

**Company Registration No. 04163382**

**Xpanse Limited**

**Annual report and financial statements**

For the year ended 31 March 2018

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# **Xpanse Limited**

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## **Xpanse Limited**

### **Officers and Professional Advisers**

#### **Directors**

M A Majed- appointed 31 March 2018

T A Gough- appointed 9 June 2017

M C Woodfine- appointed 23 May 2016

D W H Gray- resigned 7 April 2017

N A Wilson- appointed 9 June 2017, resigned 31 March 2018

#### **Registered Office**

Royal Pavilion

Wellesley Road

Aldershot, Hampshire

GU11 1PZ

United Kingdom

#### **Independent Auditor**

Deloitte LLP

Statutory Auditors

2 New Street Square, London

EC4A 3BZ

United Kingdom

#### **Principal Banker**

Lloyds TSB Bank Plc

PO Box 72

Gillingham Business Park

Gillingham

ME8 0LS

# **Xpanse Limited**

## **Strategic report**

The directors present their Strategic report on the Company for the financial year ended 31 March 2018. In preparing the Strategic report, the directors have complied with s414c of the Companies Act 2006.

Xpanse Limited ("the Company") is a private company, 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, United Kingdom.

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 ended 31 March 2018 are set out on pages 8 to 18.

### **Business review**

Xpanse Limited is a holding company and does not trade.

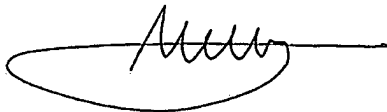
During the financial year the Company recognised a net profit of £5,366,000 (2017: £2,700,000) which is mainly due to decrease in impairment of investment and finance cost which has been further offset by decrease in dividend income. The Company has net assets of £40,214,000 (2017: £34,848,000) and net current assets of £11,646,000 (2017: £5,280,000). The previous reported period was for 15 months i.e. 1 January 2016 to 31 March 2017 and therefore results are not comparable with the current year, which is for 12 months i.e. 1 April 2017 to 31 March 2018. The performance for the year is in line with management's expectations.

### **Key performance indicators**

The Company is managed by the UK management team along with other UK DXC entities. The performance and results for all UK 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 other than those shown above, is not appropriate for an understanding of the development, performance or position of the business shown in these financial statements.

Further details on other business risks and uncertainties can be found in section 1A of the DXC's consolidated financial statements for the financial year ended 31 March 2018 which are available to the public and may be obtained from the Company's website [www.dxctechnology.com](http://www.dxctechnology.com).

Approved by the board and signed on its behalf by:



M C Woodfine  
Director  
03 January 2019

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

# **Xpanse Limited**

## **Directors' report**

The directors present the annual report on the affairs of the Company, together with the audited financial statements and auditor's report for the year ended 31 March 2018.

### **Principal activity**

Xpanse Limited is a holding company and does not trade.

### **Future Development**

The company intends to continue to hold investments in its subsidiary companies.

### **Dividends**

No dividend was declared or paid during the year (2017: £nil).

### **Political contribution**

The Company made no political donations during the financial year (2017: £nil).

### **Going concern**

The Company is profit making and reports net assets, thus the directors have a reasonable expectation that the Company has 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.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2 forming part of notes to financial statement.

### **Directors**

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

M A Majed- appointed 31 March 2018

T A Gough- appointed 9 June 2017

M C Woodfine- appointed 23 May 2016

D W H Gray- resigned 7 April 2017

N A Wilson- appointed 9 June 2017, resigned 31 March 2018

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

### **Research and development**

The Company did not incur any research and development expense during the financial year (2017: £nil).

### **Branches outside the UK**

The company has no branches outside UK as defined in section 1046(3) of Companies act 2006.

### **Financial risk management**

The company is a non-trading entity and as such is not exposed to the normal financial risks associated with an actively trading company.

### **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.

# **Xpanse Limited**

## **Directors' report(continued)**

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

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

1. so far as the directors are aware, there is no relevant audit information of which the Company's auditor are unaware; and
2. the directors have taken all steps that they ought to have taken as a director to make themselves 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:

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, enclosed within a large, hand-drawn oval.

M C Woodfine  
Director  
03 January 2019

## **Xpanse Limited**

### **Statement of directors' responsibilities**

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 applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Standards and applicable law), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

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 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.

# **Independent auditors' report to the members of Xpanse Limited**

## **For the year from 1 April 2017 to 31 March 2018**

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

#### **Opinion**

In our opinion the financial statements of Xpanse Limited:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit 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 income statement;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 14.

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.

#### **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 auditors' report to the members of Xpanse Limited (continued)**

## **For the year from 1 April 2017 to 31 March 2018**

### **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 FRC'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**

#### **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 [has/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.



**Colin Rawlings FCA (Senior statutory auditor)**  
**for and on behalf of Deloitte LLP**  
Statutory Auditor  
London, United Kingdom  
03 January 2019

# Xpanse Limited

## Income statement

For the year ended 31 March 2018

		Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
	Notes		
Admin expenses	5	(4)	-
Income from subsidiary undertakings		6,343	12,291
Impairment of investment	9	(1,000)	(8,526)
<b>Operating profit</b>	5	<b>5,339</b>	<b>3,765</b>
Finance income	7	85	49
Finance expense	7	(58)	(640)
<b>Profit before taxation</b>		<b>5,366</b>	<b>3,174</b>
Tax expense on profit	8	-	(474)
<b>Profit for the financial year/period</b>		<b>5,366</b>	<b>2,700</b>

The above results are wholly attributable to continuing activities.

There is no income 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 11 to 18 form part of these financial statements.

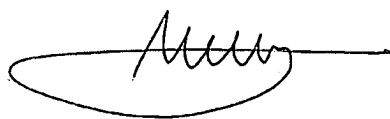
# Xpanse Limited

## Statement of financial position As at 31 March 2018

	Notes	At 31 March 2018 £'000	At 31 March 2017 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	9	28,568	29,568
<b>Current assets</b>			
Trade and other receivables	10	24,761	19,676
<b>Total assets</b>		<u>53,329</u>	<u>49,244</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	(13,115)	(14,396)
<b>Total Current liabilities</b>		<u>(13,115)</u>	<u>(14,396)</u>
<b>Net Current assets</b>		<u>11,646</u>	<u>5,280</u>
<b>Total assets less current liabilities</b>		<u>40,214</u>	<u>34,848</u>
<b>Net assets</b>		<u>40,214</u>	<u>34,848</u>
<b>Equity</b>			
Share capital	12	2	2
Share premium		1,998	1,998
Retained earnings		38,214	32,848
<b>Total equity</b>		<u>40,214</u>	<u>34,848</u>

The notes on pages 11 to 18 form part of these financial statements.

These financial statements of Xpanse Limited (registered number 04163382) were approved and authorised for issue by the board of directors on 03 January 2019 and signed on its behalf by:



M C Woodfine  
Director

# Xpanse Limited

## Statement of changes in equity For the year ended 31 March 2018

	Share capital	Share Premium	Retained Earnings	Total
	£'000	£'000	£'000	£'000
Balance as at 1 January 2016	2	1,998	30,148	32,148
Profit for the financial period	-	-	2,700	2,700
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the period	-	-	2,700	2,700
Balance as at 31 March 2017	2	1,998	32,848	34,848
Profit for the financial year	-	-	5,366	5,366
Other comprehensive income for the financial year	-	-	-	-
Total comprehensive income for the year	-	-	5,366	5,366
<b>Balance as at 31 March 2018</b>	<b>2</b>	<b>1,998</b>	<b>38,214</b>	<b>40,214</b>

The notes on pages 11 to 18 form part of these financial statements.

# **Xpanse Limited**

## **Notes to the financial statements For the year ended 31 March 2018**

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

Xpanse Limited ("the Company") is a holding company and does not trade.

The Company is a private company and is incorporated and domiciled in the United Kingdom. The address of the registered office is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ, United Kingdom.

### **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 Xpanse Limited 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 DXC Technology Company 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 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 requirements 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 as well as uncommitted money market facilities which are due for renewal at various different times in the future.

The directors have a reasonable expectation that the wider DXC Group and the Company 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

#### **Consolidation**

The Company has taken advantage of the exemption under s401 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.

#### **Finance income**

Interest income is recognised in the Income statement using the effective interest method.

#### **Finance costs**

Finance costs of debt, including interest, premiums payable on settlement and direct issue costs are charged to the Income statement in the financial year in which they fall due.

# **Xpanse Limited**

## **Notes to the financial statements (continued) For the year ended 31 March 2018**

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

#### **Income from shares**

Dividend income is recognised when the right to receive payment is established.

#### **Operating profit**

Operating profit is arrived by crediting income from subsidiary and expensing audit fee and impairment of investment.

#### **Foreign currency**

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 Income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Income statement within 'Other operating income'.

#### **Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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 expense 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 balance sheet 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.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet 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 period, 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.

#### **Investments**

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

#### **Financial assets:**

##### ***Trade and other receivables***

Trade and other receivables are initially recognised at fair value and subsequently measured at amortized cost, less any appropriate provision for estimated irrecoverable amounts. A provision is made for irrecoverable amounts where there is objective evidence that amounts due will not be collected.

# Xpanse Limited

## Notes to the financial statements (continued) For the year ended 31 March 2018

### 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 year. These are classified as non-current assets.

Amounts recoverable on contracts, which are included in current assets are stated at anticipated net sales value of work performed, less amounts received as progress payments on account and after provision for anticipated future contract losses.

#### Financial liabilities and equity

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

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity, after deducting all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### *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 Income statement 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.

#### Adoption of new and revised Standards

New and amended accounting standards that are mandatorily effective for years beginning on or after 1 April 2017 did not have a material effect on the financial statements.

### 3) Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from these judgements, estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

#### 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.

### 4) Financial instruments

The firm has no financial assets measured at fair value through the income statement.

### 5) Operating profit

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
Operating profit is stated after expensing:		
Audit fee	4	-
Impairment of investment	1,000	8,526
	<hr/>	<hr/>

# Xpanse Limited

## Notes to the financial statements (continued) For the year ended 31 March 2018

### 5) Operating profit (continued)

During the financial year 2018, the audit fee of £4,000 has been incurred by the Company. Whereas during the financial period 2017, the audit fee of £4,000 was borne by Xchanging UK Limited.

During the year, investments with Xchanging Resourcing Services Limited amounting to £1,000,000 were fully impaired as the entity will be liquidated.

### 6) Employees and directors

There were no employees of the Company during the current or previous year.

During the current year director's remuneration was borne by other entities within the DXC group. The directors do not believe that it is practical to apportion these amounts between the Company and the other entities concerned.

### 7) Finance income and expense

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
<b>Finance Income</b>		
Interest income from group undertakings	85	49
<b>Finance expense</b>		
Interest expense to group undertakings	(46)	(640)
Other interest expense	(12)	-
	<u>(58)</u>	<u>(640)</u>

### 8) Taxation

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
<b>Current Tax</b>		
UK corporation tax on profit/(loss) for the year	-	-
Adjustments in respect of prior years	-	474
<b>Total tax expense for the year</b>	<u>-</u>	<u>474</u>

The tax expense for the period lower (2017: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2018 of 19% (2017: 20%). The differences are explained below:

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
Results on activities before tax	5,366	3,174
Results multiplied by the standard rate of tax in the UK of 19% (2017: 20%)	1,019	635
Effects of:		
- Income not subject to tax	(1,205)	(2,458)
- Expenses not deductible for tax purposes	-	1,705
- Impairment of investment	190	-
- Adjustments to tax expense in respect of prior periods	-	474
- Group relief (claim)/surrender	(4)	118
<b>Tax expense for the year</b>	<u>-</u>	<u>474</u>



# Xpanse Limited

## Notes to the financial statements (continued) For the year ended 31 March 2018

### 8) Taxation (continued)

#### Factors affecting future tax expenses

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017. A reduction to the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015. 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 17% (2017: 17%) has been used to calculate the deferred tax asset/(liability).

### 9) Investments

	Investments in subsidiaries £'000
Cost	
At 1 April 2017	38,094
Additions during the financial year	-
At 31 March 2018	38,094
Provisions for impairment	
At 1 April 2017	8,526
Increase in provision during the financial year	1,000
At 31 March 2018	9,526
Net book value	
At 31 March 2018	28,568
At 1 April 2017	29,568

Further information on shares held by the Xpanse Limited as at 31 March 2018

Name	Registered Office Address	Principal activity	Effective interest and proportion of equity held	
			2018	2017
Ins-sure Holdings Limited	United Kingdom Royal Pavilion Wellesley road, Aldershot Hampshire GU11 1PZ	Holding	50%	50%
LPSO Limited	United Kingdom Royal Pavilion Wellesley road, Aldershot Hampshire GU11 1PZ	Trading	100%	50%
London Processing Centre Limited	United Kingdom Royal Pavilion Wellesley road, Aldershot Hampshire GU11 1PZ	Trading	100%	50%
Xchanging Broking Services Limited	United Kingdom Royal Pavilion Wellesley road, Aldershot Hampshire GU11 1PZ	Trading	100%	100%

## Xpanse Limited

### Notes to the financial statements (continued) For the year ended 31 March 2018

#### 9) Investments (continued)

Xchanging (Rebus) Pension Trustees Limited	United Kingdom Royal Pavilion Wellesley road, Aldershot GU11 1PZ	Dormant	100%	100%
Xchanging Resourcing Services Limited	United Kingdom Royal Pavilion Wellesley road, Aldershot Hampshire GU11 1PZ	In liquidation	100%	100%
Dasure Holdings Limited	United Kingdom Hill House 1 Little street, London EC4A 3TR	In liquidation	100%	100%
Xchanging International Limited	United Kingdom Royal Pavilion Wellesley road, Aldershot Hampshire GU11 1PZ	In liquidation	100%	100%
Xchanging Asia Pacific Sdn Bhd	Malaysia Wisma Goshen, 2nd Floor, 60,62 & 64, Jalan SS 22/21 Damansara Jaya Selangor Darul Ehsan	Trading	100%	100%
Xchanging Malaysia Sdn Bhd	Malaysia 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang Kuala Lumpur	In liquidation	50%	50%
Xchanging Global Insurance Systems Limited	United Kingdom Royal Pavilion Wellesley road, Aldershot GU11 1PZ	Holding	100%	100%
Xchanging Global Insurance Services Bermuda Limited	Bermuda H.P House, 21, Laffan street Hamilton HM09	In liquidation	100%	100%
Campion Ltd	Cumberland House Greenside Lane Bradford, England BD8 9TF	Computer services	100%	100%
Data Integration Ltd	United Kingdom Royal Pavilion Wellesley road, Aldershot Hampshire GU11 1PZ	In liquidation	100%	100%

# Xpanse Limited

## Notes to the financial statements (continued) For the year ended 31 March 2018

### 9) Investments (continued)

Ins-Sure Services Limited	United Kingdom Royal Pavilion Wellesley road, Aldershot Hampshire GU11 1PZ Hampshire	Trading	100%	50%
Xchanging Technology Services Limited	Hill House 1 Little new street London	In liquidation	100%	100%
Xchanging Global Insurance Solutions Ltd	United Kingdom Royal Pavilion Wellesley road, Aldershot Hampshire	Trading	100%	100%

### 10) Trade and other receivables

	At 31 March 2018 £'000	At 31 March 2017 £'000
Amount receivable from parent company	15,842	15,842
Amount receivable from subsidiary	6,760	410
Amount receivable from fellow group undertakings	859	2,124
Loan receivable from subsidiary	1,300	1,300
	<u>24,761</u>	<u>19,676</u>

Amounts owed by fellow group undertakings are subject to normal DXC intercompany trading terms of payment due after 30 days and are interest free.

The loan receivables balances are unsecured with wholly owned fellow group companies. These balances bear interest at a fixed rate and are repayable on demand.

### 11) Trade and other payables

	At 31 March 2018 £'000	At 31 March 2017 £'000
Amount payable to fellow group undertakings	1,546	2,806
Loan payable to fellow group undertaking	10,590	10,590
Bank overdraft	979	1,000
	<u>13,115</u>	<u>14,396</u>

The loan payable balances are unsecured with wholly owned fellow group companies. These balances bear interest at a margin of 7.32% above the LIBOR and are repayable on demand. The remaining amounts owed to fellow group undertakings are subject to normal DXC intercompany trading terms of payment due after 30 days and are interest free.

### 12) Equity

Share Capital	At 31 March 2018 £'000	At 31 March 2017 £'000
Authorised, allotted, issued and fully paid: 2,001 (2017: 2,001) ordinary shares of £1 each	<u>2</u>	<u>2</u>

## **Xpanse Limited**

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

**For the year ended 31 March 2018**

#### **13) 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 Xpanse Limited is Xchanging B.V, a Company incorporated in The Netherlands and registered at the same address as the Company.

#### **14) Events after the end of the reporting year**

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