

Company Registration No. 09915313 (England and Wales)

INTELEMATICS EUROPE LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017**

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INTELEMATICS EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

INTELEMATICS EUROPE LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2017**

	Notes	2017		2016 as restated Unaudited	
		£	£	£	£
Fixed assets					
Intangible assets	4		1,736,248		385,636
Tangible assets	5		305,125		357,438
			<u>2,041,373</u>		<u>743,074</u>
Current assets					
Debtors	6	591,177		543,078	
Cash at bank and in hand		879,683		2,853,453	
		<u>1,470,860</u>		<u>3,396,531</u>	
Creditors: amounts falling due within one year	7	(1,310,759)		(309,985)	
Net current assets			<u>160,101</u>		<u>3,086,546</u>
Total assets less current liabilities			<u>2,201,474</u>		<u>3,829,620</u>
Capital and reserves					
Called up share capital	8		2,400,000		2,400,000
Share premium account			1,571,570		1,571,570
Profit and loss reserves	9		(1,770,096)		(141,950)
Total equity			<u>2,201,474</u>		<u>3,829,620</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 29 March 2018 and are signed on its behalf by:



M S Lloyd
Director

INTELEMATICS EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
As restated for the period ended 30 June 2016:					
Balance at 14 December 2015		-	-	-	-
Period ended 30 June 2016:					
Loss and total comprehensive income for the period		-	-	(141,950)	(141,950)
Issue of share capital	8	2,400,000	1,571,570	-	3,971,570
Balance at 30 June 2016		2,400,000	1,571,570	(141,950)	3,829,620
Period ended 30 June 2017:					
Loss and total comprehensive income for the period		-	-	(1,628,146)	(1,628,146)
Balance at 30 June 2017		2,400,000	1,571,570	(1,770,096)	2,201,474

INTELEMATICS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

Intelematics Europe Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 90 Longacre, London, WC2E 9RA.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company is dependent on the continued support from its shareholders who have confirmed that they will continue to support the company for a period of at least 12 months from the date of signing these financial statements. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover consists of various elements: the sale of hardware, data plans, platform fees and recharges to associated companies.

Revenue from the sale of hardware is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of data plans and platform fees are recognised over the term of the contract and costs incurred and costs to complete can be estimated reliably. Where the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The recharge of development costs to associated companies is recognised in the period to which the development costs relate.

INTELEMATICS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	1 to 5 years straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Computer equipment	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, unpaid share capital and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from connected companies, are initially recognised at transaction price, and subsequently carried at transaction price less repayments made.

INTELEMATICS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. *Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.* Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss 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.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Period of account

The company was incorporated on 14 December 2015. Therefore the comparative figures represent the shortened period from 14 December 2015 to 30 June 2016.

INTELEMATICS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

2 Prior period adjustment

In the previous year equity instruments were issued with deferred payment terms as detailed in note 6. The previous financial statements treated payments to be received over a three year period rather than the correct period of two years. Consequently the discounting applied in the prior year was incorrect and has been adjusted to reflect the correct period of two years.

Changes to the statement of financial position

	At 30 June 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors	509,125	33,953	543,078
Capital and reserves			
Share premium account	1,539,505	32,065	1,571,570
Profit and loss reserves	(143,838)	1,888	(141,950)
Total equity	3,795,667	33,953	3,829,620

Changes to the statement of comprehensive income

	Period ended 30 June 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Interest receivable and similar income	17,191	1,888	19,079
Loss before taxation, loss for the financial year and total comprehensive income/(loss) for the year	(143,838)	1,888	(141,950)

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 8 (2016 - 6).

The directors are employed by the Joint Venture shareholders as employees of those entities. In the opinion of the directors the time spent performing their duties as directors of the company is insignificant and as a result no costs have been recognised in the statement of comprehensive income.

INTELEMATICS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

4 Intangible fixed assets

	Software £
Cost	
At 1 July 2016	392,342
Additions	1,580,450
At 30 June 2017	<u>1,972,792</u>
Amortisation and impairment	
At 1 July 2016	6,706
Amortisation charged for the year	229,838
At 30 June 2017	<u>236,544</u>
Carrying amount	
At 30 June 2017	<u>1,736,248</u>
At 30 June 2016	<u>385,636</u>

5 Tangible fixed assets

	Computer equipment £
Cost	
At 1 July 2016	364,369
Additions	70,922
Disposals	(35,259)
At 30 June 2017	<u>400,032</u>
Depreciation and impairment	
At 1 July 2016	6,931
Depreciation charged in the year	87,976
At 30 June 2017	<u>94,907</u>
Carrying amount	
At 30 June 2017	<u>305,125</u>
At 30 June 2016	<u>357,438</u>

INTELEMATICS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

6 Debtors

	2017	2016
	£	Unaudited £
Amounts falling due within one year:		
Trade debtors	13,474	-
Unpaid share capital	179,235	181,141
Amounts due from related parties	288,029	-
Other debtors	67,168	160,722
Prepayments and accrued income	43,271	39,743
	<u>591,177</u>	<u>381,606</u>
Amounts falling due after one year:		
Unpaid share capital	-	161,472
	<u>-</u>	<u>161,472</u>
Total debtors	<u>591,177</u>	<u>543,078</u>

On 31 March 2016 the company issued 120,000 B Ordinary shares of £1 each with a share premium of £410,000. £152,000 was paid on allotment, £190,000 is due to be paid on the first anniversary of the shareholders agreement dated 14 December 2015 and £188,000 is due to be paid on the second anniversary of the shareholders agreement.

Amounts receivable in the future are held using the effective interest method in accordance with the accounting policies.

7 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	314,038	175,249
Amounts due to related parties	198,855	-
Other taxation and social security	6,142	1,132
Deferred income	523,911	-
Other creditors	1,671	-
Accruals	266,142	133,604
	<u>1,310,759</u>	<u>309,985</u>

INTELEMATICS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

8 Called up share capital

	2017	2016
	£	Unaudited £
Ordinary share capital		
Issued and fully paid		
2,280,000 A Ordinary shares of £1 each	2,280,000	2,280,000
120,000 B Ordinary shares of £1 each	120,000	120,000
	<u>2,400,000</u>	<u>2,400,000</u>

A ordinary shares are entitled to one vote per share held, the shares rank equally in respect of dividends and a capital distribution on liquidation.

B ordinary shares have no dividend or voting rights and are entitled to a refund of capital on liquidation.

9 Reserves

Share premium

This represents consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserve

This represents the cumulative profit and loss net of distributions to owners.

INTELEMATICS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

10 Related party transactions

Transactions with related parties

The AA, The ANWB and Intelematics Australia are joint venture owners of the ordinary share capital of the company, together owning 95% of the issued share capital in equal proportions. The company has benefited from the provision of office space from the AA and management, legal, professional and administrative support from the AA, ANWB and Intelematics Australia all of which has been provided at no cost to the company. It is not possible to identify the costs of the services provided as they are an in house resource and the cost is marginal.

11 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017	2016
	£	£
Acquisition of tangible fixed assets	23,009	-
	<u>23,009</u>	<u>-</u>

12 Control

The directors do not consider there to be one ultimate controlling party.

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Neil Mellor.

The auditor was RSM UK Audit LLP.