

INRIX Holdings Limited

Annual report and financial statements
for the year ended 31 December 2013

Registered number 3461748

SATURDAY



A39KLWFC

A17

07/06/2014

#270

COMPANIES HOUSE

Strategic report

The directors present their strategic report on the affairs of the company for the year ended 31 December 2013

Principal activity and business review

The principal activity of the company during the year was the holding of investments

Key performance indicators

There are no key performance indicators relevant to this company, but those key performance indicators relevant to the larger group are turnover and cash balance. The wider Group's turnover for the year amounted to £15,242,137 (2012 £14,016,783). The wider Group had £2,480,009 in cash and cash equivalents at 31 December 2013 (31 December 2012 £3,593,461).

Results and dividends

The loss for the financial year of £21,062 (2012 £59,995) has been transferred to reserves.

No dividend was paid during the year (2012 £Nil).

Future prospects

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

By order of the Board,



Saul Gates

Director

Station House

Stamford New Road

Altrincham

Cheshire

WA14 1EP

04 June 2014

Directors' report

Directors and their interests

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

B P Misteale

S Gates

A M Holohan

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the 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 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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

Directors' report

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.

Information given to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board,



Saul Gates

Director

Station House

Stamford New Road

Altrincham

Cheshire

WA14 1EP

04 June 2014



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 2013 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.

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 2013 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. The company participates in the wider INRIX Inc. Group's centralised treasury arrangements and there is uncertainty surrounding the long term financing of that group. The INRIX Inc. Group's debt facility falls due during August 2014 and it would be unable to repay this debt without refinancing. The INRIX Inc. Group is currently in discussions with the lender to restructure the loan, which would extend the maturity date. 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 company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if it was unable to continue as a going concern.



Independent auditor's report to the members of INRIX Holdings Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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

A handwritten signature in black ink, appearing to read 'Michael Frankish', written over a horizontal line.

Michael Frankish (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

04 June 2014

Profit and loss account

For the year ended 31 December 2013

	Note	2013 £	2012 £
Administrative expenses	2	(21,063)	(59,996)
Operating loss		(21,063)	(59,996)
Interest receivable and similar income	3	1	1
Loss on ordinary activities before taxation		(21,062)	(59,995)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	9, 10	(21,062)	(59,995)

All activity has arisen from continuing operations

There are no recognised gains or losses in either year other than the loss for the year 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 2013 AND 31 DECEMBER 2012

	Notes	31 December 2013 £	31 December 2012 £
Fixed assets			
Investments	5	<u>3,050,763</u>	<u>3,050,763</u>
Current assets			
Debtors	6	9,003,445	8,995,942
Cash		<u>3,626</u>	<u>6,368</u>
		<u>9,007,071</u>	<u>9,002,310</u>
Current liabilities			
Creditors amounts falling due within one year	7	<u>(7,684,751)</u>	<u>(7,658,928)</u>
Net current assets		<u>1,322,320</u>	<u>1,343,382</u>
Net assets		<u>4,373,083</u>	<u>4,394,145</u>
Capital and reserves			
Called-up share capital	8	5,230,270	5,230,270
Retained earnings	9	<u>(857,187)</u>	<u>(836,125)</u>
Shareholders' funds	10	<u>4,373,083</u>	<u>4,394,145</u>

The financial statements INRIX Holdings Limited, registered number 3461748, were approved by the board of directors and authorised for issue on 04 June 2014



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 year.

a) Basis of preparation

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

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of INRIX Holdings UK Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

b) Going concern

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.

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 12 months from the date of signing these financial statements. The company's balance sheet is in a strong position and this is not expected to change over the next 12 months.

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.

However, INRIX Holdings Limited participates in the ultimate parent's centralised treasury arrangements and as a result shares exposure to financial risk with the ultimate parent.

The Directors of the ultimate parent have informed the Directors of this company that the wider group has \$23m in debt facilities and at 31 December 2013 was not in compliance with the financial covenants attached to these facilities. The directors of the ultimate parent have received a waiver against the covenant breaches. The ultimate parent is currently in compliance with the covenants and is forecast to remain in compliance for the foreseeable future.

Notes to the financial statements (continued)

1 Accounting policies (continued)

b) *Going concern (continued)*

The INRIX Inc Group is cash generative and able to meet its short term debts, however its debt facility falls due during August 2014 and it would be unable to repay this debt without refinancing. The INRIX Inc Group is currently in discussions with the lender to restructure the loan, which would extend the maturity date. Although the INRIX Inc Group has not received written commitment from the lender, the Directors of the INRIX Inc Group expects that the loan will be restructured or repaid by obtaining a loan from other banking institutions.

The above matters give rise to a material uncertainty that might cast significant doubt on the Company's ability to continue as a going concern. It may therefore be unable to continue realising its assets and discharging its liabilities in the normal course of business but the financial statements do not include any adjustments that would result from the INRIX Inc Group's loan not being successfully restructured or replaced.

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.

Notes to the financial statements (continued)

2 Loss on ordinary activities before taxation

Loss on ordinary activities is stated after crediting

	2013 £	2012 £
Fees payable to the auditor for the audit of the company's financial statements (Note audit fees borne by the U K parent, INRIX Holdings UK Limited)	-	-
Fees payable to auditor for taxation services	<u>3,840</u>	<u>7,625</u>

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

3 Interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	<u>1</u>	<u>1</u>

Notes to the financial statements (continued)

4 Tax on loss on ordinary activities

	2013 £	2012
Current tax		
UK Corporation tax	-	-
Total tax on loss on ordinary activities	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2012 lower) than the standard rate of corporation tax in the UK at 23.25% (2012 24.5%). The difference is explained below

	2013 £	2012 £
Loss on ordinary activities before tax	(21,062)	(59,995)
Tax credit on loss on ordinary activities at standard UK corporation tax rate of 23.25% (2012 24.5%)	(4,897)	(14,699)
Effects of		
Expenses not deductible for tax purposes	748	186
Increase in tax losses	4,149	14,513
Current tax charge for the year	-	-

The company has accumulated losses of £684,406, (2012 £666,559). 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 23.25% (2012 24.5%) of the estimated assessable profit for the year.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

Notes to the financial statements (continued)

5 Fixed asset investments

	2013 £	2012 £
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>
----------------------------------	------------------------------

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
INRIX 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 INIRX 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

	2013 £	2012 £
Amounts falling due within one year		
Amounts owed by group undertakings	9,000,586	8,992,010
VAT	1,841	3,293
Prepayments and accrued income	1,018	639
	<u>9,003,445</u>	<u>8,995,942</u>

7 Creditors

	2013 £	2012 £
Amounts falling due within one year		
Trade creditors	963	14,423
Amounts owed to group undertakings	7,668,841	7,629,854
Accruals and deferred income	5,190	4,895
Other creditors	9,757	9,756
	<u>7,684,751</u>	<u>7,658,928</u>

Notes to the financial statements (continued)

8 Called-up share capital

	2013 £	2012 £
<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 2013 £	31 December 2012 £
<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 2013	(836,125)
Loss for the year	(21,062)
At 31 December 2013	<u>(857,187)</u>

10 Reconciliation of movements in shareholder's funds

	2013 £	2012 £
Loss for the financial year	(21,062)	(59,995)
Opening shareholder's funds	<u>4,394,145</u>	<u>4,454,140</u>
Closing shareholder's funds	<u>4,373,083</u>	<u>4,394,145</u>

Notes to the financial statements (continued)

11 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