Registered in England and Wales: No. 04068979

HPI LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE 18 MONTHS ENDED 30 JUNE 2009

HPI Limited

Contents

HPI Limited

Directors and officer

Directors:

T Aquila
A Bishop
J Brady
J Doyle
R Giger

Officer:

Company Secretary:
J Doyle

Auditor:

Deloitte LLP
Reading

Registered office:

30 St Mary Axe
London
EC3A 8AF

HPI Limited

Directors' report

For the 18 months ended 30 June 2009

The directors present their annual report and audited financial statements for HPI Limited ("the Company") for the 18 months ended 30 June 2009.

Change of accounting reference date

The company changed its accounting reference date from 31 December to 30 June 2009 due to the acquisition of the company by Solera Holdings Inc. on 19 December 2008. The comparative figures in these financial statements cover the period from 1 January 2007 to 31 December 2007. The current year figures are for the period 1 January 2008 to 30 June 2009.

Directors

The names of the present directors of the Company appear on page 1.

J Doyle served as director of the Company throughout the year.

J G Ballin, A D Hewitt and J P De Freitas resigned as directors of the Company on 19 December 2008. On the same date, T Aquila, J Brady and R Giger were appointed as directors of the Company.

A Bishop was appointed as a director of the Company on 8 May 2009.

Principal activity

The principal activity of the Company is the provision of information and services to the automotive industry and consumer market, in the United Kingdom ("UK"), including vehicle provenance data.

Business review

Basis of preparation

This business review is addressed to, and written for, the members of the Company with the aim of providing a fair review of the business development, performance and position at the current time, during the financial period and at the end of the financial period. In providing this review, the aim is to present a view that is both balanced and comprehensive and that is consistent with the size and complexity of the business.

Review of the business

On 24 April 2008, as part of a reorganisation, the entire issued share capital of the Company was transferred from Norwich Union Consumer Products Limited to Aviva International Insurance Limited ("AII") for consideration of £141,800,000.

On 31 July 2008, the entire issued share capital of the Company was transferred from AII to RAC plc for a consideration of £99,800,000.

On 19 December 2008, the entire share capital was acquired by HPI Holding Limited, a member of the Solera Holdings Inc. group. The accounting reference date was changed from 31 December to 30 June in line with the rest of the group.

Information about the risk management policy is given in note 22 to the financial statements. Details of significant events since the balance sheet date are contained in note 24 to the financial statements.

HPI Limited

Directors' report (continued)

Business review (continued)

Future developments

The directors consider that the Company's principal activity will continue unchanged into the foreseeable future.

Financial key performance indicators

The directors consider that the Company's key performance indicators ("KPIs") that communicate the financial performance are as follows:

- increase in revenue
- operating profit to revenue

A summary of the KPIs is set out below:

Measure	18 months ended 30 June 2009	Year ended 31 December 2007
Annualised increase/(decrease) in revenue	1%	(6)%
Operating profit to revenue	48%	34%

Financial position and performance

The financial position of the Company at 30 June 2009 is shown in the balance sheet on page 14, with the trading results shown in the income statement on page 13 and the cash flow statement on page 16.

Profit before tax increased from £10.4m in the year ended 31 December 2007 to £19.9m in the 18 months ended 30 June 2009. This is due to several factors as summarised by the KPIs and also detailed below.

HPI Limited has had a successful trading period. The company has continued to invest in technology, product development and back office processing improvements. The directors consider the company to be well positioned to serve its customers and continue to grow.

Risk management

The company has reviewed all aspects of the business and its environment and identified the principal risks and uncertainties facing it, allowing appropriate risk management policies to be drawn up.

Risk factors beyond the Company's control, that could cause actual results to differ materially from those estimated include:

- UK domestic economic business conditions; and
- the impact of competition, inflation and deflation.

HPI Limited

Directors' report (continued)

Going concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Significant accounting policies in the financial statements.

Dividends

A dividend of £42,000,000 was paid to Aviva International Insurance Limited on 30 June 2008. A dividend of £6,967,920 was paid to RAC plc on 1 December 2008. The directors do not recommend the payment of a final dividend (year ended 31 December 2007: £nil).

Payment policy

It is the Company's policy to pay creditors when they fall due for payment. Terms of payment are agreed with suppliers when negotiating each transaction and the policy is to abide by those terms, provided the suppliers also comply with all relevant terms and conditions.

The amounts due to trade creditors at 30 June 2009 represented 16 days of average daily purchases through the period (31 December 2007: 16 days).

Auditor

Each person who is a director of the Company on the date that this report is approved, confirms that so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing his report, of which the auditor is unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP were appointed as auditors by the Directors in the period. Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

HPI Limited

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 year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

Director

..................................31.12.2009

HPI Limited

Independent auditor's report

To the members of HPI Limited

We have audited the financial statements of HPI Limited for the 18 months ended 30 June 2009, which comprise the Significant accounting policies, the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholder's Equity, the Cash Flow Statement and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities, within the Directors' report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Directors' Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

HPI Limited

Independent auditor's report (continued)

To the members of HPI Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 30 June 2009 and of its profit for the 18 months then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Reading, United Kingdom

.........21.......January.....2010

HPI Limited

Significant accounting policies

HPI Limited is a limited liability company incorporated and domiciled in the United Kingdom under the Companies Act 1985. Its principal activity is provision of information and services to the automotive industry and consumer market, in the UK, including vehicle provenance data.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(A) Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the company financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements are stated in British pounds, which is the Company's functional and presentation currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of British pounds ("£000").

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report together with a summary of the financial performance of the company. In addition note 21 to the financial statements includes the company's policy for managing its capital and ensuring its financial risk management objectives are met.

The directors do not believe that the current economic conditions will create uncertainty particularly over the level of demand for the company's products. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current working capital requirement.

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

(B) Critical accounting judgements and estimates

The preparation of financial statements requires the Company to make estimates and assumptions that affect items reported in the balance sheet and income statement and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on management's best knowledge of current facts, circumstances and, to some extent, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

Property, plant and equipment represent a significant portion of the asset base of the company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance. Owner-occupied properties are stated at their revalued amounts as assessed by qualified external valuers at 31 December 2008. Donaldson LLP undertook valuations of the two properties owned by the Company on the basis of existing use, being the estimated arms-length at which the properties could be exchanged with vacant possession and without allowing for alternatives to current use.

Management also considered the recoverability of its trade receivable balances. Detailed analysis has been carried out and management is confident that the balances (after allowance for doubtful debt) will be recovered in full. The balance will continue to be closely monitored, and adjustments will be made as appropriate in the future periods.

Management believe that there are no further areas that involve a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

HPI Limited

Significant accounting policies (continued)

(C) IFRS Standards and Interpretations in issue but not yet effective

The IASB and IFRIC have issued new standards and interpretations with an effective date after the date of these financial statements. The company does not anticipate that the adoption of these standards and interpretations that are effective for the financial year will have a material effect on its financial statements on initial adoption.

The company is evaluating the effect of those standards and interpretations that are effective subsequently. The standards and interpretations to be adopted include:

•IFRS 8	Operating segments	•IFRIC 13	Customer Loyalty Programmes
•IAS 23 - (amended)	Borrowing costs	•IFRIC 15	Agreements for the Construction of Real Estate
•IAS 36 - (amended)	Impairment assets		
•IFRIC 12	Service Concession Arrangements	•IFRIC 16	Hedges of a net investment in a Foreign Operation
•IFRIC 14 - IAS 19	The limit on defined Benefit Asset, Minimum Funding Requirements and their interaction		

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on these financial statements of the Company.

(D) Revenue recognition

Revenue represents income from the sale of vehicle provenance data on a transactional basis with income recorded upon provision of the service. Subscription revenue is recognised evenly over the subscription term. Any income received in advance is treated as deferred income and included in other liabilities.

Interest income is recognised on a time proportion basis using the effective interest method.

(E) Property, plant and equipment

Owner-occupied properties are carried at their revalued amounts, which are supported by market evidence, and movements are taken to a separate reserve within equity. When such properties are sold, the accumulated revaluation surpluses are transferred from this reserve to retained earnings. All other items classed as property, plant and equipment within the balance sheet are carried at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write down the cost of other assets to their residual values over their estimated useful lives as follows:

Owner occupied properties:	Straight line over 40 years
Office equipment:	Five years
Fixtures and fittings:	Five years
IT equipment:	Three to five years

Change of accounting estimates:
Owner occupied property was not depreciated whilst the company was under the ownership of Aviva Plc. Following the acquisition of the company by Solera Inc on the 19 December 2008 an estimated useful life was put in place to depreciate the freehold property on a straight line basis over a period of 40 years.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

All borrowing costs are expensed as they are incurred. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

HPI Limited

Significant accounting policies (continued)

(F) Impairment of non-financial assets

Property, plant and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(G) Derecognition and offset of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

(i) the rights to receive cash flows from the asset have expired;

(ii) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

(iii) the Company has transferred its rights to receive cash flows from the asset and either:

(a) has transferred substantially all the risks and rewards of the asset; or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(H) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(I) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and in hand which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition, and include certificates of deposit.

HPI Limited

Significant accounting policies (continued)

(J) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of equipment, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

(K) Income taxes

The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to reserves as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The principal temporary differences arise from provisions and other temporary differences. The rates enacted or substantively enacted at the balance sheet date are used to determine the deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax related to fair value re-measurement of owner-occupied properties and other amounts taken directly to equity is recognised in the balance sheet as a deferred tax asset or liability.

(L) Employee benefits

The Company makes contributions to a defined contribution pension plan, the assets of the scheme being held separately from the assets of the Company. The Company contributions are charged to the income statement in the year to which they relate and are included in staff costs. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

(M) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Company expects a provision to be reimbursed, for example for environmental restoration, restructuring costs and legal claims, the reimbursement is recognised as a separate asset but only when the reimbursement is more probable than not.

The Company offers customers a warranty against potential losses arising from errors in the accuracy and quality of data provided to the customer. The Company bears the risk of warranty claims itself. The provision at the end of each accounting period is expected to be utilised within the next two years.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reliably estimated.

HPI Limited

Significant accounting policies (continued)

(N) Share capital and dividends

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

(ii) the instrument will not be settled by delivery of a variable number of shares or is a derivative that can be settled other than for a fixed amount of cash, shares or other financial assets.

Dividends

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends on these shares are recognised when they have been approved by shareholders.

(O) Share based payments

The company has applied the requirements of IFRS 2 Share-based payment. In accordance with IFRS 1, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005.

The group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

HPI Limited

Income statement

For the 18 months ended 30 June 2009

	Note	18 months ended 30 June 2009 £000	Year ended 31 December 2007 £000
Revenue	1	39,061	25,560
Cost of sales		(3,442)	(2,210)
Gross profit		35,619	23,350
Administrative expenses		(16,991)	(14,674)
Operating profit		18,628	8,676
Finance costs	3	(34)	(52)
Finance income	3	1,279	1,730
Profit before tax	2	19,873	10,354
Tax expense	6	(4,621)	(3,170)
Profit for the period/year		15,252	7,184

The accounting policies on pages 8 to 12 and notes on pages 17 to 34 are an integral part of these financial statements.

All the results above relate to continuing operations.

HPI Limited

Balance sheet

As at 30 June 2009

	Note	30 June 2009 £000	31 December 2007 £000
ASSETS			
Non-current assets			
Property, plant and equipment	7	4,093	3,989
Deferred tax assets	9	232	-
		4,325	3,989
Current assets			
Trade and other receivables	8	4,382	21,063
Cash and cash equivalents	20(b)	12,224	34,720
		16,606	55,783
Total assets		20,931	59,772
LIABILITIES			
Current liabilities			
Trade and other payables	10	(1,387)	(5,493)
Other liabilities	11	(2,444)	(2,732)
Provisions	13	(400)	(970)
		(4,231)	(9,195)
Net current assets		12,375	46,588
Non-current liabilities			
Liability for current tax	9	(4,347)	(3,198)
Provisions	13	-	(844)
		(4,347)	(4,042)
Total liabilities		(8,578)	(13,237)
Net assets		12,353	46,535
EQUITY			
Share capital	14	30	30
Share premium	16	2,775	2,775
IFRS 2 reserve	25	41	-
Other reserves	15	127	634
Retained earnings	17	9,380	43,096
Total equity		12,353	46,535

The accounting policies on pages 8 to 12 and notes on pages 17 to 34 are an integral part of these financial statements. The financial statements, HPI Limited, registered number 04068979 were approved by the Board of Directors and authorised for issue on ....31/12............ 2009.

They were signed on its behalf by:

Director

HPI Limited

Reconciliation of movements in shareholder's equity

For the 18 months ended 30 June 2009

	Share capital	Share premium	Other reserves	IFRS 2 reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 January 2007	30	2,775	623	-	35,912	39,340
Aggregate tax effect of unrealised gains on investments (note 6(b))	-	-	11	-	-	11
Profit for the year	-	-	-	-	7,184	7,184
Total movements in the year	-	-	11	-	7,184	7,195
Balance at 31 December 2007	30	2,775	634	-	43,096	46,535
Dividends paid	-	-	-	-	(48,968)	(48,968)
Revaluation decrease on owner-occupied properties (note 7)	-	-	(507)	-	-	(507)
Share based payment charge	-	-	-	41	-	41
Profit for the period	-	-	-	-	15,252	15,252
Total movements in the period	-	-	(507)	41	(33,716)	(34,182)
Balance at 30 June 2009	30	2,775	127	41	9,380	12,353

The accounting policies on pages 8 to 12 and notes on pages 17 to 34 are an integral part of these financial statements.

HPI Limited

Cash flow statement

For the 18 months ended 30 June 2009

	Note	18 months ended 30 June 2009 £000	Year ended 31 December 2007 £000
Cash flows from operating activities			
Net cash inflow from operating activities	20(a)	30,336	10,216
Tax paid		(3,704)	-
Bank interest received		1,279	1,730
Bank interest paid		(34)	-
Net cash from operating activities		27,877	11,946
Cash flows from investing activities			
Purchases of property and equipment		(1,286)	(494)
Net cash used from investing activities		(1,286)	(494)
Equity dividends paid		(48,968)	-
Cash flows from financing activities			
Payments of finance lease liabilities		(119)	(714)
Interest paid on finance leases		-	(52)
Net cash used in financing activities		(119)	(766)
Net increase in cash and cash equivalents		(22,496)	10,686
Cash and cash equivalents at start of period		34,720	24,034
Cash and cash equivalents at end of period	20(b)	12,224	34,720

The accounting policies on pages 8 to 12 and notes on pages 17 to 34 are an integral part of these financial statements.

HPI Limited

Notes to the financial statements

1. Revenue

An analysis of the company's revenue is as follows:	18 months ended 30 June 2009 £000	Year ended 31 December 2007 £000
Revenue from the company's principal activity as described in the Directors' report*	39,061	25,560
Finance income	1,279	1,730
Total revenue as defined in IAS 18	40,340	27,290

* This is the "revenue" line on the income statement

All income streams arising from the above are from the United Kingdom

2. Profit before tax

Profit before tax has been arrived at after charging:

	18 months ended 30 June 2009 £000	Year ended 31 December 2007 £000
Depreciation of property, plant and equipment		
- Owned assets	624	496
- Under finance leases and hire purchase contracts	31	643
Loss on disposal of fixed assets	-	22
Operating lease rentals payable		
- Equipment	95	147
- Property	-	15
Norwich Union cost and efficiency programme	-	2,596
Staff costs (see note 4)	10,359	5,602
Auditors remuneration	40	10

Notes to the financial statements (continued)

3. Finance income (net)

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Finance income:		
Bank interest receivable	1,279	1,730
Finance costs:		
Bank interest	(34)	-
Interest payable on finance leases	-	(52)
Finance income (net)	1,245	1,678

4. Staff costs

The average number of persons employed by the Company during the period/year was:

	18 months ended 30 June 2009	Year ended 31 December 2007
	Number	Number
Management	22	25
Operation	119	128
IT	52	33
	193	186

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Total staff costs were:		
Wages and salaries	9,030	5,118
Social security costs	899	270
Defined contribution schemes (note 19)	389	214
Share based payments (note 25)	41	-
	10,359	5,602

These costs were charged within administrative expenses.

HPI Limited

Notes to the financial statements (continued)

5. Directors

While the Company was part of the Aviva group, with the exception of one director, whose details are given below, all directors were remunerated as employees by Aviva Employment Services Limited, a fellow Group undertaking. This remuneration was recharged to all operating divisions of the Aviva Group under management service agreements. However, no cost was borne by the Company for the services of the directors in their capacity as directors. The company was acquired by Solera Inc on the 19 December 2008 and from this date the cost of two directors' remuneration was bourne by HPI Limited. The other directors were paid by other Solera Group companies, however, no cost was borne by HPI Limited for their services.

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Direct		
Aggregate emoluments	660	237
Money purchase pension contributions	19	175
	679	412
Highest paid director		
Aggregate emoluments	638	237
Money purchase pension contributions	19	175
	657	412

HPI Limited

Notes to the financial statements (continued)

6. Tax

(a) Tax charged to the income statement

	18 months ended 30 June 2009	Year ended 31 December 2007
Current tax:	**£000**	**£000**
For this year	4,787	3,198
Prior period adjustments	66	(28)
Total current tax	4,853	3,170
Deferred tax credit	(232)	-
Total tax charged to income statement	4,621	3,170

(b) Tax credited to equity

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	**£000**
Deferred tax:		
In respect of unrealised gains on investments	-	(11)
Total tax credited to equity	-	(11)

(c) Tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	**£000**
Profit before tax	19,873	10,354
Tax calculated at standard UK corporation tax rate of 28% (2007: 30%)	5,630	3,106
Adjustment to tax charge in respect of prior years	66	(28)
Disallowable expenses	125	17
Depreciation in excess of capital allowances	(108)	(8)
Other deferred tax movements	(341)	55
Group relief received for nil payment	(751)	28
Total tax charged to income statement (note 6(a))	4,621	3,170

HPI Limited

Notes to the financial statements (continued)

7. Property, plant and equipment

	Owner - occupied properties	Office equipment	Fixtures and fittings	IT equipment	Total
	£000	£000	£000	£000	£000
18 months ended 30 June 2009					
Cost or valuation					
At 1 January 2008	3,217	268	530	7,828	11,843
Additions	728	34	-	524	1,286
Disposals	-	-	-	(141)	(141)
Revaluation	(507)	-	-	-	(507)
At 30 June 2009	3,438	302	530	8,211	12,481
Depreciation					
At 1 January 2008	-	177	479	7,198	7,854
Charge for the period	34	53	34	534	655
Disposals	-	-	-	(121)	(121)
At 30 June 2009	34	230	513	7,611	8,388
Carrying amount					
At 30 June 2009	3,404	72	17	600	4,093
Year ended 31 December 2007					
Cost or valuation					
At 1 January 2007	3,217	191	529	7,783	11,720
Additions	-	78	1	415	494
Disposals	-	(1)	-	(370)	(371)
At 31 December 2007	3,217	268	530	7,828	11,843
Depreciation					
At 1 January 2007	-	150	439	6,475	7,064
Charge for the year	-	28	40	1,071	1,139
Disposals	-	(1)	-	(348)	(349)
At 31 December 2007	-	177	479	7,198	7,854
Carrying amount					
At 31 December 2007	3,217	91	51	630	3,989

HPI Limited

Notes to the financial statements (continued)

7. Property, plant and equipment (continued)

Owner-occupied properties are stated at their revalued amounts as assessed by qualified external valuers at 31 December 2008 plus cost of additions since that valuation. Donaldsons LLP undertook valuations of the two properties owned by the Company on the basis of existing use, being the estimated arms-length value at which the properties could be exchanged with vacant possession and without allowing for alternatives to their current use.

If owner-occupied properties were stated on a historical cost basis, the carrying amount would be as follows:

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Cost	2,765	2,765
Accumulated depreciation	(785)	(653)
Carrying amount	1,980	2,112

The category of IT equipment includes the following amounts where the Company is a lessee under a finance lease:

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Cost-capitalised finance leases	2,564	2,564
Accumulated depreciation	(2,564)	(2,533)
Carrying amount	-	31

8. Trade and other receivables

	18 months ended 30 June 2009	Year ended 31 December 2007
Expected to be settled within one year:	£000	£000
Trade receivables	4,076	2,710
Allowance for doubtful debts	(518)	(399)
	3,558	2,311
Prepayments and accrued income	607	1,192
Receivables from related parties (note 23 (a)(i))	215	17,558
Other debtors	2	2
	4,382	21,063

Notes to the financial statements (continued)

8. Trade and other receivables (continued)

Concentration of credit risk with respect to receivables is limited due to the size and spread of the Company's trading base. In the current period 80% of trade receivables are up to 30 days old (2007: 88%) and as such no interest is accrued on amounts outstanding. The average credit period is currently 50 days, an increase of 17 days from the prior year end. As a result the provision for doubtful receivables has been reviewed and increased to ensure adequate provision is held.

Total trade receivables (net of allowances) held at 30 June 2009 amounted to £3,558,000 (2007: £2,311,000), comprising the amount presented in the total trade and other receivables balance of £4,382,000 (2007: £21,063,000) and trade receivables of £4,076,000 (2007: £2,710,000).

The average credit period taken by customers is 50 days. No interest is charged on receivables outside of the standard credit terms of 30 days. Full provision has been made for receivables over 90 days unless information to the contrary has been seen. Receivables between 30 and 90 days are also reviewed and provided for if information which would support this decision is available.

Included in the company's trade receivable balance are debtors with a carrying amount of £100,000 (2007: £nil) which are overdue at the reporting date for which the company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The company does not hold any collateral or other credit enhancements over these balances. The average age of these receivables is over 90 days.

Ageing of overdue but not impaired receivables

	18 months ended 30 June 2009	**Year ended 31 December 2007**
	£000	**£000**
30-60 days	1,002	257
60-90 days	214	302
90-120 days	518	107
Total	1,734	666

Movement in the allowance for doubtful debts

	18 months ended 30 June 2009	**Year ended 31 December 2007**
	£000	**£000**
Balance at the beginning of the period	399	345
Amounts written off as uncollectible	(83)	(174)
Provision made during the year	202	228
Balance at the end of the period	518	399

In determining the recoverability of a trade receivable the company considers any available information and where necessary will request information from the account manager. The concentration of credit risk is limited due to the customer base being large and unrelated.

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

9. Tax assets and liabilities

(a) General

Liabilities for current tax of £4,347,000 (31 December 2007: £3,198,000) are payable in more than one year.

The Company has temporary differences of £827,000 (31 December 2007: £1,407,000) to carry forward against future taxable income. These arise primarily in relation to accelerated capital allowances, warranty and bonus provisions.

(b) Deferred taxes

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
The movement in the net deferred tax liability was as follows:		
Net liability at start of period	-	11
Amounts credited to profit and loss (note 6(a))	(232)	-
Amounts credited to equity (note 6(b))	-	(11)
Net asset at end of period	(232)	-

10. Trade and other payables

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Trade payables	347	419
Amounts due to related parties (note 23 (a)(ii))	31	4,333
Social security and other taxes	1,009	622
Obligations under finance leases (note 12)	-	119
	1,387	5,493

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 16 days. No interest is charged on the outstanding balance. The company has financial risk management policies in place to ensure that all payables are paid within preagreed credit terms.

The directors consider that the carrying amount of trade payables is approximate to their fair value.

HPI Limited

Notes to the financial statements (continued)

11. Other liabilities

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Deferred income	185	184
Accruals	1,857	2,101
Other liabilities	402	447
	2,444	2,732

12 Obligations under finance leases

The Company uses finance leases to acquire equipment. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the lessee. Future minimum payments under finance leases are as follows:

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Future minimum payments due:		
Not later than one year	-	153
	-	153
Less finance charges allocated to future periods	-	(34)
Present value of minimum lease payments	-	119
The present value of minimum lease payments is analysed as follows:		
Not later than one year	-	119
	-	119

13. Provisions

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Warranty provision	400	327
Software AG provision	-	1,487
	400	1,814
Expected to be settled within one year	400	970
Expected to be settled in more than one year	-	844
	400	1,814

HPI Limited

Notes to the financial statements (continued)

13. Provisions (continued)

	Warranty provision	Software AG provision	Total
	£000	£000	£000
At 1 January 2008	327	1,487	1,814
Additional provisions in the period	73	-	73
Utilised during the period	-	(1,487)	(1,487)
At 30 June 2009	400	-	400

HPI Limited offers customers a warranty against potential losses arising from any errors in the accuracy and quality of data provided to the customer. HPI Limited bears the risk of warranty claims itself. The warranty provision at 30 June 2009 of £400,000 (31 December 2007: £327,000) is expected to be utilised within the next two years.

The Software AG provision related to costs in relation to a breach of software licence. The amount utilised in the period relates to payments made in line with an agreed schedule.

14. Share capital

Details of the Company's ordinary share capital are as follows:

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Authorised share capital		
5,000,000 (2007: 5,000,000) ordinary shares of 1 pence each	50	50
Allotted, called up and fully paid		
3,035,002 (2007: 3,035,002) ordinary shares of 1 pence each	30	30

15. Other reserves

Owner-occupied properties' reserve	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Balance at start of period	634	623
Fair value gains	-	-
Revaluation decrease on owner-occupied properties	(507)	-
Aggregate tax effect	-	11
Balance at end of period	127	634

HPI Limited

Notes to the financial statements (continued)

16. Share premium

	18 months ended 30 June 2009
	£000
Share premium on ordinary shares	2,775
	2,775

17. Reconciliation of movement in shareholder's funds and movement in reserves

	Called up share capital	Revaluation reserve	Share premium account	IFRS 2 reserve	Retained Earnings	18 months ended 30 June
	£000	£000	£000	£000	£000	£000
Opening shareholder's funds	30	634	2,775	-	43,096	46,535
Revaluation during the period	-	(507)	-	-	-	(507)
Dividends paid	-	-	-	-	(48,968)	(48,968)
Share based payment charge	-	-	-	41	-	41
Profit for the period	-	-	-	-	15,252	15,252
Closing shareholder's funds	30	127	2,775	41	9,380	12,353

HPI Limited

Notes to the financial statements (continued)

18. Commitments

(a) Capital commitments

Contractual commitments which are not recognised in the financial statements, were as follows:

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Property, plant and equipment	2,097	-

(b) Operating lease commitments

Future aggregate minimum lease payments under non-cancellable operating leases were as follows:

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Within 1 year	91	9
Later than 1 year and not later than 5 years	74	362
	165	371

19. Pension obligations

(a) Introduction

During the period, the Company operated a contract-based Group Personal Pension scheme with Norwich Union Life and Pensions Limited. Employer contributions were made at 3%, with the Company matching employee contributions up to a further 3%. Those employees for whom the Company previously contributed 10%, under a previous Personal Pension Scheme, retain that level of benefit.

During the period, 13 staff joined the scheme under a TUPE transfer. Employer contributions were made at 8%, with the Company matching employee contributions in 2% increments up to a further 4%.

In addition, the Company contributes to a life policy to provide death in service benefits for all employees of the Company.

(b) Charges to the income statement

	18 months ended 30 June 2009	Year ended 31 December 2007
	£000	£000
Employer pension contributions	389	214

HPI Limited

Notes to the financial statements (continued)

20. Cash flow statement

	18 months ended 30 June 2009 £000	Year ended 31 December 2007 £000
(a) The reconciliation of profit before tax to the net cash inflow from operating activities is:		
Profit before tax	19,873	10,354
Adjustments for:		
Depreciation of property, plant and equipment	655	1,139
Loss on sale of property, plant and equipment	20	22
Interest receivable	(1,279)	(1,730)
Interest payable	34	52
Share based payment	41	-
Additional provisions	73	2,952
Release of provisions	-	(54)
Allowance for doubtful debt	156	139
Changes in working capital:		
Decrease in trade and other receivables	16,525	2,048
(Decrease) in other provisions	(1,487)	(3,824)
(Decrease) in trade and other payables	(3,987)	(1,086)
(Decrease)/increase in other liabilities	(288)	204
Net cash flow from operating activities	30,336	10,216

(b) Cash and cash equivalents in the cash flow statement at the period ends comprised

	18 months ended 30 June 2009 £000	Year ended 31 December 2007 £000
Cash at bank and in hand	12,224	34,720

HPI Limited

Notes to the financial statements (continued)

21. Capital structure

The Company maintains an efficient capital structure from equity shareholder's funds, consistent with the Company's overall risk profile and market requirements of the business. This note describes the way the Company manages capital and shows where this is employed.

(a) General

IFRS underpins the Company's capital structure and accordingly, the capital structure is analysed on this basis.

(b) Capital management

In managing its capital, the Company seeks to:

(i) match the profile of its assets and liabilities, taking account of the risks inherent in each business;

(ii) maintain financial strength to support new business growth;

(iii) retain financial flexibility by maintaining strong liquidity; and

(iv) allocate capital efficiently to support growth and repatriate excess capital where appropriate.

The Company considers not only the traditional sources of capital funding, but alternative sources when assessing its deployment and usage of capital.

(c) Measure of capital

The Company is required to report its results on an IFRS basis.

(d) Capital structure

	IFRS net assets 30 June 2009	IFRS net assets 31 December 2007
	£000	£000
Provision of information and services to the automotive industry and consumer market.	12,353	46,535
Total capital employed	12,353	46,535
Financed by		
Equity shareholder's funds	12,353	46,535

HPI Limited

Notes to the financial statements (continued)

22. Risk management policy

The company's ultimate parent undertaking, Solera Holdings Inc, has determined the guidelines in managing the company financial risks. In order to minimise costs and maximise the resources available, Solera Holdings Inc has centralised all of the group's risk management. Solera Holdings Inc gathers all information concerning possible risk situations and defines the corresponding hedge.
The Group manages the company capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of net current assets as well as total assets. The company adheres to it's capital structure policy as laid out in note 21 and this assertion is supported by the balance sheet result and holding of significant cash funds.

The company is not subject to externally imposed capital requirements.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial liability and equity instrument are disclosed in the Significant Accounting Polices notes to the financial statements.

The company is exposed to interest rate risk due to the holding of significant cash funds, however this is monitored regularly to ensure any exposure is minimal.

Notes to the financial statements (continued)

23. Related party transactions

(a) The Company provides information and services, including vehicle provenance data to fellow group undertakings.

(i) Services provided to related parties

	18 months ending 30 June 2009		Year ending 31 December 2007	
	Income earned in period	Receivable at period end	Income earned in year	Receivable at year end
	£000	£000	£000	£000
Fellow group undertakings	1,826	215	2,417	17,558

(ii) Services provided by related parties

	18 months ending 30 June 2009		Year ending 31 December 2007	
	Expense incurred in period	Payable at period end	Expense incurred in year	Payable at year end
	£000	£000	£000	£000
Fellow group undertakings	541	31	400	4,333

(iii) Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the group, is set out in note 5.

(b) Immediate parent undertaking

The Company's immediate parent undertaking is HPI Holding Limited, registered in England and Wales.

(c) Ultimate controlling entity

The ultimate controlling entity is Solera Holdings, Inc.

HPI Limited

Notes to the financial statements (continued)

24. Post balance sheet events

Since the period end no post balance sheet events have occurred.

25. Share based payments

Equity-settled share option scheme

Certain employees of HPI Limited benefit from the issue of share-based payments by Solera Inc. During the financial year 2009, Solera Inc granted stock options and restricted stock units to HPI Limited's employees and members of its board of directors under its 2008 Omnibus Equity Plan (the "2008 Plan"), which was approved by the Company's stockholders in November 2008.

Stock options are granted at exercise prices equal to the fair market value of Solera Inc. common stock on the date of grant, generally vest ratably over four years and have a term of 7 to 10 years. Restricted stock unit grants generally vest ratably over four years.

The inputs into the Black Scholes model are as follows:

	2009
Weighted average share price (£)	14.93
Weighted average exercise price (£)	14.93
Expected volatility	27%
Expected life	6.1 years
Risk free rate	3.2%
Expected dividend yields	-

The risk free interest rates based on the implied yield available on US Treasury constant maturities in effect at the time of the grant with remaining terms equivalent to the respective expected terms of the options. Because Solera Inc has a limited history of stock option exercises, the expected award life was determined using the simplified method. The expected volatility was determined based on a combination of implied market volatilities, historical volatility of Solera Inc's stock price and other factors. The dividend yield of zero is based on the fact that Solera Inc has never paid cash dividends.

Details of the share options outstanding during the period are as follows:

	Number of share options	2009 Weighted average exercise price (in £)
Outstanding at beginning of period	-	-
Granted during the period	71,900	14.93
Outstanding at the end of the period	71,900	14.93
Exercisable at the end of the period	-	-

The weighted average share price at the date of exercise for share options exercised during the period was £14.93. The options outstanding at 30 June 2009 had a weighted average exercise price of £14.93 and a weighted average remaining contractual life of 8.5 years. In 2009, options were granted on 2 February 2009. The aggregate of the estimated fair values of the options granted on those dates is £4.98 per share.

HPI Limited

Notes to the financial statements (continued)

25. Share based payments (Continued)

Details of the restricted stock units outstanding during the period are as follows:

	2009	
	Number of share options	Weighted average exercise price (in £)
Outstanding at beginning of period	-	-
Granted during the period	23,700	14.93
Outstanding at the end of period	23,700	14.93
Exercisable at the end of the period	-	-

The restricted stock units outstanding at 30 June 2009 had a weighted average grant date fair value of £14.93 and a weighted average remaining contractual life of 8.5 years. The fair value of restricted stock awards and restricted stock units is based on the market price of Solera Inc. common stock on the date of grant. Due to the significant difference between the purchase price and fair value per share of restricted stock awards and restricted stock units, the fair value of these awards approximates their intrinsic value.

The company recognised total expenses of £41,399 related to equity-settled share-based payment transactions in 2009.