

Company Registration No. 09915313 (England and Wales)

**INTELEMATICS EUROPE LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2018**

**PAGES FOR FILING WITH REGISTRAR**



# **INTELEMATICS EUROPE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 30 JUNE 2018**

---

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 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	3		1,809,533		1,736,248
Tangible assets	4		198,778		305,125
			<u>2,008,311</u>		<u>2,041,373</u>
<b>Current assets</b>					
Debtors	5	221,462		591,177	
Cash at bank and in hand		2,127,840		879,683	
			<u>2,349,302</u>	<u>1,470,860</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(4,511,166)</u>		<u>(1,310,759)</u>	
<b>Net current (liabilities)/assets</b>			<u>(2,161,864)</u>		<u>160,101</u>
<b>Total assets less current liabilities</b>			<u>(153,553)</u>		<u>2,201,474</u>
<b>Capital and reserves</b>					
Called up share capital	7		2,400,000		2,400,000
Share premium account			1,571,570		1,571,570
Profit and loss reserves			(4,125,123)		(1,770,096)
<b>Total equity</b>			<u>(153,553)</u>		<u>2,201,474</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 5-10-2018 and are signed on its behalf by:



A S M Vreeburg  
Director

# INTELEMATICS EUROPE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

---

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2016</b>	2,400,000	1,571,570	(141,950)	3,829,620
<b>Period ended 30 June 2017:</b>				
Loss and total comprehensive income for the period	-	-	(1,628,146)	(1,628,146)
<b>Balance at 30 June 2017</b>	2,400,000	1,571,570	(1,770,096)	2,201,474
<b>Period ended 30 June 2018:</b>				
Loss and total comprehensive income for the period	-	-	(2,355,027)	(2,355,027)
<b>Balance at 30 June 2018</b>	<u>2,400,000</u>	<u>1,571,570</u>	<u>(4,125,123)</u>	<u>(153,553)</u>

# INTELEMATICS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

---

### 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 £1.

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 2018

---

#### 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
----------	----------------------------

##### **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:

Fixtures and fittings	25% straight line
Computer equipment	25% straight line

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 and deposits held at call with banks.

##### **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 2018

---

#### 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.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

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.

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.

# INTELEMATICS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

---

#### 1 Accounting policies (Continued)

##### 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.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 12 (2017 - 8).

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.

#### 3 Intangible fixed assets

	<b>Software</b>
	<b>£</b>
<b>Cost</b>	
At 1 July 2017	1,972,792
Additions	606,518
	<hr/>
At 30 June 2018	2,579,310
	<hr/>
<b>Amortisation and impairment</b>	
At 1 July 2017	236,544
Amortisation charged for the year	533,233
	<hr/>
At 30 June 2018	769,777
	<hr/>
<b>Carrying amount</b>	
At 30 June 2018	1,809,533
	<hr/> <hr/>
At 30 June 2017	1,736,248
	<hr/> <hr/>

# INTELEMATICS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

4 Tangible fixed assets	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 July 2017	-	400,032	400,032
Additions	5,605	15,602	21,207
Disposals	-	(32,032)	(32,032)
At 30 June 2018	<u>5,605</u>	<u>383,602</u>	<u>389,207</u>
<b>Depreciation and impairment</b>			
At 1 July 2017	-	94,907	94,907
Depreciation charged in the year	750	94,772	95,522
At 30 June 2018	<u>750</u>	<u>189,679</u>	<u>190,429</u>
<b>Carrying amount</b>			
At 30 June 2018	<u>4,855</u>	<u>193,923</u>	<u>198,778</u>
At 30 June 2017	<u>-</u>	<u>305,125</u>	<u>305,125</u>
<b>5 Debtors</b>			
<b>Amounts falling due within one year:</b>		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Trade debtors		2,019	13,474
Unpaid share capital		-	179,235
Amounts due from related parties		50,393	288,029
Other debtors		72,096	67,168
Prepayments and accrued income		96,954	43,271
		<u>221,462</u>	<u>591,177</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.

# INTELEMATICS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2018

#### 6 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	1,810,446	314,038
Amounts due to related parties	321,041	198,855
Other taxation and social security	11,722	6,142
Deferred income	2,152,224	523,911
Other creditors	-	1,671
Accruals	215,733	266,142
	<u>4,511,166</u>	<u>1,310,759</u>

#### 7 Called up share capital

	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
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.

# INTELEMATICS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

---

### 8 Related party transactions

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.

### 9 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018	2017
	£	£
Acquisition of tangible fixed assets	-	23,009
	<u>          </u>	<u>          </u>

### 10 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.