

Company Registration No. 00963578

CSC COMPUTER SCIENCES LIMITED

Report and Financial Statements

Period from 29 March 2008 to 3 April 2009



CSC COMPUTER SCIENCES LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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CSC COMPUTER SCIENCES LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G M Hains
H M Eales
A J Thomson

SECRETARY

G A Wilson

REGISTERED OFFICE

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

BANKERS

National Westminster Bank Plc
63 Piccadilly
London
W1A 2AG

SOLICITORS

Baker & McKenzie LLP
100 New Bridge Street
London
EC4V 6JA

AUDITORS

Deloitte LLP
Chartered Accountants
London

CSC COMPUTER SCIENCES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from 29 March 2008 to 3 April 2009.

ENHANCED BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activities of the group during the period were the provision of computer consultancy, systems integration and computer outsourcing. The group is a leading supplier of computing services in the United Kingdom and Ireland and plans to continue its expansion through organic growth of the current business, further acquisitions, additional major outsourcing contracts and development of e-commerce services.

The subsidiary undertakings principally affecting the profits or net assets of the group in the period are listed in note 11 to the financial statements.

There have not been any significant changes in the group's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely major changes in the group's activities in the next period.

A summary of the group's results of the period's trading is given on page 7 of the financial statements.

Turnover increased by 8% during the period to £1,125,034,000 (2008 – £1,043,789,000) mainly as a result of business performance in the health service sector.

Profit on ordinary activities before tax increased by £45,795,000 during the period. This was mainly due to completion of a restructuring programme in the previous period undertaken to realign the business with the changes in the group's outsource customer base and business performance in the health service sector.

The retained profit of the group for the period amounted to £86,746,000 (2008 – £51,343,000). As a result of this, FRS 17 pension movements and FRS 20 share-based payment accounting, the group profit and loss account carried forward is £253,314,000 (2008 – £264,765,000).

The directors do not recommend payment of dividends in the period (2008 – £nil).

The consolidated balance sheet is on pages 8 and 9 of the financial statements.

Fixed assets decreased by 12% over the previous period due to the commencement of depreciation of new datacentre facilities in support of major customer contract.

Stock including work in progress increased by 25% as a result of costs incurred during the year on a major long term contract.

Cash balances increased by 568% to £284,588,000 due to an increase in advance payments on a major customer contract.

Net current assets increased as a result of advance customer payments and the conversion of intercompany loans into a £219,433,000 capital contribution by the ultimate parent company.

Net assets before net pension assets and liabilities increased by 110% due to performance in the period and a capital contribution by the ultimate parent company. Net assets after pension assets and liabilities increased by 78% due to performance in the period, the capital contribution and pension scheme actuarial losses.

PRINCIPAL RISKS AND UNCERTAINTIES

CSC Business Systems Limited, a subsidiary of the company, entered into a major sole customer long term outsource contract in June 2003 for the supply of information technology services. Operating costs were at a higher level in the early years of the contract resulting in initial operating losses. However the company has been profitable in the current and previous period and the directors are confident that profitability is achievable over the life of the contract.

CSC Computer Sciences Limited in January 2004 entered a long term customer contract for the supply of information technology services to the health services sector. A significant extension of the contract occurred in the previous period. The directors are confident that the contract will achieve long term profitability.

Some of the contracts undertaken by the company are performed on a fixed price basis under which particular products or services are delivered to clients for pre-determined and fixed amounts. On these contracts revenue is only recognised when milestones marking specific deliverables are reached. The company is not generally able to recover any additional revenue in the event of it incurring higher costs than anticipated in the performance of these contracts. The company adopts a range of specific internal control measures in order to manage these contracts

CSC COMPUTER SCIENCES LIMITED

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

including regular comparisons of contract costs and progress against targets, regular preparation and review of full forecasts for costs and revenues over the life of the contracts and independent internal reviews by the internal audit and delivery assurance functions. Work in progress, representing costs incurred on fixed price contracts for which deliverable milestones have yet to be reached, is included within the stock balance of £598,823,000 (2008 - £444,022,000) in the consolidated balance sheet.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1.

ENVIRONMENT

The CSC Computer Sciences Limited group recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by the group's activities.

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements.

It is the group's policy to give consideration to disabled people in selection for employment, training and career development opportunities, and to take action to facilitate the continuing employment of people who become disabled while on the group's payroll. This policy is applied in a manner consistent with good business practice and the group's regard for the health and safety of all employees and the community at large.

The group recognises the benefit of keeping employees informed of the progress of the business and of involving them in the group's performance. During the period the employees were provided with information regarding the factors affecting the performance of the group and on other matters of concern to them as employees.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1.

The directors throughout the period and subsequently except as noted were:

P D Crouch	(resigned 20 March 2009)
G M Hains	
H M Eales	
A S Mears	(appointed 29 January 2009, resigned 25 November 2009)
N Wilson	(appointed 20 March 2009, resigned 1 July 2009)
A J Thomson	(appointed 25 November 2009)

No qualifying third party indemnity provisions were made by the company during the period for the benefit of its directors.

FINANCIAL RISK MANAGEMENT

The directors have considered the risks attached to the group's financial instruments which principally comprise operating debtors, operating creditors and loans to and from other group companies. The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so.

DONATIONS

During the period the group made charitable donations of £83,287 (2008 – £24,803). No political donations were made during the period (2008 – £Nil).

CSC COMPUTER SCIENCES LIMITED

DIRECTORS' REPORT (continued)

CREDITOR PAYMENT POLICY

The group's current policy concerning the payment of the majority of its trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU). For other suppliers, the group's policy is to:

- (a) settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- (b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

Trade creditor days of the group for the period ended 3 April 2009 were 37 days (2008 – 54 days), trade creditor days of the company for the period ended 3 April 2009 were 41 days (2008 – 57 days), calculated in accordance with the requirements set down in the Companies Act 1985.

AUDITORS

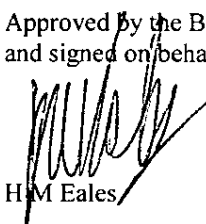
Each of the directors at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

Approved by the Board of Directors
and signed on behalf of the Board



H M Eales

Director

15 January 2010

CSC COMPUTER SCIENCES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and the group 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 estimates that are reasonable and prudent;
- * state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CSC COMPUTER SCIENCES LIMITED**

We have audited the group and parent company financial statements of CSC Computer Sciences Limited for the period from 29 March 2008 to 3 April 2009 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated statement of total recognised gains and losses, the reconciliation of movements in consolidated shareholders' funds and the related notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company and group affairs as at 3 April 2009 and of the profit of the group for the period from 29 March 2008 to 3 April 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

18/1 January 2010

CSC COMPUTER SCIENCES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Period 29 March 2008 to 3 April 2009

	Notes	Period 29 March 2008 to 3 April 2009	Period 31 March 2007 to 28 March 2008
		£'000	£'000
TURNOVER:	1,2	1,125,034	1,043,789
Cost of sales			
Exceptional restructuring costs	3,7	-	(27,971)
Other cost of sales		(899,229)	(859,313)
Total cost of sales		<u>(899,229)</u>	<u>(887,284)</u>
Gross profit		225,805	156,505
Administrative expenses		(89,811)	(87,532)
Other operating (expense)/income		<u>(3,385)</u>	<u>3,885</u>
OPERATING PROFIT BEFORE INTEREST		132,609	72,858
Interest receivable and similar income	5	4,111	6,215
Interest payable and similar charges	6	(24,921)	(23,021)
Other finance income	24	<u>5,494</u>	<u>15,446</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	117,293	71,498
Tax charge on profit on ordinary activities	8	<u>(30,547)</u>	<u>(20,155)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL PERIOD	20	<u><u>86,746</u></u>	<u><u>51,343</u></u>

All results in the current and preceding period related to continuing activities.

CSC COMPUTER SCIENCES LIMITED

CONSOLIDATED BALANCE SHEET 3 April 2009

	Notes	3 April 2009	28 March 2008
		£'000	£'000
FIXED ASSETS			
Goodwill	9	2,847	3,750
Negative goodwill	9	(7,659)	(9,497)
		<hr/>	<hr/>
Intangible assets		(4,822)	(5,747)
Tangible assets	10	250,807	284,638
Investments	11	11	11
		<hr/>	<hr/>
		245,996	278,902
CURRENT ASSETS			
Stock	12	554,070	444,022
Debtors			
- due within one year	13	486,096	527,611
Cash at bank and in hand		284,830	42,610
		<hr/>	<hr/>
		1,324,996	1,014,243
CREDITORS: amounts falling due within one year	14	(1,004,870)	(970,023)
		<hr/>	<hr/>
NET CURRENT ASSETS		320,126	44,220
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		566,122	323,122
CREDITORS: amounts falling due after more than one year	15	(700)	(10,380)
PROVISIONS FOR LIABILITIES	16	(4,915)	(45,569)
		<hr/>	<hr/>
NET ASSETS EXCLUDING PENSION ASSETS AND LIABILITIES		560,507	267,173
Pension assets*	24	-	3,864
Pension liabilities*	24	(86,228)	(4,740)
		<hr/>	<hr/>
NET ASSETS INCLUDING PENSION ASSETS AND LIABILITIES		474,279	266,297
		<hr/>	<hr/>

CSC COMPUTER SCIENCES LIMITED

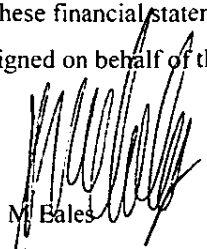
CONSOLIDATED BALANCE SHEET (continued) 3 April 2009

	Notes	3 April 2009 £'000	28 March 2008 £'000
CAPITAL AND RESERVES			
Called up share capital	19	1,500	1,500
Share Premium	20	219,433	-
Capital reserve	20	32	32
Share-based payment reserve	20	8,311	5,537
Profit and loss account	20	245,003	259,228
SHAREHOLDERS' FUNDS		<u>474,279</u>	<u>266,297</u>

* The totals for pension assets and pensions liabilities are net of attributable deferred tax.

These financial statements were approved by the Board of Directors on 15 January 2010.

Signed on behalf of the Board of Directors



H M Eales

Director

CSC COMPUTER SCIENCES LIMITED

COMPANY BALANCE SHEET 3 April 2009

	Notes	£'000	3 April 2009 £'000	£'000	28 March 2008 £'000
FIXED ASSETS					
Goodwill	9		2,686		3,390
Intangible assets			2,686		3,390
Tangible assets	10		221,873		254,222
Investments	11		48,503		48,503
			273,062		306,115
CURRENT ASSETS					
Stock	12	535,387		422,859	
Debtors					
- due within one year	13	532,631		562,018	
Cash at bank and in hand		223,507		451	
		1,291,525		985,328	
CREDITORS: amounts falling due within one year	14	(973,424)		(945,853)	
NET CURRENT ASSETS			318,101		39,475
TOTAL ASSETS LESS CURRENT LIABILITIES			591,163		345,590
CREDITORS: amounts falling due after more than one year	15		(200)		(9,880)
DEFERRED TAXATION	18		(12,406)		-
PROVISIONS FOR LIABILITIES	16		(4,915)		(45,569)
NET ASSETS			573,642		290,141
CAPITAL AND RESERVES					
Called up share capital	19		1,500		1,500
Share premium	20		219,433		-
Share-based payment reserve	20		8,311		5,537
Profit and loss account	20		344,398		283,104
SHAREHOLDERS' FUNDS			573,642		290,141

These financial statements were approved by the Board of Directors on 15 January 2010.

Signed on behalf of the Board of Directors



H M Bales
Director

CSC COMPUTER SCIENCES LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Period 29 March 2008 to 3 April 2009

		Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
	Notes		
Profit on ordinary activities after taxation		86,746	51,343
Exchange differences	20	20	27
Difference between actual and expected return on pension scheme assets	24	(198,657)	(102,405)
Experience of gains/(losses) on pension scheme liabilities	24	-	-
Movement on deferred taxation attributable to pension assets and liabilities	24	39,274	(15,153)
Effects of changes in assumptions underlying the present value of pension scheme liabilities	24	58,392	150,439
Total recognised gains and losses relating to the period		(14,225)	84,251

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

Period 29 March 2008 to 3 April 2009

	Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
Profit on ordinary activities after taxation	86,746	51,343
Exchange differences	20	27
FRS 20 share-based payment capital contribution	2,774	227
FRS 17 current year pension accounting adjustments	(100,991)	32,881
Capital contribution from parent company	219,433	-
Net addition to shareholders' funds	207,982	84,478
Opening shareholders' funds	266,297	181,819
Closing shareholders' funds	474,279	266,297

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. A summary of the principal accounting policies is set out below.

The accounting policies below have been applied on a consistent basis in both the current and prior period.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern basis

The group's business activities, together with the factors likely to affect its future development, principal risks and uncertainties, performance and position are set out under the director's report. Further the amounts due to creditors are stated under note 14 of these financial statements.

The group meets its day to day working capital requirements through a combination of intercompany loans from the parent and other group companies as well as uncommitted money market facilities which are due for renewal at various different times in the future. The current economic conditions create uncertainty particularly over (a) recoverability of the outstanding debts (b) continued support from the Computer Sciences Corporation and (c) the availability of bank finance in the foreseeable future.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. However, the group has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms. Further assurance has been given by the parent company that it will continue to support the operations going forward by way of intercompany funding. The company is recovering most outstanding debts from its customers and there have been no events which have given any indication of significant recoverability issues.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries.

On the acquisition of a company, fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is capitalised and amortised over its estimated useful life. Where the cost of acquisition is less than the values attributable to such net assets, the difference is treated as negative goodwill and is capitalised and amortised over its estimated useful life.

Where the fair value of net assets acquired exceeds the cost of acquisition and the consideration is in the form of shares, the difference is treated as a capital reserve.

Share-based payment

The company has applied the requirements of FRS 20 'Share-based Payment'. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that remained unvested as of 1 April 2005.

Certain employees receive remuneration in the form of share-based payments, including shares or rights over shares in the ultimate holding entity, Computer Sciences Corporation. The cost of equity-settled transactions with employees is measured by reference to the fair value of the instruments concerned at the date at which they are granted. The fair value is determined using Black-Scholes-Merton model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Computer Sciences Corporation.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

1. ACCOUNTING POLICIES (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the vesting date on which the relevant employees become fully entitled to the award. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors at that date, will ultimately vest.

Turnover

Turnover represents sales value net of VAT. The group's primary service offerings are information technology (I/T) outsourcing and I/T and other professional services. The group provides these services under time and materials, cost-reimbursable, unit priced and fixed price contracts. The form of the contract, rather than the type of service offering, is the primary determinant of revenue recognition. Revenues are recognized when persuasive evidence of an arrangement exists, services or products have been provided to the client, the sales price is fixed or determinable and collectability is reasonably assured.

Contract work in progress

Costs on outsourcing contracts are generally expensed as incurred. However, certain costs incurred upon the initiation of an outsourcing contract are deferred and expensed on a straight-line basis over the life of the contract. These costs consist of contract acquisition and transition costs, including the costs of due diligence after competitive selection and costs associated with installation of systems and processes. These costs are recorded as contract work in progress on the balance sheet.

Costs incurred for bid and proposal activity are expensed as incurred.

Costs on major fixed price contract projects are deferred as contract work in progress and released to the profit and loss account according to the appropriate stage of completion. Contract provisions for work in progress risks and contingencies are included in provisions for liabilities and charges.

Intangible fixed assets

Goodwill

Goodwill arising on consolidation is capitalised and amortised on a straight-line basis over its estimated useful life (15 years). Goodwill is regularly reviewed and additional provision made for any permanent impairment. Purchased goodwill in the company is also amortised over 15 years.

Negative Goodwill

Negative goodwill arising on consolidation represents the excess of net assets acquired over consideration paid in relation to acquisitions and is amortised on a straight-line basis over its estimated useful life (currently 10 years).

Development costs

Direct labour and overhead costs incurred in the development of software may be capitalised. Costs incurred to develop commercial software products are capitalised after technological feasibility has been established. Costs incurred to establish technological feasibility are expensed as incurred. Enhancements to software products are capitalised where such enhancements extend the life or significantly expand the marketability of such products.

These costs are amortised on a straight-line basis over their expected useful lives from the date the product enters commercial exploitation (currently three to five years).

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

All tangible fixed assets are held at cost less depreciation and any provision for impairment and are depreciated on a straight-line basis over the following periods:

Furniture and fittings	Five to ten years
Leasehold improvements	Shorter of lease term and ten years
Computer and related equipment	Three to five years or useful life
Buildings	Forty years
Land	Not depreciable

Investments

Investments held as fixed assets are stated at cost less provision for permanent impairment.

Amounts recoverable on contracts

In accordance with Statement of Standard Accounting Practice No. 9, amounts recoverable on contracts are valued at anticipated net sales value after provision for anticipated future losses on contracts.

Cash received on account of contracts is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors. Contract provisions in excess of amounts recoverable are included in provisions for liabilities and charges.

Foreign currency

Foreign currency transactions have been translated at the rates ruling at the dates of the transactions except where the transactions were covered by a forward contract in which case the transactions have been translated at the rates ruling under that contract. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date have been translated at the exchange rates ruling at that date. Any transactional exchange differences are taken to the profit and loss account. Translation differences arising from the conversion and consolidation of foreign subsidiaries are taken directly to reserves.

Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Under FRS19 deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

1. ACCOUNTING POLICIES (continued)

Pensions

Retirement benefits to employees of the company are funded by contributions from the company and employees. The group operates a pension scheme with two sections:

(i) Defined benefit section

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

(ii) Defined contribution section

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Cash flow statement

As a wholly owned subsidiary of Computer Sciences Corporation, whose group financial statements contain a cash flow statement and are publically available, the company avails itself of the exemption from the requirement to produce a cash flow statement per FRS 1 (1996 revised).

2. TURNOVER

In the opinion of the directors, the group's activities, as described in the Directors' Report, can be regarded as a single business segment.

In addition, the group operates predominantly in the European Union, which in the opinion of the directors can be regarded as a single geographical market.

3. EXCEPTIONAL ITEM

During the previous period the group completed a restructuring programme resulting in exceptional costs of £27,971,000. The programme resulted in a reduction of approximately 600 employees in the previous period.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

4. DIRECTORS' REMUNERATION AND STAFF COSTS

	Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
Directors' remuneration		
Emoluments (excluding pension contributions)	1,257	1,217
Company contributions to directors' pensions		
Money purchase section	77	85
	No.	No.
Number of directors to whom retirement benefits are accruing under money purchase section	4	5
Number of directors to whom retirement benefits are accruing under defined benefit section	1	1
Number of directors who exercised share options	1	2

	Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
Remuneration of the highest paid director		
Emoluments (excluding pension contributions)	681	704
Company contributions to money purchase pension section	49	47

The highest paid director exercised share options during the period.

	Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
Staff costs during the period (including directors)		
Wages and salaries	364,346	347,899
Social security costs	38,486	36,058
Other pension costs per profit and loss account (note 24)*	41,127	43,613
Total staff costs	443,959	427,570

*Pension costs reported other than within operating costs are excluded from the above figures i.e. interest costs, expected return on assets and actuarial gains and losses (note 24).

	No.	No.
Average number of persons employed (including directors)		
Managerial and professional	6,112	6,254
Clerical	1,252	1,281
	7,364	7,535

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
Interest receivable on loans to group undertakings	3,148	4,673
Bank deposits	601	1,271
Other	362	271
	<u>4,111</u>	<u>6,215</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
Interest payable on loans with group undertakings	21,124	19,138
Bank loans and overdrafts	3,458	2,700
Finance leases and hire purchase contracts	4	18
Other	335	1,165
	<u>24,921</u>	<u>23,021</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
Profit on ordinary activities before taxation is after charging/(crediting):		
Loss on sale of fixed assets	5,085	395
Depreciation:		
Owned assets	95,127	79,266
Assets held under finance leases and hire purchase contracts	-	285
Amortisation of intangible fixed assets:		
Goodwill	913	915
Negative goodwill	(1,838)	(1,878)
Exceptional restructuring costs	-	27,971
Auditors' remuneration:		
Audit fee:		
Company	497	497
Other group companies	70	70
Other services – non statutory reporting	387	387
Other services – tax advice	229	145
Hire of plant and machinery	555	960
Other operating leases	11,608	10,908
Other income – pension and contract realignment settlement	-	(3,095)
Foreign currency exchange gain/(loss)	(1,590)	(649)

Auditors' remuneration in respect of other services relates solely to duties performed in the UK.

The exceptional restructuring costs of £27,971,000 in the previous period consist of redundancy costs incurred and related onerous property charges (note 3).

A transfer from an external pension scheme in respect of the past service of employees was completed during the previous period together with the realignment of a related outsource contract. This resulted in the addition of £3,095,000 to other income in the previous period.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

8. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

Group

	Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
<i>Current tax</i>		
UK corporation tax at 28% (2008 – 30%)	4,825	1,037
Adjustment in respect of prior periods	(592)	2,645
Overseas tax	(1)	-
Total current tax charge	4,232	3,682
<i>Deferred tax</i>		
Origination and reversal of timing differences	18,385	9,129
Changes in tax rate	916	1,833
FRS 17 adjustment	6,082	10,054
Adjustment in respect of prior periods	932	(4,543)
Total deferred tax charge	26,315	16,473
Tax charge on profit on ordinary activities	30,547	20,155
Reconciliation to total current tax charge:		
	Period 29 March 2008 to 3 April 2009 £'000	Period 31 March 2007 to 28 March 2008 £'000
Profit on ordinary activities before taxation	117,293	71,498
Profit before tax at 28% (2008 - 30%)	32,842	21,449
Expenses not deductible for tax purposes	(4,142)	(2,689)
Accelerated capital allowances	112	(2,378)
Other timing differences	(290)	(390)
Movement in tax losses	(18,880)	(2,664)
Pension accrual movement	(5,822)	(13,253)
Research and development provision	1,004	682
Withholding tax adjustment	-	280
Adjustments in respect of prior periods	(592)	2,645
Total current tax charge	4,232	3,682

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

9. INTANGIBLE FIXED ASSETS

Group	Negative Goodwill £'000	Goodwill £'000	Total £'000
Cost			
At 28 March 2008 and 3 April 2009	(22,702)	16,309	(6,393)
Accumulated amortisation			
At 29 March 2008	(13,205)	12,559	(646)
(Credit)/charge for the period	(1,838)	913	(925)
At 3 April 2009	(15,043)	13,472	(1,571)
Net book value			
At 3 April 2009	(7,659)	2,837	(4,822)
At 28 March 2008	(9,497)	3,750	(5,747)
Company		Goodwill £'000	Total £'000
Cost			
At 28 March 2008 and 3 April 2009		13,214	13,214
Accumulated amortisation			
At 29 March 2008		9,824	9,824
Charge for the period		704	704
At 3 April 2009		10,528	10,528
Net book value			
At 3 April 2009		2,686	2,686
At 28 March 2008		3,390	3,390

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

10. TANGIBLE FIXED ASSETS

Group	Land and buildings £'000	Furniture and fittings £'000	Leasehold improve- ments £'000	Computer and related equipment £'000	Total £'000
Cost					
At 29 March 2008	35,516	8,346	35,988	421,058	500,908
Additions	5,678	505	4,727	52,673	63,583
Reclassifications	(24)	-	-	173	149
Disposals	(468)	(203)	(222)	(37,796)	(38,689)
At 3 April 2009	40,702	8,648	40,493	435,088	524,931
Accumulated depreciation					
At 29 March 2008	8,624	6,006	5,149	196,491	216,270
Charge for the period	2,490	1,119	4,024	87,494	95,127
Reclassifications	(24)	-	-	62	38
Disposals	(468)	(202)	(222)	(36,419)	(37,311)
At 3 April 2009	10,622	6,923	8,951	247,628	274,124
Net book value					
At 3 April 2009	30,080	1,725	31,542	187,460	250,807
At 28 March 2008	26,892	2,340	30,839	224,567	284,638

Included in the above are fully depreciated assets with an original cost of £112,053,000 (2008 - £63,184,000).

Included in computer and related equipment above are assets with a net book value of £Nil (2008 - £190,000) held under finance leases and hire purchase contracts.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

10. TANGIBLE FIXED ASSETS (continued)

Company	Land and buildings £'000	Furniture and fittings £'000	Leasehold improvements £'000	Computer and related equipment £'000	Total £'000
Cost					
At 29 March 2008	25,918	7,448	35,389	367,043	435,798
Additions	5,678	464	4,727	43,540	54,409
Disposals	(468)	(165)	(222)	(32,247)	(33,102)
At 3 April 2009	31,128	7,747	39,894	378,336	457,105
Accumulated depreciation					
At 29 March 2008	7,009	5,443	4,995	164,129	181,576
Charge for the period	2,090	971	3,967	77,333	84,361
Disposals	(468)	(164)	(222)	(29,851)	(30,705)
At 3 April 2009	8,631	6,250	8,740	211,611	235,232
Net book value					
At 3 April 2009	22,497	1,497	31,154	166,725	221,873
At 28 March 2008	18,909	2,005	30,394	202,914	254,222

Included in the above are fully depreciated assets with an original cost of £112,053,000 (2008 - £54,946,000).

Included in computer and related equipment above are assets with a net book value of £Nil (2008 - £190,000) held under finance leases and hire purchase contracts.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

11. INVESTMENTS HELD AS FIXED ASSETS

	Group £'000	Company £'000
Shares in group undertakings		
Cost		
At 29 March 2008	11	52,951
Additions	-	-
Disposals	-	-
	<u>11</u>	<u>52,951</u>
At 3 April 2009	<u>11</u>	<u>52,951</u>
Provision for impairment in value		
At 29 March 2008	-	4,448
Impairment	-	-
Disposals	-	-
	<u>-</u>	<u>4,448</u>
At 3 April 2009	<u>-</u>	<u>4,448</u>
Net book value		
At 3 April 2009	<u>11</u>	<u>48,503</u>
At 28 March 2008	<u>11</u>	<u>48,503</u>

Further information on shares in group undertakings:

Name	Country of incorporation/ Registration	Activity	Proportion of ordinary shares held %
CSC Business Systems Limited	Great Britain	Computer Services	100.0
CSC Investment Services Management Limited	Great Britain	Dormant	100.0
Kalchas Limited	Great Britain	Dormant	100.0
Computer Sciences Corporation Continuum – Informatica Lda	Portugal	Computer Services	5.0
CSC Information Systems Limited	Great Britain	Computer Services	100.0
CSC Computer Sciences Italia S.p.A.	Italy	Computer Services	0.5
CSC Financial Services Limited	Great Britain	Dormant	100.0
Computer Sciences Corporation Services (Pty) Limited	South Africa	Computer Services	100.0
Continuum Direct Limited	Great Britain	Computer Services	100.0
CSC Services No.2 Limited	Great Britain	Computer Services	100.0
CSC Services No.1 Limited	Great Britain	Computer Services	100.0
CSC UKD 6 Limited	Great Britain	Dormant	100.0

In the opinion of the directors, the aggregate value of the shares in and the amounts arising from the subsidiary undertakings is not less than the aggregate of the amounts at which they are stated in the company's balance sheet.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

12. STOCK

	Group		Company	
	3 April 2009 £'000	28 March 2008 £'000	3 April 2009 £'000	28 March 2008 £'000
Stock	3,504	7,375	3,504	7,375
Contract work in progress	550,566	436,647	531,883	415,484
	<u>554,070</u>	<u>444,022</u>	<u>535,387</u>	<u>422,859</u>

Certain costs incurred upon the initiation of an outsourcing contract are deferred as contract work in progress, and expensed on a straight-line basis over the life of the contract. These costs consist of contract acquisition and transition costs, including the costs of due diligence after competitive selection and costs associated with installation of processes and systems.

In addition other project costs related to a major outsource contract have been deferred as contract work in progress in line with future milestone revenue recognition. These costs are expected to be expensed over the future life of the contract which is greater than one year.

13. DEBTORS

Amounts falling due within one year

	Group		Company	
	3 April 2009 £'000	28 March 2008 £'000	3 April 2009 £'000	28 March 2008 £'000
Trade debtors	109,572	164,923	95,007	148,661
Amounts recoverable on contracts	200,094	167,169	198,358	161,623
Amounts owed by parent company and other group undertakings	107,702	100,560	154,477	155,571
Group relief receivable	-	-	-	110
Corporation tax recoverable	-	9,838	-	10,405
Deferred taxation asset (note 18)	5,374	25,607	-	6,475
Other debtors	679	1,678	645	1,135
Prepayments	62,675	57,836	84,144	78,038
	<u>486,096</u>	<u>527,611</u>	<u>532,631</u>	<u>562,018</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

14. CREDITORS

Amounts falling due within one year

	Group		Company	
	3 April 2009 £'000	28 March 2008 £'000	3 April 2009 £'000	28 March 2008 £'000
Bank overdraft	-	41,310	-	41,307
Obligations under finance leases and hire purchase contracts (note 22)	-	235	-	235
Trade creditors	99,596	117,045	94,254	109,592
Amounts owed to parent company and other group undertakings	369,617	307,286	402,417	352,190
Corporation tax payable	4,540	-	4,513	-
Group relief payable	-	13	-	-
Taxation and social security	35,987	41,520	32,876	37,598
Other creditors	4,746	9,585	4,746	9,540
Accruals and deferred income	490,384	453,029	434,618	395,391
	<u>1,004,870</u>	<u>970,023</u>	<u>973,424</u>	<u>945,853</u>

15. CREDITORS

Amounts falling due in over one year

	Group		Company	
	3 April 2009 £'000	28 March 2008 £'000	3 April 2009 £'000	28 March 2008 £'000
Other creditors	700	10,380	200	9,880
	<u>700</u>	<u>10,380</u>	<u>200</u>	<u>9,880</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Contingencies for contract WIP		Future losses on onerous contracts		Total	
	3 April 2009	28 March 2008	3 April 2009	28 March 2008	3 April 2009	28 March 2008
Group and Company:	£'000	£'000	£'000	£'000	£'000	£'000
Opening balance	31,784	21,859	13,785	16,257	45,569	38,116
Utilised in period	-	-	(8,870)	(4,078)	(8,870)	(4,078)
Reclassification	(31,784)	-	-	-	(31,784)	-
New provisions	-	9,925	-	1,606	-	11,531
Closing balance	-	31,784	4,915	13,785	4,915	45,569

Contract work in progress provisions have been reclassified to contract work in progress in the period to reduce the related assets as the directors believe this is now a more appropriate presentation.

Future loss provisions in relation to onerous properties arose from the restructuring exercise completed during the previous period. The provisions will be utilised according to costs incurred on the underlying contracts.

Deferred tax provisions are shown separately in note 18.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

17. SHARE-BASED PAYMENT

The company and group recognised a total expense of £3,330,000 (2008 - £2,184,000) in respect of share-based payment in the year. Share-based payment consists of share options issued by the ultimate holding company, Computer Sciences Corporation to employees of the group.

The grant price for share options is equal to the average quoted market price of the group's shares at the date of grant. The vesting period is typically three years. If share options remain unexercised after a period of ten years from the date of grant, the options expire. Share options are forfeited if the employee leaves the group before the options vest and are subject to earnings per share performance conditions. Further details can be found in the financial report of Computer Sciences Corporation.

Details of share options outstanding at the balance sheet date with respect to employees of the company are as follows.

	<u>2009</u>		<u>2008</u>	
	Number of Share Options	Weighted Average Exercise Price USD	Number of Share Options	Weighted Average Exercise Price USD
	No.		No.	
Outstanding at beginning of period	1,658,769	46.01	1,629,589	44.70
Granted during the period	326,278	48.30	405,400	54.48
Forfeited during the period	(34,832)	52.59	(131,468)	51.64
Exercised during the period	(38,884)	38.67	(244,752)	40.29
Outstanding at the end of the period	<u>1,911,331</u>	47.79	<u>1,658,769</u>	46.01
Exercisable at the end of the period	<u><u>1,175,974</u></u>	45.42	<u><u>798,883</u></u>	44.28

The options outstanding at 3 April 2009 had exercise prices ranging from 8.29 USD to 60.25 USD and a weighted average remaining contractual life of 7.90 years (2008 – 7.45 years).

The fair value of share options was determined using a Black-Scholes-Merton model and the following assumptions:

	<u>2009</u>	<u>2008</u>
Expected volatility	36%	32%
Risk free rate	3.17	4.58%
Expected lives	4.08 yrs	4.15 yrs

Expected volatility was based on a blended approach using an equal weighting of implied volatility and historical volatility. Historical volatility was based on the ultimate parent company's ten year historical daily closing price. Implied volatility was based on option trading behaviour for those options traded on certain exchange markets that have maturities of nine months and longer. The expected life was calculated based on the ultimate parent company's historical experience with respect to its stock plan activity and is representative of the period of time that the stock-based awards are expected to be outstanding.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

18. DEFERRED TAXATION

The deferred tax (assets)/liabilities are:

	Group		Company	
	3 April 2009 £'000	28 March 2008 £'000	3 April 2009 £'000	28 March 2008 £'000
Deferred taxation				
Deferred taxation movements for the period:				
Opening balance	(25,607)	(35,149)	(6,475)	(15,554)
Movement in respect of FRS 17 pension (note 24)	(6,082)	(10,054)	-	-
Transfer	-	3,123	-	-
Charged to profit and loss account (note 8)	26,315	16,473	18,880	9,079
Undiscounted deferred tax (assets)/liabilities	<u>(5,374)</u>	<u>(25,607)</u>	<u>12,405</u>	<u>(6,475)</u>

The amounts of deferred taxation provided in the accounts are as follows:

	Provided 3 April 2009 £'000	Provided 28 March 2008 £'000
Group		
Capital allowances in excess of depreciation	(1,683)	(3,833)
Pensions	(466)	976
Short term timing differences	(483)	(1,411)
Losses	<u>(2,742)</u>	<u>(21,339)</u>
Undiscounted deferred tax assets	<u>(5,374)</u>	<u>(25,607)</u>
	Provided 3 April 2009 £'000	Provided 28 March 2008 £'000
Company		
Capital allowances in excess of depreciation	(673)	(1,611)
Pensions	13,477	13,739
Losses	-	(17,211)
Short term timing differences	<u>(399)</u>	<u>(1,392)</u>
Undiscounted deferred tax liabilities/(assets)	<u>12,405</u>	<u>(6,475)</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

19. CALLED UP SHARE CAPITAL

	28 March 2009 £'000	28 March 2008 £'000
Authorised:		
25,000 (2008: 25,000) ordinary shares of £100 each	2,500	2,500
Called up, allotted and fully paid:		
15,003 (2008: 15,001) ordinary shares of £100 each	1,500	1,500

20. STATEMENT OF MOVEMENT ON RESERVES

Group	Share premium £'000	Capital reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total £'000
Balance at 29 March 2008	-	32	5,537	259,228	264,797
Retained profit for the period	-	-	-	86,746	86,746
Exchange gain	-	-	-	20	20
FRS 20 share-based payment exercised	-	-	(556)	-	(556)
FRS 20 share-based payment provision	-	-	3,330	-	3,330
Pension funds current period actuarial adjustment	-	-	-	(100,991)	(100,991)
Capital contribution	219,433	-	-	-	219,433
Balance at 3 April 2009	219,433	32	8,311	245,003	472,779
Company:					
Balance at 29 March 2008	-	-	5,537	283,104	288,641
Retained profit for the period	-	-	-	61,294	61,294
FRS 20 share-based payment exercised	-	-	(556)	-	(556)
FRS 20 share-based payment provision	-	-	3,330	-	3,330
Capital contribution	219,433	-	-	-	219,433
Balance at 3 April 2009	219,433	-	8,311	344,398	572,142

Group	3 April 2009 £'000	28 March 2008 £'000
Profit and loss reserves excluding pension assets and liabilities	339,542	265,641
Pension reserve	-	3,864
Pension deficit	(86,228)	(4,740)
Profit and loss reserves including pension assets and liabilities	253,314	264,765

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

21. PROFIT AND LOSS ACCOUNT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The profit after tax of the parent company of £61,294,000 (2008 – profit £23,962,000) is included in the group's profit for the period.

22. LEASE COMMITMENTS

Operating leases

At 3 April 2009 the group and the company were committed to making the following payments during the next year in respect of non-cancellable operating leases:

	Land and buildings 3 April 2009 £'000	Other 3 April 2009 £'000	Land and buildings 28 March 2008 £'000	Other 28 March 2008 £'000
Leases which expire:				
Within one year	431	309	313	749
Within two to five years	5,171	2,952	5,572	2,305
After five years	2,125	-	2,558	-
	<u>7,727</u>	<u>3,260</u>	<u>8,443</u>	<u>3,054</u>

Finance leases and hire purchase obligations

At 3 April 2009 the group and the company was committed to making the following payments in respect of finance leases and hire purchase obligations:

	3 April 2009 £'000	28 March 2008 £'000
Minimum lease payments due:		
Within one year	-	239
Within two to five years	-	-
	<u>-</u>	<u>239</u>
Finance charges allocated to future periods	-	(4)
	<u>-</u>	<u>235</u>

23. CAPITAL COMMITMENTS

	Group		Company	
	3 April 2009 £'000	28 March 2008 £'000	3 April 2009 £'000	28 March 2008 £'000
Contracted for but not provided	<u>5,839</u>	<u>2,666</u>	<u>5,839</u>	<u>2,666</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

24. PENSION COMMITMENTS

The company provides pensions to certain employees through two pension schemes providing benefits based on final pensionable pay.

The pension charge in the consolidated profit and loss account in respect of both this defined benefit section and the defined contribution section of the scheme includes £77,000 (2008 - £85,000) relating to directors and £34,452,000 (2008 - £28,082,000) relating to other employees.

There is a pension liability within accruals of £3,760,280 (2008 - £5,959,199) relating to pension contributions not paid over by the period end.

CSC Computer Sciences Ltd Pension Scheme

The pension cost is assessed in accordance with the advice of a professionally qualified actuary. The latest actuarial valuation was as at 1 July 2008 updated to 3 April 2009 and used the projected unit method. The main actuarial assumptions were that salaries would increase by 4.2% p.a. and the return on scheme investments would be 6.25% p.a in the pre-retirement period and 5.25% in the post-retirement period.

At the date of the latest actuarial valuation the market value of the assets of the scheme were £587,364,000 and the actuarial value of the assets was sufficient to cover 83% of the benefits that had accrued to members after allowing for expected future increases in earnings.

CSC Computer Sciences Ltd 2005 Pension Scheme

The scheme commenced in January 2005. The latest actuarial valuation was carried out at 1 July 2008 and updated to 3 April 2009 by a qualified independent actuary.

At the date of the latest actuarial valuation the market value of the assets of the scheme were £34,601,000 and the actuarial value of the assets was sufficient to cover 100% of the benefits that had accrued to members after allowing for expected future increases in earnings.

FRS 17 disclosures

The required disclosures under FRS 17 are set out below.

a) CSC Computer Sciences Ltd Pension Scheme:

The actuarial valuation of the pension scheme was updated to 3 April 2009. The principal actuarial assumptions used as at 3 April 2009 are shown below:

	At 3 April 2009 %	At 28 March 2008 %
Rate of increase in salaries	4.20	4.30
Rate of increase of pensions in payment	3.20	3.30
Discount rate	7.00	6.70
Inflation assumption	3.20	3.30

The contribution rate for the period was 25.6% of employees pensionable pay and the agreed contribution rate for the next twelve years is 25.6% of pensionable pay. Thereafter it is anticipated the contribution rate will be 13.4% of pensionable pay.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

24. PENSION COMMITMENTS (continued)

Mortality Assumptions:

Investigations have been carried out within the past three years into the mortality experience of the group's defined benefit schemes. These concluded that the current mortality assumptions include sufficient allowance for future improvement in mortality rates. The assumed life expectations on retirement at age 65 are:

	3 April 2009 Years	28 March 2008 Years
Retiring today:		
Males	20.3	20.2
Females	23.2	23.1
Retiring in 20 years:		
Males	21.3	21.3
Females	24.1	24.0

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 5%
Rate of inflation	Increase/decrease by 0.25%	Increase/decrease by 4%
Rate of salary growth	Increase/decrease by 0.25%	Increase/decrease by 1%
Rate of mortality	Increase by 1 year	Increase by 2%

The assets and liabilities of the pension scheme, along with the expected rates of return on scheme assets are shown below:

	Expected rate of return at 3 April 2009 %	Value at 3 April 2009 £'000	Expected rate of return at 28 March 2008 %	Value at 28 March 2008 £'000	Expected rate of return at 30 March 2007 %	Value at 30 March 2007 £'000
Equities	8.2	399,591	8.3	496,247	8.7	572,444
Bonds	5.3	188,043	5.4	218,247	5.0	166,511
Cash and other assets	0.0	-	4.5	4,437	4.0	1,349
Total market value of assets		587,634		718,931		740,304
Actuarial value of liabilities		(707,320)		(725,514)		(826,023)
Deficit in the scheme		(119,686)		(6,583)		(85,719)
Related deferred tax asset		33,512		1,843		25,716
		<u>(86,174)</u>		<u>(4,740)</u>		<u>(60,003)</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS Period 29 March 2008 to 3 April 2009

24. PENSION COMMITMENTS (continued)

Movements in the fair value of scheme assets are:

	3 April 2009 £'000	28 March 2008 £'000
Opening value	718,931	740,304
Expected return on scheme assets	53,030	58,888
Actuarial gains and losses	(187,511)	(98,081)
Contributions from sponsoring companies	24,279	35,162
Contributions from scheme members	1,872	2,324
Benefits paid	(22,967)	(19,666)
	<u>587,634</u>	<u>718,931</u>

Amounts included within operating profit are:

	Period ended 3 April 2009 £'000	Period ended 28 March 2008 £'000
Current service cost	(8,930)	(12,275)
Past service cost	-	(2,666)
Total costs included within operating profit	<u>(8,930)</u>	<u>(14,941)</u>

Amounts credited/(charged) to other finance income are:

	Period ended 3 April 2009 £'000	Period ended 28 March 2008 £'000
Expected return on pension scheme assets	53,030	58,888
Interest charged on pension scheme liabilities	(48,202)	(44,468)
Net return	<u>4,828</u>	<u>14,420</u>

The amounts recognised in the statement of total recognised gains and losses are:

	Period ended 3 April 2009 £'000	Period ended 29 March 2008 £'000
Actual return less expected return on pension scheme assets	(187,511)	(98,081)
Experience gains arising on the scheme liabilities	-	-
Changes in assumptions underlying the present value of the scheme liabilities	<u>54,231</u>	<u>142,576</u>
Total actuarial gain recognised in the statement of total recognised gains and losses	<u>(133,280)</u>	<u>44,495</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS Period 29 March 2008 to 3 April 2009

24. PENSION COMMITMENTS (continued)

The movement in the pension deficit during the period was:

	Period ended 3 April 2009 £'000	Period ended 29 March 2008 £'000
Opening deficit	(6,583)	(85,719)
Current service cost	(8,930)	(12,275)
Contributions	24,279	35,162
Past service costs	-	(2,666)
Curtailment gain	-	-
Other finance income	4,828	14,420
Actuarial gain	(133,280)	44,495
Closing deficit	(119,686)	(6,583)

History of experience of gains and losses:

	Period ended 3 April 2009	Period ended 28 March 2008	Period ended 30 March 2007	Period ended 31 March 2006	Period ended 1 April 2005
Difference between the expected and actual return on scheme assets (£'000)	(187,511)	(98,081)	(59,819)	109,251	8,664
As a % of the scheme assets	-32%	-14%	-8%	15%	2%
Experience gains/(losses) on scheme liabilities (£'000)	(1,812)	-	134,902	(2,922)	(15,119)
As a % of the scheme liabilities	0%	0%	16%	0%	-2%
Total actuarial gain/(loss) recognised in the statement of total recognised gains and losses (£'000)	(133,280)	44,495	42,640	(7,935)	(1,675)
As a % of the scheme liabilities	-19%	6%	5%	-1%	0%

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

24. PENSION COMMITMENTS (continued)

b) CSC Computer Sciences Ltd 2005 Pension Scheme:

The actuarial valuation of the pension scheme was updated to 3 April 2009. The principal actuarial assumptions used are shown below:

	At 3 April 2009 %	At 28 March 2008 %
Rate of increase in salaries	4.20	4.30
Rate of increase of pensions in payment	3.20	3.30
Discount rate	7.00	6.70
Inflation assumption	3.20	3.30

The contribution rate from commencement of the scheme was 17.5% of employee's pensionable pay.

Mortality Assumptions:

Investigations have been carried out within the past three years into the mortality experience of the group's defined benefit schemes. These concluded that the current mortality assumptions include sufficient allowance for future improvement in mortality rates. The assumed life expectations on retirement at age 65 are:

	3 April 2009 Years	28 March 2008 Years
Retiring today:		
Males	22.0	22.0
Females	24.9	24.8
Retiring in 20 years:		
Males	23.1	23.1
Females	25.9	25.9

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 7%
Rate of inflation	Increase/decrease by 0.25%	Increase/decrease by 7%
Rate of salary growth	Increase/decrease by 0.25%	Increase/decrease by 3%
Rate of mortality	Increase by 1 year	Increase by 2%

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

24. PENSION COMMITMENTS (continued)

The assets and liabilities of the pension scheme, along with the expected rates of return on scheme assets are shown below:

	Expected rate of return at 3 April 2009	Value at 3 April 2009	Expected rate of return at 28 March 2008	Value at 28 March 2008	Expected rate of return at 30 March 2007	Value at 30 March 2007
	%	£'000	%	£'000	%	£'000
Equities	8.2	24,221	8.3	28,067	8.7	30,743
Bonds	5.3	10,380	5.4	12,572	5.0	9,786
Cash	-	-	4.5	574	4.0	244
		<hr/>		<hr/>		<hr/>
Total market value of assets		34,601		41,213		40,773
Actuarial value of liabilities		(34,677)		(35,846)		(40,211)
		<hr/>		<hr/>		<hr/>
(Deficit)/surplus in the scheme		(76)		5,367		562
Related deferred tax liability		21		(1,503)		(169)
		<hr/>		<hr/>		<hr/>
		(55)		3,864		393
		<hr/>		<hr/>		<hr/>

Movements in the fair value of scheme assets are:

	3 April 2009	28 March 2008
	£	£
Opening value	41,213	40,773
Expected return on scheme assets	3,087	3,232
Actuarial gains and losses	(11,146)	(4,324)
Contributions from sponsoring companies	1,745	1,774
Contributions from scheme members	317	334
Benefits paid	(615)	(576)
	<hr/>	<hr/>
	34,601	41,213
	<hr/>	<hr/>

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NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

24. PENSION COMMITMENTS (continued)

Amounts included within operating profit are:

	Period ended 3 April 2009 £'000	Period ended 28 March 2008 £'000
Current service cost	(869)	(1,534)
Past service cost	-	-
Total costs included within operating profit	<u>(869)</u>	<u>(1,534)</u>

Amounts credited/(charged) to other finance income are:

	Period ended 3 April 2009 £'000	Period ended 28 March 2008 £'000
Expected return on pension scheme assets	3,087	3,232
Interest charged on pension scheme liabilities	<u>(2,421)</u>	<u>(2,206)</u>
Net return	<u>666</u>	<u>1,026</u>

The amounts recognised in the statement of total recognised gains and losses are:

	Period ended 3 April 2009 £'000	Period ended 28 March 2008 £'000
Actual return less expected return on pension scheme assets	(11,146)	(4,324)
Experience losses arising on scheme liabilities	-	-
Changes in assumptions underlying the present value of the scheme liabilities	<u>4,161</u>	<u>7,863</u>
Total actuarial (loss)/gain recognised in the statement of total recognised gains and losses	<u>(6,985)</u>	<u>3,539</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

24. PENSION COMMITMENTS (continued)

The movement in the pension deficit during the period was:

	Period ended 3 April 2009 £'000	Period ended 28 March 2008 £'000
Opening surplus	5,367	562
Current service cost	(869)	(1,534)
Contributions	1,745	1,774
Past service costs	-	-
Other finance income	666	1,026
Actuarial (loss)/gain	(6,985)	3,539
Closing (deficit)/surplus	(76)	5,367

	Period ended 3 April 2009 £'000	Period ended 28 March 2008 £'000	Period ended 30 March 2007 £'000	Period ended 31 March 2006 £'000
History of experience of gains and losses:				
Difference between expected and actual return on scheme assets:				
amount (£'000)	(11,146)	(4,324)	(321)	5,317
percentage of scheme assets	-27%	-10%	-1%	15%
Experience of gains and losses on scheme assets:				
amount (£'000)	-	-	(1,925)	1,162
percentage of scheme liabilities	0%	0%	-5%	4%
Total amount recognised in statement of total recognised gains and losses:				
amount (£'000)	6,985	3,539	(5,102)	2,636
percentage of scheme liabilities	20%	10%	-13%	8%

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 29 March 2008 to 3 April 2009

24. PENSION COMMITMENTS (continued)

c) Reconciliation of net assets and reserves under FRS 17 for the combined schemes:

	3 April 2009 £'000	28 March 2008 £'000
Group net assets		
Group net assets excluding defined benefit liabilities/surplus	560,507	267,173
Defined benefit liability under FRS 17	(119,762)	(6,583)
Related deferred tax	33,534	1,843
Defined benefit surplus under FRS 17	-	5,367
Related deferred tax	-	(1,503)
	<hr/>	<hr/>
Group net assets including defined benefit liabilities/surplus	<u>474,279</u>	<u>266,297</u>
Group reserves		
Group profit and loss reserve excluding defined benefit liabilities/surplus	339,542	265,641
Defined benefit liability under FRS 17	(119,762)	(6,583)
Related deferred tax	33,534	1,843
Defined benefit surplus under FRS 17	-	5,367
Related deferred tax	-	(1,503)
	<hr/>	<hr/>
Group profit and loss reserves including defined benefit liabilities/surplus	<u>253,314</u>	<u>264,765</u>

d) Reconciliation of group profit and loss charges under FRS 17 for the combined schemes:

	3 April 2009 £'000	28 March 2008 £'000
Pension operating cost for the main defined benefit scheme	8,930	14,941
Pension operating cost for 2005 defined benefit scheme	869	1,534
Other finance income for main defined benefit scheme	(4,828)	(14,420)
Other finance income for 2005 defined benefit scheme	(666)	(1,026)
Pension operating cost for defined contribution scheme	31,328	27,138
	<hr/>	<hr/>
Total pension cost	35,633	28,167
Add other finance income for defined benefit schemes	5,494	15,446
	<hr/>	<hr/>
Total staff pension cost (note 4)	<u>41,127</u>	<u>43,613</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS Period 29 March 2008 to 3 April 2009

25. DERIVATIVES NOT INCLUDED AT FAIR VALUE

Foreign currency risk management

The group has derivatives which are not included at fair value in the accounts.

The group uses derivatives to hedge its exposures to changes in foreign currency exchange rates. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts.

The group is mainly exposed to the euro and US dollar currencies.

	Principal 3 April 2009 £'000	Fair Value 3 April 2009 28 March 2008 £'000 £'000	
Forward foreign exchange contracts	29,702	(242)	-

Forward foreign exchange contracts

It is the policy of the group to enter into forward foreign exchange contracts to cover exposure on foreign currency payables and receivables over £100,000 in order to alleviate as much risk as is consistent with a reasonable cost of hedging the exposure. The value of forward exchange contracts is not material to the group or company.

26. RELATED PARTY TRANSACTIONS

The company and group is availing itself of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose transactions with group companies on the basis that all are 100% owned subsidiaries.

27. PARENT COMPANY

The company's ultimate parent company and controlling entity is Computer Sciences Corporation, a company incorporated in the United States of America. This is the parent undertaking of the largest group which includes the company and for which group accounts are prepared. Copies of the group financial statements of Computer Sciences Corporation are available from 3170 Fairview Park Drive, Falls Church, Virginia 22042, USA.

The immediate parent company and parent company of the smallest group which includes the company and for which group accounts are prepared is Computer Sciences UK Limited, a company incorporated in Great Britain. Copies of the financial statements of Computer Sciences UK Limited are available from Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.