HPI LIMITED

Company Registration No. 04068979

Annual Report and Financial Statements

for the period ended 31 March 2017

HPI LIMITED

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HPI LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Directors
F Overtoom
R Giger
A Aquila
J Brady
C Wright (appointed 1 November 2017)

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Bond Court
Leeds
LS1 5EZ

Auditor
Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD

Annual Report and Financial Statements for the period ended 31 March 2017

STRATEGIC REPORT

The directors present their strategic report for the nine month period ended 31 March 2017.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

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.

As shown in the company's profit and loss account, revenues were £29.2m for the nine month period ended 31 March 2017 (year ended 30 June 2016: £35.3m), which represents an increase of 10% on an annualised basis. The company's operating profits have also increased and show a healthy return. Following the closure of the company's previous headquarters in Salisbury in the prior year and the rationalisation of staff across other group companies, the company's headcount is lower in the current period. This has led to a consequent reduction in payroll costs and other administrative expenses. The directors feel that the results for the period leave them in a sound position for the coming year.

The balance sheet shows increase in net assets showing a stronger financial position. We are committed to ensuring that customers are provided with a robust and reliable service.

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

Future Developments

The directors are not aware, at the date of the annual report, of any likely changes in the company's activities in the next period.

Key Performance Indicators

The company's key financial performance indicators during the period were as follows:

	2017	2016
• Revenue	£29.2 million	£35.3 million
• Operating profit	£19.0 million	£17.7 million

Financial 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. The company's 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.

Principal risks and uncertainties

Economic

Competitive pressure in the UK is seen by the company as a risk, however the company aims to minimise this risk by providing added value services to its customers, maintaining strong customer relationships and fast response times to customer issues.

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 and inflation.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Technology and infrastructure
The company is reliant on its technology and infrastructure to deliver its product offerings. Disruption of this technology or of the company's broader IT infrastructure could prevent delivery of data to customers.
The company has invested in its product platforms to ensure that they remain robust and maintain their integrity. The company has a business continuity plan in place which ensures that the business can continually service its customers in any event.
To further strengthen our management of risk and ability to provide continuity of services, we have undertaken and achieved accreditation in ISO 27001 the International standard in Information Security and BS 25999 British standard for Business Continuity.

Cashflow risk

The company has no loans or other debt outside of the group. The company invoices most customers in sterling but is exposed to some foreign currency exchange risk on supplier purchases.

Credit risk
To manage credit risk which may arise from trading, the company only offers credit terms where an appropriate payment history can be demonstrated and credit worthiness procedures have been satisfied.

Environment
The company adopts a number of environmental policies including recycling of paper, printer cartridges and mobile phones. The company also ensures safe disposal of all redundant computer equipment.

Employees
Employee numbers and related costs can be found in note 6 to the financial statements. The company aims to recruit and retain the best quality staff and has achieved accreditation from Investors in People. The company also embraces diversity in the workforce whilst promoting a culture of equal opportunity.

Approved by the Board of Directors on 15 December 2017 and signed on behalf of the Board.

F Overtoom
Director

Annual Report and Financial Statements
for the period ended 31 March 2017

Directors' report

The directors present their annual report and the audited financial statements for the nine month period ended 31 March 2017. During the period the company changed its accounting reference date to 31 March to align with its parent company. The prior period presented in the financial statements is for the year ended 30 June 2016.

DIVIDENDS

The directors do not propose the payment of a final dividend this year (2016: £nil).

GOING CONCERN

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

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of financial risk management objectives and policies can be found in the strategic report on page 2 and form part of this report by cross reference.

DIRECTORS

The directors during the financial period and to the date of signing these financial statements are shown on page 1.

FUTURE DEVELOPMENTS

Details of future developments can be found in the strategic report on page 2 and form part of this report by cross reference. There have been no events since the balance sheet date that require adjustment to or disclosure in the financial statements.

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 confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution for the re-appointment of Deloitte LLP will be proposed at the forthcoming Annual General Meeting.
Approved by the Board of Directors on 15 December 2017 and signed on behalf of the Board.

F Overtoom
Director

Annual Report and Financial Statements
for the period ended 31 March 2017

Directors' responsibilities statement

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 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.

HPI LIMITED

Independent auditor's report to the members of HPI Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Audatex (UK) Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report , other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements, and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Use of our report

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Andrew Hornby

Andrew Hornby FCA (Senior Statutory auditor)
for and on behalf of Deloitte LLP
Statutory auditor
Reading, United Kingdom
15 December 2017

HPI LIMITED

Profit & Loss Account
for the period ended 31 March 2017

	Notes	9 months ended 31 March 2017 £'000	Year ended 30 June 2016 £'000
Turnover	3	29,204	35,336
Cost of sales		(4,337)	(5,169)
Gross profit		24,867	30,167
Administrative expenses		(5,906)	(12,494)
Operating profit	5	18,961	17,673
Interest receivable and similar income	4	340	457
Profit before taxation		19,301	18,130
Tax on profit	8	(3,842)	(4,036)
Profit for the financial period		15,459	14,094

All amounts relate to continuing activities.

There was no other comprehensive income other than the profit for the current period and for the previous year. Therefore, a separate statement of other comprehensive income has not been presented.

HPI LIMITED

Balance Sheet
for the period ended 31 March 2017

	Notes	31 March 2017 £	30 June 2017 £
Fixed assets			
Investment in subsidiary	9	27,681	27,681
Tangible assets	10	3,434	3,790
		31,115	31,471
Current assets			
Debtors	11	92,113	63,130
Cash at bank and in hand		2,095	5,467
		94,208	68,597
Creditors: amounts falling due within one year	12	(48,064)	(38,269)
Net current assets		46,143	30,328
Total assets less current liabilities		77,258	61,799
Net assets		77,258	61,799
Capital and reserves			
Share capital	15	30	30
Share premium		2,775	2,775
Capital Contribution Reserve		5,176	5,176
Profit and loss account		69,277	53,818
Shareholders' funds		77,258	61,799

The financial statements of HPI Limited (registration number 04068979) were approved by the Board of Directors and authorised for issue on 15 December 2017. They were signed on its behalf by

F Overtoom
Director

HPI LIMITED

Statement of Changes in Equity
for the period ended 31 March 2017

	Called-up share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 30 June 2015	30	2,775	4,865	39,724	47,394
Profit for the financial year	-	-	-	14,094	14,094
Total comprehensive income	-	-	-	14,094	14,094
Credit to equity for equity settled share-based payment	-	-	311	-	311
At 30 June 2016	30	2,775	5,176	53,818	61,799
Profit for the financial period	-	-	-	15,459	15,459
At 31 March 2017	30	2,775	5,176	69,277	77,258

Notes to the financial statements
for the period ended 31 March 2017

1 Accounting policies

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

a. General information and basis of accounting

HPI Limited is a limited company incorporated in the United Kingdom under the Companies Act 2006. The company is a private company limited by shares, and is registered in England & Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report.

These financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ('FRS 102') issued by the Financial Reporting Council ('FRC').

The company has not drawn up consolidated financial statements because it is entitled to the exemption available under section 401 of the Companies Act 2006. It is included in the consolidated financial statements of Solera Parent Holding LLC which are publicly available (see note 18).

HPI Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b. 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 strategic report, together with a summary of the financial position of the company, the company's policy for managing its capital and ensuring its its financial risk management objectives are met.

After reviewing the company's forecasts and projections, taking account of reasonably possible changes in trading performance, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future, being a minimum of twelve months from the date of signing, and have therefore prepared the financial statements using the going concern basis of accounting.

c. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	Forty years
Fixtures and fittings	Five years
Office equipment	Five years
IT equipment	Three to five years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Notes to the financial statements
for the period ended 31 March 2017

1 Accounting policies (continued)

d. Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Notes to the financial statements
for the period ended 31 March 2017

1 Accounting policies (continued)

d. Financial instruments (continued)

(i) Financial assets and liabilities (continued)

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in subsidiaries are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

e. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective of impairment, an impairment loss is recognised in profit or loss.

f. Taxation

Current tax, including UK corporation tax and foreign 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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the financial statements
for the period ended 31 March 2017

1 Accounting policies (continued)

g. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

h. Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

i. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

j. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

k. Share-based payment

Until 3 March 2016, the Solera group issued equity-settled share options and restricted stock units to certain employees within the group. Equity-settled share-based payment transactions 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.

Notes to the financial statements
for the period ended 31 March 2017

1 Accounting policies (continued)

k. Share-based payment (continued)

Fair value is measured by use of the Black Scholes pricing model which is considered by management to be the most appropriate method of valuation. 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.

As of 3 March 2016 the share option scheme was discontinued and any remaining unvested options and restricted stock units were cancelled.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key estimates that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Fixed asset investments and 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/imapirment are critical to the Company's financial position and performance.

Management also considers whether there are indicators of impairment of the company's receivables balances with fellow group undertakings. Factors taken into consideration in reaching a decision include the economic viability and expected future financial performance of the group undertakings, as well as any significant changes to the technological, market, economic or legal environments in which the group undertakings operate.

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

Notes to the financial statements
for the period ended 31 March 2017

3 Turnover	9 months ended 31 March 2017 £'000	Year ended 30 June 2016 £'000
Revenue from the Company's principal activity as described in the Strategic report	29,204	35,336
	29,204	35,336

Turnover consists of sales made in the United Kingdom.

4 Interest receivable and similar income	9 months ended 31 March 2017 £'000	Year ended 30 June 2016 £'000
Intercompany loan interest	336	449
Bank interest receivable	4	8
Interest receivable	340	457

5 Profit before taxation is after charging:	9 months ended 31 March 2017 £'000	Year ended 30 June 2016 £'000
Depreciation of tangible fixed assets	603	1,535
Loss on disposal of tangible fixed assets	42	-
Foreign exchange losses	-	2

The analysis of the auditor's remuneration is as follows:

Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	50	60
Total audit fees	50	60

There were no fees payable to the company's auditor and its associates for non-audit services (2016: £nil).

Notes to the financial statements
for the period ended 31 March 2017

6 Staff numbers and costs	9 months ended 31 March 2017 Number	Year ended 30 June 2016 Number
The average weekly number of employees (including executive directors) during the period was as follows:		
Management	2	8
Operation	20	59
IT	12	38
	34	105

	9 months ended 31 March 2017 £'000	Year ended 30 June 2016 £'000
Their aggregate remuneration comprised:		
Staff costs:		
Wages and salaries	1,203	3,862
Social security costs	201	444
Pension costs	59	165
Share option charge	-	311
	1,463	4,782

These costs were charged within administrative expenses.

7 Directors' remuneration

During the current period and prior year the costs of one director's remuneration was borne by Audatex (UK) Limited and the remaining directors were paid by other Solera Group companies. No cost was borne by HPI Limited for their services.

Notes to the financial statements
for the period ended 31 March 2017

8 **Tax on profit**	**9 months ended 31 March 2017 £'000**	**Year ended 30 June 2016 £'000**
The tax charge comprises:		
Current tax on profit		
UK Corporation tax	3,849	3,837
Adjustment in respect of prior years	(130)	-
Total current tax	3,719	3,837
Deferred tax		
Origination and reversal of timing differences	39	119
Effect of change in tax rate on opening liability	31	80
Adjustment in respect of prior years	53	-
Total deferred tax	123	199
Total tax on profit	3,842	4,036

The standard rate of tax applied to reported profit is 20% (2016: 20%). Reductions in the UK Corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce any future current tax charge for the Company accordingly.

There is no expiry date on timing differences, unused tax losses or tax credits.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax of 20% to the profit before tax is as follows:

	9 months ended 31 March 2017 £'000	**Year ended 30 June 2016 £'000**
Profit before tax	19,301	18,130
Tax at 20% (2016: 20%)	3,860	3,626
Effects of:		
- Expenses not deductible for tax purposes	35	47
- Other deferred tax movement	-	296
- Impact of change in rate	24	67
- Adjustments to tax charge in respect of previous periods	(77)	-
Total tax charge	3,842	4,036

Notes to the financial statements
for the period ended 31 March 2017

9 Investment in subsidiary

	31 March 2017 £'000	30 June 2016 £'000
Investment in subsidiaries		
Balance at 1 July 2016	27,681	27,813
Disposals	-	(132)
Balance at 31 March 2017	27,681	27,681

At 31 March 2017, the company has investments in the following subsidiary undertakings:

	Registered office	Principal activity	Holding % (ordinary share capital)
Carweb Limited	The Forum, Station Road Reading, Berkshire, RG7 4RA	Supply of vehicle data	100

10 Tangible fixed assets

	Freehold buildings £'000	Office equipment £'000	Fixtures and fittings £'000	IT equipment £'000	Total £'000
Cost or valuation					
At 1 July 2016	2,667	74	502	10,578	13,821
Additions	12	-	-	277	289
Disposals	-	(74)	(502)	(8,080)	(8,656)
At 31 March 2017	2,679	-	-	2,775	5,454
Depreciation					
At 1 July 2016	140	72	484	9,335	10,031
Charge for the period	50	2	2	549	603
Disposals	-	(74)	(486)	(8,054)	(8,614)
At 31 March 2017	190	-	-	1,830	2,020
Net book value					
At 31 March 2017	2,489	-	-	945	3,434
At 30 June 2016	2,527	2	18	1,243	3,790

Notes to the financial statements
for the period ended 31 March 2017

11 Debtors	**31 March 2017 £'000**	**30 June 2016 £'000**
Amounts falling due within one year:		
Trade debtors	6,536	6,121
Amounts due from group undertakings	84,324	55,867
Deferred tax asset (see note 14)	481	604
Prepayments and accrued income	772	538
	92,113	**63,130**

The amounts due from group undertakings include a loan receivable of £11,206k (2016: £11,206k) that bears interest at a rate of 4% (2016: 4%) per annum and is repayable on demand. The remaining amounts due from group undertakings are non interest bearing and are repayable on demand.

12 Creditors	**31 March 2017 £'000**	**30 June 2016 £'000**
Amounts falling due within one year:		
Trade creditors	203	191
Amounts owed to group undertakings	41,677	30,883
Taxation and social security	1,180	1,302
Corporation Tax	3,433	3,333
Accruals and deferred income	1,242	2,187
Other liabilities	150	206
Provisions (Note 13)	180	167
	48,065	**38,269**

Amounts due to group undertakings are non interest bearing and are repayable on demand.

13 Provisons

	Credit note provision £'000	**Warranty provision £'000**	**Total £'000**
At 1 July 2016	20	147	167
Additions	-	127	127
Utilised	(20)	(94)	(114)
At 31 March 2017	**-**	**180**	**180**

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.

Notes to the financial statements
for the period ended 31 March 2017

14 Deferred tax asset	**31 March 2017 £'000**	**30 June 2016 £'000**
Balance at 1 July 2016	604	803
Charge to profit and loss for the period	(123)	(199)
Balance at 31 March 2017	**481**	**604**

The deferred tax asset is made up as follows:

Depreciation in excess of capital allowances	464	556
Reserves	17	48
	481	**604**

15 Called up share capital	**31 March 2017 £'000**	**30 June 2016 £'000**
Called up, allotted and fully paid: 3,035,002 ordinary shares of 1p each	30	30

The Company's other reserves are as follows:

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The capital contribution reserve arose from the granting of share options in Solera Holdings. Inc to the company's employees prior to the cancellation of the scheme on 3 March 2016.

HPI LIMITED

Notes to the financial statements
for the period ended 31 March 2017

16 Financial commitments

	31 March 2017 £'000	30 June 2016 £'000
Total future minimum lease payments under non-cancellable operating leases are as follows:		
	Other	Other
Leases which expire:		
Within one year	80	80
Within two to five years	125	69
	205	149

17 Pension commitments

The company makes contributions for all employees into personal pension schemes and the Legal & General Group Personal pension scheme. Contributions to these schemes are charged to the profit and loss account as they fall due.

The pension cost for the defined contribution schemes during the year totalled £59k (2016: £165k).

18 Ultimate and immediate parent companies

HPI Holdings Limited, registered office The Forum, Station Road, Theale, Reading, RG7 4RA, is the immediate parent company. The parent undertaking of the smallest and largest group in which the results of the company are consolidated is Solera Parent Holding LLC. The financial statements of Solera Parent Holding LLC may be obtained from 7 Village Circle, Suite 100, Westlake, TX76262, USA.

The ultimate parent company and ultimate controlling party is Vista Equity LLC.