

## **INRIX Holdings Limited**

Annual report and financial statements  
for the year ended 31 December 2012

Registered number 3461748



## Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2012. The directors' report has been prepared in accordance with the special provisions applicable to companies' entitled to the small companies' exemption.

During the prior period the company changed its accounting reference date from 31 March to 31 December in order to align with the accounting reference date of INRIX Inc – the ultimate parent company.

During the prior period the company was acquired by INRIX Holdings UK Limited (a wholly owned subsidiary of INRIX Inc). The group in which the results of the company are consolidated is that headed by INRIX Holdings UK Limited. This is the first period end where the results of the group are not consolidated at the INRIX Holdings Limited level.

### Principal activity and business review

The principal activity of the company during the period was the holding of investments.

Details of the company's performance and financial position are given in the financial statements on pages 7 to 15.

### Results and dividends

The loss for the financial year of £59,995 (Period ended 31 December 2011: £1,359,751) has been transferred to reserves.

No dividend was paid during the year (Period ended 31 December 2011: £Nil).

### Future prospects

The directors consider that the company is well-placed to perform satisfactorily in the future.

### Directors and their interests

The directors who served the company during the year and thereafter were as follows:

B P Misteale

S Gates (appointed 5 February 2013)

A M Holohan (appointed 1 November 2012)

J B deCillia (resigned 5 February 2013)

S A Marks (resigned 22 August 2012)

## Directors' report (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 proper 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 have general responsibility taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### Post balance sheet events

There were no disclosable post balance sheet events prior to the date of signature of this report and financial statements.

### Going concern

The directors have adopted the going concern basis of accounting in preparing these financial statements. Details of the directors' considerations in this regard are given in note 1.

## **Directors' report (continued)**

### **Information given to auditor**

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and

(2) the director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

### **Auditor**

A resolution to reappoint KPMG LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

By order of the Board,



Saul Gates  
Director

Station House  
Stamford New Road  
Altrincham  
Cheshire  
WA14 1EP

13 September 2013



## Independent auditor's report

### To the members of INRIX Holdings Limited

We have audited the financial statements of INRIX Holdings Limited for the year ended 31 December 2012 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board'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 web-site 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 company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. There is uncertainty surrounding the long term financing of the wider INRIX Inc. Group as the banking covenants have been breached. As such, all obligations under the debt facilities are immediately due and payable. Should these debts be called, the INRIX Inc. Group would have insufficient assets available in order to make the repayment and the INRIX Holdings UK Limited group as well as the Group's other subsidiaries may be required to make up the shortfall. Group management have represented that they are satisfied that the future covenants will be waived and that refinancing will occur in the near future. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast doubt on the group's and the parent company's ability to continue as a going concern.



## Independent auditor's report (continued)

### 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

### 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, 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

Michael Frankish (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St James' Square

Manchester

M2 6DS

16 September 2013

## Profit and loss account

For the year ended 31 December 2012 and 9 months ended 31 December 2011

		Year ended 31 December 2012	9 months ended 31 December 2011
	Note	£	£
Administrative expenses		(59,996)	(1,359,754)
<b>Operating loss</b>		(59,996)	(1,359,754)
Interest receivable and similar income	3	1	3
<b>Loss on ordinary activities before taxation</b>		(59,995)	(1,359,751)
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial period</b>	9, 10	(59,995)	(1,359,751)

All activity has arisen from continuing operations

There are no recognised gains or losses in either period other than the loss for the period and accordingly a separate statement of total recognised gains and losses has not been prepared

The accompanying notes form an integral part of this profit and loss account

## BALANCE SHEET

31 DECEMBER 2012 AND 31 DECEMBER 2011

	Notes	31 December 2012 £	31 December 2011 £
<b>Fixed assets</b>			
Investments	4	3,050,763	3,050,763
<b>Current assets</b>			
Debtors	5	8,995,942	8,504,365
Cash		6,368	18,739
		<u>9,002,310</u>	<u>8,523,104</u>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	6	(7,658,928)	(7,119,727)
<b>Net current assets</b>		<u>1,343,382</u>	<u>1,403,377</u>
<b>Net assets</b>		<u>4,394,145</u>	<u>4,454,140</u>
<b>Capital and reserves</b>			
Called-up share capital	7	5,230,270	5,230,270
Retained earnings	8	(836,125)	(776,130)
<b>Shareholders' funds</b>		<u>4,394,145</u>	<u>4,454,140</u>

The financial statements INRIX Holdings Limited, registered number 3461748, were approved by the board of directors and authorised for issue on 15 September 2013



Saul Gates  
Director

## Notes to the financial statements (continued)

### 1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and preceding period.

#### *a) Basis of accounting*

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

In the current year, the company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 as it is a subsidiary undertaking of INRIX Holdings UK Limited and has been consolidated in the financial statements of that company.

#### *b) Going concern*

In carrying out their duties in respect of going concern basis of accounting, the Directors have carried out a review of the company's financial position for a period of at least of 12 months from the date of signing these financial statements. This has been based on a comprehensive review of revenue and expenditure and resultant cash flows, taking into account reasonable sensitivities and specific business risk and uncertainties brought about by the current economic environment.

Forecasts have been prepared in line with previous periods taking into account the current economic environment. The Company will continue to monitor its investments in the coming year.

As described in the Directors Report on page 2, the company's results are consolidated within the INRIX Holdings UK Limited group of companies (UK Group). INRIX Holdings UK Limited acts as an intermediate holding company and parent Company of the UK Group and is a wholly owned subsidiary of INRIX, Inc. (a U.S. Corporation and the ultimate parent Company). The financial statements are prepared on a going concern basis despite the existence of a material uncertainty as the directors believe this to be appropriate after taking into account the below factors.

The UK Group is expected to continue to generate positive cash flows on its own account for the foreseeable future. The UK Group participates in the ultimate parent's centralised treasury arrangements and as a result shares exposure to financial risk with the ultimate parent.

The ultimate parent has \$23m in debt facilities and is currently not in compliance with the financial covenants attached to these facilities and is currently expected to remain out of compliance of these covenants for the foreseeable future. As such all obligations under the debt facilities are technically now due and payable. However, the lender has yet to seek repayment of the loan (and has indicated no intention that it will seek early repayment of the loan) and INRIX, Inc. continues to trade using this debt facility. Should these debts be called, INRIX, Inc. would have insufficient liquid assets available in order to make the repayment and the INRIX Holdings UK Limited group as well as the UK Group's other subsidiaries may be required to make up the shortfall and INRIX, Inc. may be required to raise additional capital or restructure its operations in order to raise the necessary funds to continue operations.

The directors of the ultimate parent have received waivers against the past covenant breaches and the ultimate parent is currently in discussions to modify the terms and covenants to avoid future breaches. Although the directors have not received written commitment as such, they have a reasonable expectation that these waivers will continue to

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### b) *Going concern (continued)*

be received written commitment as such, they have a reasonable expectation that these waivers will continue to be obtained and that the current covenants will be modified. As a result the financial statements do not include any adjustments that would result from a withdrawal of the current funding arrangements.

#### c) *Investments*

Fixed asset investments are stated at cost less any provision for impairment.

#### d) *Taxation*

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

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

#### e) *Cash*

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

### 2 Loss on ordinary activities before taxation

Loss on ordinary activities is stated after crediting

	Year ended 31 December 2012 £	9 months ended 31 December 2011 £
Fees payable to the auditor for the audit of the company's financial statements	-	10,000
Fees payable to auditor for non-audit services	7,625	3,500
Cost of acquisition	-	1,063,701

## Notes to the financial statements (continued)

### 2 Loss on ordinary activities before taxation (continued)

The company has no employees in the current period or in the prior year other than the directors. Their remuneration was borne by a fellow group undertaking in both periods with no recharge made to the company as the majority of the directors' time was spent on other group companies' affairs. Bryan Mistele, Jeff deCillia and Saul Gates were remunerated by the company's ultimate parent company, INRIX Inc. and all other directors by INRIX UK Limited.

In the prior period audit fees were borne directly by the company, in the current year audit fees were borne by the company's ultimate parent company, INRIX Inc.

On 22<sup>nd</sup> August 2011, INRIX Holdings UK Limited a wholly owned subsidiary of INRIX Inc. acquired the entire share capital of the company. In the 9 months ended 31 March 2011 the company incurred legal and professional fees of £1,063,701 in connection with the acquisition of its share capital.

### 3 Interest receivable and similar income

	Year ended 31 December 2012	9 months ended 31 December 2011
	£	£
Bank interest receivable	<u>1</u>	<u>3</u>

### 4 Tax on loss on ordinary activities

The tax charge comprises

	Year ended 31 December 2012	9 months ended 31 December 2011
	£	£
<b>Current tax</b>		
UK Corporation tax	<u>-</u>	<u>-</u>
<b>Total tax on loss on ordinary activities</b>	<u>-</u>	<u>-</u>

The differences between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

## Notes to the financial statements (continued)

### 4 Tax on loss on ordinary activities (continued)

	Year ended 31 December 2012 £	9 months ended 31 December 2011 £
<b>Loss on ordinary activities before tax</b>	<b>(59,995)</b>	<b>(1,359,751)</b>
Tax credit on loss on ordinary activities at standard UK corporation tax rate of 24.5% (Period ended 31 December 2011 26%)	(14,699)	(353,536)
Effects of		
Expenses not deductible for tax purposes	186	292,258
Increase in tax losses	14,513	61,278
<b>Current tax charge for the period</b>	<b>-</b>	<b>-</b>

The company has accumulated losses of £666,559, (Period ended 31 December 2011 £607,320). No deferred tax asset has been recognised in respect of these losses due to the uncertainty inherent in forecasting profits for the period of time over which those losses would be recovered.

Corporation tax is calculated at 24.5% (9 months ended 31 December 2011 26%) of the estimated assessable profit for the period.

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge accordingly.

## Notes to the financial statements (continued)

### 5 Fixed asset investments

	31 December 2012 £	31 December 2011 £
Subsidiary undertakings	<u>3,050,763</u>	<u>3,050,763</u>

#### Cost and net book value

At beginning and end of the year	<u>£</u> <u>3,050,763</u>
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The parent Company and the Group have investments in the following subsidiary undertakings which affect the profits or net assets of the Group

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Shares</i>	<i>Percentage holding</i>	<i>Principal activity</i>
INRIX UK Limited	UK	£1 ordinary	100%	Provision of traffic information
ITIS Global Services Limited	UK	£1 ordinary	100%	Provision of traffic information
ITIS Traffic Services Limited	Israel	NIS 0.02 ordinary	100%	Dormant from 1 April 2011
Trafficlink Limited	UK	£1 ordinary	100%	Provision of traffic information
ITIS Investments Limited	UK	£1 ordinary	100%	Investments
ITIS Deutschland GmbH	Germany	€1 ordinary	100%	Provision of traffic information
MILE Traffic and Travel Information Services GmbH	Germany	€1 ordinary	100%	Provision of traffic information

All of the above subsidiary undertakings are unlisted and are held directly by INRIX Holdings Limited, with the exception of ITIS Traffic Services Limited, ITIS Deutschland GmbH and MILE Traffic and Travel Information Services GmbH. To avoid a statement of excessive length, details of investments that are not significant have been omitted.

### 6 Debtors

	31 December 2012 £	31 December 2011 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	8,992,010	8,494,636
VAT	3,293	9,112
Prepayments and accrued income	<u>639</u>	<u>617</u>
	<u>8,995,942</u>	<u>8,504,365</u>

## Notes to the financial statements (continued)

### 7 Creditors

	31 December 2012 £	31 December 2011 £
<b>Amounts falling due within one year:</b>		
Trade creditors	14,423	6,733
Amounts owed to group undertakings	7,629,854	7,081,989
Accruals and deferred income	4,895	22,905
Other creditors	9,756	8,100
	<u>7,658,928</u>	<u>7,119,727</u>

### 8 Called-up share capital

	31 December 2012 £	31 December 2011 £
<i>Authorised share capital</i>		
339,106,585 ordinary shares of 2p each	6,782,132	6,782,132
32,178,683 deferred shares of 10p each	3,217,868	3,217,868
	<u>10,000,000</u>	<u>10,000,000</u>

	31 December 2012 £	31 December 2011 £
<i>Allotted, called-up and fully paid</i>		
100,620,099 ordinary shares of 2p each	2,012,402	2,012,402
32,178,683 deferred shares of 10p each	3,217,868	3,217,868
	<u>5,230,270</u>	<u>5,230,270</u>

The authorised share capital of the company is divided into ordinary shares of 2p each and deferred shares of 10p each. The holders of the deferred shares are not entitled to receive notice or attend any general meeting of the company and no dividends will be made in respect of such deferred shares. On a return of capital on liquidation or otherwise, no assets of the company available for distribution among the members will be applied in making payments to the holders of the deferred shares (unless distributions totalling £1,000,000,000 have been made to the holders of the ordinary shares). No resolution proposed or passed by members of the company shall affect the class rights of the holders of the deferred shares. The company has the right to purchase the deferred shares for 1p in aggregate.

### 9 Reserves

	Profit and loss account £
At 1 January 2012	(776,130)
Loss for the year	(59,995)
At 31 December 2012	<u>(836,125)</u>

## Notes to the financial statements (continued)

### 10 Reconciliation of movements in shareholder's funds

	Year ended 31 December 2012 £	Period ended 31 December 2011 £
Loss for the financial period	(59,995)	(1,359,751)
Opening shareholder's deficit	4,454,140	5,813,891
Closing shareholder's deficit	<u>4,394,145</u>	<u>4,454,140</u>

### 11 Related party transactions

The company has taken advantage of the provisions of FRS 8, 'Related Party Disclosures', not to disclose transactions with entities that are part of the INRIX Holdings UK Limited group, as consolidated financial statements in which the company is included are publicly available

### 12 Ultimate controlling party

The company is a subsidiary undertaking of INRIX Inc, which is the ultimate parent company incorporated in the USA. The largest group in which the results of the company are consolidated is that headed by INRIX Holdings UK Limited. The financial statements of INRIX Holdings UK Limited may be obtained from The Secretary, INRIX Holdings UK Limited Fifth Floor, Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

### 13 Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (Revised 1996), the company has not prepared a cash flow statement because its parent undertaking, INRIX Holdings UK Limited, which is incorporated in England and Wales, has prepared consolidated financial statements which include a consolidated cash flow statement.