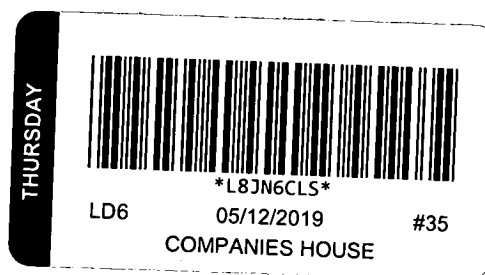


**Company Registration No. 03716736**

**iSoft Group (UK) limited**

**Annual report and financial statements**

**For the financial year from 1 April 2018 to 31 March 2019**



## **iSoft Group (UK) limited**

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## **iSoft Group (UK) limited**

### **Officers and Professional Advisers**

#### **Directors**

A Fiumicelli  
T A Gough  
M A Majed  
M C Woodfine

#### **Company Secretary**

M C Woodfine

#### **Registered Office**

Royal Pavilion  
Wellesley Road  
Aldershot  
Hampshire  
GU11 1PZ

#### **Principal Bankers**

Barclays Bank PLC  
Leicester Servicing Centre  
United Kingdom  
LE87 2BB

#### **Principal Legal Adviser**

Ashurst  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA  
United Kingdom

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
3 Victoria Square  
Victoria Street  
St. Albans  
AL1 3TF  
United Kingdom

## **iSoft Group (UK) limited**

### **Strategic Report**

The directors present their Strategic report on the Company for the financial year ended 31 March 2019. In preparing the Strategic report, the directors have complied with s414c of the Companies Act 2006.

iSoft Group (UK) limited ("the Company") is a private company 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.

The Company is an indirect subsidiary of DXC Technology Company (DXC), a public listed company incorporated in the United States of America and listed on the New York Stock Exchange.

The financial statements for the year 1 April 2018 to 31 March 2019 are set out on pages 9 to 19. A loss for the financial year of £470,000 (FY18: profit of £481,000) has been transferred from / to reserves.

#### **Business review**

The Company continues to act as a holding company for DXC group companies.

#### **Risk management, objectives and policies**

The directors have considered the risks attached to the Company's financial instruments which principally comprise investments and loans to and from group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial statements of the Company. The Company's exposure to price risk, credit risk, liquidity risk and cashflow risk is not material for the assessment of assets, liabilities and the financial statements.

On 23<sup>rd</sup> June 2016, a referendum in the United Kingdom returned a result in favour of leaving the European Union. Whilst the longer term political and economic effects of these events are yet unclear, the announcement of the referendum result immediately triggered a significant amount of market turbulence, including sterling falling against both the U.S. dollar and Euro. DXC has been actively planning for various Brexit, with regular reporting to Senior Managers from a dedicated Brexit readiness team. Significant mitigation has already put in place to reduce the organisation's exposure in a number of key areas.

While a new Brexit deadline of January 31, 2020 has been set, the UK government is working towards an exit with a deal before that date. The situation is being actively monitored by subject matter experts on a daily basis and the directors shall review whether there has been any impact of changes to the foreign exchange on the financial statements after the final date and shape of Brexit is determined.

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 2019, which are available to the public and may be obtained from the Company's website [www.dxc.technology](http://www.dxc.technology).

#### **Future developments**

The directors are not aware, at the date of the annual report, of any likely changes in the company's activities in the next year.


**iSoft Group (UK) limited**

**Strategic Report (continued)**

**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 Woodhine  
Director

29/11/2019

**Registered Office:**

Royal Pavilion  
Wellesley Road  
Aldershot  
Hampshire  
GU11 1PZ

## **iSoft Group (UK) 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 2018 to 31 March 2019.

#### **Principal activity**

The Company continues to act as a holding company to DXC group companies.

#### **Future developments**

Future developments have been detailed in the Strategic report on page 2 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 13 to the financial statements.

#### **Research and development**

No research and development costs were incurred during the financial year (2018: £Nil)

#### **Branches outside the UK**

The Company has no branches outside the UK as defined in section 1046 (3) of the Companies Act 2006.

#### **Financial risk management objectives and policies**

Performance and finance risk management is an integral part of the Company's management processes. Details of the Company's risk management objectives and policies are set out in the Strategic report on page 2 and form 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 (2018: £Nil).

#### **Directors**

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

A Fiumicelli  
T A Gough  
M A Majed  
M C Woodfine

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 (2018: £nil).

#### **Going concern**

The Company is loss making but reports net assets and thus the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Confirmation has been obtained from the parent company that it will continue to provide financial support to enable the Company to meet its financial obligations for the foreseeable future. Accordingly, the directors 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 2.

#### **Employees**

Details of the number of employees and related costs can be found in note 5 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. Our DXC colleagues are represented by both employee representatives and social stakeholders such as recognised Trade Unions. This 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.

## **iSoft Group (UK) limited**

### **Directors' Report (continued)**

#### **Employees (continued)**

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.

#### **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.

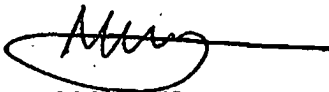
#### **Disclosure of information to auditor**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are 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

29/11/2019

**Registered Office:**  
Royal Pavilion  
Wellesley Road  
Aldershot  
Hampshire  
GU11 1PZ

## **iSoft Group (UK) limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 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 United Kingdom 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# **Independent Auditor's report to the members of iSoft Group (UK) Limited**

**For the financial year 1 April 2018 to 31 March 2019**

## **Report on the audit of the financial statements**

### **Opinion on financial statements**

In our opinion the financial statements of iSoft Group (UK) Limited (the 'Company'):

- give a true and fair view of the state of the Company affairs as at 31 March 2019 and of the loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the "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;
- the Statement of financial position;
- the Statement of changes in equity; and
- the related notes 1 to 13

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".

### **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 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.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

## **Independent Auditor's report for iSoft Group (UK) Limited (continued)**

**For the financial year 1 April 2018 to 31 March 2019**

### **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.

### **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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

### **Report on other legal and regulatory requirements 3 December**

#### **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.

#### **Matters on which we are required to report by exception**

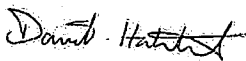
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



**David Halstead FCA (Senior Statutory Auditor)**

**For and on behalf of Deloitte LLP**

Statutory Auditor

St Albans, United Kingdom

3 December 2019

**iSoft Group (UK) limited**

**Statement of profit and loss**

**For the financial year 1 April 2018 to 31 March 2019**

		<b>Financial year 1 April 2018 to 31 March 2019</b>	<b>Financial year 1 April 2017 to 31 March 2018</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
Administrative expenses		(44)	(30)
Other operating (expenses)/income		(426)	511
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(470)</b>	<b>481</b>
<b>(Loss)/profit before taxation</b>		<b>(470)</b>	<b>481</b>
Tax (charge)/credit	<b>6</b>	-	-
<b>(Loss)/profit for the financial year</b>		<b>(470)</b>	<b>481</b>

The above results are wholly attributable to continuing activities.

There is no profit or loss for the current or previous financial year, other than shown above. Accordingly, no Statement of Comprehensive Income has been presented.

The notes on pages 12 to 19 form part of these financial statements.

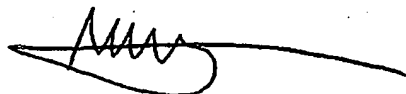
**iSoft Group (UK) limited**

**Statement of financial position  
As at 31 March 2019**

		<b>At 31 March 2019</b>	<b>At 31 March 2018</b>
<b>Assets</b>	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Non-current assets</b>			
Investments	7	5,975	5,975
<b>Total non-current assets</b>		<b>5,975</b>	<b>5,975</b>
<b>Current assets</b>			
Trade and other receivables	8	60,440	60,946
Cash at bank and in hand		68	29
<b>Total current assets</b>		<b>60,508</b>	<b>60,975</b>
<b>Total assets</b>		<b>66,483</b>	<b>66,950</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	(8,779)	(8,776)
<b>Total current liabilities</b>		<b>(8,779)</b>	<b>(8,776)</b>
<b>Net current assets</b>		<b>51,729</b>	<b>52,199</b>
<b>Total assets less current liabilities</b>		<b>57,704</b>	<b>58,174</b>
<b>Total liabilities</b>		<b>(8,779)</b>	<b>(8,776)</b>
<b>Net assets</b>		<b>57,704</b>	<b>58,174</b>
<b>Equity</b>			
Ordinary shares	11	-	-
Profit and loss account		57,704	58,174
<b>Total equity</b>		<b>57,704</b>	<b>58,174</b>

The notes on pages 12 to 19 form part of these financial statements.

These financial statements of iSoft Group (UK) limited (registered number: 03716736) on pages 9 to 19 were approved and authorised for issue by the board of directors on 29/11/2019 and signed on its behalf by:



M C Woodfine  
Director

**iSoft Group (UK) limited**

**Statement of changes in equity**

**For the financial year 1 April 2018 to 31 March 2019**

	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
Balance as at 1 April 2017	-	57,693	57,693
Profit and total comprehensive income for the financial year	-	481	481
Balance as at 31 March 2018	-	58,174	58,174
Loss and total comprehensive loss for the financial year	-	(470)	(470)
Balance as at 31 March 2019	-	57,704	57,704

The notes on pages 12 to 19 form part of these financial statements.

Profit and loss account reserve represents accumulated retained earnings.

## **iSoft Group (UK) limited**

### **Notes to financial statements**

**For the financial year 1 April 2018 to 31 March 2019**

#### **1) Basis of accounting and general information**

iSoft Group (UK) limited ("the Company") acts as a holding company for entities included in the note relating to investments.

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 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".
- the disclosure exemptions from paragraph 45(b) and 46-52 of IFRS 2 "Share based payment".
- the disclosure exemptions from paragraphs 134 to 136 of IAS 1 "Presentation of Financial Statements"
- the disclosure exemptions of IFRS 3 "Business combinations"
- 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 IAS 24 "Related Parties" 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**

The Company's business activities, together with the factors likely to affect its future development, principal risks and uncertainties, performance and position are set out within the Strategic report and Directors report.

The Company meets its day-to-day working capital requirements through a combination of intercompany loans from its parent and other group companies which are due for renewal at various different times in the future. Assurance has been given by the ultimate parent company that it will continue to support the operations of the Company for a minimum of twelve months from the date of signing these financial statements.

The directors have a reasonable expectation that the Company, and DXC, have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

## **iSoft Group (UK) limited**

### **Notes to financial statements (continued)**

**For the financial year 1 April 2018 to 31 March 2019**

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

##### **New standards, amendments and IFRIC interpretations**

In the current year, the Company has applied IFRS 9, Financial Instruments, which is effective for an annual period that begins on or after 1 January 2018. There are no changes to the figures disclosed in the financial statements due to the adoption of the new standard.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2019 have had a material impact on the Company.

##### **Foreign currency translation**

Foreign currency transactions are translated into the functional 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, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Statement of profit and loss within 'Other operating income/expenses'.

##### **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 date of the Statement of financial position 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 date of the Statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Notes to financial statements (continued)**

**For the financial year 1 April 2018 to 31 March 2019**

**2) Summary of significant accounting policies (continued)**

**Investments**

*Investments in group undertakings*

Investments in group undertakings 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.

**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.

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.

*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 Statement of financial position, 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.



## iSoft Group (UK) limited

### Notes to financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

#### 2) Summary of significant accounting policies (continued)

##### Retirement benefits

Retirement benefits to employees of the Company are funded by contributions from the Company and employees. The Company operates various post-employment schemes including defined contribution pension plans:

##### Defined contribution schemes

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to make further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior financial years.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### 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.

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

##### Valuation of investments

The carrying value of investments is re-assessed annually for impairment to ensure investment values are substantiated by their net assets or value in use.

##### Key sources of estimation uncertainty

Areas for which there are major sources of estimation uncertainty at the reporting period 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.

Determining whether the Company's investments in fellow group undertakings 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 group undertakings at the balance sheet date was £5,975,000 (2018: £5,975,000) with no impairment loss recognised in 2019 and 2018.

#### 4) Operating (loss)/profit

Operating (loss)/profit is stated after expensing/(crediting):

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Foreign currency loss/(gain)	426	(511)

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 annual financial statements is £5,000 (2018: £5,000).

# iSoft Group (UK) limited

## Notes to financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

### 5) Employees and directors

#### Employees

Employee costs during the financial year (including directors):

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Wages and salaries	28	35
Social security costs	4	-
Other pension costs (note 10)*	4	4
	<u>36</u>	<u>39</u>

\* Other pension costs include those cost relating to defined contribution schemes.

The average monthly number of persons (including executive directors) employed by the Company during the financial year was:

	Financial year 1 April 2018 to 31 March 2019 No.	Financial year 1 April 2017 to 31 March 2018 No.
Sales and operations staff	<u>1</u>	<u>1</u>

#### Directors

#### Total remuneration borne by other entities

The total amounts paid to the directors amounts to £ 8,234,434 which is borne by CSC Computer Sciences Limited, CSC Computer Sciences International Limited, EntServ UK Limited and DXC Technology Singapore Pte Limited.

#### Highest paid director

The highest paid director was paid through CSC Computer Sciences Limited. As noted above, it is not possible to apportion their payment between the Company and other entities for which they provide services.

### 6) Taxation

#### Current taxation

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
<i>Current tax</i>		
UK corporation tax on profits for the year 19% (2018: 19 %)	-	-
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Total deferred tax	<u>-</u>	<u>-</u>
Tax on profit	<u>-</u>	<u>-</u>

The tax expense for the financial year is lower (2018: lower) than the standard rate of corporation tax in the United Kingdom for the financial year ended 31 March 2019 of 19% (2018: 19%).

**iSoft Group (UK) limited**

**Notes to financial statements (continued)**

**For the financial year 1 April 2018 to 31 March 2019**

**6) Taxation (continued)**

The differences are explained below:

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Profit/(loss) before taxation	(470)	481
Profit multiplied by the standard rate of tax in the United Kingdom of 19% (2018: 19%)	(89)	91
Effects of:		
Expenses not deductible for tax purpose	-	-
Transfer pricing adjustments	73	108
Adjustment to tax charge in respect of prior years	-	-
Group relief	16	-
Deferred tax not recognised	-	(199)
Tax charge on profit	-	-

**Factors affecting future tax charges**

The tax expense for the financial year is higher (2018: lower) than the standard rate of corporation tax in the United Kingdom for the financial year ended 31 March 2019 of 19% (2018: 19%).

A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

The rate of 19% (2018: 19%) has been used to calculate the deferred tax asset/(liability).

	Unrecognised 2019 £'000	Unrecognised 2018 £'000
Accelerated capital allowance	225	225
Short term temporary differences	1	1
Losses	4,521	4,343
Undiscounted deferred tax assets	4,747	4,569

Deferred tax assets of £4,747,091 (2018: £4,569,438) have not been recognised as the directors consider there to be insufficient evidence of suitable future taxable income against which to recover them.

# iSoft Group (UK) limited

## Notes to financial statements (continued) For the financial year 1 April 2018 to 31 March 2019

### 7) Investments

	Investments in fellow group undertakings £'000
Cost and net book value	
At 1 April 2018	5,975
At 31 March 2019	5,975

Further information on shares held by the Company as at 31 March 2019 and at 31 March 2018:

Name and Registered office	Country of Incorporation and principal place of business	Principal Activity	Proportion of ordinary shares held 2019	Proportion of ordinary shares held 2018
CSC Computer Sciences Limited	United Kingdom Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ	Computer Services	0.7%	0.7%

### 8) Trade and other receivables: disclosed as current assets

	At 31 March 2019 £'000	At 31 March 2018 £'000
Amounts owed by fellow group undertakings	60,426	60,915
Prepayments and accrued income	1	1
Other debtors	13	30
	60,440	60,946

The amounts owed by fellow group undertakings are unsecured, not interest bearing and are repayable on demand.

### 9) Trade and other payables : disclosed as current liabilities

	31 March 2019 £'000	31 March 2018 £'000
Trade creditors	3	4
Amounts owed to fellow group undertakings	8,761	8,757
Accrued expenses	15	15
	8,779	8,776

Amount owed to fellow undertaking within DXC Group are unsecured, not interest bearing and are repayable on demand.

### 10) Retirement benefit obligations

The Company provides retirement benefits to certain employees through a defined contribution pension scheme providing benefits based on final pensionable pay.

The pension charge in the Statement of profit and loss in respect of both this defined contribution represents contributions payable by the Company to the scheme and amounts to £4,434 (2018: £4,434). Contributions of £370 (2018: £370) were outstanding at the reporting date and are included within current liabilities.

## iSoft Group (UK) limited

### Notes to financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

#### 11) Share capital

	At 31 March 2019	At 31 March 2018
	£	£
Allotted, issued and fully paid:		
10 (2018: 10) shares of £0.1 each	1	1

The Company has one class of ordinary shares which carries no right to fixed income.

No shares reserved for issue under options and contracts for the sale of shares.

#### 12) 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 from 1775 Tysons Blvd, Tysons, VA 22102, USA.

The immediate parent Company of iSoft Group (UK) Limited is CSC Computer Sciences International Operations Limited, a Company incorporated in the Great Britain and registered in England and Wales and its registered address is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.

#### 13) Events after the end of the reporting date

There were no material or significant events that occurred in the period from 31 March 2019 to the date of reporting that would require adjustment to or disclosure in the financial statements.