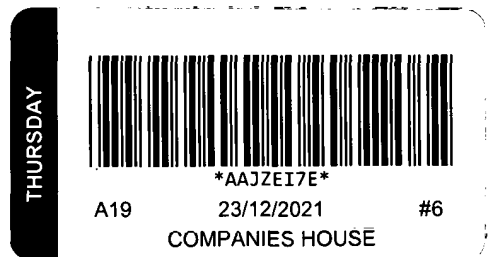


HPI LIMITED
Company Registration No. 04068979

Annual Report and Financial Statements

For the year ended 31 March 2021



HPI LIMITED

Company Information

Directors	D L Babin Jr B L Heath R Rogozinski C Wright
Company secretary	A Young
Registered office	Capitol House Bond Court Leeds LS1 5EZ
Independent Auditor	Deloitte LLP Abbots House Abbey Street Reading RG1 3BD
Solicitors	Blake Morgan LLP Buxton Court 3 West Way Oxford OX2 0SZ

HPI LIMITED

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HPI LIMITED

Strategic report

For the year ended 31 March 2021

The directors present their Strategic Report for the year ended 31 March 2021.

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.

HPI Limited had a successful trading period. The Company took measures to limit the impact of the drop in revenue due to the Global pandemic which resulted in an increase of operating profit to £30.4m (FY20 £30.2m) as per below table.

The Company has continued its investment in technology, new product development and back office processing improvements, consolidating the transition to centralised centres in Mexico and Spain.

On 11 March 2020, COVID-19 was declared a pandemic and shortly thereafter the UK entered into a series of lockdowns. As a result, all the Company's staff were working from home at the year end. Due to the resilience of the Company's systems, there was no disruption to service provision. Whilst the majority of the Company's revenues are derived from subscriptions, a proportion are transactional and in the lockdown period these revenues reduced. As the impact of lockdowns eased, revenues recovered and have now returned to pre pandemic levels.

The Company's key financial performance indicators during the year were as follows:

	2021	2020
• Revenue	£42.9 million	£46.5 million
• Operating profit	£30.4 million	£30.2 million

Revenue is dependent on the number and value of subscriptions and the number and value of transactional activities, the directors therefore use revenue as a measure of the overall level of business activity and hence do not present non-financial KPIs.

Revenue decline is mainly due to COVID and associated "lockdown" which resulted in lower transactions and therefore a reduction in transactional revenue. We also offered customer concessions as a goodwill gesture during the first lockdown.

The operating profit increased due to reduction in advertising costs and additional exchange gain in the year.

Future developments

During the year ended 31 March 2021, the COVID pandemic continued to impact on the UK. The majority of the Company's subscriptions have been renewed, but the transactional based services declined due to the impact of the various lockdowns. There has since been a gradual increase in the company's revenues which are forecast to return to pre pandemic levels for the year ended 31 March 2022.

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. The Company will continue to focus on assisting its customers through innovative product development to meet their needs.

Financial risk management objectives and policies

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 Global Holding Corp, has determined the guidelines in managing the Company financial risks. In order to minimise costs and maximise the resources available, Solera Global Holding Corp has centralised all of the group's risk management. Solera Global Holding Corp 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.

HPI LIMITED

Strategic report (continued) For the year ended 31 March 2021

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties affecting the Company are:

Economic

As detailed above, the COVID lockdowns restricted the number of transactions undertaken; the lifting of those saw a recovery in trading activities and the directors expect that as the economy continues to open up this recovery will continue. However, the risk of future pandemic related restrictions gives some uncertainty on how long this process will take.

The exit from the EU has not had a significant immediate impact on the Company.

Competition

The Company operates in a competitive environment, which could be exacerbated by any economic downturn. 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.

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 the management of risk and ability to provide continuity of services, the Company has undertaken and achieved accreditation in ISO 27001 the International standard in Information Security and BS 25999 British standard for Business Continuity.

Credit risk

To manage trading credit risk, credit terms are only provided to key accounts where an appropriate payment history can be demonstrated and credit worthiness procedures have been satisfied.

The Company's most significant credit exposure is to other group companies; the risk is not considered to be significant.

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.

Directors duties

Section 172 of the Companies Act 2006 sets out company directors' duties and the narrative below explains how the Company's directors fulfilled those duties in the year:

The Company is a subsidiary of Solera Holdings Inc and follows the same corporate core values:

- Leading with integrity
- Being respectful and inclusive
- Delivering innovation that matters
- Relentlessly committed to customer success
- Winning together

The directors of the Company seek to instil these core values on all staff by leading by example.

HPI LIMITED

Strategic report (continued) For the year ended 31 March 2021

The Group leadership team sets out the vision and mission of the Group, which the Company's directors use to set the Company's four year rolling strategic plan, which is reviewed and updated throughout the year. The plan gives a road map for the development of the Company's products, which is refined through conversations with customers, assessing their future needs and how the Company may help them meet those needs, maximising customer value.

The Company has no employees, but as well as customers, other key stakeholders are certain suppliers to the Company and the ultimate owners of the Company.

The Company works with key suppliers to identify emerging opportunities for both the Company and the relevant suppliers, and expand the dissemination of the suppliers' products within the Company's service offerings.

The Company seeks to be a good corporate citizen through initiatives to reduce its carbon footprint (see below), through charity giving and local charitable initiatives.

Key decisions in the year included:

- the Company's response to COVID-19, which resulted in all staff working from home to protect them, their families and the wider population; and
- the decision to create a centre of excellence for key support activities, to further enhance customer service.

The directors consider that anticipating and meeting the needs of the customers is key to the Company's success and therefore the success of its employees within the business. When making these decisions, the directors considered their long-term impact on the Company and its stakeholders and have implemented new measures to ensure that previous high standards are maintained.

Energy and carbon reporting

The Company's carbon emissions and energy usage for the year ended 31 March 2021 were:

	Combustion of gas		Use of electricity		Transport		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
CO ₂ emissions (tonnes)	-	-	325	380	-	-	325	380
Energy usage (kWh)	-	-	1,394,824	1,486,195	-	-	1,394,824	1,486,195

The energy usage from the use of electricity is derived from meter readings, or where those are not available, average office energy usage per square metre of floor space. The energy usages are converted to tonnes of CO₂ using Government data.

The company has set an intensity ratio (in accordance with the requirements of the Companies Act) as the tonnes of CO₂ emissions per £1 million of turnover. For 2021, the ratio is 7.5 tCO₂e (2020: 8.17 tCO₂e).

HPI LIMITED

Strategic report (continued) For the year ended 31 March 2021

Financial position

The directors consider the Company's financial position as at the year end is satisfactory. The Company remits excess cash to its parent, which results in an increasing inter-company balance which comprises the majority of the debtor balance by value. The Company also has a significant balance with a fellow subsidiary as that subsidiary remits its excess cash to the Company (and in turn the cash is passed onto the parent). The Company continued to be funded primarily by its retained reserves.

This report was approved by the board and signed on its behalf.



B Heath
Director

20 December 2021

HPI LIMITED

Directors' report For the year ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Results and dividends

The profit for the year, after taxation, amounted to £25,093k (2020 - £24,906k).

No dividends were paid or proposed during the year (2020 - £Nil).

Directors

The directors who served during the year were:

D L Babin Jr

B L Heath (appointed 12 June 2020)

R Rogozinski

C Wright

J M Brady (resigned 01 July 2020)

F J C Overtoom (resigned 12 June 2020)

Energy and carbon reporting

Information on energy usage and greenhouse gas emissions is given in the Strategic Report and forms part of this report by cross reference.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of signing. 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 note 2 of the notes to the financial statements.

Future developments

Details of future developments can be found in the Strategic Report and form part of this report by cross reference.

Post balance sheet events

There have been no events affecting the Company since the year end.

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report and form part of this report by cross reference.

Engagement with suppliers, customers and others

Details of how the Company engages with suppliers, customers and others are set out in the Strategic Report within the Directors' duties statement and form part of this report by cross reference.

HPI LIMITED

Directors' report (continued) For the year ended 31 March 2021

Disclosure of information to auditor

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

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

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

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

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



B Heath
Director

20 December 2021

HPI LIMITED

Directors' responsibilities statement For the year ended 31 March 2021

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 of HPI Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year 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 which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 21.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

HPI LIMITED

Independent auditor's report to the members of HPI Limited Report on the audit of the financial statements (continued)

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

HPI LIMITED

Independent auditor's report to the members of HPI Limited Report on the audit of the financial statements (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements . These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty .

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Manual adjustments to revenue: we have tested design and implementation of controls involving management revenue adjustments and estimation process; we have used journal entry detail to identify manual entries to revenue and ensured the appropriateness of each entry selected; we reconciled the transaction system subledger of revenue to that of the GL, ensuring all manual entries are included in the population subject to testing.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

HPI LIMITED

Independent auditor's report to the members of HPI Limited Report on the audit of the financial statements (continued)

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 year 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

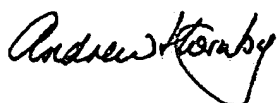
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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.



Andrew Hornby FCA (Senior Statutory auditor)
for and on behalf of
Deloitte LLP
Statutory auditor
Reading
UK
20 December 2021

HPI LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

		Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
	Notes		
Turnover	4	42,921	46,519
Cost of sales		<u>(7,965)</u>	<u>(9,436)</u>
Gross profit		34,956	37,083
Administrative expenses		<u>(4,553)</u>	<u>(6,917)</u>
Operating profit	5	30,403	30,166
Interest receivable and similar income	7	<u>463</u>	<u>465</u>
Profit before taxation		30,866	30,631
Tax on profit	10	<u>(5,772)</u>	<u>(5,725)</u>
Profit for the financial period		<u>25,093</u>	<u>24,906</u>

There was no other comprehensive income for 2021 (2020 - £Nil). Therefore, a separate statement of other comprehensive income has not been presented.

The notes form part of these financial statements.

All revenues and profits are from continuing operations.

HPI LIMITED

Balance Sheet

As at 31 March 2020

		31 March 2021 £'000	31 March 2020 £'000
	Notes		
Fixed assets			
Tangible assets	11	1,217	1,351
Investment in subsidiary	12	27,681	27,681
		<u>28,898</u>	<u>29,032</u>
Current assets			
Debtors	13	325,106	232,068
Cash at bank and in hand		4,712	1,969
		<u>329,818</u>	<u>234,037</u>
Creditors: amounts falling due within one year	14	<u>(180,475)</u>	<u>(109,922)</u>
Net current assets		<u>149,343</u>	<u>124,115</u>
Total assets less current liabilities		<u>178,241</u>	<u>153,147</u>
Net assets		<u>178,241</u>	<u>153,147</u>
Capital and reserves			
Share capital	17	30	30
Share premium	18	2,775	2,775
Capital Contribution Reserve	18	5,176	5,176
Profit and loss account	18	170,260	145,166
Shareholders' funds		<u>178,241</u>	<u>153,147</u>

The financial statements of HPI Limited (registered number 04068979) were approved and authorised for issue by the board and were signed on its behalf by:



B Heath
Director

20 December 2021

The notes form part of these financial statements.

HPI LIMITED

Statement of Changes in Equity

For the year ended 31 March 2021

	Called-up share capital £'000	Share premium account £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 31 March 2019	30	2,775	5,176	120,260	128,241
Comprehensive income for year					
Profit for the financial year	-	-	-	24,906	24,906
Total comprehensive income for year	-	-	-	24,906	24,906
At 31 March 2020	30	2,775	5,176	145,166	153,147
Comprehensive income for year					
Profit for the financial year	-	-	-	25,093	25,093
Total comprehensive income for year	-	-	-	25,093	25,093
At 31 March 2021	30	2,775	5,176	170,260	178,241

HPI LIMITED

Notes to the financial statements For the year ended 31 March 2021

1 General information

HPI Limited is a private company under the Companies Act 2006, limited by shares, incorporated in the United Kingdom and registered in England and Wales (registered number: 04068979). The registered office address is Capitol House, Bond Court, Leeds, LS1 5EZ.

The nature of the company's operations and its principal activities are set out in the strategic report.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Solera Parent Holding LLC as at 31 March 2021 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated accounts

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 21).

HPI LIMITED

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies (continued)

2.4 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 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.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 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.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

HPI LIMITED

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies (continued)

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	over 40 years
IT equipment	over 3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Impairment

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.

2.11 Investments

Fixed asset investments are shown at cost less provision for impairment.

HPI LIMITED

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies (continued)

2.12 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

HPI LIMITED

Notes to the financial statements For the year ended 31 March 2021

2 Accounting policies (continued)

2.13 Current and deferred 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.

HPI LIMITED

Notes to the financial statements For the year ended 31 March 2021

3 Judgements in applying accounting policies 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 year. 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 areas involving 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.

Management considers whether there are indicators of impairment of the Company's investments in subsidiaries, or of its receivables balances with fellow group undertakings. Factors taken into consideration in reaching a decision include assumptions and estimates made to determine 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.

HPI LIMITED

Notes to the financial statements

For the year ended 31 March 2021

4 Turnover	2021	2020
	£'000	£'000
Turnover from the Company's principal activity	42,921	46,591
	42,921	46,591

Turnover consists of sales made in the United Kingdom.

5 Operating profit is after charging:	2021	2020
	£'000	£'000
Depreciation of tangible fixed assets	133	250
Rentals under operating leases	96	47
Foreign exchange (loss)/gain	(13)	401

6 Auditor's remuneration	2021	2020
	£'000	£'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	53	56

There were no fees payable to the Company's auditor and its associates for non-audit services (2020 - £Nil).

7 Interest receivable and similar income	2021	2020
	£'000	£'000
Interest receivable from fellow subsidiary undertakings	448	449
Bank interest receivable	15	15
	463	465

HPI LIMITED

Notes to the financial statements

For the year ended 31 March 2021

8 Staff

All staff are employed by a fellow subsidiary, CAP HPI limited, and the company has no employees (2020 - none).

9 Directors' remuneration

	2021 £'000	2020 £'000
Emoluments	124	75
Contribution to money purchase pension scheme	6	4
	<u>130</u>	<u>79</u>
	No.	No.
The number of directors who:		
Are members of a money purchase pension scheme	<u>2</u>	<u>1</u>

HPI LIMITED

Notes to the financial statements

For the year ended 31 March 2021

10 Taxation	2021 £'000	2020 £'000
Corporation tax		
UK Corporation tax	5,836	5,795
Adjustment in respect of prior years	(4)	(63)
Total current tax	5,832	5,732
Deferred tax		
Origination and reversal of timing differences	61	43
Effect of change in tax rate on opening liability	(120)	(45)
Adjustment in respect of prior years	(1)	(5)
Total deferred tax	(60)	(7)
Taxation on profit	5,772	5,725

Factors affecting tax charge for the year

The standard rate of tax applied to reported profit is 19% (2020: 19%).

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

The reduction in the rate of corporation to 17% that was to be effective from 1 April 2020 has now been reversed and legislation enacted to increase the effective rate of corporation tax to 25% with effect from 1 April 2023.

The effective rate of corporation tax from 1 April 2020 remains at 19%. Deferred tax balances have been calculated at the rate of 19% (2020: 19%).

	2021 £'000	2020 £'000
Profit before tax	30,866	30,631
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	5,864	5,820
Effects of:		
- Expenses not deductible for tax purposes	18	18
- Impact of change in rate	(106)	(45)
- Adjustments to tax charge in respect of previous periods	(5)	(68)
Total tax charge for the year	5,772	5,725

HPI LIMITED

Notes to the financial statements For the year ended 31 March 2021

11 Tangible fixed assets

	Freehold buildings £'000	IT equipment £'000	Total £'000
Cost or valuation			
At 1 April 2020	1,521	2,986	4,507
Additions	-	-	-
At 31 March 2021	<u>1,521</u>	<u>2,986</u>	<u>4,507</u>
Depreciation			
At 1 April 2020	277	2,880	3,157
Charge for the year	60	74	133
At 31 March 2021	<u>336</u>	<u>2,953</u>	<u>3,290</u>
Net book value			
At 31 March 2021	<u>1,185</u>	<u>32</u>	<u>1,217</u>
At 1 April 2020	<u>1,245</u>	<u>106</u>	<u>1,351</u>

12 Investment in subsidiary

	2021 £'000	2020 £'000
Investment in subsidiaries		
Cost and net book value at 1 April 2020 and 31 March 2021	<u>27,681</u>	<u>27,681</u>

At 31 March 2021, the Company has investments in the following subsidiary undertakings:

Subsidiary	Registered office	Principal activity	Holding % (ordinary share capital)
Carweb Limited	Capitol House, Bond Curt, Leeds, United Kingdom, LS1 5EZ	Supply of vehicle data	100

HPI LIMITED

Notes to the financial statements

For the year ended 31 March 2021

13 Debtors	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	10,217	8,259
Amounts due from parent undertakings	303,089	206,880
Amounts due from fellow subsidiary undertakings	-	5,125
Deferred tax asset (see note 16)	440	380
Prepayments and accrued income	153	182
Other debtors	-	36
Amounts falling due after more than one year:		
Amounts due from parent undertakings	11,206	11,206
	325,106	232,068

The amounts due from parent undertakings include a loan receivable of £11,206k (2020 - £11,206k) that bears interest at a rate of 4% (2020 - 4%) per annum and is repayable on demand. The remaining amounts due from parent and fellow subsidiary undertakings are unsecured, non interest bearing and are repayable on demand.

14 Creditors: amounts falling due within one year	2021 £'000	2020 £'000
Trade creditors	847	346
Amounts owed to subsidiary undertakings	20,651	16,298
Amounts owed to fellow subsidiary undertakings	150,631	86,084
Taxation and social security	1,787	2,599
Corporation tax	4,847	3,311
Accruals and deferred income	1,446	1,024
Provisions (Note 15)	266	260
	180,475	109,922

Amounts due to subsidiary and fellow subsidiary undertakings are unsecured, non interest bearing and are repayable on demand.

15 Provisions	Warranty provision £'000	Total £'000
At 1 April 2020	260	111
Additions	557	313
Utilised	(550)	(164)
At 31 March 2021	266	260

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.

HPI LIMITED

Notes to the financial statements

For the year ended 31 March 2021

16 Deferred tax asset	2021	2020
	£'000	£'000
Balance at 1 April 2020	380	373
Charge to profit and loss for the year	60	7
Balance at 31 March 2021	440	380
The deferred tax asset is made up as follows:	2021	2020
	£'000	£'000
Depreciation in excess of capital allowances	440	380
	440	380
17 Called up share capital	2021	2020
	£'000	£'000
Called up, allotted and fully paid: 3,035,002 ordinary shares of 1p each	30	30

18 Reserves

Share premium

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

Capital contribution

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.

Profit and loss account

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

HPI LIMITED

Notes to the financial statements

For the year ended 31 March 2021

19 Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £'000	2020 £'000
Other		
Not later than 1 year	78	38
Later than 1 year and not later than 5 years	72	50
	<u>150</u>	<u>88</u>

20 Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned companies.

21 Ultimate controlling party

The immediate parent undertaking is HPI Holdings Limited, a company registered in England and Wales, registered office Capitol House, Bond Court, Leeds, LS1 5EZ, UK.

During the year ended 31 March 2021, the parent company of the smallest and largest group for which consolidated accounts are prepared which include the company was Solera Parent Holding LLC, which is incorporated in the USA. The financial statements of Solera Parent Holding LLC may be obtained from its registered office at 7 Village Circle, Suite 100, Westlake, TX 76262, USA. After the end of the year, the parent company of the smallest and largest group for which consolidated accounts are prepared changed to Solera Global Holding Corp, which is incorporated in the USA.

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