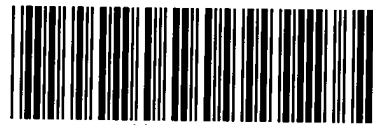


Company Registration No. 07113794

Telogis UK Ltd
Annual Report and Financial Statements
31 December 2014

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Telogis UK Ltd

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Telogis UK Ltd

Report and financial statements 2014

Officers and professional advisers

Directors

Arthur Newth Morris IV
David Cozzens

Registered Office

Hill House
1 Little New Street
London
EC4A 3TR

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Reading Central
23 Forbury Road
Reading
RG1 3JH

Telogis UK Ltd

Directors' report For the Year Ended 31 December 2014

The directors present their annual report and the audited financial statements of Telogis UK Limited for the year ended 31 December 2014.

This Directors' report has been prepared in accordance with the special provisions relating to small companies under s415a of the Companies Act 2006.

Country of incorporation

The company was incorporated in the United Kingdom on 30 December 2009.

Principal activities

The company's principal activity is as a developer of telematics, GPS, automatic vehicle location and other location – based services and software.

Business review

Total profit for the year amounted to \$326,920 (2013: \$119,819). The directors consider the result for the year to be satisfactory.

Financial instruments

The risk management policies employed by the company to manage risks are discussed in note 18 to the financial statements.

Going concern

The directors continue to adopt the going concern basis in preparing the financial statements. Telogis Inc. (the ultimate parent company) has agreed to provide financial support as and when required to enable the Company to meet its external obligation. Further details regarding the adoption of the going concern basis can be found in note 3 of the financial statements.

Dividends

No dividends have been paid during the year and to the date of signing the financial statements. The directors do not recommend the payment of a final dividend (2013: \$nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Arthur Newth Morris IV
David Cozzens (appointed 27 June 2014)


Statement of disclosure of information to auditors

The persons who are directors at the date of approval of these financial statements confirm that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that he ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PricewaterhouseCoopers LLP have expressed their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed by order of the board:



Director
Arthur Newth Morris IV
September 25, 2015

Telogis UK Ltd

Statement of directors' responsibilities For the Year Ended 31 December 2014

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Telogis UK Ltd

Independent auditors' report to the members of Telogis UK Ltd

Report on the financial statements

Our opinion

In our opinion, Telogis UK Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit and cash flows for the year then ended;
 - have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements comprise:

- the statement of financial position as at 31 December 2014;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Telogis UK Ltd

Independent auditors' report to the members of Telogis UK Ltd (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Christopher Boreham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

29 September 2015

Telogis UK Ltd

Statement of comprehensive income Year ended 31 December 2014

		Year ended 31 December 2014 \$	Year ended 31 December 2013 \$
	Notes		
Revenue	5	4,180,898	3,272,533
Gross profit		<u>4,180,898</u>	<u>3,272,533</u>
Expenditure			
Distribution costs		(3,557,837)	(2,899,339)
Administrative expenses		(104,410)	(145,603)
Other expenses		(112,414)	(71,758)
Operating profit	6	<u>406,237</u>	<u>155,833</u>
Profit before tax		<u>406,237</u>	<u>155,833</u>
Tax	7	<u>(79,317)</u>	<u>(36,014)</u>
Total profit for the year	16	<u><u>326,920</u></u>	<u><u>119,819</u></u>

The notes on pages 9 to 16 form part of these financial statements.

The company's results for the years above are derived entirely from continuing activities and are wholly attributable to owners of the parent.

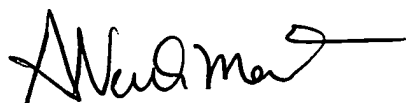
There are no items which would be recognised in a separate statement of comprehensive income other than the net profit for the year and therefore, the company has adopted the approach allowable in IAS 1.81(a) to present one statement of comprehensive income.

Telogis UK Ltd

Statement of financial position As at 31 December 2014

	Notes	2014 \$	2013 \$
Assets			
Non-current assets			
Property, plant and equipment	12	218,518	168,041
Current assets			
Trade and other receivables	13	978,842	594,532
Total assets		<u>1,197,360</u>	<u>762,573</u>
Liabilities			
Current liabilities			
Current tax liabilities		110,364	65,225
Trade and other payables	14	487,146	424,570
Non-current liabilities			
Deferred tax liabilities	8	-	-
Total liabilities		<u>597,510</u>	<u>489,795</u>
Equity			
Called-up share capital	15	154	2
Retained earnings	16	599,696	272,776
Total equity		<u>599,850</u>	<u>272,778</u>
Total equity and liabilities		<u>1,197,360</u>	<u>762,573</u>

The financial statements on pages 6 to 16 of Telogis UK Limited, (registered number 07113794) were approved by the Board of Directors and signed on behalf by:



Director

Arthur Newth Morris IV
September 25, 2015

Telogis UK Ltd

Statement of changes in equity Year ended 31 December 2014

	Called-up Share capital \$	Retained earnings \$	Total \$
Balance at 31 December 2013	2	272,776	272,778
Total profit for the year	-	326,920	326,920
Proceeds from shares issued	152	-	152
Balance at 31 December 2014	<u>154</u>	<u>599,696</u>	<u>599,850</u>

Telogis UK Ltd

Notes to the financial statements Year ended 31 December 2014

1. General information

The company is a limited company incorporated on 30 December 2009 and domiciled in the UK. The parent enterprise is Telogis, Inc., a US Company.

The address of its registered office is Hill House, 1 Little New St, London EC4A 3TR and the company registration number is 07113794.

2. Adoption of new and revised standards

During the year, no new accounting standards became effective which had a significant impact on the financial statements.

The following new Standards and amendments to existing Standards which have not been applied in the financial statements were in issue but not yet effective.

IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016)

IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2017)

IFRS 9, 'Financial instruments' (effective 1 January 2018)

Amendment to IFRS 9, 'Financial instruments' on hedge accounting (effective 1 January 2018)

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the company in future periods.

3. Accounting policies

The principal accounting policies applied in preparation of the financial statements are set out below. These policies have been consistently applied to all years presented.

Going concern

The directors consider the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate. In coming to this conclusion, the directors have considered the cash requirements of the company for the period of 12 months from the signing of the financial statements. Telogis Inc. (the ultimate parent company) has agreed to provide financial support as and when required to enable the Company to meet its external obligation.

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

Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, the Companies Act 2006 that applies to companies reporting under IFRS, the IFRS Interpretations Committee (IFRS IC) interpretations and have been prepared in accordance with the historical cost convention.

Capital Management

The Company is focused on delivering value for its shareholders whilst ensuring the group is able to continue effectively as a going concern. The policies for managing capital are to increase shareholder value by maximising profits and cash. The policy is to set budgets and forecasts in the short and medium term that the company ensures are achievable. The process for managing capital is regular reviews of financial data to ensure that the company is tracking the targets set and to reforecast as necessary based on the most up to date information.

Telogis UK Ltd

Notes to the financial statements (continued) **Year ended 31 December 2014**

3. Accounting policies (continued)

Revenue recognition

Revenue represents amounts derived from the ultimate parent undertaking in the United States based on a mark-up on total costs incurred. Revenue can only be recognised when the costs incurred or to be incurred can be measured reliably.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Full provision is made for deferred taxation in respect of all differences in timing between the accounting and tax treatment of income and expenses. The timing differences are recognised as deferred tax liabilities or assets, measured at expected future tax rates. An asset is not recognised if the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities are not discounted.

Trade payables

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the year of the payable using the effective interest method. There is no difference in the year between fair value and amortised costs.

Cash

There have been no cash transactions and the company does not hold a bank account. All transactions are passed through the intercompany account held with the parent company Telogis Inc., therefore no cash flow statement has been prepared.

Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation and any provisions for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, over their expected useful lives using the straight line basis.

Fixtures and equipment 5 years

Foreign currencies

The company's functional currency is Sterling (GBP). The individual financial statements are presented in the currency of the primary economic environment of its parent company (US Dollar). For the purpose of presenting the financial statements in US Dollars, the monetary assets and liabilities are translated at exchange rates prevailing on the balance sheet date, which was US Dollars 1.5532: GBP 1 (2013: US Dollars 1.6488: GBP 1). Income and expense items are translated at the average exchange rates for the period, which was US Dollars 1.6476 GBP 1 (2013: US Dollars 1.5643: GBP 1), unless exchange rates fluctuate significantly during that period, in which case the rates at the date of transactions are used. Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

Telogis UK Ltd

Notes to the financial statements (continued) Year ended 31 December 2014

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their useful equipment life. Useful equipment life is based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for appropriateness.

5. Revenue

An analysis of the company's revenue which is wholly derived from its US parent is as follows:

	Year ended 31 December 2014 \$	Year ended 31 December 2013 \$
Cost plus basis on expenses	<u>4,180,898</u>	<u>3,272,533</u>

6. Operating profit

Operating profit is stated after charging:

	Year ended 31 December 2014 \$	Year ended 31 December 2013 \$
Research and development cost	-	1,388
Depreciation of property, plant and equipment	71,488	47,474
Operating lease payments	74,049	59,566
Net foreign exchange loss	32,592	15,468
Staff costs	<u>2,488,683</u>	<u>2,055,279</u>

Telogis UK Ltd

Notes to the financial statements (continued) Year ended 31 December 2014

7. Tax

	Year ended 31 December 2014 \$	Year ended 31 December 2013 \$
Current tax:		
Corporation tax on profits of the year	79,317	36,014
Adjustments in respect of prior years	-	-
Total current tax	79,317	36,014
Deferred tax	-	-
Income Tax Expense	79,317	36,014

The charge for the year can be reconciled to the profit per statement of comprehensive income as follows:

	2014 \$	%	2013 \$	%
Profit before tax	406,237		155,833	
Tax at the current tax rate of 21.5% (2013: 23.25%)	87,341	21.50%	36,231	23.25%
Expenses not deductible for tax purposes	(8,024)	9.19%	(217)	0.00%
Adjustments in respect of prior years	-	0.00%	-	0.00%
Effects of other tax	-	0.00%	-	0.00%
Tax expense and effective tax rate for the year	79,317	19.52%	36,014	23.25%

8. Deferred tax liabilities

The following is the deferred tax liability recognised by the company and movements thereon during the current and prior reporting years.

	Year ended 31 December 2014 \$	Year ended 31 December 2013 \$
Provision at start of years	-	-
Credit to statement of comprehensive income	-	-
As at 31 December 2014	-	-

No deferred tax assets have been offset against deferred tax liabilities. At the balance sheet date the company has no unused tax losses available for offset against future profits.

Telogis UK Ltd

Notes to the financial statements (continued) Year ended 31 December 2014

9. Auditors' remuneration

The analysis of auditors' remuneration is as follows:

	2014 \$	2013 \$
Fees payable to the company's auditors' for the audit of the company's annual financial statements:	22,521	17,989
Total audit fees	22,521	17,989
Tax services	6,213	-
Other services	6,289	-
Total non-audit fees	12,502	-

10. Cash flow statement

No cash is held by the company and all transactions are settled by the US Parent Company Telogis, Inc. As such, no cash flow statement has been produced.

11. Staff costs

The average monthly number of employees (including executive directors) was:

	2014	2013
Selling & administrative employees	22	18

Their aggregate remuneration comprised:

	2014 \$	2013 \$
Wages and salaries	2,180,081	1,806,071
Social security costs	255,149	200,438
Pension	53,453	48,770
	2,488,683	2,055,279

The directors are not remunerated by the company. The emoluments of the directors are borne by the parent company Telogis, Inc. The director's services to the company do not occupy a significant amount of his time. As such the directors do not consider that he has received any remuneration for his incidental services to the company for the year ending 31 December 2014.

Telogis UK Ltd

Notes to the financial statements (continued) Year ended 31 December 2014

12. Property, plant and equipment

	Fixtures and equipment \$
Cost	
At 1 January 2014	219,701
Additions	121,965
	<hr/>
At 31 December 2014	341,666
	<hr/>
Accumulated depreciation and impairment	
At 1 January 2014	51,660
Charge for the year	71,488
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At 31 December 2014	123,148
	<hr/>
Carrying amount	
At 31 December 2014	218,518
	<hr/>
At 31 December 2013	168,041
	<hr/>

13. Trade and other receivables

	2014 \$	2013 \$
Prepayments	75,592	34,238
Other debtors	145,933	28,044
Amounts due from parent company	757,317	532,250
	<hr/>	<hr/>
	978,842	594,532
	<hr/>	<hr/>

Amounts due from the parent company are interest free and repayable on demand.

14. Trade and other payables

	2014 \$	2013 \$
Trade creditors	111,892	73,802
Accruals	296,809	269,547
Other creditors	78,445	81,222
	<hr/>	<hr/>
	487,146	424,570
	<hr/>	<hr/>

Telogis UK Ltd

Notes to the financial statements (continued) Year ended 31 December 2014

15. Called-up share capital

	2014 \$	2013 \$
Authorised & Issued		
100 (2013:1) ordinary shares of GBP 1 each	154	2

16. Retained earnings

	\$
Balance at 1 January 2014	272,776
Profit for the year	326,920
Balance at 31 December 2014	599,696

17. Operating lease arrangements

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2014 \$	2013 \$
Within one year	74,340	38,953
Within two to five years	59,352	70,030

Operating lease payments represent rentals payable for certain of its office properties.

18. Financial instruments

The risk management policies employed by the company to manage risks are discussed below. The primary objectives of the financial instrument risk management function are to establish risk limits, and then ensure that exposure to risks stay within these limits.

Exchange rate risk

The company's functional currency is Pounds Sterling (GBP). However, during the year the company had exposure to US Dollars (US\$). The company's policy is to maintain natural hedges, where possible, by matching revenue and receipts with expenditure.

Telogis UK Ltd

Notes to the financial statements (continued) Year ended 31 December 2014

19. Related party transactions

Directors and officers

No directors or officers received any fees or emoluments from the company during the year. (2013: none)

Details of transactions between the company and related parties are disclosed below.

Trading transactions

All costs incurred in the profit and loss have been reimbursed by the parent company Telogis Inc. as no cash balances are held. Turnover is received from the parent company on a cost plus basis. These amounts make up the transaction balances below;

	Sales		Purchases	
	2014	2013	2014	2013
	\$	\$	\$	\$
Parent Company Telogis Inc.	4,180,898	3,272,533	3,774,660	3,116,700

The following balances were outstanding at the end of the financial year:

	Amounts owed by related parties		Amounts owed to related parties	
	2014	2013	2014	2013
	\$	\$	\$	\$
Parent Company Telogis Inc.	757,317	532,250	-	-

Services provided to and received from related parties were made at the company's standard trading terms and conditions.

The amounts outstanding are unsecured. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful accounts in respect of the amounts owed by related parties.

20. Ultimate controlling party

The company is a subsidiary undertaking of Telogis, Inc. a company incorporated in the USA. The smallest and largest group in which the results of the company are consolidated is that headed by Telogis, Inc. The ultimate holding company and controlling party is Telogis, Inc. The consolidated financial statement of this company are available to the public and may be obtained from its registered office located at Telogis, Inc. 20 Enterprise, Suite 100, Aliso Viejo, CA 92656.