Company Registration No. 04917291

Spikes Cavell Analytic Limited

Annual report and financial statements

For the year ended 31 March 2018

Spikes Cavell Analytic Limited

Contents

Spikes Cavell Analytic Limited

Officers and Professional Advisers

Directors

T A Gough - appointed 9 June 2017
N A Wilson - appointed 9 June 2017, resigned 31 March 2018
M A Majed – appointed 31 March 2018
A M Bolden – resigned 5 April 2018
L J Spikes – resigned 10 April 2018
M C Woodfine

Registered Office

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ
United Kingdom

Independent Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square, London
EC4A 3BZ
United Kingdom

Principal Banker

HSBC
6 Northbrook street
Newbury
Berkshire
RG14 1 DJ

Spikes Cavell Analytic Limited

Strategic report

The directors present their Strategic report on the Company for the year ended 31 March 2018. 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 2018 are set out on pages 8 to 20.

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

During the year the Company had a net loss of £175,000 (2017: £1,305,000). The Company has net liabilities of £1,714,000 (2017: £1,539,000) and net current liabilities of £1,889,000 (2017: £1,736,000). The performance for the year is in line with management's expectations.

The previous reported period was for 15 months i.e., 1 January 2016 to 31 March 2017 and therefore results are not comparable with the current year, which is for 12 months i.e., 1 April 2017 to 31 March 2018.

During the year ended 31 March 2018 the Company and the wider DXC group set its sights on deepening client and partner relationships, strengthening its position in the marketplace and solidifying the Company's long-term growth strategy.

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

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.

The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the financial year.

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 2018, which are available to the public and may be obtained from www.dxc.technology.

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

Further details on other business risks and uncertainties can be found in section 1A of the DXC's consolidated financial statements for the financial year ended 31 March 2018 which are available to the public and may be obtained from the Company's website www.dxc.technology

Approved by the board and signed on its behalf by:

M C Woodfine
Director
04 April 2019

Spikes Cavell Analytic Limited

Directors' report

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

Principal activity
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 financial year (2017: £nil).

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

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

Financial instruments & risk management
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:

T A Gough - appointed 9 June 2017
N A Wilson - appointed 9 June 2017, resigned 31 March 2018
M A Majed – appointed 31 March 2018
A M Bolden – resigned 5 April 2018
L J Spikes – resigned 10 April 2018
M C Woodfine

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 financial year the Company incurred costs totaling £nil (2017: £nil).

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

The Company's Equal Opportunities Policy ensures that decisions concerning all aspects of employment, recruitment, reward mechanisms, career progression and training are made exclusively on the basis of merit and the requirements of the role, and that no person is treated less favorably because of age, sex, sexual orientation, marital status, race, nationality, ethnic origin, disability, religious beliefs, or membership or non-membership of a trade union. CSC has an Equal Opportunities Policy and a Diversity policy.

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. A pro-active Safety Management Programme is in place, supported by all levels of management, safety officers, safety champions and the Group H&S Team. All of the activities have been assessed to identify significant hazards, which are then controlled and managed. The Safety Programme has been externally verified and approved by Lloyd's Register Quality Assurance to the OHSAS 18001 specification.

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

Spikes Cavell Analytic Limited

Directors' report (continued)

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

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.

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
04 April 2019

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 law and regulations.

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Spikes Cavell Analytic Limited
For the year from 1 April 2017 to 31 March 2018

Report on the audit of the financial statements

Qualified opinion
In our opinion, except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report, the financial statements of Spikes Cavell Analytic Limited:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- 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 qualified opinion
The company was acquired by CSC on 5th May 2016 and therefore the audit evidence available to us with respect to Income Statement transactions for the period ended 31st March 2017 was limited because sufficient accounting records and documentation were not available due to significant changes in processes and staff following the acquisition. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence concerning the income statement transactions in the prior year.

As a result, our audit opinion on the financial statements for the period ended 31 March 2017 was modified accordingly. Therefore, our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and corresponding figures in relation to the Income Statement transactions.

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 qualified opinion.

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

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

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

As described in the basis for qualified opinion section of our report, we were unable to obtain sufficient appropriate evidence about the comparability of the current year's transactions and the corresponding figures. We have concluded that where the other information refers to these transactions or the loss for the year, it may be materially misstated for the same reason.

Independent auditors' report to the members of Spikes Cavell Analytic Limited (continued)
For the year from 1 April 2017 to 31 March 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, based on the work undertaken in the course of the audit:

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

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in [the strategic report or] the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

- This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Rawlings FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
04 April 2019

Spikes Cavell Analytic Limited

Income statement
For the financial year 1st April 2017 to 31st March 2018

	Note	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
Revenue	4	1,684	2,000
Cost of Sales		(1,482)	(2,307)
Gross profit/ (loss)		202	(307)
Administrative expenses		(638)	(645)
Operating loss	5	(436)	(952)
Finance expense	7	(47)	(47)
Loss before taxation		(483)	(999)
Tax credit/(expense) for the year/period	8	308	(306)
Loss for the financial year/period		(175)	(1,305)

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

The notes on pages 11 to 20 form part of these financial statements.

Spikes Cavell Analytic Limited

Statement of financial position
As at 31 March 2018

	Note	At 31 March 2018 £'000	At 31 March 2017 £'000
Assets			
Non-current assets			
Intangible assets	9	174	191
Property, Plant & Equipment	10	1	6
Total non-current assets		175	197
Current assets			
Trade and other receivables	11	505	142
Deferred tax asset	8	7	5
Cash and cash equivalents		54	24
Total current assets		566	171
Total assets		741	368
Liabilities			
Current liabilities			
Trade and other payables	12	(2,455)	(1,907)
Total Current liabilities		(2,455)	(1,907)
Net Current liabilities		(1,889)	(1,736)
Total liabilities		(2,455)	(1,907)
Total assets less current liabilities		(1,714)	(1,539)
Net liabilities		(1,714)	(1,539)
Equity			
Share capital	13	434	434
Share premium		3,814	3,814
Deficit		(5,962)	(5,787)
Total equity		(1,714)	(1,539)

The notes on pages 11 to 20 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 04 April 2019 and signed on its behalf by:

M C Woodfine
Director

Spikes Cavell Analytic Limited

Statement of changes in equity
For the financial year 1st April 2017 to 31st March 2018

	Share capital	Share Premium	Deficit	Total
	£'000	£'000	£'000	£'000
Balance as at 1 January 2016	434	3,814	(4,482)	(234)
Loss for the financial period	-	-	(1,305)	(1,305)
Other comprehensive expense for the financial period	-	-	-	-
Total comprehensive expense for the period	-	-	(1,305)	(1,305)
Balance as at 31 March 2017	434	3,814	(5,787)	(1,539)
Loss for the financial year	-	-	(175)	(175)
Other comprehensive expense for the financial year	-	-	-	-
Total comprehensive expense for the year	-	-	(175)	(175)
Balance as at 31 March 2018	434	3,814	(5,962)	(1,714)

The notes on pages 11 to 20 form part of these financial statements.

Spikes Cavell Analytic Limited

Notes to the financial statements
For the financial year 1st April 2017 to 31st March 2018

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 with a smaller proportion of its revenue generated by other European markets.

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

2) Summary of significant accounting policies
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial year/periods 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 paragraphs 134 to 136 of IAS 1 "Presentation of Financial Statements";
- the disclosure exemptions from paragraph 45(b) and 46-52 of IFRS 2 "Share based payment";
- 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
Following a group restructuring, the directors do not consider the company will remain as a going concern and intend to liquidate the company. The accounts have, therefore, been prepared on a basis other than that of going concern, and therefore all assets have been shown at realizable value. Apart from this, no adjustments to the accounts arose as a result of preparing the accounts on basis other than going concern.

Functional currency
The functional and presentation currency is in GBP.

2) Summary of significant accounting policies (continued)

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

Foreign currency
Foreign currency transactions are translated into the functional currency of GBP using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. These financial statements are presented in pounds' sterling because that is the currency of the primary economic environment in which the Company operates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Income statement within 'Other operating income'.

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.

The Company recognises revenue only if it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. The Company recognises revenue when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and the collectability is reasonably assured. Delivery does not occur until products have been shipped or services have been provided to the client, risk of loss has transferred to the client and the client acceptance has been obtained, client acceptance provisions have lapsed or the Company has objective evidence that the criteria specified in the client acceptance provisions have been satisfied. No revenue is recognised if there are significant uncertainties regarding recovery of consideration due, associated costs or the Company's continuing involvement with goods.

Intangible assets
Internally development software
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).

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 Income statement during the financial year in which they are incurred.

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:

Furniture, fittings and office equipment	25%
Leasehold improvements	Over 5 years
Computer and related equipment	33%

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

2) Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

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

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 financial 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 income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in the countries where the company operates and generates taxable income. Provisions are made where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

2) Summary of significant accounting policies (continued)

Current and deferred taxation (continued)
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.

Adoption of new and revised Standards
New and amended accounting standards that are mandatorily effective for year/periods beginning on or after 1 April 2017 did not have a material effect on the financial statements for the current financial year as well as previous year.

3) Critical accounting estimates and judgements

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

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

Valuation of intangible assets
The company reviews the carrying value of intangible assets annually for indicators of impairment. The application of impairment accounting requires the use of significant estimates and assumptions. Where applicable and when there are indicators of impairment, the company will estimate future cash flows which are discounted to their present value. The company's estimates are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. These valuations require the use of management assumptions, which would not reflect unanticipated events and circumstances that may occur.

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.

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

Notes to the financial statements (continued)
For the financial year 1st April 2017 to 31st March 2018

3) Critical accounting estimates and judgements (continued)

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

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

Having performed an assessment, the directors have concluded that there are no critical accounting estimates or judgements in relation to these financial statements.

4) Revenue

Analysis of revenue by geographical market is given below:

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
United Kingdom	838	1,088
Other Europe	-	33
Rest of the world	846	879
	1,684	2,000

Analysis of revenue by category	2018 £'000	2017 £'000
Revenue from services	1,684	2,000

5) Operating loss

Operating loss is stated after expensing/(crediting):	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
Depreciation of owned assets	5	22
Amortisation of intangible assets	78	78
Audit fees	19	17
Foreign exchange loss/(gain)	19	(31)

6) Employees and directors

Employees	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
Wages and salaries	787	1,112
Social security costs	73	105
Other pension costs	15	19
Staff costs	875	1,236

Notes to the financial statements (continued)
For the financial year 1st April 2017 to 31st March 2018

6) Employees and directors (continued)

Employees (continued)

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

	Financial year 1 April 2017 to 31 March 2018	Financial period 1 January 2016 to 31 March 2017
	No.	No.
Production staff	32	32
Management staff	2	2
	34	34

Directors

The directors' emoluments were as follows:

	Financial year 1 April 2017 to 31 March 2018	Financial period 1 January 2016 to 31 March 2017
	£'000	£'000
Emoluments	219	282
Company contributions to defined contribution schemes	15	18
	234	300

The number of directors who has accrued benefits under money purchase schemes and defined contribution schemes during the year were two (2017: nil).

Highest paid director

The highest paid director's emoluments were as follows:

	Financial year 1 April 2017 to 31 March 2018	Financial period 1 January 2016 to 31 March 2017
	£'000	£'000
Aggregate emoluments	132	175
Company contributions to defined contribution pension scheme	13	16
	145	191

7) Finance expense

	Financial year 1 April 2017 to 31 March 2018	Financial period 1 January 2016 to 31 March 2017
	£'000	£'000
Interest expense on loans from group undertakings	46	45
Other interest payable	1	2
	47	47

Spikes Cavell Analytic Limited

Notes to the financial statements (continued)
For the financial year 1st April 2017 to 31st March 2018

8) Taxation

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
Current tax		
UK corporation tax on results/ profits for the year	-	-
Adjustments in respect of prior years	(306)	311
Total current tax expense/(credit)	(306)	311
Deferred tax		
Adjustment in respect of prior financial years	(1)	-
Origination and reversal of temporary differences	(1)	(5)
Total deferred tax credit	(2)	(5)
Tax expense/(credit)	(308)	306

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

The differences are explained below:

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
Results before taxation	(483)	(999)
Results multiplied by the standard rate of tax in the UK of 19% (2017: 20%)	(92)	(200)
Effects of:		
- Adjustments to tax expense in respect of prior periods	(307)	311
- Group relief surrender	91	197
- Remeasurement of deferred tax - change in UK tax rate	-	28
- Deferred tax not recognised	-	(30)
Current tax expense/(credit)	(308)	306

Factors affecting future tax expenses

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017. A reduction to the UK corporation tax rate from 19% to 18% (effective froml April 2020) was substantively enacted on 26 October 2015. A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The rate of 17% (2017: 17%) has been uscd to calculate the deferred tax asset/(liability).

8) Taxation (continued)

Deferred taxation

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

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial period 1 January 2016 to 31 March 2017 £'000
Deferred tax asset	7	5
Total deferred tax asset	7	5

Movement in the financial year

	Accelerated Capital allowance £'000
At 31 March 2017	5
Credited to the Income statement	2
At 31 March 2018	7

9) Intangible assets

	Development costs £'000	Total £'000
Cost		
At 31 March 2017	2,691	2,691
Additions	61	61
Disposals	-	-
At 31 March 2018	2,752	2,752
Accumulated amortisation and impairment		
At 31 March 2017	2,500	2,500
Expense for the financial year	78	78
Impairment	-	-
At 31 March 2018	2,578	2,578
Net book value		
At 31 March 2018	174	174
At 31 March 2017	191	191

Intangible assets amortisation is recorded in administrative expenses in the income statement and impairment is nil for the year. Additions are related to internally generated assets.

Spikes Cavell Analytic Limited

Notes to the financial statements (continued)
For the financial year 1st April 2017 to 31st March 2018

10) Property plant and equipment

	Leasehold improvements £'000	Computer equipment & Fixtures & fittings and Office equipment £'000	Total £'000
Cost			
At 31 March 2017	60	484	544
Additions	-	-	-
At 31 March 2018	60	484	544
Accumulated depreciation			
At 31 March 2017	60	478	538
Expense for the financial year	-	5	5
Disposals	-	-	-
At 31 March 2018	60	483	543
Net book value			
At 31 March 2018	-	1	1
At 31 March 2017	-	6	6

The net carrying amount of assets held under finance leases included in plant and machinery is £nil (2017: £1,661).

11) Trade and other receivables: disclosed as current assets

	At 31 March 2018 £'000	At 31 March 2017 £'000
Trade receivables	48	19
Amounts receivable from fellow group undertakings	412	86
Prepayments	45	37
	505	142

Amounts owed by group undertakings are unsecured and interest free and are repayable on demand.

12) Trade and other payables: disclosed as current liabilities

	At 31 March 2018 £'000	At 31 March 2017 £'000
Trade payables	31	86
Amounts payable to fellow group undertakings	363	430
Loan payable to fellow group undertakings	1,942	1,176
Other taxes and social security costs	25	40
Accruals	90	42
Deferred income	4	131
Obligation of finance lease	-	2
	2,455	1,907

Amounts owed to group undertakings are unsecured and have no fixed date of repayment and are repayable on demand.

Notes to the financial statements (continued)
For the financial year 1st April 2017 to 31st March 2018

13) Share Capital

	At 31 March 2018 £'000	At 31 March 2017 £'000
Authorised		
43,400,893,303 (2017: 43,400,893,303) ordinary shares of 0.00001p (2017: .00001p) each	434	434
Allotted, issued and fully paid:		
43,400,712,473 (2017: 43,400,712,473) ordinary shares of 0.00001p (2017: .00001p) each	434	434

Authorised share capital (43,400,893,303) includes treasury shares of 180,830 ordinary shares of 0.00001p (2017: .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.

15) Events after the end of the reporting year

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