

Registered no 03720091

# **XCHANGING GLOBAL INSURANCE SYSTEMS LIMITED**

**Annual report and financial statements  
for the year ended 31 December 2009**



# **XCHANGING GLOBAL INSURANCE SYSTEMS LIMITED**

## **Annual Report and financial statements for the year ended 31 December 2009**

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## **Directors and advisors**

### **Directors**

R Houghton  
R Clark  
M Hobbs  
M Sutton  
J Priggen

### **Company secretary**

A Gallagher

### **Registered office**

34 Leadenhall Street  
London  
EC3A 1AX

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

### **Solicitors**

Clifford Chance LLP  
10 Upper Bank Street  
Canary Wharf  
London  
E14 5JJ

### **Bankers**

Lloyds TSB Bank plc  
PO Box 72  
Bailey Drive  
Gillingham  
Kent  
ME8 0LS

**Directors' report  
for the year ended 31 December 2009**

Registered no' 03720091

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2009

**Principal activity**

The company acts as a holding company for certain other group undertakings

**Review of business and future developments**

The company did not trade during the current or preceding year. No dividends were paid or are proposed (2008: none)

The directors are satisfied with the financial position of the company

**Financial risk management**

The company has limited exposure to financial risk as all material financial instruments are with companies within the group headed by Xchanging plc, Xchanging Global Insurance Systems Limited's ultimate parent undertaking. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided in the group's annual report, which does not form part of this report.

The principal risk facing the company is any significant impairment in the value of its investments

**Results and dividends**

The company did not trade during the current or preceding accounting period. No dividends were paid or proposed (2008: none)

**Directors**

The directors who held office during the year and up to the date of signing the financial statements were

**Name**

R Houghton  
R Clark  
M Hobbs  
M Sutton  
J Priggen

**Qualifying third party indemnity provision**

There was no qualifying third party indemnity provision in force for the benefit of any directors at any time during the financial year or up to the time the report is approved

**Directors' report  
for the year ended 31 December 2009 (continued)****Statement of directors' responsibilities in respect of the Annual Report  
and the financial statements**

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

**Statement of disclosure of information to auditors**

Each director of the company, in office at the time of approval of this report, acknowledges that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he 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.

**Directors' report  
for the year ended 31 December 2009 (continued)****Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. The company has elected to dispense with the requirement to appoint auditors annually, therefore, in the absence of a notice proposing that the appointment be terminated, PricewaterhouseCoopers LLP will continue as auditors to the company.

On behalf of the board



J Priggen  
Director

26/3/10

# **Independent auditors' report to the members of XCHANGING GLOBAL INSURANCE SYSTEMS LIMITED**

We have audited the financial statements of Xchanging Global Insurance Systems Limited for the year ended 31 December 2009 which comprise the Profit & Loss Account, the Balance Sheet and the related notes. 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).

## **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **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.

## **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 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

# **Independent auditors' report to the members of XCHANGING GLOBAL INSURANCE SYSTEMS LIMITED (continued)**

## **Opinion on other matter prescribed by the Companies Act 2006**

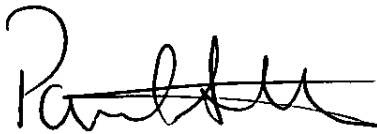
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

## **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 Aitken (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

26/3/10

**Profit and loss account  
for the year ended 31 December 2009**

	Notes	2009 £'000	2008 £'000
<b>Result on ordinary activities before taxation</b>		-	-
Tax on result on ordinary activities	4	(66)	(244)
<b>Loss for the financial year</b>		<u>(66)</u>	<u>(244)</u>

The loss for the year relates to continuing activities

There were no other recognised gains and losses for the year other than those above, therefore no separate statement of total recognised gains and losses has been prepared

There is no material difference between the result on ordinary activities before taxation and the retained loss for the year stated above and their historic cost equivalents

# **Balance sheet** **as at 31 December 2009**

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Investments	5	<u>14,977</u>	<u>14,977</u>
<b>Current assets</b>			
Debtors	6	12,601	12,601
<b>Creditors:</b> amounts falling due within one year	7	<u>(509)</u>	<u>(443)</u>
<b>Net current assets</b>		<u>12,092</u>	<u>12,158</u>
<b>Total assets less current liabilities</b>		<u>27,069</u>	<u>27,135</u>
<b>Net assets</b>		<u>27,069</u>	<u>27,135</u>
<b>Capital and reserves</b>			
Called up share capital	8	70,515	70,515
Profit and loss account	9	<u>(43,446)</u>	<u>(43,380)</u>
<b>Total shareholder's funds</b>	10	<u>27,069</u>	<u>27,135</u>

The financial statements on pages 7 to 12 were approved by the board of directors on *26<sup>th</sup> March 2010* and were signed on its behalf by



J Priggen  
Director

## Notes to the financial statements for the year ended 31 December 2009

### 1 Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which, unless otherwise stated, have been applied consistently with the prior year, is set out below.

#### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

#### Cash flow statement and non-consolidation of subsidiary undertakings

The financial statements contain information about Xchanging Global Insurance Systems Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is a wholly owned subsidiary of Xchanging plc and is included in the consolidated financial statements of Xchanging plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) and has also taken advantage of the exemption from preparing consolidated financial statements under the terms of s228 of the Companies Act 2006.

#### Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate based on the financial position at the year end, and budgets and cash flow projections for the underlying trading subsidiaries for the twelve months following the date of approval of these accounts.

#### Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment. Impairment reviews are conducted at the end of the first full year following acquisition and thereafter where indicators of impairment are present.

#### Related party transactions

The company has taken advantage of the exemption available in Financial Reporting Standard 8 not to disclose transactions with related parties that are wholly owned by the group.

### 2 Directors' emoluments

The directors do not receive any emoluments specifically in respect of their role as directors of the company.

During the year no directors exercised options over 5p shares of Xchanging plc (2008: one director).

### 3 Operating profit

The company had no employees excluding directors during the current or prior year. The auditors' remuneration has been borne by a fellow group undertaking.

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 4 Tax on profit on ordinary activities

	2009 £'000	2008 £'000
<b>Current tax</b>		
UK corporation tax	66	214
Adjustments in respect of prior years	-	30
<b>Current tax charge for the year</b>	<b>66</b>	<b>244</b>

The tax charge relates to an imputed interest charge for UK corporation tax purposes, which is not recorded in the P&L, in respect of the intercompany loans at a rate of 1.9%. The current tax assessed for the period is higher (2008: higher) than the standard rate of corporation tax in the UK 28% (2008: 28.5%). The differences are explained below:

<b>Result on ordinary activities before tax</b>	-	-
Result on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 28.5%)	-	-
Transfer pricing adjustments	66	214
Adjustments in respect of prior years	-	30
<b>Current tax charge for year</b>	<b>66</b>	<b>244</b>

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's loss for this accounting period is taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

There are no recognised or unrecognised deferred tax charges.

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 5 Investments

The fixed asset investment comprises equity shares with a cost of £14,977,000 (2008 £14,977,000)

The following are the principal wholly owned subsidiaries of Xchanging Global Insurance Systems Limited

Name	Principal activity	Country of incorporation
Dasure Holdings Limited *	Holding company	England and Wales
Xchanging International Limited *	Holding company	England and Wales
Xchanging Global Insurance Solutions Limited **	Computer Services	England and Wales
Xchanging Insurance Professional Services Limited **	Business Services	England and Wales
Xchanging Systems and Services Inc **	Computer Services	USA
Xchanging Global Insurance Solutions Bermuda Limited**	Computer Services	Bermuda
Xchanging Asia Pacific Sdn Bhd **	Computer Services	Malaysia
Xchanging International (Thailand) Limited **	Computer Services	Thailand
Xchanging (Holdings) Thailand Limited**	Computer Services	Thailand
Xchanging Advisory Services Limited (formerly Landmark Business Consulting Limited)**	Business Services	England and Wales
Xchanging Global Insurance Services (US) Inc**	Computer Services	USA

\* Held directly by Xchanging Global Insurance Systems Limited

\*\* Held by subsidiary undertaking

### 6 Debtors

	2009	2008
	£'000	£'000
Amounts owed by group undertakings	<u>12,601</u>	<u>12,601</u>

Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand

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

	2009	2008
	£'000	£'000
Group relief payable	<u>509</u>	<u>443</u>
	<u>509</u>	<u>443</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 8 Called up share capital

	2009 £'000	2008 £'000
<b>Authorised</b>		
72,740,001 (2008 72,740,001) Ordinary shares of £1 each	<u>72,740</u>	<u>72,740</u>
<b>Allotted and fully paid</b>		
70,515,461 (2008 70,515,461) Ordinary shares of £1 each	<u>70,515</u>	<u>70,515</u>

### 9 Reserves

	Profit and loss account £'000
At 1 January 2009	(43,380)
Loss for the financial year	(66)
<b>At 31 December 2009</b>	<u><b>(43,446)</b></u>

### 10 Reconciliation of movements in equity shareholder's funds

	2009 £'000	2008 £'000
Opening shareholders' funds	27,135	27,379
Loss for the financial year	(66)	(244)
<b>Closing shareholders' funds</b>	<u><b>27,069</b></u>	<u><b>27,135</b></u>

### 11 Parent undertaking and ultimate controlling party

The company's immediate parent undertaking is Xpanse Limited, a company incorporated in the United Kingdom

The company's ultimate parent undertaking and controlling party is Xchanging plc, a company incorporated in the United Kingdom. The results of Xchanging Global Insurance Systems Limited are included in the Xchanging plc consolidated accounts, copies of which may be obtained from Xchanging plc, 13 Hanover Square, London, W1S 1HN, United Kingdom. Xchanging plc is the only undertaking to include the results of the company in its consolidated accounts.