

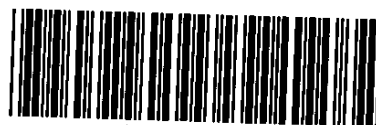
Company Registration No. 05460327

XS (Int) Limited

Annual report and financial statements

For the financial year from 1 April 2017 to 31 March 2018

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XS (Int) Limited

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XS (Int) Limited

Officers and Professional Advisers

Directors

T A Gough	Appointed 9 June 2017	
M A Majed	Appointed 31 March 2018	
M C Woodfine		
D W H Gray	Resigned 7 April 2017	
N A Wilson	Appointed 9 June 2017	Resigned 31 March 2018

Registered office

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ
United Kingdom

Principal bankers

Lloyds Bank PLC
PO Box 72
Bailey Drive
Gillingham Business Park
Gillingham
Kent
ME8 0LS

Principal legal adviser

Baker & McKenzie LLP
100 New Bridge Street
London, EC4V 6JA

Auditor

Deloitte LLP
Statutory Auditors
1 Station Square, Cambridge CB1 2GA
United Kingdom

XS (Int) Limited

Strategic report

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

XS (Int) Limited ("the Company") is a private company, limited by shares incorporated in the United Kingdom under the Companies Act 2006 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.

Business review

The Company was dormant until it acquired 40% of the ordinary shares in eBecs Limited. CSC Computer Sciences International Operations Limited originally purchased the 40% share of eBecs Limited on 2 November 2016 and then subsequently sold the 40% shareholding to XS (Int) Limited on 14 December 2016.

Further to its investment, the Company has entered into a Strategic Alliance Agreement ("the agreement") where the parties will co-operate as partners to identify, develop and pursue new business opportunities and secure new business activity for either and/or each partner. In exchange for rights conferred in the agreement, the Company will receive royalty payments.

The financial statements for the financial year 1 April 2017 to 31 March 2018 are set out on pages 9 to 19. A loss for the financial year of £34,000 (2017 profit: £189,000) has been transferred to reserves.

Future developments

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

Principal risks and uncertainties

The directors have considered the risks attached to the Company's financial instruments which principally comprise 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.

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.

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.

Approved by the board and signed on its behalf by:

T A Gough
Director



20/12/2018

Registered Office:

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ
United Kingdom

XS (Int) Limited

Directors report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report for the financial year 1 April 2017 to 31 March 2018.

Principal activity

The Company's primary income is royalty. Royalty income is based on Capitalised Affiliation Value which shall be used to calculate the royalties payable by eBECS Limited in the form of basic royalty payments and performance royalty payments.

Future developments

Future development have been detailed in the Strategic report on page 2 and form part of this report by cross reference.

Dividends

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

Political contribution

No political donations were made during the financial year (2017: £nil).

Going concern

The Company is loss making but reports net assets, thus the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further assurance has been provided by the parent company that it will continue to support the operations going forward for at least 12 months. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2.

Financial risk management and objectives

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 financial year and up to the date of this report, except as noted:

T A Gough	Appointed 9 June 2017	
M A Majed	Appointed 31 March 2018	
M C Woodfine		
D W H Gray	Resigned 7 April 2017	
N A Wilson	Appointed 9 June 2017	Resigned 31 March 2018

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

Research and development

The Company incurred no research and development expenses during the financial year (2017: £nil).

XS (Int) Limited

Directors report (continued)

Events since the reporting date

After year end, DXC Technology Company group acquired the remaining 60% of eBECS Ltd on 3 April 2018 so now holds 100%, through CSC Computer Sciences International Operations (60%) and XS (Int) Ltd (40%). There has been no change in the shareholding of eBECS held by XS (Int) Ltd.

Branches outside the UK

The company has no branches outside the 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 person who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's 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:



T A Gough
Director

20/12/2018

Registered office:

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ
United Kingdom

XS (Int) 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.

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

Independent auditor's report to the members of XS (Int) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of XS (Int) Limited (the 'company'):

- 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 statement of financial position;
- the statement of changes in equity;
- 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".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of XS (Int) Limited (continued)

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

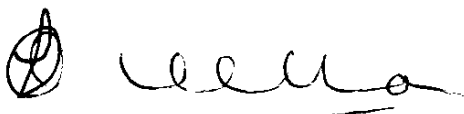
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of XS (Int) Limited (continued)

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.

A handwritten signature in black ink, appearing to read 'Lee Welham', with a stylized circular logo to its left.

Lee Welham FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditors
Cambridge, United Kingdom

21 December 2018

XS (Int) Limited

Income statement

For the financial year 1 April 2017 to 31 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	524	189
Operating profit	5	524	189
Finance expense	7	(558)	-
(Loss)/profit before taxation		(34)	189
Tax on profit	8	-	-
(Loss)/profit for the financial year		(34)	189

The above results are wholly attributable to continuing activities.

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

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

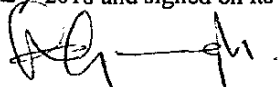
XS (Int) Limited

Statement of financial position As at 31 March 2018

	Note	As at 31 March 2018 £'000	As at 31 March 2017 £'000
Assets			
Non-current assets			
Investments	9	9,761	9,761
Total non-current assets		<u>9,761</u>	<u>9,761</u>
Current asset			
Cash and cash equivalents		490	-
Trade and other receivables	10	336	114
Total current assets		<u>826</u>	<u>114</u>
Total assets		<u>10,587</u>	<u>9,875</u>
Liabilities			
Current liabilities			
Trade and other payables	11	188	9,686
Total current liabilities		<u>188</u>	<u>9,686</u>
Non-current liabilities			
Trade and other payables	12	10,244	-
Total liabilities		<u>10,432</u>	<u>9,686</u>
Net current assets (liabilities)		<u>638</u>	<u>(9,572)</u>
Total assets less current liabilities		<u>10,399</u>	<u>189</u>
Net assets		<u>155</u>	<u>189</u>
Equity			
Share capital	13	-	-
Profit and loss account		155	189
Total equity		<u>155</u>	<u>189</u>

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

The financial statements of XS (Int) Limited (registered no. 05460327) were approved and authorised for issue by the board on 20 /12 /2018 and signed on its behalf by:



T A Gough
Director

XS (Int) Limited**Statement of changes in equity****For the financial year 1 April 2017 to 31 March 2018**

	Called-up share capital (Note 13) £'000	Profit and loss Account £'000	Total £'000
Balance as at 1 January 2016	-	-	-
Profit for the financial period	-	189	189
	<hr/>	<hr/>	<hr/>
Balance as at 1 April 2017	-	189	189
Loss for the financial year	-	(34)	(34)
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2018	-	155	155
	<hr/>	<hr/>	<hr/>

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

XS (Int) Limited

Notes to the financial statements

For the financial year 1 April 2017 to 31 March 2018

1) Basis of accounting and general information

XS (Int) Limited ("the Company") primary income is royalty. Royalty income is based on Capitalised Affiliation Value which shall be used to calculate the royalties payable by eBECs Limited in the form of Basic royalty payments and performance royalty payments.

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

2) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

Basis of preparation

The financial statements of XS (Int) 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 as disclosed in note 14 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 paragraphs 10 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- the disclosure exemptions of IFRS 3 "Business combinations";
- the requirements of IAS 7 "Statement of Cash Flows";
- the requirements of IAS 24 "Related Parties" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transactions is wholly owned by such a member; and
- the requirements of IAS 36 "Impairment of Assets".

Going concern

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

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

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

XS (Int) Limited

Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

2) Summary of significant accounting policies (continued)

Foreign currency translation

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

Revenue

Revenue represents royalty income net of sales related taxes. The company recognises income on an accrual basis in accordance with the substance of relevant agreements.

Finance costs

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

Current and deferred taxation

The tax expense for the financial year 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 equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

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

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the Statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

XS (Int) Limited

Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

2) Summary of significant accounting policies (continued)

Investments

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

Impairment of investments

At each reporting date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income statement.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets:

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised 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.

Impairment of financial assets

The Company assesses at the end of each reporting year whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that the loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Derecognition of a financial asset

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

Cash and cash equivalents

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

XS (Int) Limited

Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

2) Summary of significant accounting policies (continued)

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 in a constant rate with loan agreement. 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.

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 years if the revision affects both current and future financial years.

Valuation of investments

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

4) Revenue

Revenue represents royalty income. All revenue originates in, and has an ultimate destination of, the United Kingdom.

5) Operating profit

The auditors' remuneration is borne by a fellow group undertaking within the DXC Technology Company group. The allocated fees payable to the Company's auditor for the audit of the Company's annual financial statements is £20,000 (2017: £4,000). There were no non-audit services (2017: £nil).

XS (Int) Limited

Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

6) Employees and Directors

The directors of the Company are also directors or officers of other companies within the DXC Technology group. The directors' services to the Company do not occupy a significant amount of their time and are considered to be incidental. As such these directors do not consider that they receive any remuneration for their services to the Company for the 12 month period ended 31 March 2018.

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

7) Finance income and expense

Finance expense

	Financial year 1 April 2017 31 March 2018 €'000	Financial period 2 April 2016 31 March 2017 €'000
Interest payable on loans with parent undertaking	(558)	-
Total finance expenses	(558)	-

Included in amount owed to parent undertaking is a loan of £9,760,834 (2017: £9,760,834) by CSC Computer Sciences International Operations Limited and accrued interest at 4.25% per annum applied.

8) Taxation

	Financial year 1 April 2017 31 March 2018 £'000	Financial period 1 January 2016 31 March 2017 £'000
Total current tax	-	-
Total deferred tax	-	-
Tax on loss/profit	-	-

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

XS (Int) Limited

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

8) Taxation (Continued)

	Financial year 1 April 2017 31 March 2018 £'000	Financial period 1 January 2016 31 March 2017 £'000
(Loss) / profit on ordinary activities before taxation	(34)	189
Profit multiplied by the standard rate of tax in the United Kingdom of 19% (2017: 20.25%)	(6)	38
Group relief surrendered/(claimed)	6	(38)
Total tax charge	-	-

Factors affecting future tax charges

The tax rate for the current year is lower/higher from the prior year due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017.

A reductions to the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015.

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

9) Investments in associates

		£'000
Cost		
At 1 April 2017		9,761
Additions		-
At 31 March 2018		9,761

Name	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	2018	2017
eBECS Limited	United Kingdom Enterprise House the Bridge Beresford Way, Santry, Chesterfield, Sheffield, S41 9FG		40%	40%

XS (Int) Limited

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

10) Trade and other receivables: disclosed as current assets

	31 March 2018 £'000	31 March 2017 £'000
Amount owed by other fellow group undertakings	336	114
	<u>336</u>	<u>114</u>

Included within amount owed by other fellow group undertaking is royalty income due.

11) Trade and other payables: disclosed as current-liabilities

	31 March 2018 £'000	31 March 2017 £'000
Amount owed to parent undertaking	-	9,686
Amount owed to other fellow group undertaking	132	-
VAT	56	-
	<u>188</u>	<u>9,686</u>

Amount owed to other fellow undertaking are not interest bearing and are repayable on demand.

12) Trade and other payables: disclosed as Non-current-liabilities

	31 March 2018 £'000	31 March 2017 £'000
Amount owed to parent undertaking	10,244	-
	<u>10,244</u>	<u>-</u>

Included in amount owed to parent undertaking is a loan of £9,760,834 by CSC Computer Sciences International Operations Limited and accrued interest at 4.25%. Remaining balance with fellow group undertakings are not interest bearing and repayable on demand.

13) Share capital

	31 March 2018 £	31 March 2017 £
Authorised, allotted, issued and fully paid:		
1 (2017: 1) Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

XS (Int) Limited

Notes to the financial statements (continued)

For the financial year 1 April 2017 to 31 March 2018

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 XS (Int) Limited is CSC Computer Sciences International Operations Limited, a company incorporated in Great Britain and its registered address is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ, United Kingdom.

15) Events after the end of the reporting year

DXC Technology Company group acquired the remaining 60% of eBECS Ltd on 3 April 2018 so now holds 100%, through CSC Computer Sciences International Operations (60%) and XS (Int) Ltd (40%). There has been no change in the shareholding of eBECS held by XS (Int) Ltd.