Company Registration No. 04917291

Spikes Cavell Analytic Limited

Annual report and financial statements
for the year ended 31 March 2019

Spikes Cavell Analytic Limited

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Spikes Cavell Analytic Limited

Officers and Professional Advisers

Directors

M C Woodfine
T A Gough – Resigned 7 April 2020
M A Majed – Resigned 26 February 2020
C Halbard – Appointed 7 April 2020
A M Bolden – Resigned 5 April 2018
L J Spikes – Resigned 10 April 2018
S Turpie – Appointed 04 March 2020

Registered Office

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
United Kingdom
GU11 1PZ

Independent Auditor

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

Principal Banker

HSBC
6 Northbrook street
Newbury
Berkshire
RG14 1 DJ

Spikes Cavell Analytic Limited

Strategic report for the year ended 31 March 2019

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

Spikes Cavell Analytic 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 2019 are set out on pages 9 to 22.

Business review
During the year the Company had reported a loss of £567,000 (2018: loss of £175,000). The increase in loss during the year was mainly due to the closure of certain projects with Spikes US which resulted in reduction of intercompany revenue. The Company has net liabilities of £2,281,000 (2018: £1,714,000) and net current liabilities of £2,518,000 (2018: £1,889,000). The increase in net liabilities during the year was mainly due to new loans from Xchanging UK Limited.

The Company is in the business of data processing, hosting and other related activities and is expected to be liquidated in the next 12 months.

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

- Credit risk

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

- Liquidity risk

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

On 23rd June 2016, a referendum in the United Kingdom returned a result in favour of leaving the European Union. Whilst the longer term political and economic effects of these events are yet unclear, the announcement of the referendum result immediately triggered a significant amount of market turbulence, including sterling falling against both the U.S. dollar and Euro. DXC has been actively planning for various Brexit scenarios since September 2018, with regular reporting to Senior Managers from a dedicated Brexit readiness team. Significant mitigation has already put in place to reduce the organisation's exposure in a number of key areas.

The UK officially left the European Union on January 31, 2020. However, given that the EU and UK agreed to a transition period, regulatory alignment remains all but unchanged between the two jurisdictions. From this point forward, until December 31, 2020 The UK becomes a rule taker within the EU – with new legislation passed in the EU applied to the UK for the duration of the transition period. During this period, the UK and EU will engage in trade negotiations to decide on the trading environment after December 31, 2020. The progress of these negotiations are likely to be a matter of significant speculation and markets are likely to react to any material news emerging from the negotiation process. DXC is monitoring these negotiations closely – both in order to prepare the business for any market reaction and to ensure its preparations for the end of the transition period remain adequate and proportionate. The situation continues to be monitored actively by subject matter experts on a daily basis and the directors shall review whether there has been any impact of changes to the foreign exchange on the financial statements after the future trading environment between the EU and UK becomes clear.

In relation to COVID-19, Management continue to monitor the effects of the outbreak globally and the potential impact on the business. The outbreak increases uncertainty about the future prospects of the company. However, senior leadership in DXC is actively managing the Company's response through a COVID-19 Response Team that meets on a daily basis to deal with all operational issues as and when they arise. 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.

Spikes Cavell Analytic Limited

Strategic report for the year ended 31 March 2019 (continued)

Principal risks and uncertainties
Further details on other business risks and uncertainties can be found in section 1A of the DXC's consolidated financial statements for the year ended 31 March 2019 which are available to the public and may be obtained from the Company's website www.dxc.technology.

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

Approved by the board and signed on its behalf by:

M C Woodfine
Director
4th May 2020

Spikes Cavell Analytic Limited

Directors' report for the year ended 31 March 2019

The directors present the annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 March 2019.

Principal activity
Spikes Cavell Analytic Limited is a trading company, principal activities involve data processing, hosting and other related activities.

Dividends
No dividend was declared or paid during the year (2018: £nil).

Future developments
Following a group restructuring, the directors do not consider the Company will remain as a going concern and intend to liquidate the Company.

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

Political contribution
The Company made no political donations during the year (2018: £nil).

Going concern
In relation to COVID-19, Management is continuously monitoring the position and taking all necessary steps to protect its employees, customers and stakeholders. 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, the government support measures that have been announced and the customer base of the Group. As a result, Management has a reasonable expectation of the DXC Group's viability over the period of assessment and another DXC company has purchased the trade and assets of the entity for a value not less than the stated net book values in the financial statements. Accordingly there are no further adjustments required to the valuation of assets and liabilities as disclosed.

Following a group restructuring, the directors do not consider the Company will remain as a going concern and intend to liquidate the Company. The financial statements have, therefore, been prepared on a basis other than that of a going concern, and therefore all assets have been shown at realizable value. No adjustments to the accounts arose as a result of preparing the financial statements on basis other than going concern.

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

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

M C Woodfine
T A Gough – Resigned 7 April 2020
M A Majed – Resigned 26 February 2020
C Halbard – Appointed 7 April 2020
A M Bolden – Resigned 5 April 2018
L J Spikes – Resigned 10 April 2018
S Turpie – Appointed 04 March 2020

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

Research and development
During the year the Company incurred costs totaling £nil (2018: £nil).

Spikes Cavell Analytic Limited

Directors' report for the year ended 31 March 2019 (continued)

Employees
Details of the number of employees and related costs can be found in note 6 to the financial statements.

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

The Company's investment in employees is fundamental to a successful workplace and feedback is encouraged. Our DXC colleagues are represented by both employee representatives and social stakeholders such as recognised Trade Unions. This enables the Company to properly inform and involve employees in decision making and problem solving, increasing collaboration, creativity and innovation through dialogue and exchange of views.

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

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

Events after the end of the reporting year
Details of significant events since the balance sheet date are contained in note 15 to the financial statements.

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

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

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:

M C Woodfine
Director
4th May 2020

Spikes Cavell Analytic Limited

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each 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 period. 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.

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

Independent auditors' report to the members of Spikes Cavell Analytic Limited for the year ended 31 March 2019

Report on the audit of the financial statements

Disclaimer of opinion
We do not express an opinion on the accompanying financial statements of Spikes Cavell Analytic Ltd (the 'Company') for the year ended 31 March 2019. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements which comprise:
- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

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 disclaimer of opinion
The audit evidence available to us was limited because we were unable to obtain supporting information for a number of transactions and balances in the financial statements. The documentation were not available due to a new system that was implemented in 2017 to run concurrently with the old system. The knowledge to bridge and interpret the information between the two systems deteriorated due to a lack of continuity in key client personnel during the year. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of the assets and liabilities at 31 March 2019, the income statement for the year ended 31 March 2019 and the elements making up the statement of changes in equity.

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 responsibility is to conduct our audit in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
Because of the significance of the matter described in the basis for disclaimer of opinion section of our audit report, we have been unable to form an opinion, whether 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 been prepared in accordance with applicable legal requirements.

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditors' report to the members of Spikes Cavell Analytic Limited for the year ended 31 March 2019 (continued)

Matters on which we are required to report by exception
Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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

- 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.

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

Colin Rawlings FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
4th May 2020

Spikes Cavell Analytic Limited

Statement of profit and loss for the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Revenue	4	1,056	1,684
Cost of sales		(1,299)	(1,482)
Gross (loss)/profit		(243)	202
Administrative expenses		(257)	(638)
Operating loss	5	(500)	(436)
Finance expense	7	(66)	(47)
Loss before taxation		(566)	(483)
Tax (expense)/credit	8	(1)	308
Loss for the year		(567)	(175)

The above results are wholly attributable to continuing activities.

There is no income 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 12 to 22 form part of these financial statements.

Spikes Cavell Analytic Limited

Statement of financial position as at 31 March 2019

	Note	2019 £'000	2018 £'000
Assets			
Non-current assets			
Intangible assets	9	237	174
Property, Plant & Equipment	10	-	1
Total non-current assets		237	175
Current assets			
Trade and other receivables	11	252	505
Deferred tax asset	8	6	7
Cash and cash equivalents		77	54
Total current assets		335	566
Total assets		572	741
Liabilities			
Current liabilities			
Trade and other payables	12	(2,853)	(2,455)
Total current liabilities		(2,853)	(2,455)
Net current liabilities		(2,518)	(1,889)
Total liabilities		(2,853)	(2,455)
Total assets less current liabilities		(2,281)	(1,714)
Net liabilities		(2,281)	(1,714)
Equity			
Share capital	13	434	434
Share premium		3,814	3,814
Deficit		(6,529)	(5,962)
Total equity		(2,281)	(1,714)

The notes on pages 12 to 22 form part of these financial statements.

These financial statements of Spikes Cavell Analytic Limited (registered number 04917291) were approved and authorised for issue by the board of directors on 4th May 2020 and signed on its behalf by:

M C Woodfine
Director

Spikes Cavell Analytic Limited

Statement of changes in equity for the year ended 31 March 2019

	Share capital	Share Premium	Deficit	Total
	£'000	**£'000**	**£'000**	**£'000**
Balance as at 31 March 2017	434	3,814	(5,787)	(1,539)
Loss for the year	-	-	(175)	(175)
Total comprehensive expense for the year	-	-	(175)	(175)
Balance as at 31 March 2018	**434**	**3,814**	**(5,962)**	**(1,714)**
Loss for the year	-	-	(567)	(567)
Total comprehensive expense for the year	-	-	**(567)**	**(567)**
Balance as at 31 March 2019	**434**	**3,814**	**(6,529)**	**(2,281)**

The notes on pages 12 to 22 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2019

1) Basis of accounting and general information

Spikes Cavell Analytic Limited ("the Company") is a trading company, involved in data processing, hosting and related activities. The Company provides its services mainly in the United Kingdom and United States of America.

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 years presented, unless otherwise stated.

Basis of preparation
The financial statements of Spikes Cavell Analytic 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 paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- the disclosure exemptions from 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
In relation to COVID-19, Management is continuously monitoring the position and taking all necessary steps to protect its 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, the government support measures that have been announced and the customer base of the Group. As a result, Management has a reasonable expectation of the DXC Group's viability over the period of assessment and another DXC company has purchased the trade and assets of the entity for a value not less than the stated net book values in the financial statements. Accordingly, there are no further adjustments required to the valuation of assets and liabilities as disclosed.

Following a group restructuring, the directors do not consider the Company will remain as a going concern and intend to liquidate the Company. The financial statements have, therefore, been prepared on a basis other than that of a going concern, and therefore all assets have been shown at realizable value. No adjustments to the accounts arose as a result of preparing the financial statements on basis other than going concern.

2) Summary of significant accounting policies (continued)

New standards, amendments and IFRIC interpretations

IFRS 15 - Revenue from Contract with Customers

In the current year the Company has applied IFRS 15, Revenue from Contract with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018.

IFRS 15 introduced a 5-step approach to revenue recognition. More prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

IFRS 15 uses the terms "contract asset" and "contract liability" to describe what might more commonly be known as "accrued revenue" and "deferred revenue" and included in prior year account categories within "amounts recoverable on contracts" and "deferred contract revenue". Previously termed "deferred costs" changes to "contract costs". This includes both costs capitalised to obtain a contract and to fulfil a contract, These are amortised over the contract life and subject to annual impairment testing.

The Company has adopted the terminology used in IFRS 15 to describe such balances in the financial statements from 1 April 2018.

The Company's policy for revenue recognition is included in the revenue recognition section of this note.

The Company has changed the presentation of certain amounts in the balance sheet to reflect the terminology of IFRS 15:

Account Description	Note	IAS 18 carrying amount 31 March 2018 £'000	Reclassification £'000	IFRS 15 carrying amount 1 April 2018 £'000
Contract liabilities-Short Term	12	-	(4)	(4)
Deferred income-Short Term	12	(4)	4	-

IFRS 15 implementation does not have other material impact on the financial statements.

IFRS 9 – Financial instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

A key requirement of IFRS 9 which is relevant to the Company is in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39 Financial Instruments: Recognition and Measurement. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Company, the amount of impairment loss would not be significantly different compared to the accumulated amount required under IAS 39.

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

Finance expense
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 year in which they fall due.

Notes to the financial statements for the year ended 31 March 2019 (continued)

2) Summary of significant accounting policies (continued)

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 statement of profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the statement of profit and loss within administrative expenses.

Revenue recognition
Revenue, including intercompany revenue, is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

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

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

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

Intangible assets

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

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

Impairment of intangible assets
The carrying value of the intangible asset is reviewed for impairment at the end of the first full year following acquisition and in other periods if event or changes in circumstances indicate that the carrying value may not be recoverable.

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

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

2) Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost amount to their residual values over their estimated useful lives, as follows:

Office equipment	25%
Leasehold improvements	Over 5 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of profit and loss.

Financial assets:

Trade and other receivables
Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets.

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

They are included in current assets, except for payment terms greater than twelve months after the end of the reporting period. These are classified as non-current assets.

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

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

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

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

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

2) Summary of significant accounting policies (continued)

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 year and are yet to be paid.

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

Retirement benefits
The Company operates a defined contribution pension plan.

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

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

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

The current income tax 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 of 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.

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.

3) Critical accounting estimates and judgements (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 years.

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

Revenue recognition
As discussed in note 2, the majority of our revenue is recognised based on objective criteria and does not require significant estimates that may change over time. However, some arrangements are subject to specific accounting guidance that may require significant estimates, including contracts subject to percentage of completion accounting, contracts that include multiple-element deliverables, and contracts subject to software accounting guidance. These estimates are made on a contract by contract basis and a different assessment would result in a change to the amount of revenue recognised.

Key sources of estimation uncertainty
There are no areas for which major sources of estimation uncertainty at the reporting period end that have a significant risk of causing a material adjustment to be made to the carrying value amounts of assets and liabilities.

4) Revenue

Analysis of revenue by geographical market is given below:

	2019 £'000	2018 £'000
United Kingdom	747	838
Rest of the world	309	846
	1,056	1,684

Analysis of revenue by category:

	2019 £'000	2018 £'000
Revenue from services	1,056	1,684

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

Revenue recognised in relation to contract liabilities
The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities:

	2019 £'000	2018 £'000
Revenue recognised that was included in contract liabilities balance at beginning of the period	4	*

**Management have not estimated the figures for prior period due to this being the first year of application of IFRS 15.*

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

Spikes Cavell Analytic Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

5) Operating loss

Operating loss is stated after charging/(crediting):

	2019 £'000	2018 £'000
Depreciation of owned assets	1	5
Amortisation of intangible assets	22	78
Audit fees	10	19
Foreign exchange (gain)/loss	(19)	19

6) Employees and directors

Directors

During the current year directors remuneration was borne by CSC Computer Sciences International Limited, EntServ UK Limited and DXC Technology Singapore PTE. Ltd (a company based in Singapore). The directors do not believe that it is practical to apportion these amounts between the Company and the other entities concerned. Disclosure of the total amounts paid to the directors can be found in the financial statements of CSC Computer Sciences International Limited, EntServ UK Limited and DXC Technology Singapore PTE. Ltd.

Employees

	2019 £'000	2018 £'000
Wages and salaries	916	787
Social security costs	77	73
Other pension costs	19	15
Staff costs	1,012	875

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

	2019 No.	2018 No.
Production staff	31	32
Management staff	-	2
	31	34

7) Finance expense

	2019 £'000	2018 £'000
Interest expense on loans from group undertakings	65	46
Bank charges	1	1
	66	47

Notes to the financial statements for the year ended 31 March 2019 (continued)

8) Taxation

	2019 £'000	2018 £'000
Current tax		
UK corporation tax on results/ profits for the year	-	-
Adjustments in respect of prior years	-	(306)
Total current tax expense/(credit)	-	(306)
Deferred tax		
Adjustment in respect of prior years	-	(1)
Origination and reversal of temporary differences	1	(1)
Total deferred tax credit	1	(2)
Tax expense/(credit)	1	(308)

Tax expense for the period is higher (2018: lower) than the standard rate of corporation tax in the UK for the period ended 31 March 2019 of 19% (2018: 19%). The differences are explained below:

	2019 £'000	2018 £'000
Results before taxation	(566)	(483)
Results multiplied by the standard rate of tax in the UK of 19% (2018: 19%)	(107)	(92)
Effects of:		
- Expenses not deductible for tax purposes	3	-
- Adjustments to tax expense in respect of prior periods	-	(307)
- Group relief surrender	105	91
Current tax expense/(credit)	1	(308)

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 2018.

A reduction to the UK corporation tax 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.

At budget 2020, the government announced that the UK corporation tax rate for the years starting 1 April 2020 and 2021 would remain at 19%.

The rate of 17% (2018: 17%) has been used to calculate the deferred tax asset.

8) Taxation (continued)

Deferred taxation

The provision for deferred tax consists of the following deferred tax assets

	2019 £'000	2018 £'000
Deferred tax asset	6	7
Total deferred tax asset	6	7

Movement in the year:

	Accelerated capital allowance £'000
At 31 March 2018	7
Charged to the statement of profit and loss	(1)
At 31 March 2019	6

9) Intangible assets

	Software development cost £'000	Total £'000
Cost		
At 31 March 2018	2,752	2,752
Additions	85	85
At 31 March 2019	2,837	2,837
Accumulated amortization		
At 31 March 2018	2,578	2,578
Charge for the year	22	22
At 31 March 2019	2,600	2,600
Net book value		
At 31 March 2019	237	237
At 31 March 2018	174	174

Intangible assets amortisation is recorded in administrative expenses in the statement of profit and loss.

Additions relates to cost incurred for developing internally generated software assets.

10) Property plant and equipment

	Leasehold improvements £'000	Office equipment £'000	Total £'000
Cost			
At 31 March 2018	60	484	544
At 31 March 2019	60	484	544
Accumulated depreciation			
At 31 March 2018	60	483	543
Charge for the year	-	1	1
At 31 March 2019	60	484	544
Net book value			
At 31 March 2019	-	-	-
At 31 March 2018	-	1	1

11) Trade and other receivables

	2019 £'000	2018 £'000
Trade receivables	48	48
Amounts owed by fellow group undertakings	173	412
Prepayments	13	45
Accrued income	18	-
	252	505

Amounts owed by fellow group undertakings of £173,000 (2018: £412,000) are unsecured, interest free and are repayable on demand.

12) Trade and other payables

	2019 £'000	2018 £'000
Trade payables	22	31
Amounts owed to fellow group undertakings	387	363
Loan payable to fellow group undertakings	2,242	1,942
Other taxes and social security costs	26	25
Accruals	114	90
Contract liabilities < 1 year	62	4
	2,853	2,455

Loan payable to fellow group undertakings of £2,242,000 (2018: £1,942,000) is due to Xchanging UK Limited for which interest accrued at an average rate of 2.76% per annum (2018: 2.91% per annum). Amounts owed to fellow group undertakings of £387,000 (2018: £363,000) are unsecured, interest free subject to normal DXC intercompany trading terms of payment and are repayable on demand.

13) Share Capital

	2019 £'000	2018 £'000
Authorised		
43,400,893,303 (2018: 43,400,893,303) ordinary shares of 0.00001p (2018: .00001p) each	434	434
Allotted, issued and fully paid:		
43,400,712,473 (2018: 43,400,712,473) ordinary shares of 0.00001p (2018: .00001p) each	434	434

Authorised share capital (43,400,893,303) includes treasury shares of 180,830 ordinary shares of 0.00001p (2018: 0.00001p) each.

14) 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 Spikes Cavell Analytic Limited is Xchanging Holdings Limited, a Company incorporated in UK and registered in England and Wales.

15) Events after the end of the reporting year

On 22 January 2020, the directors approved to issue 100,000 ordinary shares of £0.00001 each to the immediate parent company, Xchanging Holdings Limited for a consideration of £300,000.

On 24 January 2020, the directors approved to waive off the intercompany payable to Xchanging UK Limited as part of group restructuring.

With effect from 1 February 2020, The directors approved to carry out business transfer of the Company to eBECS Limited as part of group restructuring.

As a result of the outbreak of COVID-19, the DXC group has introduced a number of resilience protocols and business continuity plans under the direction of the COVID-19 Response Team led by the most senior members of the UK management team. The plans in place are aimed at protecting both DXC's customers and employees.

The DXC group's performance in FY20 was consistent with plans announced to the market and there has been no real impact on the results of the business given the timing of the outbreak and its impact on the economy, i.e. mid- to late March 2020. Considering the timing of outbreak of COVID-19, this is considered as non-adjusting event for the year ended 31 March 2019 and no adjustments required.

The macro economic outlook remains uncertain. This potentially could have an adverse impact on the performance and cash flow of the group. The group will continue to monitor and take steps, where necessary, to limit the impact of a possible recession as a result of COVID-19 on the performance, operations and financial position of the group. However, the group is well positioned with strong capital and liquidity resources at its disposal.