INRIX Holdings UK Ltd

Annual report and financial statements
for the year ended 31 December 2019

Registered number: 07706774

STRATEGIC REPORT

For the year ended 31 December 2019

The Directors present their strategic report on the Group for the year ended 31 December 2019.

Principal activities and business review

The principal activity of the Company is to act as an intermediate holding Company and parent Company of the UK Group. The Company is a wholly owned subsidiary of INRIX, Inc. a privately held corporation based in Seattle, USA. INRIX is a provider of real-time, historical and predictive traffic information and its mission is to reduce traffic congestion by providing traffic and connected driving services across public sector, automotive, mobile, media and fleet markets to the world's one billion drivers.

The Group consists of a number of companies who collectively provide traffic information, focusing on the provision of road traffic and data services. The Group trading companies are:

- INRIX UK Ltd
- INRIX Media Ltd

Details of the Group's performance and financial position are given in the financial statements on pages 10 to 33.

Results and dividends

The Group's profit for the financial year after taxation amounted to £5,468,822 (2018: £2,942,839). No dividend was paid during the year (2018: Nil).

Principal risks and uncertainties

Competitive activity in the UK and elsewhere in the world is a continuing risk for the Group, which could result in it losing sales to its key competitors. The Group manages this risk through the provision of high-quality data, added value services to its customers, maintaining strong relationships with customers and by continuing technological advances in its research and development.

In providing services or data, the Group relies upon third party data suppliers and certain third-party contractors. There is always a risk that the Group could be let down by one or more of these suppliers. The Group minimises this risk by good project management and clear line of sight of the end deliverables.

Certain of the Group's transactions are undertaken in foreign currencies and it is therefore exposed to movements in the various exchange rates. The Group negates some of the exposure to exchange rate fluctuations by running foreign currency bank accounts in which it receives income and makes payments.

In June 2016 the UK electorate voted to discontinue its membership of the EU. The terms on which the United Kingdom will withdraw from the European Union are not clear and therefore it is not possible to fully evaluate the level of risk to the company. However, Management does not regard the level of risk as significant as the Group's customers are primarily UK based.

Since the balance sheet date there has been a global pandemic from the outbreak of Covid-19. Covid-19 continues to cause widespread disruption to normal patterns of business activity across the world, including the UK. The full impact of Covid-19 is still unknown, the Group is taking precautions to mitigate the potential impact on its staff, suppliers and customers.

Principal risks and uncertainties (continued)

The Group has developed a strong patent portfolio, which enables it to control and protect its technology and gives it the design freedom required to maintain technical superiority in the field. The strategic management of INRIX's intellectual property, particularly its patent assets, means ensuring that its patent rights are aligned with the commercial advantages of its traffic probe technologies, extending territorial patent coverage to support the Group's international business objectives and maintaining a leading position having regard to competitors. The Group ensures that its strategic decisions take account of the evolution of the patent landscape.

Key performance indicators

The Directors monitor the performance of the Group with reference to revenue and gross profit. The Group's revenue for the year increased by 3% from £22,811,962 to £23,557,982 (2018: 32% decrease from £33,319,940 to £22,811,962). Gross profit increased by 6% from £13,952,243 to £14,737,253 (2017: 32% decrease from £20,483,467 to £13,952,243).

Future prospects

Since the balance sheet date there has been a global pandemic from the outbreak of Covid-19. Covid-19 continues to cause widespread disruption to normal patterns of business activity across the world, including the UK. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy and the general population. Given the dynamic nature of these circumstances and potential business disruption, the Group could experience a significant short-term impact to operations. The Group will continue to monitor the situation closely, but given the uncertainty about the situation, it is unable to estimate the impact to the financial statements.

On behalf of the board

Aileen Holohan
Director
5th Floor, Station House
Stamford New Road
Altrincham
Cheshire
WA14 1EP

13 November 2020

DIRECTORS' REPORT

For the year ended 31 December 2019

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

Directors and their interests

The Directors who served the Company during the year and up to the date of signing the financial statements were as follows:

Aileen Holohan
Bryan Mistele

Adrian Beach (Resigned 18 January 2019)
Ryan Hjorten (Appointed 13 February 2019, Resigned 16 August 2019)

Dividends

The Directors do not recommend payment of a dividend (31 December 2018: £nil).

Directors indemnity provision

During the year, and up to the date of signing the financial statements, the Company had in place an indemnity provision in favour of the directors of the Company, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business

Statement of Directors' responsibilities in respect of the financial statements (continued)

- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Groups financial positions and financial performance

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable donations

Charitable donations during the year amount to £ nil (2018: £ nil).

Political donations

Political donations during the year amount to £ nil (2018: £ nil).

Going concern

The Directors have adopted the going concern basis of accounting in preparing these financial statements. Details of the Directors' considerations in these regards are given in note 1.

Since the balance sheet date there has been a global pandemic from the outbreak of Covid-19. Covid-19 continues to cause widespread disruption to normal patterns of business activity across the world, including the UK. The full impact of Covid-19 us still unknown, Management is closely monitoring the evolution of this pandemic and is taking precautions to mitigate the potential impact on its staff, suppliers and customers. The Directors have confirmed that they believe that the Group will be operating on a going concern for the duration of the pandemic.

Matters disclosed elsewhere within the financial statements

Required disclosures in relation to the Group's future prospects and dividends have been included within the Group's Strategic Report on page 2.

Financial risk management

Details of the Directors' considerations in this regard are given in note 1.

Information given to auditors

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

Independent auditors

Mazars LLP have indicated their willingness to continue in office, and pursuant to Section 487 of the Companies Act 2006 are deemed to be reappointed and will therefore continue in office.

On behalf of the board

Aileen Holohan
Director
5th Floor, Station House
Stamford New Road
Altrincham
Cheshire
WA14 1EP

13 November 2020

Independent auditors' report to the members of INRIX Holdings UK Ltd

Opinion

We have audited the group financial statements of INRIX Holdings UK Limited and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise a consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 13 and non- adjusting post balance sheet events on page 21.
Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.
The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which highlights that there is a cross guarantee in place with the parent entity, INRIX Inc. If amounts were called upon through the cross guarantee this could have a significant impact upon the Group and hence there is a material uncertainty in respect if the going concern for the company.
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. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on Inrix holdings Limited's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the director's report and strategic 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 this regard.

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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

Neil Barton

Neil Barton (Nov 16, 2020 17:24 GMT)

Neil Barton (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditors
Mazars LLP
One St Peter's Square
Manchester
M2 3DE

16 November 2020

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**2019** £	2018 £
Revenue	2	**23,557,982**	22,811,962
Cost of sales		**(8,820,729)**	(8,859,719)
Gross profit		**14,737,253**	13,952,243
Administrative expenses		**(9,287,671)**	(10,972,067)
Operating profit		**5,449,582**	2,980,176
Finance income	3	**19,240**	75
Finance costs	4	**-**	(37,412)
Profit on ordinary activities before taxation	5	**5,468,822**	2,942,839
Income tax credit	7	**-**	-
Profit for the financial year		**5,468,822**	2,942,839

The accompanying notes on pages 15 to 33 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£	£
Profit for the financial year	**5,468,822**	2,942,839
Total comprehensive income	**5,468,822**	2,942,839

The notes on pages 15 to 33 are an integral part to these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 DECEMBER 2019

	Note	31 December 2019 £	31 December 2018 £
Assets			
Non-current assets			
Intangible assets	8	**17,050,969**	17,529,497
Property, plant and equipment	9	**46,093**	127,068
Deferred income tax assets	7	**789,224**	789,224
		17,886,286	18,445,789
Current assets			
Trade and other receivables			
- Amounts falling due within one year	11	**18,949,684**	12,917,320
- Amounts falling due after more than one year	11	**573,755**	-
Cash and cash equivalents	12	**1,563,313**	970,339
		21,086,752	13,887,659
Total assets		**38,973,038**	32,333,448
Current liabilities			
Trade and other payables	13	**(14,169,583)**	(16,507,301)
		(14,169,583)	(16,507,301)
Non-current liabilities			
Trade and other payables	13	**(9,763,833)**	(6,255,347)
		(9,763,833)	(6,255,347)
Total liabilities		**(23,933,416)**	(22,762,648)
Net assets		**15,039,622**	9,570,800
Equity			
Called up share capital	14	**1**	1
Share premium	15	**21,816,727**	21,816,727
Accumulated loss	15	**(6,777,106)**	(12,245,928)
Total equity		**15,039,622**	9,570,800

The financial statements on pages 10 to 33 of INRIX Holdings UK Ltd, registered number 07706774, were approved by the board and authorised for issue on 13 November 2020. The notes on pages 15 to 33 are an integral part to these consolidated financial statements.

Aileen Holohan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up Share capital £	Share premium £	Accumulated losses £	Total equity £
Cost				
At 1 January 2018	**1**	**21,816,727**	**(15,188,767)**	**6,627,961**
Profit for the financial year	-	-	2,942,839	2,942,839
Total comprehensive income for the year	-	-	2,942,839	2,942,839
At 31 December 2018	**1**	**21,816,727**	**(12,245,928)**	**9,570,800**
At 1 January 2019	1	21,816,727	(12,245,928)	9,570,800
Profit for the financial year	-	-	5,468,822	5,468,822
Total comprehensive income for the year	-	-	5,468,822	5,468,822
At 31 December 2019	**1**	**21,816,727**	**(6,777,106)**	**15,039,622**

The notes on pages 15 to 33 are an integral part to these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
Cash flows from operating activities		**£**	£
Cash generated from (used in) from operations	19	**602,034**	(1,112,524)
Net cash generated from (used in) operating activities		**602,034**	(1,112,524)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(9,097)**	(56,888)
Interest received		**37**	75
Net cash generated from (used in) investing activities		**(9,060)**	(56,813)
Net increase (decrease) in cash and cash equivalents		**592,974**	(1,169,337)
Cash and cash equivalents at beginning of year		**970,339**	2,139,676
Cash and cash equivalents at end of year		**1,563,313**	970,339

The notes on pages 15 to 33 are an integral part to these consolidated financial statements.

Notes to the financial statements

1 General information and principal accounting policies

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office is 5th Floor, Station House, Stamford New Road, Altrincham, Cheshire WA14 1EP.

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

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and interpretations issued by the International Financial Reporting Standards Interpretation Committee ("IFRS IC") and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared on the historical cost basis. The consolidated financial statements are presented in Sterling and all values are presented in Sterling (£).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in section (r).

New and amended standards adopted by the Group

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures.
The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4. The company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, the company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term. On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 5%.

1 General information and principal accounting policies (continued)

The land and buildings right of use asset consists of office space rented until October 2026

	Land and buildings £
Cost	
At 1 January 2019 and 31 December 2019	974,240
Accumulated depreciation	
At 1 January 2019	202,967
Charge for the year	82,686
At 31 December 2019	285,653
Net book value	
At 31 December 2019	688,587
At 31 December 2018	771,273

Lease liabilities included in the statement of financial position

	Land and buildings
At 1 January 2019	202,967
Charge for the year	82,686
At 31 December 2018	771,273

b) Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2019. The results of subsidiaries acquired are consolidated for the period on which control was passed. Business combinations are accounted for under the acquisition method. Acquisition-related costs are expensed as incurred. Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to provide its own profit and loss account.

c) Going concern

In carrying out their duties in respect of going concern basis of accounting, the Directors have carried out a review of INRIX Holding's UK Ltd Group's financial position for a period of at least of 12 months from the date of signing these financial statements. This has been based on a comprehensive review of revenue and expenditure and resultant cash flows, taking into account reasonable sensitivities and specific business risk and uncertainties brought about by the current economic environment. The forecasts have been prepared taking into account the current economic environment, particularly in relation to new car sales and penetration of navigation units therein. The Group is heavily dependent upon new car sales in the UK for its RDS-TMC income, especially in the premium brand segment. Even though new car sales fell overall in the year, the sales of new cars for the Group's main customers rose and this along with increasing penetration gave rise to an increase in RDS-TMC income in the year. There is always a risk that the previously encountered downward trend could reoccur. The Group will continue to monitor its costs in relation to sales performance in the coming year.

1 General information and principal accounting policies (continued)

c) Going concern (continued)

There is a cross guarantee in place with the parent entity, INRIX Inc. Within the Inrix Inc Financial Statements, there is an emphasis of matter paragraph highlighting doubts over the group's ability to continue as a going concern. It is noted that this issue has arisen due to the groups desire to invest resource into expanding and establishing revenue markets, which in turn has resulted in losses from operations.

Inrix Inc is committed to executing a 2020 plan that results in positive cash flows from operations and continued improvement in financial performance. While the group is forecast to make losses again in the next financial year, cash position is positive, and therefore it is not deemed likely that any amounts will be called upon through the cross guarantee. However, if amounts were called upon through the cross guarantee this could have a significant impact upon the company and hence there is a material uncertainty in respect of going concern for the company.

The Directors review cash flow on a weekly basis. The Group had £1,563,313 in cash and cash equivalents at 31 December 2019 (31 December 2017: £970,339). The INRIX Holdings UK Ltd Company is in a net liabilities position at year-end; however, there is sufficient liquidity within its subsidiaries that they will be able to meet these liabilities as they fall due and therefore if viewed in isolation this entity is considered a going concern.

Since the balance sheet date there has been a global pandemic from the outbreak of Covid-19. Covid-19 continues to cause widespread disruption to normal patterns of business activity across the world, including the UK. The full impact of Covid-19 us still unknown, Management is closely monitoring the evolution of this pandemic and is taking precautions to mitigate the potential impact on its staff, suppliers and customers. The Directors have confirmed that they believe that the Group will be operating on a going concern for the duration of the pandemic.

d) Revenue

Revenue comprises the fair value of consideration received or receivable from the sale of goods and services in the normal course of business. All revenue excludes VAT and trade discounts and is derived in the United Kingdom from the Company's principal activity, including data subscriptions and sales of current data and historical data. The Company derives revenue primarily from subscription-type arrangements. Over the subscription period the Company provides data on a continuous basis and revenue is recognised over a period selected by the company which reflects the timing, nature and value of the service. Where revenue is deferred over a period greater than 12 months, the fair value is calculated by discounting the amounts receivable at a risk-free rate of interest. Current data is provided to customers via our interactive voice response platform and the related revenue is recognised when delivery occurs. Historical data purchases are a onetime purchase of historical traffic data and the related revenue is recognised when delivery occurs

e) Segment reporting

The group's principal activity is the supply of traffic data via subscriptions and onetime supplies of current and historical data, which is considered by the Chief Operating Decision Maker to represent one reportable operating segment.

1 General information and principal accounting policies (continued)

f) Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

g) Intangible assets

(i) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.
For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination.
Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and us not subsequently reversed.

Goodwill arising on acquisitions before the transition date to IFRS has been retained at the previous UK GAAP amount, subject to being tested for impairment at that date.

(i) Patents

Separately acquired patents are shown at historical cost. Patents acquired in a business combination are recognised at fair value at the acquisition date. Patents have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of patents over their estimated useful lives of 7 years.

h) Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any recognised impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided at rates calculated to write off the cost to the residual value of each asset on a straight-line basis over its expected useful life as follows:

Fixtures and fittings	20% to 33%
Motor vehicles	33%
Computer and office equipment	25% to 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

1 General information and principal accounting policies (continued)

i) Leases

IFRS 16 changes how the Company financial statements for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Company:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments
- Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16

The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- The Group has elected not to recognise right of use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application;
- The Group has excluded initial direct costs from the measurement of the right of use asset at the date of initial application; and
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease

j) Taxation

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 Group's taxable profits and its results as stated in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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 underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1 General information and principal accounting policies (continued)

k) Pensions

The Group operates a defined contribution pension scheme and the pension costs charged against profits represent the amount of contributions payable to the scheme in the year. Differences between contributions payable and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

l) 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.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets as at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the statement of comprehensive income. All other exchange differences are included in the income statement.

m) Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the group becomes a party to the contractual provisions of the instrument. Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

o) Trade and other receivables

Trade and other receivables are recognised initially at fair value less provision for impairment. Subsequent to initial recognition, receivables are measured at amortised cost, using the effective interest method.

A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is charged to the income statement within administrative expenses.

p) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

q) Share capital

Ordinary shares are classed as equity.

1 General information and principal accounting policies (continued)

r) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements

(i) Revenue and profit recognition

Amounts of revenue and profit recognised under contracts for the provision of traffic information services are derived primarily from subscription type arrangements. Those arrangements require the Group to broadcast data on a continuous basis, subject to the maintenance of a current Ofcom broadcast licence. As there are no contractual subscription end dates, the Group has followed the guidance within IAS18 and recognises subscription type revenue over a period of four years which reflects the timing, nature and value of the services provided. If the period over which subscription type revenue was increased to five, or decreased to three years, there would be a material impact on the financial statements.

(ii) Goodwill impairment

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated on page 17. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates, both in arriving at expected future cash flows and a suitable discount rate in order to calculate the present value of these flows.

s) Financial risk management

(i) Financial risk factors

The Group is exposed to market risk, credit risk and liquidity risk. Given the size of the Group, the Directors have not established a sub-committee of the Board to monitor financial risk management, but have established policies that are implemented and monitored by the Board. It is the group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Management regularly review our cash position to ensure sufficient funds are available to meet our obligations as they fall due.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

1 General information and principal accounting policies (continued)

s) Financial risk management (continued)

(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the purchase and sale of goods in foreign currency (principally Euro's and US Dollar). The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases.

(vi) Counterparty risk

The group's counterparty risk in respect of its cash and cash equivalents is mitigated by the use of various banks each with strong credit ratings.

(vii) Credit risk

Credit risk is managed on a group basis. Credit risk arises from credit exposure to customers, including outstanding receivables and committed transactions. For customers, credit checks are undertaken which takes into account financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings and these rates are reviewed regularly by the finance function. The Group also has credit insurance in place to mitigate against credit risk.

General information and principal accounting policies (continued)

s) Financial risk management (continued)

(vii) Credit risk (continued)

A provision for impairment of trade receivables and other receivables has been estimated by management and is based on prior experience and known factors at the balance sheet date after taking into account collateral held in the form of cash deposits and fixtures and fittings. Receivables are written off against the provision for impairment when management considers that the debt is no longer recoverable.

The Group has no significant concentration of credit risk in respect of its customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

(viii) Capital Management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and to maintain an optimal capital structure to minimise the Group's cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the wider INRIX Group. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group holds only intercompany borrowings which are controlled and monitored at an INRIX, Inc. level and as such does not have specific policies for INRIX Holdings UK Ltd as a stand-alone Group.

Notes to the financial statements (continued)

2 Revenue

The revenue is wholly attributable to the group's principal activities. The analysis of revenue by geographical market is as follows:

	2019	2018
	£	£
United Kingdom	13,452,750	14,018,231
Rest of Europe	10,105,232	8,648,984
Rest of world	-	144,747
	23,557,982	22,811,962

3 Finance income

	2019	2018
	£	£
Unwinding of discount on deferred revenue	19,203	-
Other interest receivable	37	75
	19,240	75

4 Finance costs

	2019	2018
Unwinding of discount on deferred revenue	-	37,412

5 Profit on ordinary activities before taxation

	2019	2018
	£	£
Depreciation of property, plant and equipment (note 9)	90,072	105,248
Amortisation of intangible assets (note 8)	478,528	478,529
Fees payable to auditors for the audit of group financial statements	31,500	30,000
Fees payable to auditors for other services to the group	5,550	5,250
Rentals under operating leases:		
- Land and buildings	148,056	271,281
Staff costs (note 6)	5,366,143	5,694,809

Notes to the financial statements (continued)

6 Staff costs

The average monthly number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2019 Number	2018 Number
Operations	**170**	170
Administration	**10**	10
	180	180

Their aggregate remuneration comprised	2019	2018
	£	£
Wages and salaries	**4,787,920**	5,092,636
Social security costs	**386,542**	428,693
Other pension costs (see note 17)	**191,681**	173,480
	5,366,143	5,694,809

Bryan Mistele, Adrian Beech and Ryan Hjorten were remunerated by the ultimate parent Company, INRIX, Inc. with no recharge. The remuneration of Directors employed by the Group was as follows:

	2019 £	2018 £
Emoluments	**152,558**	139,778
Money purchase pension contributions	**16,944**	16,331
	169,502	156,109

During the year, the Group contributed to the defined contribution group personal pension scheme for one Director (2018: one Director).

Notes to the financial statements (continued)

7 Income tax credit

Tax on profit on ordinary activities:	2019	2018
	£	£
UK Corporation tax		
Current tax on profits for the year	3,912	-
Total	3,912	-
Foreign tax		
Current year	-	-
Adjustment to tax charge in respect of previous periods	-	-
Total current tax	-	-
Deferred tax		
Originating and reversal of timing differences	-	-
Effect of changes in tax rate on opening liabilities	-	-
Total	-	-
Total tax charge	3,912	-

7 Income tax credit (continued)

Factors affecting the tax credit for the current year

The current tax credit for the year is lower (2018: lower) than the standard rate of corporation tax in the UK at 19% (2018: 19%). The difference is explained below

	2018	2018
	£	£
Profit before tax	5,468,822	2,942,839
Tax at the standard UK corporation tax rate of 19% (2018: 19%)	1,039,076	559,139
Income not taxable	-	-
Expenses not deductible for tax purposes	416	1,071
Adjustment to tax charge in respect of previous periods	(219,090)	-
Utilisation of losses brought forward	(24,808)	(90,942)
Tax losses and other temporary differences	(791,682)	(469,268)
Total tax charge	3,912	-

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The movement in the deferred tax asset is set out below:

Deferred tax asset	£
At 1 January 2019	789,224
Current year movement – profit and loss account	120,982
Rate change adjustments	(120,982)
At 31 December 2019	789,224

The deferred tax asset recognised relates to accumulated tax losses of the group and is presented as a non-current asset. The group has further accumulated tax losses of £4,642,494 (2018: £8,453,971). No deferred tax asset has been recognised in respect of these losses due to the uncertainty inherent in forecasting profits for the period of time over which those losses would be recovered.

In the Budget 2020, the government announced that the Corporation Tax main rate for the years staring 1 April 2020 and 2021 would remain at 19%. Accordingly, deferred tax balances have been revalued to the rate of 19% (2018:17%) in these accounts to the extent that timing differences are expected to reverse after this date.

8 **Intangible assets**	Goodwill	Patents	Total
	£	£	£
Cost			
At 1 January 2018, 31 December 2018 and 2019	**41,408,366**	**3,796,752**	**45,205,118**
Accumulated amortisation			
At 1 January 2018	25,801,933	1,395,159	27,197,092
Charge for the year	-	478,529	478,529
At 31 December 2018	**25,801,933**	**1,873,688**	**27,675,621**
Charge for the year	-	478,528	478,528
At 31 December 2019	**25,801,933**	**2,352,216**	**28,154,149**
Net book amount			
At 31 December 2019	**15,606,433**	**1,923,064**	**17,529,497**
At 31 December 2018	**15,606,433**	**1,923,064**	**17,050,969**

The goodwill has been tested for impairment. The value in use calculations at 31 December use pre-tax projections based upon approved budgets for the periods to 31 December 2024 and applying a terminal growth rate of 0 %. The rate used to discount the projected cash flows, being a pre-tax risk adjusted discount rate, is 8% (2018:8%). The value in use calculations show ample headroom which would be sufficient to cover any reasonably predictable downwards changes in assumptions.

9 Property, plant and equipment

	Fixtures and fittings £	Motor vehicles £	Computer and office equipment £	Total £
Cost				
At 1 January 2018	407,507	24,500	892,345	1,324,352
Additions	24,687	-	32,201	56,888
At 31 December 2018	432,194	24,500	924,546	1,381,240
Additions	-	-	9,097	9,097
At 31 December 2019	**432,194**	**24,500**	**933,643**	**1,390,337**
Accumulated depreciation				
At 1 January 2018	348,049	24,500	776,375	1,148,924
Charge for the year	33,362	-	71,886	105,248
At 31 December 2018	381,411	24,500	848,261	1,254,172
Charge for the year	36,653	-	53,419	90,072
At 31 December 2019	**418,064**	**24,500**	**901,680**	**1,344,244**
Net book value				
At 31 December 2019	**14,130**	**-**	**31,963**	**46,093**
At 31 December 2018	50,783	-	76,285	127,068
At 31 December 2017	59,458	-	115,970	175,428

10 Investments

a) Subsidiary undertakings

The parent Company and the Group have investments in the following subsidiary undertakings which affect the profits or net assets of the Group, all of which are 100% owned and whose principal activity is the provision of traffic information.

Subsidiary undertakings	*Country of incorporation*	*Shares*	*Address*
INRIX UK Ltd	UK	£1 ordinary	Station House, Altrincham, WA141EP
INRIX Media Ltd	UK	£1 ordinary	Station House, Altrincham, WA141EP

11 Trade and other receivables

Trade and other receivables - current

	2019	2018
	£	£
Trade receivables	**1,765,406**	1,284,561
Less: provision for trade receivables	**(18,896)**	(17,708)
Trade receivables - net	**1,746,510**	1,266,853
VAT	**400**	800
Amounts owed by group undertakings	**12,845,766**	10,540,315
Other debtors	**130,539**	31,068
Prepayments and accrued income	**4,226,469**	1,078,284
	18,949,684	12,917,320

The amounts owed by group undertakings are unsecured, interest free and repayable on demand. The fair values of the trade and other receivables equate to their book values. As of 31 December 2018, trade receivables of £360,518 (2018: £598,197) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2019	2018
	£	£
Up to 3 months	**51,095**	396,010
3-6 months	**66,243**	202,187
Over 6 months	**243,180**	-
	360,518	598,197

12 Cash and cash equivalents

Cash and cash equivalents comprise cash balances with A1 rated (Moody's) institutions in the following currencies:

	2019	2018
	£	£
Sterling	**1,300,773**	802,643
Euro	**262,540**	167,696
	1,563,313	970,339

Notes to the financial statements (continued)

13 Trade and other payables

Trade and other payables - current

	2019	2018
	£	£
Trade payables	**371,533**	453,878
Amounts owed to group undertakings	**3,349,699**	3,349,699
Other taxation and social security	**99,501**	99,194
VAT	**760,947**	590,262
Other creditors	**198,929**	120,423
Accruals and deferred income	**9,388,974**	11,893,845
	14,169,583	16,507,301

Trade and other payables – non-current

	31 December 2019	31 December 2018
	£	£
Other creditors	**576,425**	-
Accruals and deferred income	**9,187,408**	6,255,347
	9,763,833	6,255,347

The fair values of trade and other payables equals their carrying amounts. The amounts owed to group undertakings are interest free, unsecured and repayable on demand.

14 Called up share capital

	31 December 2019	31 December 2018
Allotted, called-up and fully paid	£	£
1 (2017: 1) ordinary share of £1 each	1	1

15 Reserves

	Share premium	Accumulated losses
	£	£
At 1 January 2018	**21,816,727**	**(15,188,767)**
Profit for the financial year	-	2,942,839
At 31 December 2018	**21,816,727**	**(12,245,928)**
Profit for the financial year	-	5,468,822
31 December 2019	**21,816,727**	**(6,777,106)**

16 Financial commitments

IFRS 16 Lease Liabilities

The land and buildings right of use asset consists of office space rented until October 2026

	Land and buildings
Cost	£
At 1 January 2019 and 31 December 2019	974,240
Accumulated depreciation	
At 1 January 2019	202,967
Charge for the year	82,686
At 31 December 2019	285,653
Net book value	
At 31 December 2019	688,587
At 31 December 2018	771,273

Lease liabilities included in the statement of financial position

	Land and buildings
At 1 January 2019	202,967
Charge for the year	82,686
At 31 December 2019	771,273

17 Pension scheme

The Group operates a defined contribution group personal pension scheme for all employees and Directors within the group. The pension charge for the year was £191,681 (2018: £173,480). The amount held in other creditors at the year-end was £34,120 (2018: £27,863).

18 Equity-settled share option scheme

The Group participates in a share option scheme for one of its Directors. Options are exercisable on the shares of the ultimate parent Company, INRIX, Inc., at a price equal to the estimated fair value of the ultimate parent Company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Company before the options vest.

The options outstanding at 31 December 2019 had exercise prices ranging from £7.78 to £16.15 (2018: £7.78 to £16.15), and a weighted average remaining contractual life of 4 years (2018: 5 years).

19 Cash generated from operations

	2019	2018
	£	£
Profit on ordinary activities before taxation	**5,468,822**	2,942,839
Depreciation	**90,072**	105,248
Amortisation	**478,528**	478,529
Finance income	**(19,240)**	(75)
Finance costs	**-**	37,412
Increase in trade and other receivables	**(6,606,119)**	(4,771,463)
Increase in trade and other payables	**1,189,971**	94,986
Net cash used in operations	**602,034**	(1,112,524)

20 Ultimate controlling party

INRIX Holdings UK Ltd is a subsidiary undertaking of INRIX, Inc., which is the ultimate parent Company incorporated in the USA. The directors have determined that there is no ultimate controlling party of the group headed by INRIX, Inc.

21 Related party transactions

As at 31 December 2019 there was an amount of £3,349,699 owed to INRIX, Inc. (2018: £3,349,699). As at 31 December 2019 there was an amount of £12,845,766 (2018: £10,54,315) owed from INRIX, Inc.

Key management includes the UK based non-statutory directors, with the compensation paid as follows:

	2018	2018
	£	£
Salaries and other short-term employee benefits	**289,955**	284,392
Post-employment benefits	**28,240**	28,240
	318,195	312,632

22 Post Balance Sheet events

Since the balance sheet date there has been a global pandemic from the outbreak of Covid-19. Covid-19 continues to cause widespread disruption to normal patterns of business activity across the world, including the UK. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy and the general population. Given the dynamic nature of these circumstances and potential business disruption, the Group could experience a significant short-term impact to operations. The Group will continue to monitor the situation closely, but given the uncertainty about the situation, it is unable to estimate the impact to the financial statements.

Independent auditors' report to the members of INRIX Holdings UK Ltd

Report on the parent company financial statements

Opinion

We have audited the financial statements of INRIX Holdings UK Limited (the 'company') for the year ended 31 December 2019 which comprises the balance sheet, statement of other comprehensive income, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 13 and non- adjusting post balance sheet events on page 21.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which highlights that there is a cross guarantee in place with the parent entity, INRIX Inc. If amounts were called upon through the cross guarantee this could have a significant impact upon the company and hence there is a material uncertainty in respect if the going concern for the company.

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. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on Inrix holdings Limited's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the director's report and strategic 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 this regard.

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on pages 4 to 5, 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.

Neil Barton

Neil Barton (Nov 16, 2020 17:24 GMT)

Neil Barton (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditors
Mazars LLP
One St Peter's Square
Manchester
M2 3DE

16 November 2020

PARENT COMPANY BALANCE SHEET
AS AT 31 December 2019

	Note	**31 December 2019**	31 December 2018
Non-current assets	Note	**£**	£
Investments in subsidiary companies	2	**25,114,893**	25,114,893
Current assets			
Trade and other receivables	3	**401**	801
Current liabilities			
Trade and other payables	4	**(28,079,132)**	(28,044,429)
Net current liabilities		**(28,078,731)**	(28,043,628)
Total assets less current liabilities		**(2,963,838)**	(2,928,735)
Net liabilities		**(2,963,838)**	(2,928,735)
Capital and reserves			
Called up share capital	5	**1**	1
Share premium account		**21,816,727**	21,816,727
Accumulated losses		**(24,780,566)**	(24,745,463)
Total shareholders' deficit		**(2,963,838)**	(2,928,735)

The notes on pages 40 to 44 form part of these financial statements. The company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account. The company's loss for the financial year was £35,103 (2018: £38,414).

The financial statements, on pages 37 to 39, of INRIX Holdings UK Ltd, registered number 07706774, were approved by the board and authorised for issue 13 November 2020.

Aileen Holohan
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	2019	2018
	£	£
Profit for the financial year and total comprehensive income	**(35,103)**	(38,414)
Total comprehensive (expense) income	**(35,103)**	(38,414)

The notes on pages 37 to 44 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share Premium account £	Accumulated losses £	Total Shareholders' deficit £
At 1 January 2018	1	21,816,727	(24,707,049)	(2,890,321)
Loss for the financial year and total comprehensive income	-	-	(38,414)	(38,414)
At 31 December 2018	**1**	**21,816,727**	**(24,745,463)**	**(2,928,735)**
Loss for the financial year and total comprehensive income	-	-	(35,103)	(35,103)
Total comprehensive income for the year	-	-	(35,103)	(35,103)
At 31 December 2019	**1**	**21,816,727**	**(24,780,566)**	**(2,963,838)**

The notes on pages 40 to 44 form part of these financial statements.

Notes to the parent company financial statements

1 Significant accounting polices

Basis of accounting

The separate financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and in accordance with applicable accounting standards.

The company has adopted the FRS 101 accounting principles on a consistent basis from the date of transition.

The financial statements have been prepared on a historical cost basis and in accordance with the Companies Act 2006. The financial statements are presented in Sterling, except when otherwise indicated.

The company has taken advantage of the following disclosure exemptions under FRS 101 as these items are disclosed in the Group financial statements:

- IFRS 7, "Financial Instruments: Disclosures"
- Paragraphs 91 to 99 of IFRS 13, "Fair value measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets or liabilities),
- Paragraph 38 of IAS 1, "presentation of financial statements" comparative information in respect of:

  i. Paragraph 79(a)(iv) of IAS 1;
  ii. Paragraph 73 (e) of IAS 16 Property, plant and equipment;
  iii. Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)

- The following paragraphs of IAS 1, "Presentation of financial statements";

  i. 10(d) (statement of cash flows)
  ii. 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  iii. 16 (statement of compliance with all IFRS),
  iv. 38A (requirement for minimum of two primary statements, including cash flow statements),
  v. 38B-D (additional comparative information),
  vi. 40A-D (requirement for a third statement of financial position),
  vii. 111 (cash flow statement information), and
  viii. 134-136 (capital management disclosures).

- IAS 7, "Statement of cash flows";
- Paragraph 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, "Related party disclosures" (key management compensation);
- The requirements of IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a group.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within these accounting policies.

1 Significant accounting polices (continued)

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

Investments – shares in group undertakings

Investments in subsidiary undertakings are shown at cost subject to provision for impairment in valuation.

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 receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Borrowings

Borrowings, which are all in respect of inter-company borrowings, are recognised initially at fair value and are subsequently carried at amortised cost. Any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Trade and other receivables

Trade and other receivables are recognised initially at fair value less provision for impairment. Subsequent to initial recognition, receivables are measured at amortised cost, using the effective interest method. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is charged to the income statement within administrative expenses.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classed as equity.

Parent company profit and loss account

The Company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The Company's loss for the financial year was £35,103 (2018: £38,414).

Going concern

The Company's results are consolidated within the INRIX Holdings UK Ltd. group of companies (UK Group). INRIX Holdings UK Ltd. acts as an intermediate holding Company and parent Company of the UK Group and is a wholly owned subsidiary of INRIX, Inc. (a U.S. Corporation and the ultimate parent Company). The financial statements are prepared on a going concern basis as the Directors believe this to be appropriate after taking into account the factors below.

In carrying out their duties in respect of going concern basis of accounting, the Directors have carried out a review of the Company's financial position for a period of at least of 12 months from the date of signing these financial statements. This has been based on a comprehensive review of revenue and expenditure and resultant cashflows, taking into account reasonable sensitivities and specific business risk and uncertainties brought about by the current economic environment.

Since the balance sheet date there has been a global pandemic from the outbreak of Covid-19. Covid-19 continues to cause widespread disruption to normal patterns of business activity across the world, including the UK. The full impact of Covid-19 us still unknown, Management is closely monitoring the evolution of this pandemic and is taking precautions to mitigate the potential impact on its staff, suppliers and customers. The Directors have confirmed that they believe that the company will be operating on a going concern for the duration of the pandemic.

There is a cross guarantee in place with the parent entity, INRIX Inc. Within the Inrix Inc Financial Statements, there is an emphasis of matter paragraph highlighting doubts over the group's ability to continue as a going concern. It is noted that this issue has arisen due to the groups desire to invest resource into expanding and establishing revenue markets, which in turn has resulted in losses from operations.

Inrix Inc is committed to executing a 2020 plan that results in positive cash flows from operations and continued improvement in financial performance. While the group is forecast to make losses again in the next financial year, cash position is positive, and therefore it is not deemed likely that any amounts will be called upon through the cross guarantee. However, if amounts were called upon through the cross guarantee this could have a significant impact upon the company and hence there is a material uncertainty in respect of going concern for the company.

2. Investments in subsidiary undertakings

	2019	2018
	£	£
Cost		
At 1 January and 31 December	**39,926,606**	39,926,606
Provision for impairment		
At 1 January and 31 December	**(14,811,713)**	(14,811,713)
Net book amount		
At 31 December	**25,114,893**	25,114,893

Notes to the parent company financial statements (continued)

Details of the company's subsidiaries which are all either wholly owned by the company or its subsidiaries are shown on page 29. In the opinion of the directors, the value of the Company's investments in its subsidiaries is not less than the amount at which it is stated on the balance sheet.

3. Trade and other receivables

	2019	2018
	£	£
Amounts due by group undertakings	**1**	**1**
VAT debtor	**400**	**800**
At 31 December	**401**	**801**

Amounts due by group undertakings are unsecured, repayable on demand and are not interest bearing.

4. Trade and other payables

	2018	2018
	£	£
Trade creditors	**2,400**	4,800
Amounts owed to group undertakings	**28,076,732**	28,039,629
At 31 December	**28,079,132**	28,044,429

Amounts owed to group undertakings are unsecured, repayable on demand and bear no interest.

5. Called up share capital

	2019	2018
	£	£
Ordinary shares of £1 each		
Allotted and fully paid	**1**	1
At 31 December	**1**	1

6. Related party transactions

The company is exempt under the terms of IAS 24 from disclosing related party transactions with entities that are part of the group as these transactions fully eliminate on consolidation.