

Company Registration No. 02058567

AUDATEX (UK) LIMITED

Annual Report and Financial Statements

For the year ended 30 June 2015

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AUDATEX (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS For the year ended 30 June 2015

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AUDATEX (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

F Overtoom
P Sykes
R Giger
A Aquila
J Brady
A MacLeod

REGISTERED OFFICE

The Forum
Station Road
Theale
Reading
Berkshire
RG7 4RA

BANKERS

Barclays Bank PLC
Business Banking
London Corporate Service Centre
PO Box 46116
London
EC4N 8WB

SOLICITORS

Morgan Cole
Buxton Court
3 West Way
Oxford
OX2 0SZ

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading
United Kingdom

AUDATEX (UK) LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 30 June 2015.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company is a wholly owned subsidiary of Audatex Holding GmbH which operates as a division of Solera Holdings, Inc.

The principal activity of the company is the provision of computer based services and systems to the motor insurance industry. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account, revenues increased 7.1% from £34 million in 2014 to £36 million in 2015. The company's net profits have also increased and show a healthy return. The directors feel that the results for the year leave them in a sound position for the coming year.

The balance sheet shows that the company's financial position at the year-end is stronger by reference to net assets. We are committed to ensuring that customers are provided with a robust and reliable service.

The company continues to invest in research and development which is seen by the directors as key to the continuing success of the business.

Future Developments

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

Key Performance Indicators

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

| | 2015 | 2014 |
|--------------------|--------------|--------------|
| • Revenue | £36 million | £34 million |
| • Operating profit | £2.2 million | £2.4 million |

Financial Risk Management

The Company has reviewed all aspects of the business and its environment and identified the principal risks and uncertainties facing it, allowing appropriate risk management policies to be drawn up. The Risk management policy is detailed in note 19.

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

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

Principal risks and uncertainties

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

To further strengthen our management of risk and ability to provide continuity of services, we have undertaken and achieved accreditation in ISO 27001 the International standard in Information Security and BS 25999 British standard for Business Continuity.

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

Environment

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

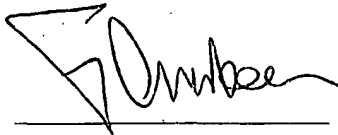
AUDATEX (UK) LIMITED

STRATEGIC REPORT

Employees

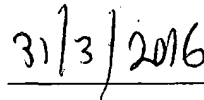
Employee numbers and related costs can be found in note 3 to the financial statements. The company aims to recruit and retain the best quality staff and has achieved accreditation from Investors in People. The company also embraces diversity in the workforce whilst promoting a culture of equal opportunity.

Approved by the Board of Directors and signed on behalf of the Board.



F Overtoom

Director



Date

AUDATEX (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2015.

RESULTS AND DIVIDENDS

The directors have paid a dividend of £nil (2014: £5,704,000). The company made a profit after tax of £1,646,525 (2014: £1,837,025).

GOING CONCERN

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

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

DIRECTORS AND THEIR INTERESTS

The names of the present directors who served at the date of signing are shown on page 1. P Sykes and F Overtom were appointed as directors on 9 November 2015. A Vick resigned as director and company secretary on 19 November 2015.

FUTURE DEVELOPMENTS

Details of future development and events that have occurred after the balance sheet date can be found in the strategic report on page 2 and form part of this report by cross reference.

AUDITORS

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

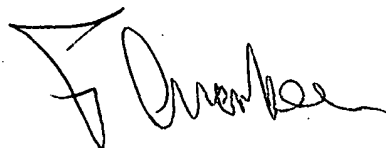
(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

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

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

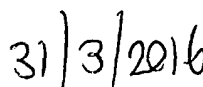
A resolution for the re-appointment of Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.



F Overtom

Director



Date

AUDATEX (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUDATEX (UK) LIMITED

We have audited the financial statements of Audatex (UK) Limited for the year ended 30 June 2015 which comprises the profit and loss account, the balance sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the period 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.

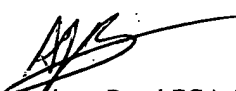
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Andrew Bond FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading, United Kingdom

31/03/2016

AUDATEX (UK) LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 30 June 2015**

| | Note | 2015 £ | 2014 £ |
|--|------|--------------|--------------|
| TURNOVER | 2 | 36,377,016 | 33,980,127 |
| Cost of sales | | (839,129) | (854,730) |
| GROSS PROFIT | | 35,537,887 | 33,125,397 |
| Administrative expenses | | (33,292,464) | (30,748,918) |
| OPERATING PROFIT | | 2,245,423 | 2,376,479 |
| Interest payable and similar charges | 5 | - | (4,462) |
| Interest receivable and similar income | 6 | 2,289 | 3,117 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 4 | 2,247,712 | 2,375,134 |
| Tax charge on profit on ordinary activities | 7 | (601,187) | (538,109) |
| PROFIT FOR THE YEAR AFTER TAXATION | 16 | 1,646,525 | 1,837,025 |

All amounts derive from continuing operations.

There have been no gains and losses during the current or preceding year other than those shown above. Accordingly, no statement of total recognised gains and losses has been presented.

The notes on pages 9 to 19 form part of these financial statements.

AUDATEX (UK) LIMITED

BALANCE SHEET As at 30 June 2015

| | Note | 2015 £ | 2014 £ |
|---|------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 8 | 4,391,172 | 4,113,612 |
| Investment in Subsidiaries | 9 | 609,003 | 609,003 |
| | | <u>5,000,175</u> | <u>4,722,615</u> |
| CURRENT ASSETS | | | |
| Debtors: amounts falling due within one year | 10 | 10,291,963 | 7,000,784 |
| Deposits | 11 | 989,057 | - |
| Cash at bank and in hand | | 841,213 | 3,146,947 |
| | | <u>12,122,233</u> | <u>10,147,731</u> |
| CREDITORS: amounts falling due within one year | 12 | (10,421,824) | (11,030,857) |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>1,700,409</u> | <u>(883,126)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>6,700,584</u> | <u>3,839,489</u> |
| NET ASSETS | | <u>6,700,584</u> | <u>3,839,489</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 1,550,000 | 1,550,000 |
| Profit and loss account | 16 | 374,713 | (1,271,812) |
| Capital contribution | 16 | 4,775,871 | 3,561,301 |
| SHAREHOLDER'S FUNDS | 16 | <u>6,700,584</u> | <u>3,839,489</u> |

The financial statements of Audatex (UK) Limited, registered number 02058567, were approved by the Board of Directors and authorised for issue on ~~(date)~~.

Signed on behalf of the Board of Directors



F Overtoom
Director

31/03/2016

Date

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below, and have been applied consistently in the current and preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention.

The company and its subsidiary undertakings have not drawn up consolidated financial statements because it is entitled to the exemptions available under Section 401 of the Companies Act 2006. It is a wholly-owned subsidiary of Audatex Holding GmbH and is included in the consolidated financial statements of its ultimate parent company, Solera Holdings, Inc., which are publicly available (see note 21) and drawn up in accordance with the provisions of the Seventh Directive.

Going concern

The company continues to demonstrate a strong financial performance, investment in IT infrastructure and research and development, and good customer relationships. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. The company had moved into net current asset position of £1.7 million by year end from a net current liability position of £0.9 million from prior year. The company is still profitable and cash generative and the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within its current working capital. Therefore the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow statement

The company has not prepared a cash flow statement as it is wholly owned by Solera Holdings, Inc. and its cash flows are included in that company's consolidated cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less amounts provided for depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life at the following annual rates:

| | |
|------------------------|-----|
| Leasehold improvements | 10% |
| Plant and equipment | 33% |
| Fixtures and fittings | 15% |
| Motor vehicles | 25% |
| Software | 33% |

Investments

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

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at the amounts expected to be paid (or recovered) using the tax rates and the 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 been 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 future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when the fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Foreign exchange

Monetary balances in foreign currencies, primarily with group undertakings, are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. All exchange differences are included in the profit and loss account.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Finance leases

Assets held under finance leases are capitalized as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Where the company acts as a lessor of assets under finance leases, the net investment in the lease is recorded as a debtor on the balance sheet. Rentals received are apportioned between finance income and repayment of the debtor balance. Finance income is recorded in the profit and loss account so that a constant rate of return on the net cash investment is achieved over the period of the lease.

Turnover

Turnover, which excludes value added tax, represents the value of goods and services supplied in the period. Revenue from services supplied is recognised on an as and when utilised basis. Revenue from software and hardware sales is recognised on delivery.

Pensions

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

Research and development

Research and development expenditure is written off as incurred.

Share based payments

The company has adopted Financial Reporting Standard 20 'Share-Based Payment'. The Solera group issues equity-settled share based payments which are measured at fair value at the date of grant. The fair value determined at grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

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

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

2. TURNOVER

| | 2015 £ | 2014 £ |
|--------------------------------------|-------------------|-------------------|
| Analysis by class of business | | |
| Computer based customer - services | 35,488,341 | 33,124,751 |
| - systems | 888,675 | 855,376 |
| | <u>36,377,016</u> | <u>33,980,127</u> |

Turnover consists of sales made in the United Kingdom.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The average weekly number of employees (including executive directors) during the year was as follows:

| | 2015 No. | 2014 No. |
|---------------------|-------------|-------------|
| Support Services | 34 | 32 |
| Product Development | 33 | 32 |
| Administration | 21 | 20 |
| Sales and Marketing | 21 | 20 |
| | <u>109</u> | <u>104</u> |

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Staff costs (including executive directors): | | |
| Wages and salaries | 7,152,846 | 6,365,378 |
| Social security costs | 1,019,079 | 1,011,933 |
| Other pension costs | 397,258 | 310,500 |
| Share option charge | 1,214,570 | 404,888 |
| | <u>9,783,753</u> | <u>8,092,699</u> |

| | | |
|---|----------------|----------------|
| Directors' remuneration: | | |
| Emoluments | 582,720 | 580,822 |
| Contribution to money purchase pension scheme | 38,750 | 38,750 |
| | <u>621,470</u> | <u>619,572</u> |

| | | |
|---|----------------|----------------|
| Highest paid director: | | |
| Emoluments | 388,509 | 384,029 |
| Contribution to money purchase pension scheme | 12,500 | 12,500 |
| | <u>401,009</u> | <u>396,529</u> |

No services for directors were re-charged to the company from a fellow subsidiary during the year (2014: £nil). Two directors received remuneration paid by other group companies in respect of their services to the group as a whole. The portion of this that relates to the Company is £nil (2014: £nil).

No directors are accruing retirement benefits under defined benefit pension schemes in this company. The number of Directors who exercised share options during the year was 2 (2014: 2).

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 30 June 2015**

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

| | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| Profit on ordinary activities before taxation is after charging/(crediting): | | |
| Depreciation of tangible fixed assets | | |
| -owned | 1,948,821 | 1,586,309 |
| -held under finance leases | - | 38,854 |
| Loss/(profit) on disposal of tangible fixed assets | 250 | (14,462) |
| Auditor's remuneration | | |
| - audit fees | 90,427 | 94,293 |
| - other services | 3,600 | 1,541 |
| Rentals under operating leases | | |
| - hire of plant and machinery | 15,412 | 12,051 |
| - other | 536,651 | 423,378 |
| Foreign exchange loss/(profit) | 229,127 | (111,083) |
| Research and development expenditure | <u>2,401,883</u> | <u>2,302,906</u> |

5. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 | 2014 |
|------------------------------------|-------------|--------------|
| | £ | £ |
| Interest payable on finance leases | <u>-</u> | <u>4,462</u> |

6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2015 | 2014 |
|--------------------------|--------------|--------------|
| | £ | |
| Bank interest receivable | <u>2,289</u> | <u>3,117</u> |

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2015

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| UK corporation tax at 20.75 % (2014: 22.5%) | 669,135 | 380,434 |
| Adjustment in respect of prior years | 33,810 | 34,324 |
| | <u>702,945</u> | <u>414,758</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | (72,522) | 156,600 |
| Adjustment in respect of prior years | (29,236) | (33,249) |
| | <u>101,758</u> | <u>123,351</u> |
| Tax charge on profit on ordinary activities | <u>601,187</u> | <u>538,109</u> |

The actual tax charge for the current period differs from the blended rate of 20.75% and differs for the previous year from the blended rate of 22.50% for the reasons set out in the following reconciliation:

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Profit on ordinary activities before tax. | 2,247,712 | 2,375,134 |
| Tax at 20.75% (2014: 22.50%) thereon | 466,400 | 534,405 |
| Share based Compensation | 133,893 | - |
| Expenses not deductible for tax purposes | 62,076 | 47,719 |
| Capital allowances in excess of depreciation | 8,350 | (66,255) |
| Short term timing differences | (1,584) | (135,435) |
| Adjustment in respect of prior year | 33,810 | 34,324 |
| | <u>702,945</u> | <u>414,758</u> |

Factors that may affect future tax charges

The standard rate of UK Corporation Tax reduced from 21% to 20% on 1 April 2015. The Finance Act 2015, which received Royal Assent on 26 March 2015, states that this rate will not change for financial year 2016. Deferred tax has been calculated accordingly in these financial statements.

Changes included in the Finance (No 2) Act 2015 will have an effect on the company's future tax position. These changes will reduce the standard rate of UK corporation tax from 20% to 19% from 1 April 2017, and 18% from 1 April 2020. These changes had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements.

The above changes to the rate of corporation tax will impact the amount of future cash tax payments to be made by the company.

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2015

8. TANGIBLE FIXED ASSETS

| | Leasehold Improvements | Client Equipment | Plant and equipment | Fixtures and fittings | Motor vehicles | Software | Total |
|---------------------------------|---------------------------|---------------------|------------------------|-----------------------------|-------------------|-----------|-------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | | |
| At 1 July 2014 | 342,144 | 374,296 | 10,504,507 | 570,143 | 19 | 3,611,178 | 15,402,287 |
| Additions | - | 32,800 | 438,893 | 20,980 | 7,500 | 1,726,459 | 2,226,632 |
| Disposals | - | - | (899,302) | - | - | (479,252) | (1,378,554) |
| At 30 June 2015 | 342,144 | 407,096 | 10,044,098 | 591,123 | 7,519 | 4,858,385 | 16,250,365 |
| Accumulated depreciation | | | | | | | |
| At 1 July 2014 | 153,575 | 220,828 | 8,781,187 | 494,404 | 19 | 1,638,662 | 11,288,675 |
| Charge for the year | 34,367 | 80,427 | 1,009,643 | 33,670 | - | 790,714 | 1,948,821 |
| Disposals | - | - | (899,301) | - | - | (479,002) | (1,378,303) |
| At 30 June 2015 | 187,942 | 301,255 | 8,891,529 | 528,074 | 19 | 1,950,374 | 11,859,193 |
| Net book value | | | | | | | |
| At 30 June 2015 | 154,202 | 105,841 | 1,152,569 | 63,049 | 7,500 | 2,908,011 | 4,391,172 |
| At 30 June 2014 | 188,569 | 153,468 | 1,723,320 | 75,739 | - | 1,972,516 | 4,113,612 |

The net book value of fixed assets held under finance leases at year end was £nil (2014: £nil) and depreciation was £nil (2014: £38,849).

The client equipment listed above represents amounts for which we obtain operating lease income. The operating lease income is included within turnover in the profit and loss account.

9. INVESTMENT IN SUBSIDIARIES

| | £ |
|---|---------|
| Cost and net book value at 1 July 2014 | 609,003 |
| Cost and net book value at 30 June 2015 | 609,003 |

At 30 June 2015, the company has investments in the following subsidiary undertakings:

| | Country of incorporation | Principal activity | Holding % (ordinary share capital) |
|--|-----------------------------|----------------------|--|
| Hollander International Systems Ltd formerly (Actual Systems UK Limited) | United Kingdom | Software development | 100* |
| Hollander International Systems Ltd, Australia formerly (Actual Systems Australia PTY Limited) | Australia | Software development | 100 |
| Valexa Technologies Limited | United Kingdom | Software development | 100* |
| Chox Compliance Limited | United Kingdom | Software development | 100 |

*held directly by Audatex (UK) Limited

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2015

10. DEBTORS

| | 2015 £ | 2014 £ |
|--|-------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 1,250,027 | 1,223,647 |
| Amounts due from fellow subsidiary undertakings | 3,881,260 | 1,466,402 |
| Corporation tax | - | 34,646 |
| Deferred tax asset (note 13) | 731,843 | 630,085 |
| Amounts Receivable under finance leases due in within 1 year | 440,139 | - |
| Prepayments and accrued income | 3,988,694 | 3,646,004 |
| | <u>10,291,963</u> | <u>7,000,784</u> |

The cost of assets acquired during the year for the purpose of letting under finance leases is £nil (2014:£nil).
Aggregate rentals received during the year from finance leases is £440,139 (2014:£nil)

11. DEPOSITS

| | 2015 £ | 2014 £ |
|-----------------------------------|----------------|-----------|
| Credit Suisse safekeeping account | <u>989,057</u> | <u>-</u> |

Funds can be accessed from the Credit Suisse safekeeping account within 3 working days.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|--|-------------------|-------------------|
| Trade creditors | 325,702 | 956,556 |
| Amounts owed to fellow subsidiary undertakings | 6,180,416 | 6,350,989 |
| Taxation and social security | 1,112,522 | 944,897 |
| Corporation Tax | 220,448 | - |
| Accruals and deferred income | 2,582,736 | 2,778,415 |
| | <u>10,421,824</u> | <u>11,030,857</u> |

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

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2015

13. DEFERRED TAX ASSET

| | £ |
|-----------------------------------|----------------|
| Balance at 1 July 2014 | 630,085 |
| Credit to profit and loss account | 101,758 |
| Balance at 30 June 2015 | <u>731,843</u> |

The deferred tax asset is made up as follows:

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Depreciation in excess of capital allowances | 521,043 | 492,921 |
| Share options | 203,154 | 130,279 |
| Short term timing differences | <u>7,646</u> | <u>6,885</u> |
| | <u>731,843</u> | <u>630,085</u> |

The deferred tax asset has been recognised as it is considered recoverable based on our continuing expectation that future taxable profits will exceed the carrying value of the above asset. The deferred tax assets and liabilities have been stated at 20% (2014: 20%) of the gross temporary differences.

There is an un-provided potential deferred tax asset of £142,000 (2014 £142,000) relating to brought forward capital losses which has not been recognised on the grounds that there is insufficient evidence that the asset will be recoverable. The asset would only be recoverable in the event that the company generated sufficient taxable capital gains in future periods.

14. DIVIDEND PAID

| | 2015 £ | 2014 £ |
|---|-----------|------------------|
| Paid on ordinary shares: £nil (2014: £3.68) per ordinary share | <u>-</u> | <u>5,704,000</u> |

15. CALLED UP SHARE CAPITAL

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| Called up, allotted and fully paid: 1,550,000 ordinary shares of £1 each | <u>1,550,000</u> | <u>1,550,000</u> |

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS AND MOVEMENT IN RESERVES

| | Called up share capital | Capital contribution | Profit and loss account | 2015 £ | 2014 £ |
|------------------------------------|-------------------------------|-------------------------|-------------------------------|------------------|------------------|
| Opening shareholder's funds | 1,550,000 | 3,561,301 | (1,271,812) | 3,839,489 | 7,301,577 |
| Profit for the financial year | - | - | 1,646,525 | 1,646,525 | 1,837,025 |
| Dividend paid (see note 14) | - | - | - | - | (5,704,000) |
| Share options capital contribution | - | 1,214,570 | - | 1,214,570 | 404,887 |
| Closing shareholder's funds | <u>1,550,000</u> | <u>4,775,871</u> | <u>374,713</u> | <u>6,700,585</u> | <u>3,839,489</u> |

17. OPERATING LEASE COMMITMENTS

At 30 June 2015 the company was committed to making the following payments during the next year in respect of operating leases:

| | 2015 | | 2014 | |
|--------------------------|----------------------------|----------------|----------------------------|----------------|
| | Land and buildings £ | Other £ | Land and buildings £ | Other £ |
| Leases which expire: | | | | |
| Within one year | - | 78,089 | - | 85,785 |
| Within two to five years | - | 172,575 | - | 172,460 |
| After five years | 175,000 | - | 175,000 | - |
| | <u>175,000</u> | <u>250,664</u> | <u>175,000</u> | <u>258,245</u> |

18. PENSION COMMITMENTS

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

The pension cost for the defined contribution schemes during the year totalled £397,258 (2014: £310,500).

19. RISK MANAGEMENT

The company's ultimate parent undertaking, Solera Holdings, Inc., has determined the guidelines in managing the company financial risks. In order to minimise costs and maximise the resources available, Solera Holdings, Inc. has centralised all of the group's risk management. Solera Holdings, Inc. gathers all information concerning possible risk situations and defines the corresponding hedge.

The Group manages the company capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of net current assets as well as total assets.

The Company is not subject to externally imposed capital requirements.

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

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

20. ULTIMATE AND IMMEDIATE PARENT COMPANIES

Audatex Holding GmbH, a company incorporated in Switzerland, is the immediate parent company. The smallest group in which the results of the company are consolidated is Audatex Holding GmbH.

At 30 June 2015, the ultimate parent company was Solera Holdings, Inc., a company incorporated in the USA and the largest group in which the results of the company are consolidated. The financial statements of Solera Holdings, Inc. may be obtained from 7 Village Circle, Suite 100, Westlake, TX76262, USA.

On 3 March 2016, Vista Equity LLC acquired a controlling stake in Solera Holdings Inc., becoming the company's ultimate holding company from this date.

21. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No.8 "Related Party Disclosures", transactions with other group undertakings within, and investee related parties of Solera Holdings, Inc. have not been disclosed in these financial statements.

The company is exempt from preparing consolidated financial statements. The results of the company are included in the consolidated results of Audatex Holding GmbH, a company incorporated in Switzerland.

22. SHARE OPTIONS

The Solera group has a share option scheme for certain directors and employees of the group. Options are exercisable at a price equal to the fair market value of Solera Holding, Inc.'s shares on the date of grant. The vesting period is four years and the options have a term of 10 years.

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

| | 2015 | | 2014 | |
|------------------------------------|-------------------------------|--|-------------------------------|--|
| | Number of share options | Weighted average exercise price (\$) | Number of share options | Weighted average exercise price (\$) |
| Outstanding at beginning of year | 49,419 | 50.60 | 57,787 | 50.22 |
| Granted during the year | 19,756 | 55.60 | 10,363 | 52.84 |
| Forfeited during the year | (6,384) | 53.34 | (4,417) | - |
| Exercised during the year | (5,213) | 54.73 | (14,314) | - |
| Outstanding at the end of the year | 57,578 | 52.01 | 49,419 | |
| Exercisable at the end of the year | 23,874 | 50.35 | 11,805 | |

The options outstanding at 30 June 2015 had a weighted average exercise price of \$52.01 and a weighted average remaining contractual life of 1.6 years. In 2015, options were granted on 9 September 2014, 1 October 2014, 12 May 2015 and 1 May 2015. The aggregate of the estimated fair values of the options granted on that date is \$204,948 (£130,369). In 2014, options were granted on 3 September 2013, 3 February 2014 and 1 May 2014. The aggregate of the estimated fair values of the options granted on that date is \$119,427 (£76,014).

AUDATEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2015

22. SHARE OPTIONS (CONTINUED)

The inputs into the Black-Scholes Option Pricing Model are as follows:

| | 2015 | 2014 |
|---|-----------|-----------|
| Weighted average share price and exercise price | \$10.35 | \$11.93 |
| Expected volatility | 24.0% | 26.3% |
| Expected life | 4.5 years | 4.6 years |
| Risk-free rate | 1.6% | 1.6% |
| Dividend yield | 1.5% | 1.2% |

Expected volatility was based on a combination of implied market volatilities, historical volatility of Solera Holdings Inc.'s share price and other factors.

The company recognised total expenses of £149,596 (2014: £129,551) related to share options.

Restricted stock options

The Solera group has a restricted stock program under which shares of common stock have been issued to certain employees. These shares are restricted as to transfer and in certain circumstances must be returned to the group at the original purchase price. The company records an expense relating to the restricted stock over the period during which the transfer restrictions exist, which may be up to 5 years from the date of grant.

| | 2015 | | 2014 | |
|-----------------------------------|-------------------------|--------------------------------------|-------------------------|--------------------------------------|
| | Number of share options | Weighted average exercise price (\$) | Number of share options | Weighted average exercise price (\$) |
| Non-vested at beginning of year | 55,777 | 0.01 | 40,803 | 0.01 |
| Granted during the year | 22,265 | 0.01 | 48,136 | 0.01 |
| Forfeited during the year | (18,118) | 0.01 | (10,292) | 0.01 |
| Vested during the year | (15,658) | 0.01 | (22,870) | 0.01 |
| Non-vested at the end of the year | 44,626 | 0.01 | 55,777 | 0.01 |

The company recognised total expenses of £1,064,974 (2014: £275,336) related to restricted stock options.