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Company Registration No. 04163382

XPANSE LIMITED

Annual report and financial statements for year ended 31 March 2022

XPANSE LIMITED

Contents

XPANSE LIMITED

Officers and Professional Advisers

Directors

Michael Charles Woodfine
Steven James Turpie
Christopher Neal Halbard
Hugo Martin Eales — Appointed on 21 January 2022

Registered Office

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

Principal Banker

Lloyds TSB Bank Plc
City office,
PO Box 72,
Bailey Drive,
Gillingham Business Park,
Gillingham, Kent,
United Kingdom,
ME8 0LS.

Independent Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square,
London,
United Kingdom,
EC4A 3HQ.

XPANSE LIMITED

Strategic report for the year ended 31 March 2022

The Directors present their Strategic report on the Company for the year ended 31 March 2022. 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, United Kingdom, GU11 1PZ.

The Company is an indirect subsidiary of DXC Technology (DXC), 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 year ended 31 March 2022 are set out on pages 13 to 24.

Principal activity
Xpanse Limited is a holding company and does not trade.

Business review
During the year, the Company recognised a net profit of £1,401,000 (2021: £12,554,000). The decrease in profit is attributable to liquidation dividend of £2,186,000 received from Xchanging Broking Services Limited (2021: £12,500,000 received from In-sure Holdings Limited) and an impairment of £758,000 recognised against the investment in Xchanging Broking Services Limited.

The Company has net assets of £73,023,000 (2021: £71,622,000) and net current assets of £7,897,000 (2021: £43,725,000). The increase in net asset is mainly on account of profits generated during current year. The decrease in net current assets is on account of change in classification of intercompany balances from current to non-current. The performance for the year is in line with management's expectations.

During the year ended 31 March 2022, DXC Technology determined it would develop client and partner relationships, strengthening its position in the marketplace and solidifying the long-term growth strategy of the Company's subsidiaries.

Principal risks and uncertainties and financial risk management
The Directors have considered the principal risks attached to the Company's financial statements which principally comprise of 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 cash flow risk is not material for the assessment of assets, liabilities and the financial statements.

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 and its subsidiaries with key risk areas identified as liquidity, customer's ability to pay and possible operational disruption. As the Company is part of DXC group this has to be considered at a group level.

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. In addition, our employees continue to face challenges in their well-being, given the additional financial, family and health burdens that many employees have experienced and could continue to experience because of the COVID-19 crisis that may negatively impact our people's mental and physical health, engagement, retention and performance.

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.

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.

XPANSE LIMITED

Strategic report for the year ended 31 March 2022 (continued)

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 2022 which are available to the public and may be obtained from the Company's website www.dxc.technology.

Section 172 (1) of the Companies Act 2006 (The "Act") statement
The success of the Company's business is dependent on the support of all of its stakeholders. Building positive relationships with stakeholders that share DXC's values is important to the directors and working together towards shared goals ensures the Company can deliver long-term sustainable success.

This culture is reinforced by the Directors' attention to their obligations under s172 of the Companies Act 2006. Section 172 requires that "a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long term;

b) the interests of the company's employees;

c) the need to foster the company's business relationships with suppliers, customers and others;

d) the impact of the company's operations on the community and the environment;

e) the desirability of the company maintaining a reputation for high standards of business conduct; and

f) the need to act fairly as between members of the company".

Feedback from stakeholders at an operational level is consistently considered by the directors when making decisions. This is often provided by way of reporting and meetings which focus on the business strategy, performance and the impact of key decisions on stakeholder interests in the short and long term. Where possible, decisions that affect certain stakeholders are carefully discussed with the affected groups beforehand and are therefore fully understood and supported when taken. All decisions are made with the highest standards of conduct in mind, and in line with Group policies.

The Company is an intermediate holding company within the DXC Group ("the Group") and has no employees or external customers or suppliers, as such the directors' key focus is on the impact of the Company's activities on its shareholder, its subsidiaries and Group businesses with a vested interest. The Company aims to ensure that all decisions taken, both in relation to the Company itself and its subsidiaries, promote the success of the Company for the benefit of the wider DXC group and its member, whilst maintaining high standards of business conduct and governance.

Details of the key stakeholders and how the Company engages with them are set out below.

Business Values:

- As part of DXC's recent strategic transformation, the Company and its subsidiaries have adopted a 'people first' strategy in relation to both employees and customers. Such an approach is unprecedented in the technology sector, and the Company and its subsidiaries are proud to lead the way in inspiring, engaging, and taking care of their employees, so that they can in turn continue to focus on the Company's customers and helping the wider DXC group to seize the market.
- Linking to this 'people first' strategy, the Company and its subsidiaries also recently introduced a new set of values which foster a culture of inclusion, belonging and corporate citizenship. These are: Deliver, Collaborate, Community, Care, and 'Do the Right Thing'.
- The Company has fortnightly board meetings to ensure that the Company's involvement in any inter-company transactions or projects, are given the appropriate time to be considered, and a conclusion reached as to whether such transaction or project is in the best interests of the Company, as well as its shareholder and other stakeholders.
- The directors' decisions throughout this financial year can be categorised into three main areas: general day-to-day management of the corporate activities conducted by its subsidiaries, involvement with the global legal entity rationalisation project, and certain group refinancing or restructuring projects.
- Any inter-company transactions, or those with inter-company impact, must first be reviewed and approved by the Corporate Finance Executive Committee to ensure that the Company and its subsidiaries comply with the DXC group policies and procedures on such.

Section 172 (1) of the Companies Act 2006 (The "Act") statement (continued)

Business Values: (continued)

- The Company does not follow a specific policy on dividends which are instead declared and paid on an ad hoc basis subject to the financial position of the Company and future forecasting.

Communities and Environment:

- At a Corporate level, the DXC Group has set a number of environmental targets to reduce the carbon, waste and water impacts the organisation has. These goals are embedded into Company strategy and the decisions made.
- IT asset disposal, including servers, computers, laptops and screens from the Company's subsidiary operations and business are reused where possible for a second life. Some of these items are distributed to schools and charities.

Future development

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

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

Key performance indicators

The Company is managed by 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, other than the profit for the year and net assets, are 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:

Michael Charles Woodfine
Director
6 December 2022

Directors' report for the year ended 31 March 2022

The Directors present the annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 March 2022.

Principal activity
Xpanse Limited is a holding company and does not trade.

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

Dividends
No dividend is declared or paid during the year and up to date of approval of this report (2021: £nil). During the year, a dividend of £2,186,000 was received from Xchanging Broking Services Limited (2021: £12,500,000 was received from In-sure Holdings Limited).

Events after the end of reporting year
Details of significant events after the reporting date are contained in note 16 to the financial statements.

Political contribution
The Company made no political donations during the year (2021: £nil).

Streamlined Energy and Carbon Report
The Energy and Carbon report provides an overview of the energy and carbon emissions under UK operational control and the mechanisms being put in place to manage these impacts.

The UK Government's 2018 Regulations launched the Streamlined Energy and Carbon Report (SECR) which required all large UK companies to report their carbon emissions and energy usage on an annual basis. The regulations take effect from 1 April 2019 and cover financial reporting years starting after this date. This Company falls within scope of the SECR reporting obligations as a 'large' organization (more than 250 people) and is required to report the following:

- UK energy use (to include as a minimum purchased electricity, gas and transport);
- Associated greenhouse gas emissions;
- At least one intensity ratio;
- Previous year's figures for energy use and GHG emissions;
- Information about energy efficiency action taken in the organisation's financial year;
- Methodologies used in calculation of disclosures.

Baseline and reporting periods
The energy and carbon data, including energy efficiency action and methodologies used, of the Company is included in the energy and carbon report of CSC Computer Sciences Limited ("CSC") and the key consolidated data are reproduced and summarised below. The data of the Company is included in the report of CSC, an affiliate of the Company. CSC is one of DXC's main trading companies in the UK.

For the full energy and carbon report refer to the financial statements of CSC Computer Sciences Limited, which is available on the website of Companies House.

The financial year runs from April to March. The previous year is taken as the comparison reporting (baseline) year, April 2020- March 2021. *Prior year information has been disclosed for information purpose only.*

XPANSE LIMITED

Directors' report for the year ended 31 March 2022 (continued)

Streamlined Energy and Carbon Report (continued)

UK Energy use

Energy (kWh)	**31 March 2022**	**31 March 2021**	**% change**
Natural gas	4,692.383	2,356,758	99%
Diesel	457,589	1,278,447	-64%
Electricity	69,163,867	67,325,251	3%
Transport - Company vehicles	-	5,893	-100%
Transport - Personal vehicles	413,490	24,079	1617%
Total energy use	**74,727,329**	**70,990,518**	**5%**

Associated greenhouse gas emissions

Location based GHG emissions:

GHG emissions ($tCO_2(e)$)	**31 March 2022**	**31 March 2021**	**% change**
Scope 1 – Gas	859	433	98%
Scope 1 – Diesel	118	328	-64%
Scope 1 - Transport	-	1	-100%
Total Scope 1	**977**	**762**	**28%**
Total Scope 2 - Electricity	14,686	15,696	-6%
Total Scope 3 - Personal vehicles	102	6	1612%
Total scopes 1, 2 & 3	**15,765**	**16,464**	**-4%**

Market based GHG emissions:

GHG emissions ($tCO_2(e)$)	**31 March 2022**	**31 March 2021**	**% change**
Scope 1	977	763	28%
Scope 2	758	1,380	-45%
Scope 3	102	6	1612%
Total scopes 1, 2 & 3	**1,837**	**2,149**	**-15%**

Intensity ratio:

Location based GHG emissions per unit floor area:

GHG emissions ($kgCO_2(e)$ per m2 floor area)	**31 March 2022**	**31 March 2021**	**% change**
Scope 1	14	11	29%
Scope 2	208	221	-6%
Scope 3	1	-	1620%
Total scopes 1, 2 & 3	**223**	**232**	**-4%**

Energy used is predominantly in buildings and the site portfolio is variable year on year. Floor area is therefore used as the intensity metric to evaluate efficiency of space. From financial year 2021 to financial year 2022, floor area reduced by 0.5% reflecting the Company's move to a "Virtual First" approach.

Going concern

The Company is profit making and reports net assets. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Assurance has been obtained from the ultimate Parent Company by way of letter of support 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.

In relation to COVID-19, Management is continuously monitoring the position and taking all necessary steps to protect its subsidiaries' employees, customers and stakeholders. A Going Concern impact assessment has been completed that analysed DXC's current and future cash resources, access to existing and new financing facilities, including revolving facilities and the customer base of the Group. These are set out in detail within the Strategic Report. As a result, management has a reasonable expectation of the Company's viability over the period of assessment and has concluded that there are currently no impediments of identifying the Company other than as a going concern.

The impact of the war in Ukraine and related events are considered to be not material, they do not affect amounts recognised as of 31 March 2022. The directors consider that the war will not have any material impact for a period of at least twelve months from when the financial statements are authorised for issue, since the Company and its subsidiaries does not have any customers / suppliers / direct investments in Ukraine or Russia.

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:

Michael Charles Woodfine	
Steven James Turpie	
Christopher Neal Halbard	
Hugo Martin Eales	Appointed on 21 January 2022

Research and development

No research and development costs were incurred during the year (2021: £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 has been appointed as auditor for the year ended 31 March 2022 and has indicated its willingness to continue in the office.

Directors' liabilities

The Company has granted indemnity to its Directors against liability in respect of proceedings brought by third parties, subject to conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision was in force during the year and is in force as at the date of approving the Director's report.

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
- the Directors have taken all steps that they 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:

Michael Charles Woodfine
Director
6 December 2022

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 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 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 to the members of Xpanse Limited for the year ended 31 March 2022

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Xpanse Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 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 statement of profit and loss;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 16.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Independent Auditor's report to the members of Xpanse Limited for the year ended 31 March 2022 (continued)

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. 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 and internal audit 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 2006 and Corporation Tax; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Office of financial sanctions and Office of Foreign Assets Control (OFAC), General Data Protection Regulation (GDPR), Bribery Act 2010 and Health and Safety Act.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT 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, internal audit and 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, reviewing internal audit reports and reviewing correspondence with HMRC.

Independent Auditor's report to the members of Xpanse Limited for the year ended 31 March 2022 (continued)

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.

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
6 December 2022

Statement of profit and loss for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Dividend income	5	2,186	12,500
Impairment of investments	9	(758)	-
Operating profit	5	**1,428**	**12,500**
Finance income	7	134	54
Finance costs	7	(161)	-
Profit before taxation		**1,401**	**12,554**
Taxation	8	-	-
Profit for the year		**1,401**	**12,554**

The above results are wholly attributable to continuing operations.

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

The notes on pages 16 to 24 form part of these financial statements.

XPANSE LIMITED

Statement of financial position as at 31 March 2022

	Note	At 31 March 2022 £'000	At 31 March 2021 £'000
Assets			
Non-current assets			
Investments in subsidiaries	9	27,044	27,802
Receivables	10	48,672	95
Total non-current assets		**75,716**	**27,897**
Current assets			
Receivables	11	-	49,392
Cash and cash equivalents		7,911	4,923
Total current assets		**7,911**	**54,315**
Total assets		**83,627**	**82,212**
Liabilities			
Current liabilities			
Payables	12	(14)	(10,590)
Total current liabilities		**(14)**	**(10,590)**
Net current assets		**7,897**	**43,725**
Total assets less current liabilities		**83,613**	**71,622**
Non-current liabilities			
Payables	13	(10,590)	-
Total non-current liabilities		**(10,590)**	**-**
Total liabilities		**(10,590)**	**(10,590)**
Net assets		**73,023**	**71,622**
Equity			
Share capital	14	2	2
Share premium		1,998	1,998
Retained earnings		71,023	69,622
Total equity		**73,023**	**71,622**

The notes on pages 16 to 24 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 6 December 2022 and signed on its behalf by:

Michael Charles Woodfine
Director

Statement of changes in equity for the year ended 31 March 2022

	Share capital	Share Premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
Balance as at 1 April 2020	**2**	**1,998**	**57,068**	**59,068**
Profit and other comprehensive income for the year	-	-	12,554	12,554
Total comprehensive income for the year	**-**	**-**	**12,554**	**12,554**
Balance as at 31 March 2021	**2**	**1,998**	**69,622**	**71,622**
Profit and other comprehensive income for the year	-	-	1,401	1.401
Total comprehensive income for the year	**-**	**-**	**1,401**	**1,401**
Balance as at 31 March 2022	**2**	**1,998**	**71,023**	**73,023**

The notes on pages 16 to 24 form part of these financial statements.

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, limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. 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. These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

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 judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement 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 (refer note 15) 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 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. Assurance has been obtained from the Parent Company by way of letter of support 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.

In relation to COVID-19, Management is continuously monitoring the position and taking all necessary steps to protect its subsidiaries' employees, customers and stakeholders. A going concern impact assessment has been completed that analysed DXC's current and future cash resources, access to existing and new financing facilities, including revolving facilities and the customer base of the Group. These are set out in detail within the Strategic Report.

The impact of the war in Ukraine and related events are considered to be not material, they do not affect amounts recognised as of 31 March 2022. The directors consider that the war will not have any material impact for a period of at least twelve months from when the financial statements are authorised for issue, since the Company and its subsidiaries does not have any customers / suppliers / direct investments in Ukraine or Russia.

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.

2) Summary of significant accounting policies (continued)

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 IFRS 9 and IFRS 7 - Impact of the initial application of Interest Rate Benchmark Reform - effective for annual years beginning on or after 1 January 2021.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2022 that have had a material impact on the Company.

Consolidation
The Company has taken advantage of the exemption under s401 of 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 20408 Bashan Drive, Suite 231, Ashburn, VA 20147, USA which is the registered office address.

Finance income
Interest income is recognised in the statement of profit and loss 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 statement of profit and loss in the financial year in which they fall due.

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, 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 which is its functional currency 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.

Current taxation
Tax is recognised in the 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.

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

Impairment of investments
At the 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).

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Notes to the financial statements for the year ended 31 March 2022 (continued)

2) Summary of significant accounting policies (continued)

Investments
Impairment of investments (continued)
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.

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
Receivables
Receivables are initially recognised at fair value and subsequently measured at amortised cost using effective interest method, less any appropriate provision for impairment.

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 collaterised borrowing for the proceeds received.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and bank overdrafts. In the Statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

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.

Financial liabilities (continued)

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3) Critical accounting judgements and key sources of estimation uncertainty

Certain accounting policies are critical. An accounting policy is 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.

Notes to the financial statements for the year ended 31 March 2022 (continued)

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

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 periods.

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

Key sources of estimation of uncertainty

Impairment of investments in subsidiaries

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 £27,044,000 (2021: £27,802,000) with an impairment loss of £758,000 (2021: £nil).

Directors considered and assessed the impact of COVID-19 and concluded that it is not expected to result in any material impairments.

Critical judgements in applying the Company's accounting policies

There are no areas for which the judgements are made 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.

4) Financial instruments

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

5) Operating profit

Operating profit is stated after crediting/(expensing):	At 31 March 2022 £'000	At 31 March 2021 £'000
Income from subsidiary undertaking	2,186	12,500
Impairment of investment	(758)	-

The auditor's remuneration is borne by a fellow Group undertaking within the DXC Technology Company Group. The allocated fee payable to the Company's auditor for the audit of the Company's financial statements is £4,000 (2021: £4,000).

6) Employees and Directors

Employees

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

Directors

The total amounts paid to the Directors amounts to £2,666,007 which is borne by DXC UK International Limited, EntServ UK Limited and CSC Computer Science Limited (2021: £1,241,217 which is borne by DXC UK International Limited, EntServ UK Limited and CSC Computer Science Limited). These entities are fellow group undertakings within the DXC Group.

The highest paid Director emolument of £1,406,695 is paid by DXC UK International Limited (2021: £669,998 paid by DXC UK International Limited).

XPANSE LIMITED

Notes to the financial statements for the year ended 31 March 2022 (continued)

7) Finance income and costs

	At 31 March 2022	At 31 March 2021
Finance income	**£'000**	**£'000**
Interest income from Group undertakings	11	34
Bank interest income	123	20
	134	**54**
Finance costs		
Bank charges	(1)	-
Interest payable to Group undertakings	(160)	-
	(161)	**-**

8) Taxation

	At 31 March 2022	At 31 March 2021
Current taxation	**£'000**	**£'000**
UK corporation tax on profit for the year	-	-
Adjustments in respect of prior years	-	-
Total tax expense for the year	-	-

The tax expense for the year is lower (2021: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2022 of 19% (2021: 19%). The differences are explained below:

	At 31 March 2022	At 31 March 2021
	£'000	**£'000**
Profit on activities before tax	1,401	12,554
Profit multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	266	2,385
Effects of:		
- Income not subject to tax	(415)	(2,375)
- Expenses not deductible for tax purposes	144	-
- Group relief claim	5	(10)
Tax expense for the year	-	-

The Finance Act 2021 included legislation to maintain the main rate of corporation tax at 19%. In addition, an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1st April 2023. This change was enacted at the balance sheet date, and any material impact has been reflected in the measurement of deferred tax balances.

XPANSE LIMITED

Notes to the financial statements for the year ended 31 March 2022 (continued)

9) Investments

Cost	**£'000**
At 1 April 2021	**37,094**
At 31 March 2022	**37,094**
Provisions for impairment	
At 1 April 2021	**9,292**
Provision for impairment	758
At 31 March 2022	**10,050**
Net book value	
At 31 March 2022	**27,044**
At 31 March 2021	27,802

Further information on shares held by the Xpanse Limited as at 31 March 2022:

Name	**Registered Office Address**	**Principal activity**	**Effective interest and proportion of ordinary shares held**	
			2022	**2021**
Direct subsidiaries:				
Ins-sure Holdings Limited	United Kingdom Royal Pavilion Wellesley Road, Aldershot Hampshire GU11 1PZ	Holding	50%	50%
Xchanging Broking Services Limited	United Kingdom Kroll Advisory Ltd The Shard 32 London Bridge Street London SE19SG	In Liquidation	100%	100%
Xchanging Global Insurance Systems Limited	United Kingdom Royal Pavilion Wellesley Road, Aldershot GU11 1PZ	Holding	100%	100%
Xchanging (Rebus) Pension Trustees Limited	United Kingdom Kroll Advisory Ltd The Shard 32 London Bridge Street London SE19SG	In Liquidation	100%	100%
Indirect subsidiaries:				
Ins-Sure Services Limited	United Kingdom, Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ	Trading	50%	50%

9) Investments (continued)

Name	Registered Office Address	Principal activity	Effective interest and proportion of ordinary shares held 2022	2021
Indirect subsidiaries (continued):				
LPSO Limited	United Kingdom, Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.	Trading	50%	50%
London Processing Centre Limited	United Kingdom, Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.	Trading	50%	50%
Xchanging International Limited	United Kingdom 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN.	In liquidation	100%	100%
Xchanging Asia Pacific Sdn Bhd	Malaysia HP Global centre Persiaran Rimba Permai, Cyber 8, 63000, Cyberjaya Selangor Darul Ehsan	Trading	100%	100%
Xchanging Malaysia Sdn Bhd	Malaysia 33rd Floor, Menara YTL, 205, Jalan Bukit Bintang, 55100 Kuala Lumpur.	Trading	50%	50%
Xchanging Global Insurance Solutions Ltd	United Kingdom Royal Pavilion Wellesley Road, Aldershot GU11 1PZ.	Trading	100%	100%

Notes to the financial statements for the year ended 31 March 2022 (continued)

10) Receivables: disclosed as non-current assets	**At 31 March 2022 £'000**	**At 31 March 2021 £'000**
Amount receivable from Parent company	47,703	-
Amount receivable from fellow Group undertakings	874	-
Group tax relief receivable	95	95
	48,672	**95**

Amounts owed by fellow Group undertakings and Parent Company are subject to normal DXC intercompany trading terms, unsecured, interest free and are intended to be settled after 12 months and accordingly grouped under non-current assets in the current year.

11) Receivables: disclosed as current assets	**At 31 March 2022 £'000**	**At 31 March 2021 £'000**
Amount receivable from Parent Company	-	47,173
Amount receivable from subsidiary	-	82
Amount receivable from fellow Group undertakings	-	837
Loan receivable from subsidiary*	-	1,300
	-	**49,392**

Amounts owed by fellow Group undertakings and Parent Company are subject to normal DXC intercompany trading terms, unsecured, interest free and are intended to be settled after 12 months and accordingly grouped under non-current assets in the current year.

*The loan receivable balance from Xchanging Broking Service Limited is £1.3m unsecured. This balance bears interest at 2.60% rate and was repayable on demand. During the year, the loan balance was fully settled.

12) Payables: disclosed as current liabilities

	At 31 March 2022 £'000	**At 31 March 2021 £'000**
Loan payable to fellow Group undertaking	-	10,590
Amount owed to fellow Group undertakings	14	-
	14	**10,590**

Loan payable to Xchanging UK Limited amounting to £10,590,000 bearing interest rate of 1.515% which is repayable on 31 March 2025 was reclassed from current liabilities to non-current liabilities during the current year.

13) Payables: disclosed as non-current liabilities

	At 31 March 2022 £'000	**At 31 March 2021 £'000**
Loan payable to fellow Group undertaking	10,590	-
	10,590	**-**

Loan payable to Xchanging UK Limited amounting to £10,590,000 bearing interest rate of 1.515% which is repayable on 31 March 2025 was reclassed from current liabilities to non-current liabilities during the current year.

14) Equity

Share capital	**At 31 March 2022 £'000**	**At 31 March 2021 £'000**
Authorised, allotted, issued and fully paid:		
2,001 ordinary shares (2021: 2,001) of £1 each	2	2

15) 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 20408 Bashan Drive, Suite 231, Ashburn, VA 20147, USA which is the registered office address.

The immediate Parent Company of Xpanse Limited is Xchanging B.V, a private limited company, incorporated in The Netherlands with the Dutch Chamber of Commerce under registered number 34108659 and domiciled in United Kingdom with the Companies House under registered number FC027376.

16) Events after the end of the reporting year
There were no material or significant events that occurred in the period from 31 March 2022 to the date of reporting that would require adjustment to or disclosure in the financial statements.