Company Registration No. 02846149

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Annual Report and Financial Statements
For the financial year from 1 April 2020 to 31 March 2021

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Contents

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Officers and professional advisers

Directors
S A De La Harpe
C N Halbard Appointed on 7 April 2020
M C Woodfine

Registered office
Royal Pavilion
Wellesley Road
Aldershot,
Hampshire
GU11 1PZ
United Kingdom

Principal bankers
Saudi British Bank (SABB)
Central Province Management Office
Riyadh, Saudi Arabia
11461

Principal legal adviser
Vistra Corporate Law
First floor, 10 Temple back
Bristol
BS1 6FL
United Kingdom

Auditor
Deloitte LLP
Statutory Auditor
Abbots House, Abbey Street
Reading
RG1 3BD
United Kingdom

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Strategic report

The directors present their Strategic report on the Company for the financial year ended 31 March 2021. In preparing the Strategic report, the directors have complied with section 414c of the Companies Act 2006.

DXC UK (Middle East) Limited ("the Company") is a private Company, incorporated in the United Kingdom Limited by shares under the Companies Act 2006 and registered in England and Wales. The Company's registered and principal address is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.

The Company is an indirect subsidiary of DXC Technology Company (DXC), ("the Ultimate parent company"), a public listed company incorporated in the United States of America and listed on the New York Stock Exchange. The entities controlled directly or indirectly by the Ultimate parent company are referred as the Group companies ("Group")

The financial statements for the financial year 1 April 2020 to 31 March 2021 are set out on pages 11 to 30. A loss for the financial year of £420,000 (2020: profit of £380,000) has been transferred to reserves.

Review of the business
The Company is a next-generation global provider of information technology (IT) services and solutions. We help lead clients through their digital transformations to meet new business demands and customer expectations in a market of escalating complexity, interconnectivity, mobility and opportunity.

Revenue declined by 93% from £1,671,000 in the previous year to £118,000 in the current year due to decrease in customer contracts. The Company is expected to be rationalized and no new contracts are expected in the upcoming years. Therefore, the directors have prepared the financial statements for the financial year ended 31 March 2021 on a basis other than going concern.

Risk management, objectives and policies
Performance and financial risk management is an integral part of the Company's management processes. Policies designed to identify, manage and limit both existing and possible risks are applied at various management levels. The principal and financial risks and uncertainties of the Company are:

- Performance risk

This is the risk identified that the Company will fail to meet its contractual obligations in connection with revenue generating activity, for example, by reference to the quality of work performed, the level of costs compared to forecast or delivery within an agreed timeframe. The Company is engaged on a wide range of contracts; with the successful delivery of all contracts being controlled and managed through the Company's operating structure. In delivering these contracts, rigorous processes have been established to monitor and manage potential risk exposure. These procedures include frequent reviews with a focus on issues affecting delivery and the impact of costs to completion and forecast revenue.

- Foreign currency risk

As a global business, the Company faces exposure to adverse movements in foreign currency exchange rates. In the normal course of business, the Company enters into certain sales and supply/service contracts denominated in foreign currency. Potential foreign currency exposures arising from these contracts are analysed during the bidding process. The Company generally manages these contracts by incurring costs in the same currency in which the revenue is received, and any related short-term contract financing requirements are met by borrowing in the same currency.

The Company has policies and procedures to manage the exposure to fluctuations in foreign currency by using short-term foreign currency forward and option contracts to economically hedge certain foreign currency denominated assets and liabilities, including intercompany accounts and loans. At 31 March 2021, the Company had nil forward foreign exchange contracts in place.

- Credit risk

The scale of some of the Company's projects mean that credit exposure to individual clients can at times be significant. It has a wide spread of clients across countries and across the public and private sectors, although most of the group's operations are undertaken in the UK on behalf of UK based organisations. Policies are in place to ensure that contracts are only undertaken with clients having an appropriate financial standing and, on a basis, that gives rise to a commercially appropriate cash flow profile.

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Strategic report (continued)

Risk management, objectives and policies (continued)

- Liquidity risk

The Company manages liquidity risk by maintaining adequate cash resources through a combination of cash flow structuring of contracts and the use of finance leases. Funds are also made available to the Company from the parent undertaking and it also has access to wider group funds within DXC if required.

Cash flow forecasting is performed at the DXC UK Group level by the treasury team, which monitors the rolling forecasts of the liquidity requirement to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its cash pool facilities at all times so that the Company does not breach the borrowing limits.

COVID-19

In relation to COVID-19, management constantly monitors the effects of the outbreak globally and the potential impact on the business. The outbreak increases uncertainty about the future prospects of the company with key risk areas identified as liquidity, customer's ability to pay and possible operational disruption. As the company is part of the DXC group this has to be considered as a group level.

The DXC Group has a strong liquidity position that means it will be able to sustain the business throughout this crisis and works to meet all expected and any unexpected cash requirements by taking steps to minimise short term debt and maximise cash.

Customer ability to pay has not had a material impact up to date of signing the accounts and is constantly monitored in case action is required.

Senior leadership in DXC is actively managing response through a COVID-19 Response Team that meets on a regular basis to deal with all operational issues as and when they arise.

There has been minimal operational disruption as IT infrastructure already in place has enabled nearly all office staff to quickly switch to a "working from home" model. Where this has not been possible to meet our customer's requirements steps have been implemented to provide COVID-19 safe workplaces meaning business continues.

Management is actively taking steps to ensure the protection and retention of staff and the associated corporate memory that are crucial to the company's ability to weather this crisis and to rebuild when the opportunity arises.

Brexit

DXC Technology ran a detailed programme to prepare itself and its clients for the end of the EU / UK transition period at the start of the year. A cross disciplinary team across nine workstreams worked to ensure over 200 actions were managed effectively and an escalation process was created to ensure the resources and focus required to deal with any unanticipated eventuality were available.

These detailed preparations were independently assessed by global law firm, Eversheds Sutherland, who provided feedback to DXC's leadership team independent of the internal Brexit Readiness team. Their feedback, alongside reports from key public and private sector clients, show that DXC was highly successful in its preparations.

This is demonstrated by the fact that the end of the transition period resulted in no material increases in costs, no service or supply disruption and no significant commercial issues. Some measures taken in response to the end of the transition period have had wider application in other areas of the business - particularly as regards global trade policy – to such an extent that costs are now lower than they were prior to 1 January 2021.

Lessons learned, including newly improved processes such as engaging subject matter expertise, information sharing between region, clearly communicated expectations, prioritizing work, collaboration are now being shared outside of the UKIIMEA and NCE regions so that these benefits can be realised globally.

Impairment and valuation risk of investments is dependent on the performance of the underlying group. The directors therefore perform annual impairment assessments on investment balances.

Further details on other business risks and uncertainties can be found in Section 1A of the DXC's consolidated financial statements for the year ended 31 March 2021, which are available to the public and may be obtained from www.dxc.technology.

Strategic report (continued)

Future developments
The Company is expected to be liquidated during the next financial year.

In relation to COVID-19, Management recognise the degree of uncertainty created by the resulting economic impact and is continuously monitoring the situation, taking all necessary steps to protect its employees, customers and stakeholders.

Key performance indicators
The Company is managed by the UKIIMEA (UK, Ireland, Israel, Middle East and Africa) regional management team. The performance and results for all entities are analysed on a worldwide DXC measurement basis, at a business unit and sector level. For this reason, the directors of the Company believe that analysis using key performance indicators is not appropriate for an understanding of the development, performance or position of the business shown in these financial statements.

Approved by the board and signed on its behalf by:

M C Woodfine
Director
9 December 2021

Registered Office
Royal Pavilion
Wellesley Road
Aldershot,
Hampshire
GU11 1PZ

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Directors' report

The directors present the Annual Report on the affairs of the Company, together with the audited financial statements for the financial year 1 April 2020 to 31 March 2021.

Principal activity
The Company continues to provide computer consultancy, systems integration and computer outsourcing throughout the financial year under review.

Future developments
Future developments have been detailed in the Strategic report on page 4 and form part of this report by cross reference.

Events since the reporting date
Details of significant events since the balance sheet date are contained in note 18 to the financial statements.

Research and development
No research and development costs were incurred during the financial year (2020: £nil).

Branches outside the UK
The Company has a branch, located in Saudi Arabia.

Financial risk management, objective and policies
Performance and finance risk management is an integral part of the Company's management processes. Details of Company's risk management are set out in the strategic report on page 2-3 and form a part of this report by cross reference.

Dividends
No dividend was declared or paid during the financial year and up to date of approval of this report (2020: £nil).

Directors
The following were directors of the Company during the financial year and up to the date of this report, except as noted:

S A De La Harpe	
C N Halbard	Appointed on 7 April 2020
M C Woodfine	
T A Gough	Resigned on 7 April 2020

No qualifying third-party indemnity provisions were made by the Company during the year for the benefit of its directors.

Political contribution
The Company made no political donations during the financial year (2020: £nil).

Going concern
As noted in the Strategic report no new contracts are expected and the Company is expected to be liquidated during next financial year. The financial statements have been prepared on the basis other than going concern. For further details, see note 2 in the financial statements.

In relation to COVID-19, Management is continuously monitoring the position and taking all necessary steps to protect its employees, customers and stakeholders.

Employees
Details of the number of employees and related costs can be found in note 7 to the financial statements.

At DXC all aspects of diversity are valued among its employees. The Company understands that a variety of employee perspectives enables it to thrive, to innovate and to be creative bringing better solutions and services to their clients. Therefore, the Company ensures the recognition and contribution all employees regardless of gender, race and ethnicity, mental or physical abilities or religious and LGBTQ+ cultures. This is supported by an Equal Opportunities Policy and the UKI Diversity Steering Group.

The Company's investment in employees is fundamental to a successful workplace and feedback is encouraged. The UK Employee Forum (UKEF) is the Company's chosen forum for informing and consulting with the UK workforce as a whole. This Forum enables the Company to properly inform and involve employees in decision making and problem solving increasing collaboration, creativity and innovation through dialogue and exchange of views.

The Company recognises the importance of providing a safe working environment for all employees and others who may be affected by the Company's activities. DXC will protect the health and safety of its employees and all other stakeholders through; implementing robust risk management processes, maintaining a safe work environment, reducing occupational injury and illness risks and promoting employee health and well-being, developing appropriate emergency preparedness and response plans, and providing appropriate health and safety training, information and supervision. This is supported by the DXC Environment, Health & Safety Policy.

Energy and carbon disclosures
Details of energy and carbon usage reporting requirements for the company are met by combining the company activities with fellow DXC UK group companies into one energy report due to impracticality of reporting individually for DXC UK (Middle East) Limited. Details can be found in the filings for the main CSC trading company in the UK of CSC Computer Sciences Limited (Registered number 00963578).

Auditor
Deloitte LLP have indicated their willingness to be reappointed for another term. The Company has elected to dispense with the obligation to appoint an auditor annually under the provisions of section 485 to 488 of the Companies Act 2006 and appropriate arrangements have been put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

Disclosure of information to auditor
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he/she 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Approved by the board and signed on its behalf by:

M C Woodfine
Director
9 December 2021

Registered Office
Royal Pavilion
Wellesley Road
Aldershot,
Hampshire
GU11 1PZ

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Directors' responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Independent auditor's report for DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of DXC UK (Middle East) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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.

Independent auditor's report for DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited) (continued)

Auditor's responsibilities for the audit of the financial statements

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, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations, data protection act and anti-corruption regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report for DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited) (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

DocuSigned by:

Christopher Dolby.

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Christopher Dolby (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
9 December 2021

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Statement of profit and loss
For the financial year 1 April 2020 to 31 March 2021

	Note	Financial year 1 April 2020 to 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
Revenue	5	118	1,671
Cost of sales		(485)	(1,143)
Gross (loss)/profit		(367)	528
Administrative expenses		(59)	(56)
Impairment of investment	11	-	(237)
Other operating (expenses) /income		(45)	89
Operating (loss)/profit	6	(471)	324
Finance income	8	64	74
(Loss)/profit before taxation		(407)	398
Tax charge on (loss)/profit	9	(13)	(18)
(Loss)/profit for the financial year		(420)	380

The above results are wholly attributable to continuing activities.

The notes on pages 15 to 30 form part of these financial statements.

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Statement of comprehensive income
For the financial year 1 April 2020 to 31 March 2021

	Financial year 1 April 2020 to 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
(Loss)/profit for the financial year	(420)	380
Other comprehensive (expense)/income: items that will not be reclassified to profit or loss:		
Gain relating to retirement benefits obligations	(28)	-
Effects of changes in foreign currency	56	(4)
Total comprehensive (loss)/ profit for the year attributable to the owners of the Company	**(392)**	**376**

The notes on pages 15 to 30 form part of these financial statements.

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Balance Sheet
As at 31 March 2021

	Note	At 31 March 2021 £'000	At 31 March 2020 £'000
Current assets			
Tangible assets	10	-	1
Investments	11	9	9
Deferred taxation asset	9	7	19
Right of use assets	14	-	10
Trade and other receivables	12	11,686	12,228
Cash at bank and in hand		576	899
Total current assets		12,278	13,166
Total assets		12,278	13,166
Liabilities			
Current liabilities			
Trade and other payables	13	(4,600)	(5,076)
Provisions		-	(20)
Total current liabilities		(4,600)	(5,096)
Net current assets		7,678	8,070
Total assets less current liabilities		7,678	8,070
Net assets		7,678	8,070
Equity			
Share capital	15	200	200
Foreign exchange translation reserve		48	(8)
Profit and loss account		7,430	7,878
Total equity		7,678	8,070

The notes on pages 15 to 30 form part of these financial statements.

The financial statements of DXC UK (Middle East) Limited (No. 02846149) on pages 11 to 30 were approved and authorised for issue by the board on 9 December 2021 and signed on its behalf by:

M C Woodfine
Director

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Statement of changes in equity
For the financial year 1 April 2020 to 31 March 2021

	Share capital (Note 15)	Profit and loss account	Foreign exchange translation reserve	Total
	£'000	£'000	£'000	£'000
Balance as at 1 April 2019	**200**	**7,498**	**(4)**	**7,694**
Profit for the financial year	-	380	-	380
Other comprehensive expense for the financial year	-	-	(4)	(4)
Total comprehensive income/(expense) for the financial year	**-**	**380**	**(4)**	**376**
Balance as at 31 March 2020	**200**	**7,878**	**(8)**	**8,070**
Loss for the financial year	-	(420)	-	(420)
Other comprehensive expense for the financial year				
Movements relating to retirement benefits obligations	-	(28)	-	(28)
Effects of changes in foreign currency	-	-	56	56
Total comprehensive (expense)/income for the financial year	**-**	**(448)**	**56**	**(392)**
Balance as at 31 March 2021	**200**	**7,430**	**48**	**7,678**

The notes on pages 15 to 30 form part of these financial statements.

Profit and loss account represents accumulated retained earnings.

Foreign exchange translation reserve represents the effects of changes in rate of foreign currency pertaining to the branch situated *outside the United Kingdom.*

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Notes to the financial statements
For the financial year 1 April 2020 to 31 March 2021

1) Basis of accounting and general information

DXC UK (Middle East) Limited ("the Company") provides computer consultancy, systems integration and computer outsourcing activities. The Company provides its services mainly in the Saudi Arabia, the Company contracts its business through an overseas branch in Saudi Arabia.

The Company is a private company and is incorporated in the United Kingdom under the Companies Act 2006, limited by shares and registered in England and Wales. The Company's registered and principal address is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.

2) Summary of significant accounting policies

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

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101. Where relevant, equivalent disclosures have been given in the consolidated financial statements of the ultimate parent company, DXC Technology Company ("DXC"), in relation to:

- the disclosure exemptions from IFRS 7 "Financial Instruments: Disclosures";
- the disclosure exemptions from IFRS 13 "Fair Value Measurement" to the extent that they apply to financial instruments;
- the disclosure exemptions from paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the disclosure exemptions from paragraph 45(b) and 46-52 of IFRS 2 "Share based payment";
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of the following paragraphs of IAS 1 Presentation of Financial Statements:
  - o 10(d) and 111 – a statement of cash flows for the financial year;
  - o 10(f) – a statement of financial position as at the beginning of the preceding financial year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements;
  - o 16 – a statement of compliance with IFRS, which is not applicable since we are adopting FRS101 rather than following IFRS in full;
  - o 38A-D and 40A-D – a third statement of financial position, profit and loss and other comprehensive income, statement of changes in equity and other additional comparative information;
  - o 134-136 – disclosure of management of capital;
- the disclosure exemptions of IFRS 3 "Business combinations";
  - o the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67of IFRS 3 Business Combinations

2) Summary of significant accounting policies (continued)

Basis of preparation (continued)

- the requirements of IAS 7 "Statement of Cash Flows";
- the disclosure exemptions from paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- the requirements of paragraphs 17 and 18A of IAS 24 "Related Party Disclosures";
- the requirements of IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transactions is wholly owned by such a member; and
- the requirements of IAS 36 "Impairment of Assets".

Going concern

As explained in the directors' report the Company has ceased trading and the directors have intended to liquidate the Company. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Company's assets to the net realisable value. Provision has also been made for any onerous contractual commitments at the Balance sheet date. The financial statements do not include provision for the future costs of terminating the business of the Company except to the extent that such were committed at the reporting date. There are no adjustments posted as a consequence of preparing on a basis other than that of a going concern.

In relation to COVID-19, Management is continuously monitoring the position and taking all necessary steps to protect its employees, customers and stakeholders.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting year. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- *Amendments to IAS 1 and IAS8- Definition of material - effective for annual years beginning on or after 1 January 2020*
- Conceptual Framework- Amendments to References to the Conceptual Framework in IFRS Standards- effective for annual years beginning on or after 1 January 2020

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2021 have had a material impact on the Company.

Consolidation

The Company has taken advantage of the exemption under section 401 to the Companies Act 2006 from the requirement to produce consolidated financial statements since the Company itself is a wholly owned subsidiary undertaking of DXC Technology Company, a Company registered in the United States of America, which itself prepares consolidated financial statements. The financial statements therefore present information as an individual undertaking and not as a group. Copies of the Group financial statements of DXC Technology Company are available from 20412 Bashan Drive, Suite 250, Ashburn, VA 20147.

Foreign currency translation

Foreign currency transactions are translated into the presentational currency of GBP using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. 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 Statement of profit and loss. All other foreign exchange gains and losses are presented in the Statement of profit and loss within 'Other operating income/expenses.

The Company has a Saudi branch which meets the definition of a foreign operation under IAS 21. The functional currency of the branch is Saudi Riyal as that is the currency of the primary economic environment in which it operates. The branch's transactions are translated to the Company's functional currency of GBP at the average rate for the year and balances are translated at the prevailing rate on the balance sheet date and foreign exchange translation are posted through reserves.

Revenue recognition

Revenue, including intercompany revenue, is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

2) Summary of significant accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate contract liability.

Intercompany

Revenue for work performed for fellow Group companies, where services provided, are recognised at cost plus an arm's length mark-up.

Hardware (sold as part of contract package)

Revenue from hardware sales is recognised when the product is shipped to the client and when significant risk and rewards of ownership have been transferred to the buyer.

Any cost of warranties and remaining obligations that are inconsequential or perfunctory are accrued when the corresponding revenue is recognised.

Software (sold as part of contract package)

Revenue from perpetual (one-time charge) licensed software is recognised at the inception of the license term. Revenue from term (monthly license charge) arrangements is recognised on a subscription basis over the period that the client is using the license. Revenue from maintenance, unspecified upgrades and technical support is recognised over the period such items are delivered.

Services

The Company's primary services offerings include information technology (IT) data center and business process transformation outsourcing, application management services, technology infrastructure and system maintenance, web hosting, and the design and development of complex IT systems to a client's specifications (design and build). These services are provided on a time and material basis, as a fixed price contract or as a fixed price per measure of output contract, and the contract terms generally range from less than one year to ten years. Revenue from IT data centre and business process transformation outsourcing contracts is recognised in the year the services are provided using either an objective measure of output or a straight-line basis over the term of the contract. Under the output method, the amount of revenue recognised is based on the services delivered in the year as stated in the contract.

Revenue from application management services, technology infrastructure and system maintenance, and web hosting contracts is recognised on a straight-line basis over the term of the contract.

Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred. Revenue related to extended warranty and product maintenance contracts is deferred and recognised on a straight-line basis over the delivery period.

Revenue from fixed-price design and build contracts is recognised where the outcome of a contract can be reliably estimated, and revenue and costs are recognised under input method wherein revenue is recognised over time based on progress measured to satisfaction of performance obligation. This is consistent with provisions of IFRS 15 where performance obligation is satisfied over time. Under this method, revenue is either recognised based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract or on an output method upon customers' acceptance of the project's stage of delivery. If circumstances arise that may change the original estimates of revenues, costs, or extent of progress toward completion, then revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in the Statement of profit and loss in the year in which the circumstances that give rise to the revision become known by management.

The Company performs ongoing profitability analysis of its services contracts in order to determine whether the latest estimates, such as revenue, costs of sales or profits, require updating. If, at any time, these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately.

2) Summary of significant accounting policies (continued)

Revenue recognition (continued)
Services (continued)
In some of the Company's services contracts the Company bills the client prior to performing the services. These balances are held as deferred income in the Balance sheet until the service is performed. In other services contracts the Company performs the services prior to billing the client. These balances are held as amounts recoverable on contracts in the Balance sheet until the client is billed. Billings usually occur in the month after the Company performs the services or in accordance with specific contractual provisions.

Multiple-element arrangements
The Company enters into multiple-element software and non-software related revenue arrangements, which may include any combination of services, software and hardware. A multiple-element arrangement is separated into more than one unit of accounting if all of the following criteria are met:

Software related revenue arrangements
- The functionality of the delivered elements is not dependent on the undelivered elements.
- There is a fair value to the undelivered elements.
- Delivery of the delivered elements represents the culmination of the earnings process for those elements.

Non-software related Revenue arrangements
- The delivered items have value to the client on a standalone basis.
- There is objective and reliable evidence of the fair value of the undelivered items.

Interest income
Interest income is recognised in the Statement of profit and loss using the effective interest method.

Current and deferred taxation
The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Provisions are made where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised of the deferred income tax liability is settled.

Tangible assets
Tangible assets are stated at historical cost less depreciation and any provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of profit and loss during the financial year in which they are incurred.

Land is not depreciated, and assets under construction are not depreciated until ready for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost amount to their residual values over their estimated useful lives, as follows:

Furniture and fittings	Five to ten years
Computer and related equipment	Three to seven years or useful life

2) Summary of significant accounting policies (continued)

Tangible assets (continued) Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of profit and loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset that right-of-use assets and lease liabilities in the balance sheet are initially measured at the present value of the future lease payments.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Investments
Investments in subsidiaries are accounted for at cost, less, where appropriate, allowances for impairment.

Impairment of investments
At each reporting date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit and loss.

Long term contracts
Costs on outsourcing contracts are generally expensed as incurred. However, certain costs incurred upon the initiation of an outsourcing contract are deferred and expensed as and when performance obligation is satisfied 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 Statement of profit and loss as and when performance obligation is satisfied over time. Contract provisions for work in progress risks and contingencies are included in provisions for liabilities and charges.

Financial instruments
Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets
Trade and other receivables
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using effective interest method, less any appropriate provision for impairment. The Company applies the IFRS 9 simplified approach to measure the expected credit loss which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

2) Summary of significant accounting policies (continued)

Financial assets (continued)

Trade and other receivables (continued)
They are included in current assets, except for payment terms greater than twelve months after the end of the reporting period. These are classified as non-current assets.

Contract assets
Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Impairment of financial assets
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. The Company applies the IFRS 9 simplified approach to measure the expected credit loss which uses a lifetime expected loss allowance for all financial assets.

Derecognition of a financial asset
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers, nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Company for goods and services prior to the end of the financial year and are yet to be paid.

Finance costs and debt
Finance costs of debt are recognised in the Statement of profit and loss over the term of such investments at a constant rate on the carrying amount. Debt is initially stated at the amount of the net proceeds after the deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting year and reduced by repayments made in the financial year.

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity. In the current financial year, there were termination benefits of £nil (2020: £19,802) due to the restructuring plans implemented in the financial year.

2) Summary of significant accounting policies (continued)

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the financial year in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Contract liabilities
Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

Retirement benefits
Retirement benefits to employees of the Company are funded by contributions from the Company and employees.

Defined benefit section
The defined benefit plan defined an amount of pension benefit an employee will receive on retirement, dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rate on government bonds are used.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholder's funds in other comprehensive income in the period in which they arise. The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined pension liability or asset. Past service costs are recognised immediately in the statement of profit and loss.

3) Critical accounting judgments and key sources of estimation uncertainty

Certain accounting policies are considered to be critical. An accounting policy is considered to be critical if, in the directors' judgement, its selection or application materially affects the financial position or results. The application of the accounting policies also requires the use of estimates and assumptions that affect the financial position or results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future years if the revision affects both current and future financial years.

Below is a summary of areas in which estimation is applied primarily in the context of applying critical accounting policies and judgements.

Critical accounting policies and judgements

i) Revenue recognition
As discussed in note 2, the majority of our revenue is recognised based on objective criteria and does not require significant estimates that may change over time. However, the rest of the arrangements are subject to specific accounting guidance that may require significant judgements, including contracts subject to input method of accounting, contracts that include multiple-element deliverables, and contracts subject to software accounting guidance. These judgements are made on a contract by contract basis and a different assessment would result in a change to the amount of revenue recognised. In making their judgement, the directors considered the detailed criteria for the recognition of revenue as set out in IFRS 15.

3) Critical accounting judgments and key sources of estimation uncertainty (continued)

Critical accounting policies and judgements

i) Revenue recognition (continued)

Performance obligation satisfied over time (input method)
Revenue from fixed-price design and build contracts is recognised where the outcome of a contract can be reliably estimated, and revenue and costs are recognised under input method wherein revenue is recognised over time based on progress measured to satisfaction of performance obligation. This is consistent with provisions of IFRS 15 where performance obligation is satisfied over time. Under this method, revenue is either recognised based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract or on an output method upon customers' acceptance of the project's stage of delivery. If circumstances arise that may change the original estimates of revenues, costs, or extent of progress toward completion, then revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in the Statement of profit and loss in the year in which the circumstances that give rise to the revision become known by management.

Multiple-element arrangements
Certain contracts provide a range of services or elements to our customers, which may include a combination of services, products or both. As a result, significant judgment may be required to determine the appropriate accounting, including whether the elements specified in a multiple-element arrangement should be treated as separate units of accounting for revenue recognition purposes, and, when considered appropriate, how the total estimated revenue should be allocated among the elements and the timing of revenue recognition for each element. Allocation of total contract consideration to each element requires estimating the fair value or selling price of each element on a reasonable basis. Once the total estimated revenue has been allocated to the various contract elements, revenue for each element is recognised based on the relevant revenue recognition method for the services performed or elements delivered if the revenue recognition criteria have been met. Estimates of total revenue at contract inception often differ materially from actual revenue due to volume differences, changes in technology or other factors which may not be foreseen at inception. These estimates and judgments are made on a contract by contract basis and a different assessment would result in a change to the amount of revenue recognised.

ii) Taxation
The Company is subject to tax in a number of jurisdictions and judgement is required in determining the provision for income taxes. The Company provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future financial years and such provisions are based on management's assessment of exposures.

Deferred tax liabilities are generally provided for in full and deferred tax assets are recognised to the extent that it is judged probable that future taxable profit will arise against which the temporary differences will be utilised.

iii) Recoverability of Trade receivables
Management regularly reviews the recoverability of trade receivables with reference to available economic information specific to each receivable. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contact assets. Specific provisions are recognised for balances considered to be irrecoverable (note 12).

Key sources of estimation uncertainty
Areas for which there are major sources of estimation uncertainty at the reporting year end that have a significant risk of causing a material adjustment to be made to the carrying value amounts of assets and liabilities are discussed below:

Impairment of investments
Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £9,000 (2020: £9,000) with impairment loss of £nil recognised during the financial year 2021 (2020: £237,000) refer note 11.

Directors considered and assessed the impact of COVID-19 and concluded that it's not expected to result in any material impairments other than the impairment as stated above.

Notes to the financial statements (continued)
For the financial year 1 April 2020 to 31 March 2021

4) Financial instruments

The Company has no financial assets measured at fair value through profit and loss.

5) Revenue

An analysis of revenue by geographical market is given below:

	Financial year 1 April 2020 to 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
Kingdom of Saudi Arabia	118	1,671

All the revenue reported above is derived from providing services.

Remaining Performance Obligations

Remaining performance obligations represent the aggregate amount of the transaction prices in contracts allocated to performance obligations not delivered, or partially undelivered, as of the end of the reporting period. Remaining performance obligation estimates are subject to change are affected by several factors, including terminations, changes in scope of contracts, periodic revalidations, adjustments for revenue that has not materialised and adjustments for currency.

Contract Balances

The following table provides information about the balances of the Company's trade receivables and contract assets and contract liabilities:

	As at 31 March 2021 £'000	As at 31 March 2020 £'000
Trade receivables, net	143	543
Contract liability	43	108

The contract assets /liability balances change year on year in according with the performance of the obligation as per contract.

Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting year relates to carried forward contract liabilities.

	1 April 2020 to 31 March 2021 £'000	1 April 2019 to 31 March 2020 £'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	108	355

Revenue recognised in relation to prior periods

No revenue has been recognised in the current financial year relating to prior periods.

6) Operating (loss)/profit

	Financial year 1 April 2020 To 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
Operating (loss)/profit is stated after charging/(crediting):		
Depreciation of tangible assets - owned assets	1	2
Depreciation of right to use assets	10	17
Foreign currency exchange loss/((gain)	45	(14)
Provision for receivables/(reversal of provision)	(100)	(193)

The auditor's remuneration is borne by a fellow group undertaking within the DXC group. The allocated fees payable to the Company's auditor for the audit of the Company's financial statements is £15,000 (2020: £15,000). There were no non-audit services (2020: £nil).

7) Employees and directors

Employees
Employee costs during the financial year

	Financial year 1 April 2020 To 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
Wages and salaries	389	443
Social welfare costs	22	35
Retirement benefit costs	19	21
	430	499

Retirement benefit costs include the Company's costs relating to defined benefit schemes.

The average monthly number of persons employed by the Company during the financial year was:

	Financial year 1 April 2020 to 31 March 2021 No.	Financial year 1 April 2019 to 31 March 2020 No.
Sales and operational	9	11

Directors

Total remuneration borne by other entities
The total amounts paid to the directors amounts to £393,293 which is borne by DXC UK International Limited. During the previous financial year, remuneration of £906,696 was borne by DXC UK International Limited and EntServ UK Limited.

Highest paid director
The highest paid director was paid through DXC UK International Limited. During the previous financial year, highest paid director was paid through EntServ UK Limited.

8) Finance income

	Financial year 1 April 2020 to 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
Interest receivable on loans to group undertakings	64	74
	64	74

9) Taxation

	Financial year 1 April 2020 to 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
Current Tax		
UK corporation tax on (loss)/profit for the year 19% (2020: 19%)	-	-
Adjustment in respect of prior financial years	-	-
Overseas tax	-	-
Total current tax	-	-
Deferred Tax		
Adjustments in respect of prior financial years	(3)	-
Origination and reversal of timing differences	16	22
Impact of change in tax rate	-	(4)
Total deferred tax	13	18
Tax charge on (loss)/profit	13	18
Reconciliation to total current tax:		
(Loss)/profit before taxation	(407)	398
(Loss)/profit multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	(77)	75
- Expenses not deductible for tax purposes	-	45
- Adjustment to tax charges in respect of previous periods - deferred tax	(3)	-
- Remeasurement of deferred tax	-	(4)
- Transfer pricing adjustment	11	26
- Group relief Surrendered/(claimed)	82	(124)
Total tax charge	13	18

The Finance Act 2020 included legislation to maintain the main rate of corporation tax at 19% rather than reducing it to 17% from 1st April 2020. The change to the main rate was substantively enacted at the balance sheet date.

The UK budget on 3rd March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1st April 2023. These changes were not substantially enacted until 21st June 2021 after the balance sheet date. Material deferred tax balances likely to reverse post April 2023 have been remeasured in the financial statements to reflect this change.

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Notes to the financial statements (continued)
For the financial year 1 April 2020 to 31 March 2021

9) Taxation (continued)

Deferred tax asset

	Recognised 2021 £'000	Un-recognised 2021 £'000	Recognised 2020 £'000	Un-recognised 2020 £'000
Fixed Asset timing Difference	1	-	1	-
Short term timing Differences	-	-	18	-
Pension and post-retirement benefits	6	-	-	-
	7	-	19	-

Since the Company is expected to be liquidated in the next financial year, the deferred tax assets have been classified as current assets for both the years.

10) Tangible assets

	Furniture and fittings £'000	Computer and related equipment £'000	Total £'000
Cost			
At 1 April 2020	4	17	21
Additions	-	-	-
At 31 March 2021	**4**	**17**	**21**
Accumulated depreciation			
At 1 April 2020	3	17	20
Charge for the year	1	-	1
At 31 March 2021	**4**	**17**	**21**
Net book value			
At 31 March 2021	**-**	**-**	**-**
At 31 March 2020	1	-	1

During the year, there is no impact on the change in the useful life of the asset.

Since the Company is expected to be liquidated in the next financial year, the balance has been classified as current assets for both the years.

11) Investments

	£'000
Subsidiary undertakings:	
Cost	
At 31 March 2021 and at 31 March 2020	**352**
Provisions for impairment:	
At 1 April 2020	(343)
Impairment during the year	-
At 31 March 2021	**(343)**
Net book value at 31 March 2021	**9**
Net book value at 31 March 2020	**9**

Since the Company is expected to be liquidated in the next financial year, the balance has been classified as current assets for both the years.

Further information on ordinary shares held in group undertakings is as follows:

Name	Country of Incorporation and Principle place of business	Activity	Proportion of ownership interest and voting rights held in ordinary share capital 2021	2020
Direct investments				
DXC Technology Middle East FZ LLC- Abu Dhabi	United Arab Emirates 201, 2nd floor, Pfizer Building Dubai Media city PO Box 500020 Dubai, UAE	Computer services	100%	100%
CSC Computer Science Middle East Limited - Saudi Arabia	104 Al Mousa Business center South of Kingdom Tower, PO Box 9385 Riyadh 11413, Saudi Arabia	Computer services	100%	100%

12) Trade and other receivables: disclosed as current assets

	At 31 March 2021 £'000	At 31 March 2020 £'000
Trade receivables	143	543
Amounts owed by other fellow group undertakings	3,176	3,114
Amounts owed by parent company	8,337	8,407
Other debtors	28	102
Prepayments	2	62
	11,686	12,228

The amount owed by other fellow group undertakings contains a loan to DXC Technology Middle East FZ LLC- Abu Dhabi 31 March 2021 amounting to £3,000,000 at an interest of 2.46% and is due to be paid on 31 December 2021.

Trade receivables and contract assets are stated after providing for impairment of £nil (2020: £nil).

DXC UK (Middle East) Limited (Formerly known as CSC Computer Sciences (Middle East) Limited)

Notes to the financial statements (continued)
For the financial year 1 April 2020 to 31 March 2021

13) Trade and other payables: disclosed as current liabilities

	At 31 March 2021 £'000	At 31 March 2020 £'000
Bank overdraft	3,010	3,010
Amounts owed to other fellow group undertakings	744	883
Amounts owed to subsidiaries	392	440
Social security and other taxes	33	16
Accruals	373	542
Contract liability	44	108
Trade payables	4	77
	4,600	5,076

The amounts owed to fellow group undertakings are repayable on demand, unsecured and interest free.

14) Right of use assets

	Leasehold land and buildings £'000	Total £'000
Cost		
At 1 April 2020	27	27
Additions	-	-
Disposals	-	-
At 31 March 2021	27	27
Accumulated depreciation		
At 1 April 2020	17	17
Charge for the year	10	10
Disposals	-	-
At 31 March 2021	27	27
Net book value		
At 31 March 2021	-	-
At 31 March 2020	10	10

15) Retirement benefit obligations

The Company provides retirement benefits to certain employees through defined benefit pension schemes providing benefits based on final pensionable pay.

The pension charge in the Statement of profit and loss in respect of the defined benefit section of the scheme amounts to £19,022 (2020: £21,596) relating to directors and other employees. In the current financial year, there were termination benefits of £nil (2020: £19,802) due to the restructuring plans implemented in the financial year. There is a pension liability within accruals of £14,251 (2020: £16,053) relating to pension contributions not paid over by the financial year end.

15) Retirement benefit obligations (continued)

Defined benefit schemes
The Company participates in defined benefit schemes for qualifying employees as mentioned below, the schemes are subject to regulation under the funding regime set out in part III of the Pensions Act 2004.

CSC KSA Retirement Indemnity Scheme
The scheme is classified to be unfunded defined benefit plan where employee contribution is 'Nil' and employer contribution is added to building of book reserves which are used for benefits paid.

The latest actuarial valuation was carried out at 31 March 2021. The weighted average duration for this scheme is 7.3 years. The scheme exists in the books of branch of the entity, CSC Computer Sciences (Middle East) Limited and covers all employees of the branch.

The movement in employees' termination benefits, a defined benefit plan, during the year is as follows:

	At 31 March 2021 £'000	At 31 March 2020 £'000
Opening value	158	144
Expense charged to profit or loss	19	21
Remeasurement charged to other comprehensive income	28	-
Payments	(7)	(7)
	198	158

The expense charged to profit or loss is comprised of:

	At 31 March 2021 £'000	At 31 March 2020 £'000
Current service cost	21	21
Other credit to profit or loss	(2)	-
	19	21

Actuarial valuation of the pension scheme was updated to 31 March 2021. The principal assumptions underlying the actuarial assessments of the present value of plan liabilities as at 31 March 2021 are shown below:

	At 31 March 2021 %	At 31 March 2020 %
Discount rate	3.3%	3.5%
Expected rate of increase in salaries	3.75%	2%
Inflation assumptions	2%	2%

Withdrawal Rates
This assumption is important given that benefits are not fully paid for all individuals who leave service voluntarily before retirement. Based on our discussion with local management in previous years, we have maintained the following service-related withdrawal rates:

Service in Years	Withdrawal Rate
0 - 5	15% p.a.
5 - 10	11% p.a.
10 - 15	7% p.a.
15 - 20	3% p.a.
20+	0% p.a.

15) Retirement benefit obligations (continued)

Mortality Assumptions for the plan are as follows:
KSA population projections and statistics by the United Nations (UN) show that for the period 2020-2025, life expectancy at birth is expected to be 74.5 years for males and 77.4 years for females. These are expected to increase to 78.2 and 81.0 years respectively for males and females until 2050.

We have adopted the Swiss EVK 2000 life tables for males and females to allow for pre-retirement mortality. The expected life expectancy at birth implied by these tables is 78.8 and 82.1 year respectively for males and females, which seem appropriate and comparable to the UN projections for KSA.

The assumed life expectations on retirement at age 62 are:

	At 31 March 2021 £'000	At 31 March 2020 £'000
Member age 62:		
Males	16.8	16.8
Females	20.1	20.1

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 by 0.50%	Decrease by 3.8%
Salary increase	Increase by 0.50%	Increase by 4.1%

16) Share capital

	At 31 March 2021 Number	At 31 March 2020 Number	At 31 March 2021 £'000	At 31 March 2020 £'000
Authorised, allotted, called-up and fully paid:				
"A" ordinary shares of £1- each	50,000	50,000	50	50
"B" ordinary shares of £1- each	150,000	150,000	150	150
	200,000	200,000	200	200

"A" and "B" ordinary shares are entitled to 0.1% and 99.9% respectively of any distribution of profits by way of dividend and to 0.1% and 99.9% respectively of the assets available for distribution to members on a liquidation or reduction of capital.

"A" ordinary shares entitle the holder to four votes for each "A" ordinary share held. "B" ordinary shares entitle the holder to one vote for each "B" ordinary shares held.

The holders of the "A" ordinary shares may from time to time appoint two persons to be directors and the holders of the "B" ordinary shares may from time to time appoint two persons to be directors.

In all other respects the "A" and "B" ordinary shares are identical and rank pari passu.

17) Controlling parties

The ultimate parent Company and controlling entity is DXC Technology Company, a Company incorporated in the United States of America. This is the parent undertaking of both the smallest and the largest group which includes the Company and for which group financial statements are prepared. Copies of the group financial statements of DXC Technology Company are available at registered office of the company situated at 20412 Bashan Drive, Suite 250, Ashburn, VA 20147.

The immediate parent Company of DXC UK (Middle East) Limited (formerly known as CSC Computer Sciences (Middle East) Limited) is CSC Computer Sciences Limited, a Company incorporated in United Kingdom and registered in England and Wales with its registered office situated at Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.

18) Events after the reporting year

The Company is expected to be liquidated during the next financial year.

There were no other material or significant events that occurred in the period from 31 March 2021 to the date of approval that would require adjustment to or disclosure in the financial statements.