

Registered no: 05460327

**XS (INT) LIMITED (formerly known as Xchanging  
Procurement Services (Europe) Limited)**

**Annual report**

**for the year ended 31 December 2015**

FRIDAY



\*A58ULVUG\*

A12

10/06/2016

#8

COMPANIES HOUSE

# **Annual report for the year ended 31 December 2015**

Directors and advisers	1
Director's report	2 - 4
Independent auditors' report	5 - 7
Income statement	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 17

# **XS (INT) LIMITED**

## **Directors and advisers**

### **Directors**

T Croom  
G Bhat

### **Registered office**

The Walbrook Building  
25 Walbrook  
London  
EC4N 8AQ  
United Kingdom

### **Independent auditors**

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

### **Solicitors**

Ashurst LLP  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA

### **Bankers**

Lloyds Bank PLC  
PO Box 72  
Bailey Drive  
Gillingham Business Park  
Gillingham  
Kent  
ME8 0LS

# **XS (INT) LIMITED**

## **Directors' report for the year ended 31 December 2015**

The directors present their report and the audited financial statements of XS (Int) Limited, for the year ended 31 December 2015. During the year, the company changed its name from Xchanging Procurement Services (Europe) Limited to XS (Int) Limited.

### **Directors**

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

<b>Name</b>	
T Croom	Appointed 21 January 2015
M Batty	Resigned 21 January 2015
N Ford	Resigned 10 April 2015
C Kusneraitis	Appointed 10 April 2015; Resigned 18 June 2015
D Royer	Appointed 18 June 2015; Resigned 23 September 2015
G Bhat	Appointed 22 September 2015

### **Results and dividends**

The company's result for the financial year was £nil (2014: loss £2,000). The company paid a dividend of £41,000 to its parent company during the year 2015 (2014: £nil).

The financial statements of XS (Int) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The company transitioned from UK GAAP to FRS101 for all periods presented.

### **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.

### **Events after the reporting date**

Following a formal bid made on 9 December 2015, supported by Xchanging's Board, Computer Sciences Corporation ('CSC') announced on 18 January 2016 that they had secured shareholder commitments in respect of, or direct ownership of, approximately 87.06% of Xchanging Plc's existing issued share capital, and as a consequence declared their bid unconditional as to shareholder acceptances. Subsequently, an announcement by CSC on 8 February 2016 confirmed this level had risen to approximately 91.78%.

On 15 February 2016 CSC announced that the US merger control condition set out in their offer document has been satisfied. On 31 March 2016 the European Commission announced it had approved the proposed acquisition under the EU Merger Regulation. There are further regulatory conditions to be satisfied before CSC's bid can become wholly unconditional. The process of obtaining these is underway.

# **XS (INT) LIMITED**

## **Directors' report for the year ended 31 December 2015 (continued)**

### **Going concern**

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Company no longer trades. Accordingly, the going concern basis of preparation is no longer appropriate as at 31 December 2015 and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and non-current liabilities as current assets and liabilities. The comparative financial information continues to be prepared on a going concern basis. The principal accounting policies, which have been applied consistently throughout the year, are set out in Note 2 of these financial statements and, where necessary, have been updated to include any policies to reflect the presentation of the financial statements as at 31 December 2015 on a basis other than going concern.

### **Directors' Responsibilities Statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

# **XS (INT) LIMITED**

## **Directors' report for the year ended 31 December 2015 (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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and therefore a strategic report has not been prepared by the director.

**On behalf of the board**



T Croom  
**Director**

22 April 2016

# **XS (INT) LIMITED**

## **Independent auditors' report to the members of XS (INT) Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, XS (INT) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result 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.

#### **Emphasis of matter - Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 2 to the financial statements concerning the basis of preparation. The directors have decided that the company will cease trading during the next financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in Note 2 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and non-current liabilities as current assets and liabilities.

#### **What we have audited**

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2015;
- the Income Statement and the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **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.

# **XS (INT) LIMITED**

## **Independent auditors' report to the members of XS (INT) Limited (continued)**

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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) ("ISAs (UK & 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 parent 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.



# **XS (INT) LIMITED**

## **Independent auditors' report to the members of XS (INT) Limited (continued)**

### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Ian Benham (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

25 April 2016

# XS (INT) LIMITED

## Income Statement Year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Revenue		-	-
Administrative expenses		-	(3)
Loss on ordinary activities before taxation		-	(3)
Tax expense on ordinary activities	5	-	1
Loss for the year		-	(2)

# **XS (INT) LIMITED**

## **Statement of Comprehensive income Year ended 31 December 2015**

	Notes	2015 £'000	2014 £'000
Loss for the year		-	(2)
Total comprehensive income for the year		-	(2)

# XS (INT) LIMITED

## Balance Sheet as at 31 December 2015

	Notes	2015 £'000	2014 £'000
<b>Current assets</b>			
Trade and other receivables	6	-	41
		<hr/>	<hr/>
		-	41
<b>Net current assets</b>		<hr/>	<hr/>
		-	41
<b>Total assets less current liabilities</b>		<hr/>	<hr/>
		-	41
<b>Equity</b>			
Ordinary Shares	7	-	-
Retained earnings		-	41
		<hr/>	<hr/>
<b>Total shareholders' deficit</b>		<hr/>	<hr/>
		-	41

**Registered number:** 05460327

The financial statements on pages 8 to 17 were approved by the board of directors on April 2016 and were signed on its behalf by:



**T Croom**  
**Director**  
22 April 2016

# XS (INT) LIMITED

## Statement of changes in equity

Notes	Called-up Share Capital	Retained earnings	Total
	£'000	£'000	£'000
<b>Balances as at 1 January 2014 (as previously reported)</b>	<u>-</u>	<u>43</u>	<u>43</u>
<b>Balance as at 1 January 2014</b>	<u>-</u>	<u>43</u>	<u>43</u>
Loss for the year		(2)	(2)
<b>Balance as at 31 December 2014</b>	<u>-</u>	<u>41</u>	<u>41</u>
Dividends		(41)	(41)
<b>Balance as at 31 December 2015</b>	<u>-</u>	<u>-</u>	<u>-</u>

Retained earnings represents accumulated comprehensive income for the year and prior years plus share-based payments adjustments and related tax credits, charges from the parent company for share based payments, less dividends paid.

# **XS (INT) LIMITED**

## **Notes to the financial statements for the year ended 31 December 2015**

### **1 General information**

XS (Int) Limited is a subsidiary company and does not trade. Its country of operation, incorporation and domicile is the United Kingdom. The parent entity is Xchanging Procurement Services Limited.

### **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

The financial statements of XS (Int) Ltd have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The company transitioned from UK GAAP to FRS101 for all periods presented. The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in this note.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- Paragraphs 62, B64(d), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3, 'Business Combinations'
- Paragraph 33(c) of IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of evaluation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, plant and equipment;
  - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 10(f) (a Balance Sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),

# **XS (INT) LIMITED**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **2 Summary of significant accounting policies**

#### **Basis of preparation (continued)**

- 38B-D (additional comparative information),
  - 40A-D (requirements for a third Balance Sheet
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
  - Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
  - Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
  - The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

#### **Consolidation**

The company is a wholly owned subsidiary of Xchanging Procurement Services Limited and of its ultimate parent, Xchanging Plc. It is included in the consolidated financial statements of Xchanging Plc which are publically available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements are separate financial statements.

#### **Basis of preparation other than going concern**

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Company no longer trades. Accordingly, the going concern basis of preparation is no longer appropriate as at 31 December 2015 and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and non-current liabilities as current assets and liabilities. The comparative financial information continues to be prepared on a going concern basis. The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies to reflect the presentation of the financial statements as at 31 December 2015 on a basis other than going concern.

#### **Trade and other receivables**

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

# **XS (INT) LIMITED**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **2 Summary of Significant accounting policies (continued)**

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

#### **Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **Payables**

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Dividend distribution**

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

#### **Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



# **XS (INT) LIMITED**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **2 Summary of Significant accounting policies (continued)**

#### **Current and deferred income tax (continued)**

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable.

### **3 Critical accounting estimates and judgments**

Management is required to exercise judgement and make sure of estimates and assumptions in the application of accounting standards. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no areas of significant judgements or estimates.

### **4 Operating profit**

The auditors' remuneration of £4,000 (2014: £2,000) has been borne by Xchanging UK Limited.

### **5 Employees and directors**

The company had no employees during the current or the prior year.

The emoluments of directors are paid by other Group companies which makes no recharge to the company. All directors are directors of other Group companies and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of the Directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the other Group companies.

# XS (INT) LIMITED

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 6 Income tax

The tax for the current and prior year is at the standard rate of corporation tax in the UK for the year ended 31 December 2015 of 20.25% (2014: 21.5 %). The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1st April 2015. Accordingly the company's profits for the accounting year are taxed at a blended rate of 20.25 % (2014: 21.5%). The differences are explained below:

	2015 £'000	2014 £'000
Loss on ordinary activities before tax	-	(3)
Loss multiplied by the standard rate of tax in the UK of 20.25% (2014:21.5%)	-	1
Effects of:		
Adjustments to tax charge in respect of prior years	-	-
<b>Tax charge</b>	<b>-</b>	<b>1</b>

The Finance (No 2) Act 2015 reduced the standard rate of corporation tax in the UK from 20% to 19% with effect from 1 April 2017 and then from 19% to 18% with effect from 1 April 2020. Accordingly deferred tax is calculated in full on temporary differences under the liability method using the tax rate arising when the temporary difference is expected to reverse in the UK and at the relevant local statutory rates for differences arising in other countries.

### 7 Trade and other receivables

	2015 £'000	2014 £'000
Amounts owed by group undertakings	-	41
	<b>-</b>	<b>41</b>

### 8 Share capital

Ordinary shares	2015 £	2014 £
<b>Allotted and fully paid</b>		
At 1 January	1	1
At 31 December	1	1

Allotted called up and fully paid shares: 1 (2014: 1) ordinary shares of £1 (2014: £1) each.

# **XS (INT) LIMITED**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **9 Contingent liabilities**

The Company acts as a guarantor for the Xchanging Group's multicurrency revolving credit facility. This facility has been amended from £165.0 million to £190.0 million in 2015. As at 31 December 2015, £155.0 million was drawn as cash under this facility (2014: £115.0 million). The revolving credit facility matures in June 2018.

### **10 Parent undertaking and ultimate controlling party**

The immediate parent company is Xchanging Procurement Services Limited.

The ultimate parent company and controlling party is Xchanging plc, a company incorporated in England and Wales. The results of XS (Int) Limited for the year ended 31 December 2015 are included in the Xchanging plc consolidated financial statements; copies of which may be obtained from Xchanging, The Walbrook Building, 25 Walbrook, London, EC4N 8AQ, United Kingdom. Xchanging plc is the only company to consolidate the results of XS (Int) Limited.

### **11 Events after the reporting date**

Following a formal bid made on 9 December 2015, supported by Xchanging's Board, Computer Sciences Corporation ('CSC') announced on 18 January 2016 that they had secured shareholder commitments in respect of, or direct ownership of, approximately 87.06% of Xchanging Plc's existing issued share capital, and as a consequence declared their bid unconditional as to shareholder acceptances. Subsequently, an announcement by CSC on 8 February 2016 confirmed this level had risen to approximately 91.78%.

On 15 February 2016 CSC announced that the US merger control condition set out in their offer document has been satisfied. On 31 March 2016 the European Commission announced it had approved the proposed acquisition under the EU Merger Regulation. There are further regulatory conditions to be satisfied before CSC's bid can become wholly unconditional. The process of obtaining these is underway.

### **12 Transition to Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101)**

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS101. However, there were no adjustments or changes in accounting policies necessary for the previously published numbers under UK GAAP and the reported numbers under FRS101 for any period since 1 January 2014, therefore no restatements have been made and no reconciliation is presented as it is not required.

# **XS (INT) LIMITED**

## **Notes to the financial statements for the year ended 31 December 2015 (continued)**

### **9 Contingent liabilities**

The Company acts as a guarantor for the Xchanging Group's multicurrency revolving credit facility. This facility has been amended from £165.0 million to £190.0 million in 2015. As at 31 December 2015, £155.0 million was drawn as cash under this facility (2014: £115.0 million). The revolving credit facility matures in June 2018.

### **10 Parent undertaking and ultimate controlling party**

The immediate parent company is Xchanging Procurement Services Limited.

The ultimate parent company and controlling party is Xchanging plc, a company incorporated in England and Wales. The results of XS (Int) Limited for the year ended 31 December 2015 are included in the Xchanging plc consolidated financial statements; copies of which may be obtained from Xchanging, The Walbrook Building, 25 Walbrook, London, EC4N 8AQ, United Kingdom. Xchanging plc is the only company to consolidate the results of XS (Int) Limited.

### **11 Events after the reporting date**

Following a formal bid made on 9 December 2015, supported by Xchanging's Board, Computer Sciences Corporation ('CSC') announced on 18 January 2016 that they had secured shareholder commitments in respect of, or direct ownership of, approximately 87.06% of Xchanging Plc's existing issued share capital, and as a consequence declared their bid unconditional as to shareholder acceptances. Subsequently, an announcement by CSC on 8 February 2016 confirmed this level had risen to approximately 91.78%.

On 15 February 2016 CSC announced that the US merger control condition set out in their offer document has been satisfied. On 31 March 2016 the European Commission announced it had approved the proposed acquisition under the EU Merger Regulation. There are further regulatory conditions to be satisfied before CSC's bid can become wholly unconditional. The process of obtaining these is underway.

### **12 Transition to Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101)**

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS101. However, there were no adjustments or changes in accounting policies necessary for the previously published numbers under UK GAAP and the reported numbers under FRS101 for any period since 1 January 2014, therefore no restatements have been made and no reconciliation is presented as it is not required.