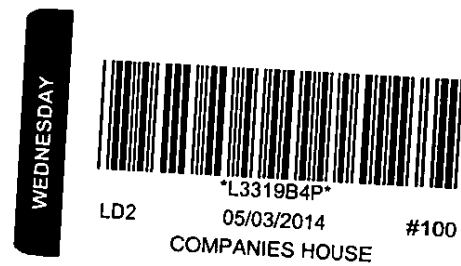


Company Registration No. 2058567

AUDATEX (UK) LIMITED

Report and Financial Statements

30 June 2013



AUDATEX (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS **For the year ended 30 June 2013**

OFFICERS AND PROFESSIONAL ADVISERS

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AUDATEX (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Vick
R Giger
A Aquila
J Brady (appointed 18 April 2013)
A MacLeod (appointed 18 April 2013)

SECRETARY

A Vick

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
Reading

AUDATEX (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2013

PRINCIPAL ACTIVITY AND ENHANCED BUSINESS REVIEW

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

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 1.6% from £31.1 million in 2012 to £31.6 million in 2013. The company's net profits have decreased slightly but still 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 strong. We are committed to ensuring our 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.

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.

The company continues to demonstrate a strong financial position, 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 despite the current uncertain economic outlook. 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.

Environment

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

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.

GOING CONCERN

The directors have a reasonable expectation that the company and the Group have 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.

AUDATEX (UK) LIMITED

DIRECTORS' REPORT

RESULTS AND DIVIDENDS

The directors have paid a dividend of £nil (2012 - £2,898,500) The company made a profit after tax of £975,288 (2012 - £1,577,202)

DIRECTORS

The directors who served throughout the year and to the date of signing are shown on page 1 All directors served for the entire financial year and to the date of this report unless otherwise stated

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 ought to have taken as a director in order to make himself 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



A Vick
Director

27 February 2014

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 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 2013 which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 23. 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. 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 2013 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.

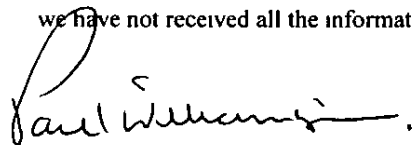
Opinion on other matter prescribed by the Companies Act 2006

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

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.



Paul Williamson BSc FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Reading, United Kingdom

27 February 2014

AUDATEX (UK) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 June 2013

	Note	Year ended 30 June 2013 £	Year ended 30 June 2012 £
TURNOVER	2	31,563,423	31,071,501
Cost of sales		(795,822)	(735,584)
GROSS PROFIT		30,767,601	30,335,917
Administrative expenses		(29,317,291)	(28,077,780)
OPERATING PROFIT		1,450,310	2,258,137
Interest payable and similar charges	5	(15,818)	(84,386)
Interest receivable and similar income	6	43,166	63,481
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,477,658	2,237,232
Tax charge on profit on ordinary activities	7	(502,370)	(660,030)
PROFIT FOR THE FINANCIAL YEAR	18	975,288	1,577,202

All amounts derive from continuing operations

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

AUDATEX (UK) LIMITED

BALANCE SHEET

30 June 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	3,296,026	2,456,157
Investment in subsidiary	9	609,002	417,137
		<u>3,905,028</u>	<u>2,873,294</u>
CURRENT ASSETS			
Debtors – amounts due in less than one year	10	6,064,105	7,593,700
Investments	11	3,857,361	1,854,306
Cash at bank and in hand		3,364,885	2,130,395
		<u>13,286,351</u>	<u>11,578,401</u>
CREDITORS: amounts falling due within one year	12	<u>(9,889,802)</u>	<u>(8,710,792)</u>
NET CURRENT ASSETS		<u>3,396,549</u>	<u>2,867,609</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,301,577</u>	<u>5,740,903</u>
CREDITORS: amounts falling due after more than one year	13	<u>-</u>	<u>(42,350)</u>
NET ASSETS		<u>7,301,577</u>	<u>5,698,553</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,550,000	1,550,000
Profit and loss account	18	2,595,163	1,619,875
Capital contribution	18	3,156,414	2,528,678
SHAREHOLDER'S FUNDS	18	<u>7,301,577</u>	<u>5,698,553</u>

The financial statements of Audatex (UK) Limited, registered number 2058567, were approved by the Board of Directors and authorised for issue on 27 February 2014

Signed on behalf of the Board of Directors



A Vick

Director

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2013

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 Holdings 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 position, 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 despite the current uncertain economic outlook. 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 amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. 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 ACCOUNTS Year ended 30 June 2013

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 sale has been recognised in the financial statements. Neither is deferred tax recognised when 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.

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.

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 & 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 ACCOUNTS

Year ended 30 June 2013

2. TURNOVER

	2013 £	2012 £
Analysis by class of business		
Computer based customer - services	30,628,658	30,226,555
- systems	934,765	844,946
	<u>31,563,423</u>	<u>31,071,501</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

	2013 No.	2012 No.
Support Services	30	30
Product Development	28	33
Administration	17	16
Sales and Marketing	20	19
	<u>95</u>	<u>98</u>

	2013 £	2012 £
Staff costs (including executive directors)		
Wages and salaries	5,612,889	5,161,966
Social security costs	802,882	713,183
Other pension costs	265,188	305,330
Share option charge	627,736	141,411
	<u>7,308,695</u>	<u>6,321,980</u>

Directors' remuneration		
Emoluments	270,423	174,918
Contribution to money purchase pension scheme	29,375	24,500
	<u>299,798</u>	<u>199,418</u>

Highest paid director		
Emoluments	191,578	174,918
Contribution to money purchase pension scheme	26,250	24,500
	<u>217,828</u>	<u>199,418</u>

No services for directors were re-charged to the company from a fellow subsidiary during the year (2012 £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 (2012 - £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 1(2012 - 1)

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2013

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £	2012 £
Profit on ordinary activities before taxation is after charging/(crediting):		
Depreciation of tangible fixed assets		
-owned	1,067,672	1,140,993
-held under finance leases	532,718	1,211,927
(Profit)/loss on disposal of tangible fixed assets	(771)	27,326
Auditor's remuneration		
- audit fees	94,114	84,000
Rentals under operating leases		
- hire of plant and machinery	11,421	16,653
- other	385,939	347,898
Foreign exchange loss	131,310	39,904
Research and development expenditure	2,411,588	2,411,076

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest payable on finance leases	15,818	84,386

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Bank interest receivable	11,136	5,603
Interest receivable from fellow group subsidiaries	32,030	57,878
	43,166	63,481

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2013

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2013 £	2012 £
UK corporation tax at 23.75% (2012: 25.5%)	421,154	673,409
Adjustment in respect of prior years	32,065	-
	<u>461,219</u>	<u>673,409</u>
Deferred tax		
Origination and reversal of timing differences	(21,635)	(79,595)
Adjustment in respect of prior years	62,786	66,216
	<u>41,151</u>	<u>(13,379)</u>
Tax charge on profit on ordinary activities	<u>502,370</u>	<u>660,030</u>

The actual tax charge for the current period differs from the blended rate of 23.75% and differs for the previous year from the blended rate of 25.5% for the reasons set out in the following reconciliation

	2013 £	2012 £
Profit on ordinary activities before tax	1,477,658	2,237,232
Tax at 23.75% (2012: 25.5%) thereon	350,944	570,494
Expenses not deductible for tax purposes	34,576	49,145
Capital allowances in excess of depreciation	(35,597)	57,775
Short term timing differences	79,231	(4,005)
Adjustment in respect of prior year	32,065	-
	<u>461,219</u>	<u>673,409</u>

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2013

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Client Equipment £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Software £	Total £
Cost							
At 1 July 2012	253,690	226,696	8,630,465	474,835	42,123	1,654,826	11,282,635
Additions	80,414	-	1,828,878	97,870	-	433,097	2,440,259
Disposals	-	-	(9,771)	-	-	-	(9,771)
At 30 June 2013	<u>334,104</u>	<u>226,696</u>	<u>10,449,572</u>	<u>572,705</u>	<u>42,123</u>	<u>2,087,923</u>	<u>13,713,123</u>
Accumulated depreciation							
At 1 July 2012	92,937	46,157	7,194,623	433,173	23,756	1,035,832	8,826,478
Charge for the year	27,797	76,272	1,216,394	18,424	10,576	250,927	1,600,390
Disposals	-	-	(9,771)	-	-	-	(9,771)
At 30 June 2013	<u>120,734</u>	<u>122,429</u>	<u>8,401,246</u>	<u>451,597</u>	<u>34,332</u>	<u>1,286,759</u>	<u>10,417,097</u>
Net book value							
At 30 June 2013	<u>213,370</u>	<u>104,267</u>	<u>2,048,326</u>	<u>121,108</u>	<u>7,791</u>	<u>801,164</u>	<u>3,296,026</u>
At 30 June 2012	<u>160,753</u>	<u>180,539</u>	<u>1,435,842</u>	<u>41,662</u>	<u>18,367</u>	<u>618,994</u>	<u>2,456,157</u>

The net book value of fixed assets held under finance leases at year end was £38,849 (2012 £571,567) and depreciation was £532,718 (2012 £1,211,927)

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 SUBSIDIARY

Investment in Actual Systems UK Limited

Cost and net book value

At 1 July 2012	£ 417,137
Additions	191,865
At 30 June 2013	<u>609,002</u>

During the year the company paid additional cash consideration and associated expenses of £191,865 in respect of the purchase of 100% of the ordinary share capital of Actual Systems UK Limited. The aggregate capital and reserves of Actual Systems UK Limited at 30 June 2012 were £30,855 (at 30 September 2011 £49,944). The accounts to 30 June 2013 have not yet been finalised and therefore the disclosed figures are as at 30 June 2012.

The company has investments in the following subsidiary undertakings

	Country of incorporation	Principal activity	Holding % (ordinary share capital)
Actual Systems UK Limited	United Kingdom	Software development	100*
Actual Systems Australia PTY Limited	Australia	Software development	100

*held directly by Audatex (UK) Limited

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2013

10. DEBTORS

	2013 £	2012 £
Trade debtors	1,319,280	1,061,888
Amounts due from fellow subsidiary undertakings	619,545	1,876,745
Corporation tax	-	129,020
Deferred tax (note 15)	753,436	794,587
Amounts receivable under finance leases due within 1 year	-	191,020
Prepayments and accrued income	3,371,844	3,540,440
	<u>6,064,105</u>	<u>7,593,700</u>

The cost of assets acquired during the year for the purpose of letting under finance leases is £nil (2012 £nil)

Aggregate rentals received during the year from finance leases is £191,022 (2012 £252,864)

11. CURRENT ASSET INVESTMENT

	2013 £	2012 £
Credit Suisse safekeeping account	<u>3,857,361</u>	<u>1,854,306</u>

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	1,009,872	1,111,932
Amounts owed to fellow subsidiary undertakings	5,264,679	4,149,319
Taxation and social security	877,777	941,919
Corporation Tax	166,986	-
Obligations under finance leases (see note 14)	42,350	565,468
Accruals and deferred income	<u>2,528,138</u>	<u>1,942,154</u>
	<u>9,889,802</u>	<u>8,710,792</u>

Included in accruals and deferred income is £19,972 (2012 £163,637) relating to costs of restructuring. The finance leases are secured on the assets to which they relate. Amounts due to group undertakings are non-interest bearing and are repayable on demand.

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2013

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Obligations under finance leases (see note 14)	-	42,350
	-	42,350

The finance leases are secured on the assets to which they relate

14. OBLIGATIONS UNDER FINANCE LEASES

	2013 £	2012 £
Instalments (net of finance charges) falling due:		
Within one year	42,350	565,468
Between one and five years	-	42,350
	42,350	607,818

15. DEFERRED TAX ASSET

	£
Balance at 1 July 2012	794,587
Credit to profit and loss account	(41,151)
Balance at 30 June 2013	753,436

The deferred tax asset is made up as follows

	2013 £	2012 £
Depreciation in excess of capital allowances	652,844	712,155
Share options	97,482	72,597
Short term timing differences	3,110	9,835
	753,436	794,587

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 23% (2012 24%) of the gross temporary differences. The government has indicated that it intends to enact future reductions in the main corporation tax rate, down to 21% by 1 April 2014. The impact of any reductions will be taken into account at subsequent reporting dates once the change has been substantively enacted.

There is an un-provided potential deferred tax asset of £164,000 (2012 £171,000) 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.

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2013

16. DIVIDEND PAID

	2013 £	2012 £
Paid on ordinary shares £nil (2012 £1 87) per ordinary share	-	2,898,500

17. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Called up, allotted and fully paid 1,550,000 ordinary shares of £1 each	1,550,000	1,550,000

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

	Called up share capital	Capital contribution	Profit and loss account	2013 £	2012 £
Opening shareholder's funds	1,550,000	2,528,678	1,619,875	5,698,553	6,878,440
Profit for the financial year	-	-	975,288	975,288	1,577,202
Dividend paid (see note 16)	-	-	-	-	(2,898,500)
Share options capital contribution	-	627,736	-	627,736	141,411
Closing shareholder's funds	1,550,000	3,156,414	2,595,163	7,301,577	5,698,553

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2013

19. OPERATING LEASE COMMITMENTS

At 30 June 2013 the company was committed to making the following payments during the next year in respect of operating leases

	2013		2012	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire				
Within one year	-	9,341	-	50,628
Within two to five years	-	188,409	-	119,428
After five years	175,000	-	175,000	-
	<u>175,000</u>	<u>197,750</u>	<u>175,000</u>	<u>170,056</u>

20. 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 £265,188 (2012 £305,330)

21. ULTIMATE AND IMMEDIATE PARENT COMPANIES

Audatex Holdings GmbH, a company incorporated in Switzerland, is the immediate parent company. Solera Holding, Inc., incorporated in the USA, is the ultimate parent company and the controlling party.

The smallest group in which the results of the company are consolidated is Audatex Holdings GmbH and the largest group is Solera Holdings, Inc. The financial statements of Solera Holding, Inc. may be obtained from Solera, Inc. 15030 Avenue of Science, Suite 100 San Diego, CA 92128.

22. 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 Holding, Inc. have not been disclosed in these financial statements.

We have not prepared consolidated accounts as we are exempt. The results of our company are included in the consolidated results of Audatex Holdings GmbH, a company incorporated in Switzerland.

NOTES TO THE ACCOUNTS

Year ended 30 June 2013

23. 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 Holdings 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:

	2013		2012	
	Number of share options	Weighted average exercise price (\$)	Number of share options	Weighted average exercise price (\$)
Outstanding at beginning of period	41,347	47.25	24,694	39.22
Granted during the period	30,819	51.40	25,159	50.73
Forfeited during the period	(6,879)	53.21	(3,587)	48.85
Exercised during the period	(7,500)	40.71	(4,919)	23.52
Outstanding at the end of the period	<u>57,787</u>	<u>50.22</u>	<u>41,347</u>	<u>47.25</u>
Exercisable at the end of the period	<u>12,375</u>	<u>47.89</u>	<u>8,625</u>	<u>36.24</u>

The options outstanding at 30 June 2013 had a weighted average exercise price of \$50.22 and a weighted average remaining contractual life of 3.06 years. In 2013, options were granted on 1 October 2012, 3 December 2012, 1 February 2013 and 3 June 2013. The aggregate of the estimated fair values of the options granted on that date is \$373,541 (£239,449). In 2012, options were granted on 1 July 2011, 1 September 2011, 3 October 2011, 1 March 2012, 2 April 2012 and 1 June 2012. The aggregate of the estimated fair values of the options granted on that date is \$348,387 (£224,173).

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

	2013	2012
Weighted average share price and exercise price	\$12.96	\$15.01
Expected volatility	32.8%	33%
Expected life	4.8 years	4.6 years
Risk-free rate	0.7%	1.0%
Dividend yield	1.0%	0.7%

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 £109,547 and £56,244 related to share options in 2013 and 2012 respectively.

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.

AUDATEX (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2013

23. SHARE OPTIONS (CONTINUED)

	2013		2012	
	Number of share options	Weighted average exercise price (\$)	Number of share options	Weighted average exercise price (\$)
Non-vested at beginning of year	10,621	0 01	6,559	0 01
Granted during the year	35,164	0 01	7,540	0 01
Forfeited during the year	(1,142)	0 01	(961)	0 01
Vested during the year	(3,840)	0 01	(2,517)	0 01
Non-vested at the end of the year	40,803	0 01	10,621	0 01

The company recognised total expenses of £518,189 and £85,167 related to restricted stock options in 2013 and 2012 respectively