

Registered number: 04071629

HR ENTERPRISE LIMITED

Annual report and financial statements

for the year ended 31 December 2014

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HR ENTERPRISE LIMITED

Annual report and financial statements for the year ended 31 December 2014

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Director and advisers

Director

C Fussell

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

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

Bankers

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

**Director's report
for the year ended 31 December 2014**

The director presents his report and the audited financial statements of the company for the year ended 31 December 2014.

Principal activities

The company is a wholly owned holding company whose activities are that of a holding company.

Review of business and future developments

The company did not receive dividends from its subsidiary undertaking during the year but is expected to do so in the future.

The company did not trade during the year.

Results and dividends

The company's result for the year was £nil (2013: result £nil). The director recommended a dividend payment of £nil (2013: £nil).

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, HR Enterprise Limited's ultimate parent undertaking.

Director

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

C Fussell	Appointed 21 January 2015
G Whitaker	Resigned 21 January 2015

**Director's report
for the year ended 31 December 2014 (continued)****Statement of director's responsibilities**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In accordance with Section 418 the 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.

Independent auditors

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

By order of the Board



C Fussell
Director

31 March 2015

Independent auditors' report to the members of HR ENTERPRISE LIMITED**Our opinion**

In our opinion, HR Enterprise 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 2014 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.

What we have audited

HR Enterprise Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, he has 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.

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.

Independent auditors' report to the members of HR ENTERPRISE LIMITED (continued)

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 director is 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 director

As explained more fully in the Director's Responsibilities Statement, the director is 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 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.

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 director; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the director's 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.

**Independent auditors' report to the members of
HR ENTERPRISE LIMITED (continued)**

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

31 March 2015

**Profit and loss account
for the year ended 31 December 2014**

	Note	2014 £'000	2013 £'000
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities		-	-
Result for the financial year	8	<u>-</u>	<u>-</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 material difference between the result on ordinary activities before taxation and the result for the financial years stated above and their historical cost equivalents.

Balance sheet as at 31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	4	-	-
		-	-
Current assets			
Debtors	5	200	200
Net current assets		200	200
Net assets		200	200
Capital and reserves			
Called up share capital	6	20	20
Share premium account	7	180	180
Profit and loss account	8	-	-
Total shareholders' funds	8	200	200

The financial statements on pages 7 to 11 were approved by the director on ³¹ March 2015 and were signed on its behalf by:



C Fussell
Director
 HR Enterprise Limited
 Registered number: 04071629

Notes to the financial statements for the year ended 31 December 2014

1 Principal accounting policies

Basis of preparation

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

Basis of accounting

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

Cash flow statement and non-consolidation of subsidiary undertakings

The 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 s400 of the Companies Act 2006.

Going concern

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

Fixed asset investments

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

Related party transactions

The company has taken advantage of the exemption available in Financial Reporting Standard 8 "Related party transactions" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

2 Operating result

The company had no employees during the current or prior year and the auditors' remuneration of £2,000 (2013: £2,000) has been borne by Xchanging UK Limited.

3 Director's emoluments

The emoluments of the director are paid by other Group companies which makes no recharge to the company. The director is a director 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 Director. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the other Group companies

Notes to the financial statements for the year ended 31 December 2014

4 Fixed asset investments

The following is the wholly owned subsidiary of HR Enterprise Limited:

Name	Country of incorporation	Principal activity
Xchanging HR Services Limited	United Kingdom	HR Business Processing Services

Fixed asset investments comprise equity ordinary shares with a cost of £1 (2013: £1).

The Director believes that the carrying value of the investments is supported by their underlying net assets.

5 Debtors

	2014	2013
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>200</u>	<u>200</u>

6 Called up share capital

	2014	2013
	£'000	£'000
Allotted and fully paid		
200,000 (2013: 200,000)		
Ordinary shares of 10p each (2013: 10p)	<u>20</u>	<u>20</u>
	<u>20</u>	<u>20</u>

7 Reserves

	Share premium account	Profit and loss account
	£'000	£'000
At 1 January 2014	180	-
Result for the financial year	-	-
At 31 December 2014	<u>180</u>	<u>-</u>

Notes to the financial statements for the year ended 31 December 2014

8 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	200	200
Result for the financial year	-	-
Closing shareholders' funds	200	200

9 Contingent liabilities

The Company acts as a guarantor for the Xchanging Group's £165.0 million (2013: £75.0 million) multicurrency revolving credit facility. As at 31 December 2014, £115.0 million was drawn as cash under this facility (2013: £nil). The revolving credit facility matures in June 2018.

10 Parent undertaking and ultimate controlling party

The parent company is HR Holdco Limited. The ultimate parent company and controlling party is Xchanging plc, a company incorporated in England and Wales. The results of HR Enterprise Limited 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 undertaking to include the results of the company in its consolidated financial statements.