,730	-	-

Bank loan

The Groups'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 company and by 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 the option of the loan note holder. The loan notes are repayable in the event of a listing, sale or business sale (as defined in the articles of association of the company's ultimate parent undertaking) or otherwise on 22 May 2021.

15. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
At beginning of year/period	516	-	-	-
(Charge for)/released during the year (P&L)	(15)	73	-	-
Arising on acquisition	-	450	-	-
Foreign currency translation	(41)	(7)	-	-
At end of year/period	460	516	-	-

EMPEROR 2 (MIDCO) LIMITED

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

15. DEFERRED TAXATION (continued)

The deferred taxation balance is made up as follows:

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Accelerated capital allowances	65	19	-	-
Tax losses	556	328	-	-
Short term timing differences	396	415	-	-
	1,017	762	-	-
Deferred tax asset not recognised	(557)	(246)	-	-
Provision for deferred tax	460	516	-	-

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.

16. PROVISIONS

Group	Dilapidation provision £000
Arising on acquisition and as at 30 November 2014	377

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 other provisions.

The Company has no other provisions

EMPEROR 2 (MIDCO) LIMITED

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

17. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
10,001 (2014 - 10,000) Ordinary shares of £0.01 each	100	100
	<u>100</u>	<u>100</u>

18. RESERVES

	Profit and loss account £000
Group	
At 1 December 2014	(8,408)
Loss for the financial year	(8,426)
Currency translation differences	(66)
	<u>(16,900)</u>
At 30 November 2015	<u>(16,900)</u>

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2015 £000	2014 £000
Group		
Opening shareholders' deficit	(8,408)	-
Loss for the financial year/period	(8,426)	(8,357)
Currency translation differences	(66)	(51)
	<u>(16,900)</u>	<u>(8,408)</u>
Closing shareholders' deficit	<u>(16,900)</u>	<u>(8,408)</u>

	2015 £000	2014 £000
Company		
Shareholders' funds at 1 December 2014 and 30 November 2015	-	-
	<u>-</u>	<u>-</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 - £NIL).

EMPEROR 2 (MIDCO) LIMITED

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

20. 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.

21. PENSION COMMITMENTS

The group makes payments to defined contributions 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.

22. OPERATING LEASE COMMITMENTS

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

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

23. OTHER FINANCIAL COMMITMENTS

As at 30 November 2015, the company has guaranteed borrowings of £45,644,000 (2014 - £51,217,000) of Emperor 3 Limited.

24. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemption not to disclose related party transactions with other group companies which are 100% owned.

Transactions with other Group companies

Interest of £6,400,000 was charged by Emperor 2 and was added to the inter-company balance.

At 1 December 2014, the group owed £103,684,000 to Emperor 2 Limited, the intermediate parent company. During the year, that company charged the group interest of £12,921,000 which was added to the inter-company balance. As at 30 November 2015, the balance was £116,628,000.

EMPEROR 2 (MIDCO) LIMITED

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

25. 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.

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Emperor 2 Limited and its ultimate parent company is Emperor 1 Limited; Emperor 1 Limited heads the only group for which consolidated accounts are prepared and which incorporate the results of the company. Copies of the accounts of this company are available from Companies House.

The majority of the shares of Emperor 1 Limited 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 of Emperor 1 Limited and through a shareholder agreement.