

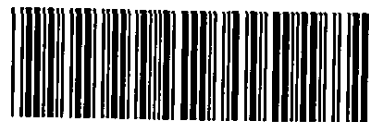
Registered number 04220016

XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

Annual report

for the year ended 31 December 2011

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XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

Annual report for the year ended 31 December 2011

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XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

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Directors and advisors

Directors

S Trainor
G Whitaker

Company secretary

C Fussell

Registered office

34 Leadenhall Street
London
United Kingdom
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
London
E14 5JJ

Bankers

Lloyds TSB
City Office
PO Box 72
Gillingham Business Park
Kent
ME8 0LS

XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

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Directors' report for the year ended 31 December 2011

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011

Principal activities

The company is a wholly owned holding company whose activities comprise receipt of income from its subsidiary

Review of business and future developments

The company received dividends from its subsidiary undertaking Xchanging Procurement Services Limited during the year and is expected to do so in the future, although no dividend has been proposed in respect of the year ended 31 December 2011

The company results are set out in the profit and loss account on page 6.

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 Procurement Services (Holdco) Limited's ultimate parent undertaking

Results and dividends

The company's profit for the financial year was £3,195,000 (2010 £5,553,000)

During the year, a dividend of £15 98 (2010 £27 77) per share was paid amounting to £3,195,000 (2010 £5,553,000)

Directors

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

S Trainor
G Whitaker

XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

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Directors' report for the year ended 31 December 2011 (continued)

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

Statement of directors' responsibilities

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

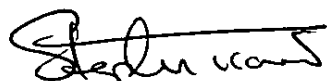
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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.

On behalf of the board

S Trainor
Director
14 March 2012



Independent Auditors' Report to the Members of Xchanging Procurement Services (Holdco) Limited

We have audited the financial statements of Xchanging Procurement Services (Holdco) Limited for the year ended 31 December 2011 which comprise the Profit and 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 Statement of directors' responsibilities 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 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.

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 2011 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

XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

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Independent Auditors' Report to the Members of Xchanging Procurement Services (Holdco) Limited (continued)

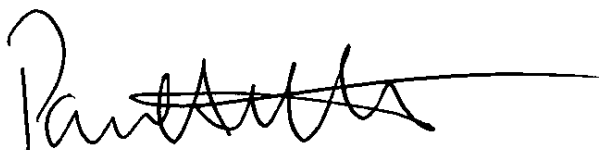
Opinion on other matter prescribed by the Companies Act 2006

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
14 March 2012

XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

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Profit and loss account for the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Income from shares in group undertakings		<u>3,195</u>	<u>5,553</u>
Operating profit on ordinary activities before taxation	2	3,195	5,553
Tax charge on profit on ordinary activities	5	-	-
Profit for the financial year	10	<u>3,195</u>	<u>5,553</u>

The company had no gains or losses other than those included in the results above, therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents

All results stated related to continuing operations

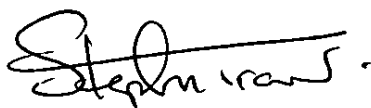
XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

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Balance sheet as at 31 December 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Investments	7	-	-
		-	-
Current assets			
Debtors	8	200	200
Net current assets		200	200
Net assets		<u>200</u>	<u>200</u>
Capital and reserves			
Called up share capital	9	20	20
Share premium account	10	180	180
Profit and loss account	10	-	-
Total shareholders' funds	11	<u>200</u>	<u>200</u>

The financial statements of Xchanging Procurement Services (Holdco) Limited – registered number 04220016 – as set out on pages 6 to 11 were approved by the Board of directors on 14 March 2012 and were signed on its behalf by



S Trainor
Director

**Notes to the financial statements
for the year ended 31 December 2011**

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. The directors believe that preparing the financial statements on the going concern basis is appropriate based on projections for the foreseeable future.

Cash flow statement and non consolidation of subsidiary undertakings

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) 'Cash flow statements' and has also taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Turnover

The company is a non-trading holding company and as such does not have turnover. Dividend income is recognised at the point the company is legally entitled to receive such amounts.

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 under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Xchanging plc, whose accounts are publicly available.

**Notes to the financial statements
for the year ended 31 December 2011**

2 Profit on ordinary activities before taxation

For the current and prior year the auditors' remuneration of £2,000 was borne by another group company

3 Directors' emoluments

Neither of the directors received any remuneration specifically in respect of their services to the company during the year (2010 £nil)

During the year no directors exercised options over 5p shares of Xchanging plc (2010 no directors exercised options over 5p shares of Xchanging plc)

4 Employees

The company had no employees during the current or prior year

5 Tax on profit on ordinary activities

	2011 £'000	2010 £'000
Current tax:		
Total tax on profit on ordinary activities	-	-

The current tax assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 26.5% (2010 28%). The standard rate of corporation tax in the UK changed from 28% to 26.5% with effect from 1 April 2011. Accordingly the Company's profits for this accounting period are taxed at a blended rate of 26.5%. The differences are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	3,195	5,553
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 28%)	847	1,555
Non-taxable dividend income	(847)	(1,555)
Total current tax charge	-	-

Further reductions to the main rate of corporation tax in the UK are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

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Notes to the financial statements for the year ended 31 December 2011 (continued)

6 Equity dividend paid

	2011 £'000	2010 £'000
Ordinary shares £15.98 per 10p share (2010 £27.77 per 10p share)	<u>3,195</u>	<u>5,553</u>

The directors are not proposing a final dividend in respect of the financial year ending 31 December 2011 (2010 £3,195,000)

7 Fixed asset investments

The following are wholly owned subsidiaries of Xchanging Procurement Services (Holdco) Limited

Name	Country of incorporation	Principal activity	% ownership of ordinary shares
Xchanging Procurement Services Limited *	United Kingdom	Procurement Services	100
Xchanging Procurement Services (Europe) Limited	United Kingdom	Procurement Services	100

* Held directly

Investments comprise equity shares with a cost of £1 (2010 £1). The directors believe that the carrying value of the investments is supported by their underlying net assets

8 Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	200	195
Consortium relief receivable	-	5
	<u>200</u>	<u>200</u>

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

9 Called up share capital

	2011 £'000	2010 £'000
Authorised		
200,000 ordinary shares (2010 200,000 ordinary shares) of 10p each	<u>20</u>	<u>20</u>
Allotted, called up and fully paid		
200,000 ordinary shares (2010 200,000 ordinary shares) of 10p each	<u>20</u>	<u>20</u>

XCHANGING PROCUREMENT SERVICES (HOLDCO) LIMITED

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Notes to the financial statements for the year ended 31 December 2011 (continued)

10 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2011	180	-
Profit for the financial year	-	3,195
Dividend	-	(3,195)
At 31 December 2011	180	-

11 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Opening shareholders' funds	200	200
Profit for the financial year	3,195	5,553
Dividend	(3,195)	(5,553)
Closing shareholders' funds	200	200

12 Contingent liabilities

The Xchanging plc Group, of which the Company is a member, has a £ 75 million multicurrency revolving credit facility and a £20 million term loan provided by a syndicate of banks in respect of which Xchanging Procurement Services (Holdco) Limited is a guarantor. At the year end date, £48 million (2010 \$45 million) had been drawn as cash under the revolving credit facility and a further €20 million (2010 €20 million) and \$2.7 million (2010 \$ Nil) had been utilised as a letter of credits by the Group. The balance outstanding against the term loan was £ 20 million (2010 \$34 million). Both the facilities mature in August 2015.

13 Ultimate parent and controlling party

The company is a wholly owned subsidiary of XUK Holdco (No. 2) Limited.

Xchanging plc, a company incorporated in England and Wales is the ultimate parent undertaking. The results of Xchanging Procurement Services (Holdco) Limited are included in the Xchanging plc consolidated financial statements, copies of which may be obtained from Xchanging plc, 34 Leadenhall Street, London, EC3A 1AX, United Kingdom. Xchanging plc is the only undertaking to include the results of the company in its consolidated financial statements.