

OS AA01

Statement of details of parent law and other
information for an overseas company

846/20



Companies House

✓ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law

✗ What this form is NOT for
You cannot use this form to
an alteration of manner of co
with accounting requirements

THURSDAY



A14 *A5CMP8C0* #431
04/08/2016
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

Xchanging B V

UK establishment
number

B R 0 0 9 2 6 1

→ Filling in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state

**Part 2 Statement of details of parent law and other
information for an overseas company**

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited

Legislation ②

Book 2 Title 9 of Dutch Civil Code applicable under IFRS

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box

☐ No Go to Section A3

☒ Yes Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3

③ Please insert the name of the
appropriate accounting organisation
or body

Name of organisation
or body ③

IFRIC

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box

☐ No Go to Section A5

☒ Yes Go to Section A4

OS AA01

Statement of details of parent law and other information for an overseas company


A4 Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box <input type="checkbox"/> No Go to Part 3 'Signature' <input checked="" type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ①	Dutch Standards on Auditing	

A5 Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input type="checkbox"/> Yes	
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Part 3 Signature

	I am signing this form on behalf of the overseas company	
Signature	<div>Signature</div> <div>X  X</div>	
	This form may be signed by Director, Secretary, Permanent representative	

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Company Secretary**

Company name **Xchanging plc**

Address **The Walbrook Building**

25 Walbrook

Post town **London**

County/Region

Postcode **E C 4 N 8 A Q**

Country **UNITED KINGDOM**

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form



Important information

Please note that all this information will appear on the public record



Where to send

You may return this form to any Companies House address:

England and Wales

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

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The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Registered Company Number 34108659

XCHANGING B.V.

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

XCHANGING B.V.

Annual report for the year ended 31 December 2015

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Directors and advisers

Directors

Chris Fussell
Craig Wilson

Registered office

The Walbrook Building
25 Walbrook
London
EC4N 8AQ

Independent auditors

PricewaterhouseCoopers Accountants N V
Thomas R. Malthusstraat 5
P O Box 90357
1006 BJ Amsterdam
The Netherlands

Solicitors

Clifford Chance
Droogbak 1A
1013 GE Amsterdam
PO Box 251
1000 AG Amsterdam
Netherlands

Bankers

Lloyds Bank Plc
City Office Gillingham
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Directors' report for the year ended 31 December 2015

The directors present their report and the audited financial statements of the company for the year ended 31 December 2015

Principal activity

The principal activity of the company is to act as a holding company for its subsidiaries which provide business processing services, focusing on increasing the efficiency of complex back-office functions to allow its customers to concentrate on their core operations. The group is engaged in business processing services in human resources, procurement, finance and accounting, insurance and securities processing. The group is also engaged in the development and sale of computer software, mainly for the insurance industry.

Xchanging B V is a wholly owned subsidiary of Xchanging plc (since 30 April 2007)

Review of business

The company results are set out in the profit and loss account on page 5

The company continues to act as a holding company

Future developments

The company will continue to act as a holding company for its subsidiaries which provide business processing services, focusing on increasing the efficiency of complex back-office functions to allow its customers to concentrate on their core operations

Financial risk management

The financial risk management objectives and policies of the group are the same as for the Xchanging plc group. The company complies with the Xchanging plc group ("the group") financial risk management policies as the directors consider these to be appropriate. These are set out below.

The company is exposed to a variety of financial risks which are reviewed on a regular basis in order to limit the adverse effects on the financial performance of the company.

(i) **Foreign exchange risk**

As part of the group there are overseas operations in Continental Europe, Australia, India and the United States of America. The group also holds equity investments in Europe. The group is exposed to foreign exchange rate risks primarily with respect to the Euro, Australian dollar, United States Dollar and Indian Rupee.

(ii) **Interest rate cash flow risk**

The group has interest bearing liabilities. The group has a policy of maintaining debt at a floating rate which gives rise to risk of future interest cash flows. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

(iii) **Credit risk**

The group has a concentration of credit risk with respect to trade receivables due to the nature and structure of the enterprise partnerships, however many of the Xchanging plc group entities are now 100% owned hence minimising the credit risk. Credit risk assessments are performed as the group signs new enterprise partnership and new customer contracts. The trade receivables comprise amounts due from fellow Group subsidiaries, hence the directors feel the credit risk is reduced.

**Directors' report
for the year ended 31 December 2015 (continued)****Financial risk management (continued)****(iv) Price risk**

The group has equity securities price risk as it holds listed equity investments. This risk is reviewed on a regular basis to assess the appropriateness of the investments and to limit the adverse effects on the financial performance of the group.

(v) Liquidity risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

The principal risks facing Xchanging B V Limited are foreign exchange risk and price risk but this is limited as reflected by the above comments.

Results and dividends

The loss for the year attributable to equity shareholders was £39,552,000 (2014 profit £1,764,000). The directors do not recommend a dividend payment in respect of the year ended 31 December 2015 (2014 £nil).

Directors and their interests

The directors who served during the year to the date of this report were

	Date resigned	Date appointed
K Lever	31 st December 2015	-
G N Whitaker	21 st January 2015	-
C Fussell	-	21 st January 2015
Craig Wilson	-	11 th January 2016

Employment policies

The company has no employees.

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.

**Directors' report
for the year ended 31 December 2015 (continued)****Financial support of Xchanging UK Limited**

The infrastructure and resources of the group are provided by the company's 100% subsidiary, Xchanging UK Limited. This includes the investment in improved processes and systems for the enterprise partnerships and the business infrastructure to sustain the existing business and its future growth. The obligations of Xchanging UK Limited are wholly supported by Xchanging B.V.

Statement as to disclosure of information to independent auditors

So far as each of the directors is aware, there is no relevant audit information of which the company's independent auditors are unaware, and

Each of the directors has taken all the steps they ought to have taken individually as a director in order to make themselves aware of any relevant audit information and to establish that the company's independent auditors are aware of that information.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and group as at the end of the financial year and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state that the financial statements comply with IFRS and Part 9 of Book 2 of the Netherlands Civil Code,
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with Part 9 of Book 2 of the Netherlands Civil Code. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the Netherlands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Chris Fussell



Craig Wilson

April 28, 2016

Income statement – by function of expense for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Continuing Operations			
Income from shares in Group Undertaking	5	15,939	-
Impairment of Investment	12	(57,333)	-
Administrative income	6	<u>1,376</u>	<u>1,431</u>
Operating Loss	7	<u>(40,018)</u>	<u>1,431</u>
Finance income	9	1,824	1,820
Finance costs	10	<u>(983)</u>	<u>(1,182)</u>
(Loss)/profit before taxation		(39,177)	2,069
Taxation (charge)/credit	11	<u>(375)</u>	<u>(305)</u>
(Loss)/profit for the year attributable to the owners of the parent		<u>(39,552)</u>	<u>1,764</u>

**Statement of comprehensive income
for the year ended 31 December 2015**

	2015	2014
	£'000	£'000
(Loss)/profit for the year	(39,552)	1,764
Total comprehensive (loss)/profit for the year	(39,552)	1,764
Total comprehensive (loss)/profit for the year is attributable to		
Equity holders of the company	(39,552)	1,764
	(39,552)	1,764

The notes on pages 10 to 24 form an integral part of these financial statements

Balance sheet as at 31 December 2015

	Notes	2015 £'000	2014 £'000
Assets			
Non-current assets			
Investments in subsidiary undertakings	12	120,307	175,332
		<u>120,307</u>	<u>175,332</u>
Current assets			
Trade and other receivables	13	259,324	254,424
Cash and cash equivalents		18	20
		<u>259,342</u>	<u>254,444</u>
Liabilities			
Current liabilities			
Intercompany payables	14	(176,398)	(186,973)
		<u>82,944</u>	<u>67,471</u>
Net current assets			
		<u>203,251</u>	<u>242,803</u>
Total assets less current liabilities			
		<u>203,251</u>	<u>242,803</u>
Net assets			
		<u>203,251</u>	<u>242,803</u>
Total equity attributable to the owners of the parent			
Called up share capital	16	246	246
Share premium	18	256,725	256,725
Other reserves	18	19	19
Accumulated Deficit	17	(53,739)	(14,187)
Total equity	18	<u>203,251</u>	<u>242,803</u>

The notes on pages 10 to 24 form an integral part of these financial statements

Statement of changes in equity for the year ended 31 December 2015

Attributable to the equity holders of the company

	Notes	Share capital £'000	Share Premium £'000	Other reserves £'000	Retained earnings £'000	Total Equity £'000
At 1 January 2014		246	256,725	24	(15,951)	241,044
Loss on Investment disposal		-	-	(5)	-	(5)
Total comprehensive profit for the year		-	-	-	1,764	1,764
At 31 December 2014		246	256,725	19	(14,187)	242,803
At 1 January 2015		246	256,725	19	(14,187)	242,803
Loss on Investment disposal		-	-	-	-	-
Total comprehensive loss for the year	18	-	-	-	(39,552)	(39,552)
At 31 December 2015		246	256,725	19	(53,739)	203,251

The notes on pages 10 to 24 form an integral part of these financial statements

Cash flow statement for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Net cash generated/(used in) from operating activities	19	(2)	(2)
Cash flows from investing activities			
Investment in subsidiaries	12	-	-
Interest received	9	-	-
Net cash used in investing activities			
Cash flows from financing activities			
Interest paid	10	-	-
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(2)	(2)
Cash and cash equivalents at 1 January		20	22
Cash and cash equivalents at 31 December		18	20

The notes on pages 10 to 24 form an integral part of these financial statements

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

1 General information

The company is a private limited liability company incorporated in the Netherlands and domiciled in the UK. The principal place of business is The Walbrook Building 25 Walbrook London EC4N 8AQ. Details of the ultimate controlling parties are contained in note 20.

2 Principal 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 both years presented, unless otherwise stated.

(a) Basis of preparation of the financial statements

These financial statements have been prepared on a going concern basis in accordance with EU endorsed International Financial Reporting Standards, IFRIC interpretations and Book 2 Title 9 of the Dutch Civil Code applicable to companies reporting under IFRS.

All values are rounded to the nearest thousand pounds (£'000) except where otherwise stated.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments, financial assets and financial liabilities at fair value through profit and loss. A summary of the more important company accounting policies is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year.

The preparation of financial statements in conformity with EU endorsed IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The accounting policy descriptions as detailed in note 4 of these financial statements set out the areas where significant judgements, estimates and assumptions have been made.

(i) New and amended standards and interpretations adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the Company (although they may affect the accounting for future transactions and events).

There are no other IFRSs or IFRIC interpretations that are endorsed by the EU but are not yet effective that would be expected to have a material impact on the Company.

**Notes to the financial statements
for the year ended 31 December 2015 (continued)****2 Principal accounting policies (continued)****(b) 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 consolidated financial statements under the terms of IAS 27.

(c) Finance costs

Finance costs are charged to the income statement using the effective interest rate method.

(d) Finance income

Interest income is reported in the income statement as it arises through the application of the effective interest rate method.

(e) Income from shares in group undertakings

Dividend Income from Financial Assets is recognised in the income statement as part of other income when the group's right to receive payments is established. Interest on loan is recognised as part of other income in the income statement using the effective interest rate method.

(f) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the fair value reserve in equity.

(g) Investments in subsidiary undertakings

Fixed asset investments are stated at cost less any provision for impairment.

(h) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

**Notes to the financial statements
for the year ended 31 December 2015 (continued)****2 Principal accounting policies (continued)****(j) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits and short term highly liquid investments which are readily convertible to cash and are subject to minimal risk of changes in value

(k) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method

(l) Taxation

Current tax is recognised at the amount expected to be paid (or recovered from) the taxation authorities using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, income tax is recognised directly in the income statement

(m) Share capital

Share capital comprises the nominal value of all issued shares. On subscribing for shares any excess consideration over the nominal value of the shares issued less any issue costs is credited to the share premium account

(n) Fair value estimation

The fair values of short-term loans with a maturity of less than one year are assumed to approximate to their book values. For loans due in more than one year the fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the market interest rate available to the Company for similar financial instruments

Investments are initially recognised at fair value plus transaction costs for all Financial Assets. Financial Assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the most effective method

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

3 Financial risk management

The company's operations expose it to a variety of financial risks. The company manages these risks under the Group's financial risk management policies, which the Board reviews and agrees. The company's financial instruments comprise borrowings, cash and liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The company does not normally enter into derivative transactions. However, such transactions may be undertaken to hedge certain currency risks arising from the Group's operations.

It is the Group's policy that no trading in financial instruments or speculative transactions be undertaken.

(i) **Interest rate risk**

The company reviews its interest rate profile against acceptable risk profiles.

Currently the company does not have any external debt financing.

Working capital is generally held in variable rate operational accounts, with surplus cash placed on fixed rate short-term deposits.

(ii) **Foreign exchange risk**

The company's operations expose the company to some foreign exchange risk. The company currently operates primarily in Euro or Sterling, of which the only significant transactional foreign currency cash flow exposures are in Euros.

The company does not hedge profit translation risk. The company will create natural balance sheet hedging by matching assets and liabilities by currency where possible. Annuity exposures will not be hedged except under exceptional circumstances. Specific one-off exposures may be hedged. The hedging policy adopted does not currently meet the criteria for hedge accounting under IAS 39.

(iii) **Liquidity risk**

The company actively manages its liquidity risk through cash management as part of the group, including detailed weekly short-term and monthly long-term cash flow forecasting, which support regular reviews of funding strategies.

(iv) **Market risk and price risk**

The company does not hold listed investments, which expose the company to equity securities price risk.

(v) **Credit risk**

The company has a concentration of credit risk with other Group companies. Exposures with banking counterparties are monitored on a regular basis to ensure exposures are maintained within the Group's treasury policies.

(vi) **Commodity risk**

Commodity risk is not considered to be applicable to the company as the company does not perform material transactions of commodities.

(vii) **Capital risk management**

The company's capital consists of share capital and intercompany balances. The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders and sell or purchase assets to reduce or increase debt.

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

4 Critical accounting judgments

The company's principal accounting policies are set out in note 2 to these financial statements. Management is required to exercise judgement and make use of estimates and assumptions in the application of these policies. However, none of these matters are considered to be significant to the financial statements.

5 Income from shares in Group Undertaking

The company received dividends of £15,939,334 in the year from subsidiary undertakings. £13,874,334 was received from XUK Holdco (No 2) Limited and £2,065,000 was received from Xchanging Holdco No 3 Limited. No dividends were received in the prior year.

6 Administrative income

	2015 £'000	2014 £'000
Other income	17,315	1,431
Total administrative income	17,315	1,431

7 Operating loss

	2015 £'000	2014 £'000
Operating profit is stated after (crediting)/charging.		
Income from shares in Group Undertaking	15,939	-
Foreign exchange (gain)/loss	1,376	(1,497)
Impairment of Investment	(57,333)	-
Other operating income/ (charges)	-	-
	(40,018)	(1,497)

There are no fees payable in respect of non-audit services. The independent auditors' remuneration has been borne by the company's parent undertaking.

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

8 Employees and directors

The company does not have any employees

The directors do not receive any emoluments from the company

No directors accrued any pension benefits under defined contribution or defined benefit schemes

No directors exercised share options during the year (2013 Nil)

9 Finance income

	2015 £'000	2014 £'000
Intercompany interest receivable	1,824	1,820
	<u>1,824</u>	<u>1,820</u>

10 Finance costs

	2015 £'000	2014 £'000
Intercompany interest payable	(983)	992
Imputed interest payable	-	190
	<u>(983)</u>	<u>1,182</u>

11 Taxation charge/(credit)

	2015 £'000	2014 £'000
Analysis of charges/(credit) in year		
Current tax	449	459
Adjustments in respect of prior years	(74)	(154)
	<u>375</u>	<u>305</u>

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

11 Taxation charge/(credit) (continued)

The tax assessed for the year is lower (2014: higher) than 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 23% to 21% with effect from 1 April 2014. Accordingly the company's profits for the accounting year are taxed at a blended rate of 21.5%. The differences are explained below:

	2015 £'000	2014 £'000
Loss on ordinary activities before tax (excluding non-taxable investment income)	(55,116)	2,135
Profit on ordinary activities multiplied by rate of corporation tax in the UK of 20.25% (2014: 21.5%)	(11,161)	459
Expenses not deductible for tax purposes	11,610	
Tax in respect of prior year adjustments	(74)	(154)
Tax charges for the year	<u>375</u>	<u>305</u>

Factors affecting current and future tax charges

During the year Finance Act 2014 reduced the main rate of corporation tax in the UK to 21% from 1 April 2014 and to 20% from April 2015. The change to 20% has been reflected in the closing deferred tax balances recognised in these financial statements.

12 Investments in subsidiary undertakings

	2015 £'000	2014 £'000
Shares in group undertakings		
At 1 January	175,332	157,890
- Investment in Xchanging Italy Holding S R L	2,308	6,757
- Investment in Xchanging Inc	-	-
- Investment in Xchanging Holdco No 3 Limited	-	10,787
- Dissolution of Xchanging SAS	-	(102)
- Impairment	(57,333)	-
At 31 December	<u>120,307</u>	<u>175,332</u>

The directors estimate the value in use of their subsidiaries, XUK Holdco (No2) Ltd and Xchanging Inc (USA) decreased below the value of the investments held as at 31st December 2015. Therefore the investments were impaired by £57,332,794 in these financial statements.

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

12 Investments in subsidiary undertakings (continued)

The company has the following principal subsidiary undertakings

Name	Country of incorporation	Principal activity	Effective interest and proportion of equity held
Xchanging GmbH	Germany	Business processing services	100%
Xchanging UK Limited	England and Wales	Management services to Group companies	100%
Xchanging Claims Services Limited	England and Wales	Intermediate holding company	50%
Ins-sure Services Limited	England and Wales	Business processing services	50%
London Processing Centre Limited	England and Wales	Business processing services	50%
LPSO Limited	England and Wales	Business processing services	50%
LCO Non-Marine and Aviation Limited	England and Wales	Business processing services	50%
LCO Marine Limited	England and Wales	Business processing services	50%
Xchanging Procurement Services Limited	England and Wales	Business processing services	100%
Xchanging HR Services Limited	England and Wales	Business processing services	100%
Fondsdepot Bank GmbH	Germany	Business processing services	51%
Xchanging Broking Services Limited	England and Wales	Business processing services	100%
Xchanging Global Insurance Solutions Limited	England and Wales	Business processing services	100%
Xchanging Systems & Services Inc	USA	Business processing services	100%
Xchanging Asia Pacific Sdn Bhd	Malaysia	Business processing services	100%
Xchanging Technology Services India Private Limited	India	Business processing services	100%
Xchanging Resourcing Services Limited	England and Wales	Business processing services	100%
Xchanging Procurement Services (Europe) SAS	France	Business processing services	100%
Xchanging Global Insurance Solutions Limited	England and Wales	Business processing services	100%
Xchanging Systems & Services Inc	USA	Business processing services	100%
Xchanging Asia Pacific Sdn Bhd	Malaysia	Business processing services	100%
Xchanging Technology Services India Private Limited	India	Business processing services	100%
Xchanging Resourcing Services Limited	England and Wales	Business processing services	100%
Xchanging Procurement Services (Europe) SAS	France	Business processing services	100%
Xchanging (Mauntius) Limited	Mauntius	Intermediate holding company	100%
Cambridge Solutions Limited	India	Business processing services	75%
Scandent Group Inc	USA	Business processing services	75%
Nexplicit Infotech India Pvt Limited	India	Business processing services	75%
Cambridge Solutions Europe Limited	England and Wales	Business processing services	75%

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

12 Investments in subsidiary undertakings (continued)

Name	Country of incorporation	Principal activity	Effective interest and proportion of equity held
Cambridge Solutions Sdn Bhd	Malaysia	Business processing services	75%
Cambridge Solutions Pty Limited	Australia	Business processing services	75%
Xchanging Integrated Services Victoria Pty Limited (formerly Cambridge Integrated Services Victoria Pty Limited)	Australia	Business processing services	100%
Xchanging Integrated Services Australia Pty Limited (formerly Cambridge Integrated Services Australia Pty Limited)	Australia	Business processing services	100%
Data Integration Limited	England and Wales	Business processing services	100%
Xchanging Investment Service GmbH	Germany	Business processing services	25.5%
Xchanging Italy S r l	Italy	Intermediate holding company	100%
Kedros S p A	Italy	Business processing services	100%
Xchanging Procurement Services Italy S r l	Italy	Business processing services	100%
Xchanging Procurement Services Spain SL	Spain	Business processing services	100%
Xchanging Services Inc	USA	Business processing services	100%
Cambridge Builders Private Limited	India	Property development company	100%
Ferguson Snell and Associates Limited	England and Wales	Business processing services	93.9%

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

13 Trade and other receivables

	2015 £'000	2014 £'000
Due within one year		
Amounts owed by group undertakings	259,323	254,424
	<u>259,323</u>	<u>254,424</u>

Included in the amounts owed by group undertakings is a loan to HR Holdco Limited of £10 million which bears interest at 2.5% above LIBOR rate, a loan to Xchanging Italy S r L of €12,850,000 which bears interest at 3.5% above LIBOR, and a loan to Xchanging Italy S r L of €1 million which bears interest at 2.5% above LIBOR. All other amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

14 Trade and other payables

	2015 £'000	2014 £'000
Amounts owed to group undertakings	176,398	186,518
Corporation tax – group payable	-	455
	<u>176,398</u>	<u>186,973</u>

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

15 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.

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

16 Called up share capital

	2015 £'000	2014 £'000
Authorised		
All shares nominal value 0.01 Euro		
19,600,000 convertible preference class A shares	110	110
4,826,255 convertible preference class B shares	28	28
20,000,000 convertible preference class C shares	128	128
1,818,181 convertible preference class D shares	13	13
3,258,656 convertible preference class E shares	22	22
1,785,714 common class A shares	10	10
1,785,715 common class C shares	10	10
2,500,000 common class F shares	17	17
53,581,245 common shares	307	307
2,937,500 scheme shares A	16	16
126,000 scheme shares B	1	1
100,000 class G shares	1	1
	663	663

Share movements - 2015

	Number of shares at 1 January	Issued	Redeemed	Number of shares at 31 December	Total nominal value £'000
Allotted, called up and fully paid					
All shares nominal value 0.01 Euro					
Convertible preference class A shares	19,600,000	-	-	19,600,000	110
Convertible preference class B shares	4,826,255	-	-	4,826,255	28
Convertible preference class D shares	1,818,181	-	-	1,818,181	13
Convertible preference class E shares	3,258,656	-	-	3,258,656	22
Common class A shares	1,785,714	-	-	1,785,714	10
Common class C shares	1,785,715	-	-	1,785,715	10
Common class F shares	1,215,766	-	-	1,215,766	8
Common shares	6,163,008	-	-	6,163,008	38
Scheme shares A	937,500	-	-	937,500	5
Scheme shares B	126,000	-	-	126,000	1
Class G shares	73,537	-	-	73,537	1
					246

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

16 Called up share capital (continued)

Share movements – 2015

Allotted, called up and fully paid	Number of shares at 1 January	Issued	Redeemed	Number of shares at 31 December	Total nominal value £'000
All shares nominal value 0.01 Euro					
Convertible preference class A shares	19,600,000	-	-	19,600,000	110
Convertible preference class B shares	4,826,255	-	-	4,826,255	28
Convertible preference class D shares	1,818,181	-	-	1,818,181	13
Convertible preference class E shares	3,258,656	-	-	3,258,656	22
Common class A shares	1,785,714	-	-	1,785,714	10
Common class C shares	1,785,715	-	-	1,785,715	10
Common class F shares	1,215,766	-	-	1,215,766	8
Common shares	6,163,008	-	-	6,163,008	38
Scheme shares A	937,500	-	-	937,500	5
Scheme shares B	126,000	-	-	126,000	1
Class G shares	73,537	-	-	73,537	1
					246

Voting rights

All classes of shares carry equal voting rights

Dividend rights

Convertible preference class A, B, C, D and E shares, common shares and scheme shares A and B carry equal dividend rights. Common class A and C shares gain the same dividend rights on the achievement of milestones based on the market capitalisation of the company. Class G shares are treated for the purposes of the allocation of interim and final dividends as if they had identical rights to those attaching to such number of common shares to which they have equivalent rights (not to exceed 5.5 million common shares) at the time of the distribution as is calculated using the procedure set out in article 4b of the company's articles of association.

Rights on liquidation or winding up

Convertible preference class A, B, C, D and E shares have a preferential right over all classes of common share and class G shares on liquidation or winding up to the return of the nominal amount plus any premium paid, and then an equal right with common shares and scheme shares A and B (following completion of their three year probationary period) to the remaining assets.

Class G shares are only entitled to participate in the remaining assets as if they had identical rights to those attaching to such number of common shares (not to exceed 5.5 million common shares) to which they have equivalent rights as at the date of dissolution of the company as is calculated using the procedure set out in article 4b of the company's articles of association. Common class A and C shares are only entitled to participate in the remaining assets equally with common shares on achievement of the market capitalisation milestones referred to above.

Conversion rights

Convertible preference class A, B, C, D and E shares are convertible to an equal number of common shares by resolution of the Board of the company.

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

16 Called up share capital (continued)

Share options

At 30 April 2008, as part of the share for share exchange, all options in Xchanging B V were exchanged for options over Xchanging plc shares At 31 December 2015, there were no options outstanding (2014 nil)

17 Retained earnings

	£'000
At 1 January 2015	(14,187)
Retained loss for the financial year	(39,552)
At 31 December 2015	<u>(53,739)</u>

18 Movement in shareholders' equity

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
At 1 January 2015	246	256,725	19	(14,187)	242 803
Loss on Investment disposal			-		-
Loss for the year	-	-	-	(39,552)	(39,552)
At 31 December 2015	<u>246</u>	<u>256,725</u>	<u>19</u>	<u>(53,739)</u>	<u>203,251</u>

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

19 Cash flow from operating activities

Reconciliation of operating profit to cash generated from operating activities

	2015	2014
	£'000	£'000
(Loss)/profit before income tax	(39,177)	2 069
Adjustments for non-cash items		
Finance income (note 9)	(1,824)	(1,820)
Finance costs	983	1,182
Impairment of Investment	<u>57,333</u>	<u>-----</u>
	17,315	(638)
Changes in working capital		
Increase in trade and other receivables	(7,102)	(12,496)
Increase in payables	<u>(10,215)</u>	<u>11,063</u>
	(17,317)	(1,433)
Cash generated/(used in) from continuing operations	<u>(2)</u>	<u>(2)</u>

20 Ultimate controlling party

The immediate parent company is Xchanging Holdings Limited

Xchanging plc, a company incorporated in England and Wales, is the current ultimate parent undertaking and controlling party. The results of Xchanging B.V. are included in the Xchanging plc consolidated accounts, copies of which may be obtained from Xchanging plc, The Walbrook Building 25 Walbrook EC4N 8AQ, London. Xchanging plc is the only undertaking to include the results of the company in its consolidated accounts.

21 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.

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

22 Related party transactions

Related party transactions between Xchanging B V and its subsidiaries are as follows

	Year end receivables/(payables)		Transactions	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
-Xchanging UK	154,550	127,295	27,255	(3,527)
-Xpanse	(35,412)	(24,746)	(10,666)	(9,246)
-Xchanging Inc (USA)	135	135	-	-
-HR Holdco	10,378	10,077	301	300
-Xchanging Holdco No 2	57	(402)	459	(352)
-Xchanging Holdco No 3	(10,489)	(9,454)	(1,035)	537
-Xchanging Plc	1,174	1,172	2	-
-Xchanging EBT	-	49	(49)	-
-Xpanse No 2	(14,119)	(11,616)	(2,503)	(2,585)
-Xchanging Insurance Professional Services	-	-	-	(190)
-Xchanging Holdings	(600)	(600)	-	36,400
-Xchanging Italy Holding S r L	11,355	12,068	(713)	(344)
-SBB Business Services	(36,400)	(36,400)	-	36,400

The Company previously held 100% of the ordinary shares in Xchanging SAS. The latter was dissolved on 7 July 2014 and subsumed by Xchanging BV prior to this date.

The Company has given guarantees for operational performance of certain of its subsidiaries for contracts entered into in the ordinary course of trading.

These accounts were approved in London on April 28, 2016

Board of Directors



Chris Fussell



Craig Wilson

**Other information
for the year ended 31 December 2015****Appropriation of the net result for the year**

According to Article 24 of the company's Articles of Association, the appropriation of profits is determined by the shareholders at the Annual General Meeting. The directors do not recommend a dividend payment in respect of the year ended 31 December 2015 (2014: £nil).

The retained loss for the year of £39,552,000 (2014 profit: £1,764,000) for the group was transferred to reserves.

Share rights to financial statements

Details of share rights are given in note 16 to the financial statements.

Subsequent events

There are no post balance sheet events to disclose in the financial statements.

Independent Auditor's report

The independent auditor's report is included on pages 26 to 27 to the financial statements.



Independent auditor's report

To the general meeting of XChanging B V

Report on the financial statements 2015

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of XChanging B V as at 31 December 2015, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code

What we have audited

We have audited the accompanying financial statements 2015 of XChanging B V, London ('the company')

The financial statements comprise.

- the statement of financial position as at 31 December 2015,
- the following statements for 2015 the income statement, the statements of comprehensive income, changes in equity and cash flows,
- the notes, comprising a summary of the significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report

We are independent of XChanging B V in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Ref eo378843

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Responsibilities of the directors

The directors are responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and for
- such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error

As part of the preparation of the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the directors should prepare the financial statements using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. The directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the directors' report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the directors' report and the other information):

- We have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the directors' report, to the extent we can assess, is consistent with the financial statements.

Amsterdam, 28 April 2016

PricewaterhouseCoopers Accountants N V

A.J. Brouwer RA



Appendix to our auditor's report on the financial statements 2015 of XChanging B.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Concluding on the appropriateness of the directors' use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit