

**Company Registration No. 07073338**

**DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

**Annual report and financial statements**

For the financial year from 1 April 2019 to 31 March 2020

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## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

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## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Officers and Professional Advisers**

#### **Directors**

S De La Harpe

T A Gough                      Resigned on 7 April 2020

C N Halbard                  Appointed on 7 April 2020

M C Woodfine

#### **Registered Office**

Royal Pavilion

Wellesley Road

Aldershot

Hampshire

United Kingdom

GU11 1PZ

#### **Principal Bankers**

Royal Bank of Scotland

97 New Bond Street

London

W1S 1EU

#### **Principal Legal Adviser**

Vistra Corporate Law Limited

First Floor

10, Temple Back

Bristol

BS1 6FL

#### **Auditor**

Deloitte LLP

Statutory Auditors

3 Victoria Square

Victoria Street

St Albans,

AL1 3TF

United Kingdom

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Strategic report**

The directors present their Strategic report on the Company for the financial year ended 31 March 2020. In preparing the Strategic report, the directors have complied with s414c of the Companies Act 2006.

DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited) (“the Company”) is a private company incorporated in the United Kingdom under the Companies Act 2006, limited by shares and registered in England and Wales. The Company’s registered and principal address is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, United Kingdom GU11 1PZ.

The Company is an indirect subsidiary of DXC Technology 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 1 April 2019 to 31 March 2020 are set out on pages 9 to 24. A profit for the year of £6,856,000 (2019: profit £3,847,000) has been transferred to reserves.

#### **Business review**

DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited) continues to act as holding company for certain DXC group companies. During the year the company earned its income from the interest received from the loan provided to the intercompany fellow group undertakings.

#### **Risk management, objectives and policies**

##### **Financial Risk**

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

On 23 June 2016, a referendum in the United Kingdom returned a result in favour of leaving the European Union. The United Kingdom formally left the EU on 31 January 2020, entering into a transition period until 31 December 2020. During this period 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. Whilst the longer term political and economic effects of Brexit after the transition period ends are not easily predicted, 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. These impacts have since stabilised as other world events have risen in importance for investors. However, as negotiations continue between the EU and the UK, and with the transition period deadline approaches, further economic impacts cannot be ruled out – both as the transition period ends and immediately after.

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 been put in place to reduce the organisation’s exposure in a number of key areas. The progress of EU / UK 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 on the financial statements when the future trading environment between the EU and UK becomes clear.

In relation to COVID-19, management constantly monitors the effects of the outbreak globally and the potential impact on the business. The outbreak increases uncertainty about the future prospects of the company with key risk areas identified as liquidity, customer’s ability to pay and possible operational disruption. As the company is part of the DXC group and has received a letter of support from the ultimate parent Company, this has to be considered as a group level.

The DXC Group has a strong liquidity position that means it will be able to sustain the business throughout this crisis and works to meet all expected and any unexpected cash requirements by taking the steps to minimise short term debt and maximise cash. Customer ability to pay has not had a material impact up to date of signing the accounts and is constantly monitored in case action is required.

Senior leadership in DXC is actively managing response through a COVID-19 Response Team that meets on a regular basis to deal with all operational issues as and when they arise.

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Strategic report (continued)**

#### **Risk management, objectives and policies (continued)**

There has been minimal operational disruption as IT infrastructure already in place has enabled nearly all office staff to quickly switch to a “working from home” model. Where this has not been possible to meet our customer’s requirements steps have been implemented to provide COVID-19 safe workplaces meaning business continues.

Management is actively taking steps to ensure the protection and retention of staff and the associated corporate memory that are crucial to the company’s ability to weather this crisis and to rebuild when the opportunity arises.

Impairment and valuation risk of investments is dependent on the performance of the underlying group. The directors therefore perform annual impairment assessments on investment balances.

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 2020 which are available to the public and may be obtained from the Company’s website: [www.dxc.technology](http://www.dxc.technology)

#### **Future developments**

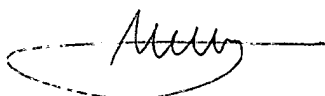
At the date of the annual report, the directors are not aware of any likely changes in the company’s activities in the foreseeable future.

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.

#### **Key performance indicators**

The Company is managed by the UKIIMEA (UK, Ireland, Israel, Middle East and Africa) regional management. 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  
21 December 2020

#### **Registered Office:**

Royal Pavilion  
Wellesley Road  
Aldershot  
Hampshire  
United Kingdom  
GU11 1PZ

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Directors' report**

The directors present the annual report on the affairs of the Company, together with the audited financial statements for the financial year 1 April 2019 to 31 March 2020.

The Company's name has been changed from CSC Computer Sciences UK Holdings Limited to DXC UK Holdings Limited with effect from 1 April 2020.

#### **Principal activity**

The Company continues to act as a holding company for certain DXC group companies.

#### **Future developments**

Future developments have been detailed in the Strategic report on page 3 and form part of this report by cross reference.

#### **Events since the reporting date**

Details of significant events since the date of Balance sheet are contained in note 15 to the financial statements.

#### **Research and development**

There was no cost incurred on research and development during the financial year (2019: £nil).

#### **Branches outside the UK**

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

#### **Financial risk management 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.

#### **Dividends**

No dividend was declared or paid during the financial year and up to date of approval of this report (2019: £nil).

#### **Directors**

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

S De La Harpe

T A Gough                Resigned on 7 April 2020

C N Halbard            Appointed on 7 April 2020

M C Woodfine

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

#### **Political contribution**

The Company made no political donations during the financial year (2019: £nil).

#### **Going concern**

The Company is profit making and reports net assets, thus the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Confirmation has been provided by the ultimate parent company that it will continue to support the operations going forward for at least 12 months from the date of signing these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

In relation to COVID-19, management is continuously monitoring the position and taking all necessary steps to protect its 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. These are set out in detail within the Strategic Report.

As a result, management have a reasonable expectation of the Company's and DXC's viability over the period of assessment and obtained letter of support from the ultimate parent company, thus concluded that there are currently no impediments of identifying the Company other than as a going concern.

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

#### **Branches outside the UK**

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

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

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

#### **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.

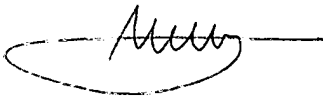
#### **Disclosure of information to auditor**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he/she has 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:

A handwritten signature in black ink, appearing to read 'M C Woodfine', followed by a horizontal line.

M C Woodfine  
Director  
21 December 2020

#### **Registered Office:**

Royal Pavilion  
Wellesley Road  
Aldershot  
Hampshire  
United Kingdom  
GU11 1PZ

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Directors' responsibilities statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 auditor's report for DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

**For the financial year 1 April 2019 to 31 March 2020**

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

### **Opinion**

In our opinion the financial statements of DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited) (the "Company")

- give a true and fair view of the state of the Company affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of profit and loss;
- the Statement of comprehensive income;
- 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".

### **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 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 for DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited) (continued)**

**For the financial year 1 April 2019 to 31 March 2020**

## **Responsibilities of directors**

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

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Report on other legal and regulatory requirements**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in respect of these matters.

### **Use of our report**

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



**David Halstead FCA (Senior Statutory Auditor)**

**for and on behalf of Deloitte LLP**

**Statutory Auditor**

**St Albans, United Kingdom**

*21 December* 2020

**DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

**Statement of profit and loss**

**For the financial year 1 April 2019 to 31 March 2020**

		<b>Financial year 1 April 2019 to 31 March 2020</b>	<b>Financial year 1 April 2018 to 31 March 2019</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
Administrative expenses		(32)	(177)
<b>Operating loss</b>	<b>4</b>	<b>(32)</b>	<b>(177)</b>
Dividend income	5	69	-
Finance income	7	6,013	5,751
Finance expense	7	(20)	(1,727)
<b>Profit before taxation</b>		<b>6,030</b>	<b>3,847</b>
Tax credit	8	826	-
<b>Profit for the financial year</b>		<b>6,856</b>	<b>3,847</b>

The above results are wholly attributable to continuing activities.

The notes on pages 13 to 24 form part of these financial statements.

**DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

**Statement of comprehensive income**

**For the financial year 1 April 2019 to 31 March 2020**

	<b>Financial year 1 April 2019 to 31 March 2020</b>	<b>Financial year 1 April 2018 to 31 March 2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit for the financial year</b>	<b>6,856</b>	<b>3,847</b>
<b>Other comprehensive income: items that will not be reclassified to profit or loss:</b>		
Unrealised loss on interest rate swap hedging	-	(33)
<b>Total Profit for the financial year</b>	<b>6,856</b>	<b>3,814</b>

The notes on pages 13 to 24 form part of these financial statements.

# DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)

## Balance sheet as at 31 March 2020

		At 31 March 2020	At 31 March 2019
Assets	Note	£'000	£'000
<b>Non-current assets</b>			
Investments	9	760,160	760,160
Deferred taxation asset	8	7,849	7,023
Trade and other receivables	10	285,681	180,781
<b>Total non-current assets</b>		<b>1,053,690</b>	<b>947,964</b>
<b>Current assets</b>			
Trade and other receivables	11	111	105,533
Cash at bank and in hand		11,343	5,463
<b>Total current assets</b>		<b>11,454</b>	<b>110,996</b>
<b>Total assets</b>		<b>1,065,144</b>	<b>1,058,960</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	(28,052)	(28,724)
<b>Total current liabilities</b>		<b>(28,052)</b>	<b>(28,724)</b>
<b>Net current (liabilities)/assets</b>		<b>(16,598)</b>	<b>82,272</b>
<b>Total assets less current liabilities</b>		<b>1,037,092</b>	<b>1,030,236</b>
<b>Net assets</b>		<b>1,037,092</b>	<b>1,030,236</b>
<b>Equity</b>			
Share capital	13	324,551	324,551
Share premium		464,700	464,700
Profit and loss account		247,841	240,985
<b>Total equity</b>		<b>1,037,092</b>	<b>1,030,236</b>

The notes on pages 13 to 24 form part of these financial statements.

These financial statements of DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited) (registered number 07073338) were approved and authorised for issue by the board of directors on 21 December 2020 and signed on its behalf by:



M C Woodfine  
Director

**DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

**Statement of changes in equity**

**For the financial year 1 April 2019 to 31 March 2020**

	Share capital £'000	Share premium account £'000	Hedging reserve £'000	Profit and loss account £'000	Total £'000
<b>Balance as at 1 April 2018</b>	232,051	372,200	33	237,138	841,422
Loss and total comprehensive loss for the financial year	-	-	-	(3,847)	(3,847)
Issue of share capital	92,500	92,500	-	-	185,000
Other comprehensive expense	-	-	(33)	-	(33)
<b>Balance as at 31 March 2019</b>	324,551	464,700	-	240,985	1,030,236
Profit and total comprehensive income for the financial year	-	-	-	6,856	6,856
<b>Balance as at 31 March 2020</b>	324,551	464,700	-	247,841	1,037,092

The notes on pages 13 to 24 form part of these financial statements.

*Share premium*

Share premium account represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

*Hedging reserve*

Hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges.

*Profit and loss account*

Profit and loss account reserve represents accumulated retained earnings.

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Notes to the financial statements**

#### **For the financial year 1 April 2019 to 31 March 2020**

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

DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited) continues to act a holding company for the DXC group companies.

The Company is a private company, limited by shares incorporated in the United Kingdom under Companies Act 2006, limited by shares and registered in England and Wales. The Company's registered and principal address is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, United Kingdom GU11 1PZ.

##### **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 the Company have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its 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 the ultimate parent company, DXC Technology Company ("DXC") 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 45(b) and 46 to 52 of IFRS 2, 'Share-based payment';
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of the following paragraphs of IAS 1 Presentation of Financial Statements:
  - 10(d) and 111 – a statement of cash flows for the period;
  - 10(f) – a Balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements;
  - 16 – a statement of compliance with IFRS, which is not applicable since we are adopting FRS101 rather than following IFRS in full;
  - 38A-D and 40A-D – a third Balance sheet, profit and loss and other comprehensive income, statement of changes in equity and other additional comparative information;
  - 134-136 – disclosure of management of capital;
- the disclosure exemptions of IFRS 3 "Business combinations";

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Notes to the financial statements (continued) For the financial year 1 April 2019 to 31 March 2020**

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

##### **Basis of preparation (continued)**

- the disclosure exemptions from paragraphs 30 and 31 of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”;
- the requirements of IAS 7 “Statement of Cash Flows”;
- the requirements of paragraph 17 and 18 A of IAS 24 Related Party Disclosures;
- 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 is profit making and reports net assets. Confirmation has been provided by the ultimate parent company, which has provided a letter of support, that it will continue to support the operations going forward for a minimum of twelve months from the date of signing these financial statements.

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. These are set out in detail within the Strategic Report.

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

##### **New standards, amendments and IFRIC interpretations**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting period. The adoption of these standards does not have any material impact on the financial statements of the company which needs to be disclosed.

There are no other amendments to accounting standards, or IFRIC interpretation that are effective for the year ended 31 March 2020 have had a material impact on the company. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

##### **Consolidation**

The Company has taken advantage of the exemption under s401 to the Companies Act 2006 from the requirement to produce consolidated financial statements since the Company itself is a wholly owned subsidiary undertaking of DXC Technology Company, a Company registered in the United States of America, which itself prepares consolidated financial statements. The financial statements therefore present information as an individual undertaking and not as a group. Copies of the group financial statements of DXC Technology Company are available from its registered address 1775 Tysons Blvd, Tysons, VA 22102, USA.



## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Notes to the financial statements (continued) For the financial year 1 April 2019 to 31 March 2020**

#### **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 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 'Other operating expenses'.

##### **Interest income**

Interest income is recognised in the Statement of profit and loss using the effective interest method.

##### **Finance costs**

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

##### **Dividend income**

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

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

The tax expense for the financial year 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 charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Balance sheet 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 Balance sheet and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Notes to the financial statements (continued) For the financial year 1 April 2019 to 31 March 2020**

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

##### **Investments**

###### *Investments in subsidiaries*

Investments in subsidiaries 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 Statement of profit and loss.

##### **Financial instruments**

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

##### **Financial assets**

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

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using effective interest method, less any appropriate provision for impairment. The Company applies the IFRS 9 simplified approach to measure the expected credit loss which uses a lifetime expected loss allowance for all trade receivables.

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.

###### *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. In the Balance sheet, 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*

Trade and other payables represent amount of overdraft withdrawn the bank and other payables to the related parties as at the year end.

###### *Derivative financial instruments*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising any resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Statement of profit and loss. Changes in the fair values of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of profit and loss, together with any changes in the fair values of the hedged assets or liabilities that are attributable to the hedged risk.

###### *Finance costs and debt*

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

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

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

#### **For the financial year 1 April 2019 to 31 March 2020**

#### **3) Judgements and key resource of estimation uncertainty**

Certain accounting policies are considered to be critical. An accounting policy is considered to be critical if, in the Directors' judgement, its selection or application materially affects the financial position or results. The application of the accounting policies also requires the use of estimates and assumptions that affect the financial position or results.

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

#### **Critical judgements in applying the Company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

#### **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.

#### **Key sources of estimation of uncertainty**

Areas for which there are 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 are discussed below:

#### **Impairment of investments in subsidiaries**

Determining whether Company's investment in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investment in subsidiaries at the date of Balance sheet was £760,160,000 (2019: £760,160,000) with an impairment loss of £nil (2019: £nil).

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

#### **4) Operating loss**

	Financial year 1 April 2019 to 31 March 2020	Financial year 1 April 2018 to 31 March 2019
	£'000	£'000
Operating loss is stated after charging:		
Admin expenses	(32)	(177)

Auditor's remuneration was borne by a fellow group Undertakings within the DXC Technology Company group. The allocated fees payable to the company Auditor for the audit of company's annual financial statement is £10,000 (2019: £10,000).

#### **5) Dividend income**

During the year the company received the dividend income of £68,746 from CSC Computer Sciences Romania Srl.

#### **6) Employees and Directors**

##### **Employees**

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

##### **Directors**

##### **Total remuneration borne by other entities**

The total amounts paid to the directors amounts to £906,696 which is borne by DXC UK International Limited (formerly CSC Computer Sciences International Limited) and EntServ UK Limited.

##### **Highest paid director**

The highest paid director was paid through EntServ UK Limited.

**DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

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

**For the financial year 1 April 2019 to 31 March 2020**

**7) Finance Income & Expenses**

<b>Finance income</b>	<b>Financial year 1 April 2019 to 31 March 2020</b>	<b>Financial year 1 April 2018 to 31 March 2019</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable on loans to fellow group companies	6,007	5,749
Bank interest income	6	2
	<u>6,013</u>	<u>5,751</u>

Interest receivable on loans to fellow group companies relates to intercompany loans. The details of these loans are disclosed in note 10 and 11.

<b>Finance expense</b>	<b>Financial year 1 April 2019 to 31 March 2020</b>	<b>Financial year 1 April 2018 to 31 March 2019</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable on bank loans and overdrafts	20	1,513
Other finance expenses	-	91
Loss on derivative financial instruments	-	123
	<u>20</u>	<u>1,727</u>

# DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)

## Notes to the financial statements (continued) For the financial year 1 April 2019 to 31 March 2020

### 8) Taxation

#### Current taxation

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
--	--	--

#### Current tax

UK corporation tax on profits for the year 19% (2019: 19 %)

Adjustment in respect of prior years

Total current tax charge

#### Deferred tax

Adjustment in respect of prior years

Origination and reversal of timing differences

Impact of change in tax rate

Total deferred tax benefit

Tax (credit)/charge on Profit/(loss)

#### Reconciliation to total tax charge:

The tax expense for the period is lower (2019: lower) than the standard rate of corporation tax in the United Kingdom for the financial year ended 31 March 2020 of 19% (2019: 19%). The differences are explained below:

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Profit/(loss) before taxation	6,030	3,847
Results multiplied by the standard rate of tax in the United Kingdom of 19% (2019:19 %)	1,146	731
Effects of:		
-Expenses not deductible for tax purpose	(13)	-
-Other short-term timing differences	-	-
- Group relief claim	(1,161)	-
- Transfer Price Adjustment	28	98
- Re-measurement of deferred tax - change in UK tax rate	(826)	(87)
- Adjustments to tax charge in respect of prior periods	-	(766)
- Deferred Tax not recognised	-	24
	(826)	-

The tax rate for the current period is the same as the prior period.

Finance Bill 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 March 2019 had been calculated at this rate.

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

# DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)

## Notes to the financial statements (continued) For the financial year 1 April 2019 to 31 March 2020

### 8) Taxation (continued)

The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year ended 31 March 2020.

The rate of 19% (2019: 17%) has been used to calculate the deferred tax asset.

	Recognised 2020	Recognised 2019	Unrecognised 2020	Unrecognised 2019	Movement in income 2020
	£'000	£'000	£'000	£'000	£'000
Short term temporary differences	7,849	7,023	34,958	31,113	826
	<u>7,849</u>	<u>7,023</u>	<u>34,958</u>	<u>31,113</u>	<u>826</u>

### 9) Investments

<b>Investment in subsidiaries</b>	£'000
Cost	
At 1 April 2019 and 31 March 2020	<u>1,983,238</u>
Provision for impairment	
At 1 April 2019	(1,223,078)
Provided during the year	-
At 31 March 2020	<u>(1,223,078)</u>
Net book value	
At 31 March 2020	<u>760,160</u>
At 31 March 2019	<u>760,160</u>

Investments in subsidiaries are all stated at cost less allowance for impairment. Information on shares held by the Company as at 31 March 2020 are listed in Appendix to note 9 at the end of the financial statements.

# **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

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

**For the financial year 1 April 2019 to 31 March 2020**

### **10) Trade and other receivables: disclosed as non-current assets**

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Amounts owed by fellow group undertakings	285,681	180,781
	<u>285,681</u>	<u>180,781</u>

The amount owed by the fellow Group undertaking includes the:

- Loan of £175,600,000 (2019: £175,600,000) provided to Xchanging UK Limited at an interest rate of 3-month LIBOR plus 1.5% and with a maturity date of 10 May 2021, and
- The loan of £925,000 (2019: £925,000) provided to Xchanging UK Limited at a rate calculated as the sum of the 1.413% five-year swap rate plus 1.5%, with a maturity date of 31 March 2023, and
- The loan of £4,257,000 (2019: £4,257,000) provided to CSC Computer Sciences Limited at a rate calculated as the sum of the 1.413% five-year swap rate plus 1.5%, with a maturity date of 31 March 2023, and
- the loan of £104,900,000 (2019: £104,900,000) provided to CSC Computer Sciences Limited at an interest rate based on LIBOR plus 1.5%. This loan amount of £104,900,000 provided to CSC Computer Sciences Limited (2019: £104,900,000) was reclassified from current assets to non-current assets during the year as the maturity date was extended from 31 March 2020 to 31 March 2023.

### **11) Trade and other receivables: disclosed as current assets**

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Amounts owed by fellow group undertakings	111	105,533
	<u>111</u>	<u>105,533</u>

Amounts owed by fellow group undertaking are not interest bearing and are repayable on demand.

The loan amount of £104,900,000 provided to CSC Computer Sciences Limited (2019: £104,900,000) is reclassified from current assets to non-current assets as the maturity date was extended from 31 March 2020 to 31 March 2023.

### **12) Trade and other payables: disclosed as current liabilities**

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Bank loans and overdrafts	1,118	1,162
Amounts owed to fellow group undertakings	26,934	27,562
	<u>28,052</u>	<u>28,724</u>

Amounts owed to fellow group undertaking are not interest bearing and are repayable on demand.

## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

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

**For the financial year 1 April 2019 to 31 March 2020**

#### **13) Share capital**

	At 31 March 2020	At 31 March 2019
	£'000	£'000
Allotted, Issued, and Fully Paid:	324,551	324,551
324,551,137 (2019: 324,551,137) ordinary shares of £1 each	<u>324,551</u>	<u>324,551</u>

#### **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 its registered address 1775 Tysons Blvd, Tysons, VA 22102, USA.

The immediate parent Company of DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited) is DXC UK International Operations Limited (formerly CSC Computer Sciences International Operations Limited), a Company incorporated in United Kingdom and registered in England and Wales with its registered office situated at Royal Pavilion, Wellesley Road, Aldershot, Hampshire, United Kingdom GU11 1PZ.

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

The Company's name has been changed from CSC Computer Sciences UK Holdings Limited to DXC UK Holdings Limited with effect from 1 April 2020.

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.

There were no material or significant events that occurred in the period from 31 March 2020 to the date of approval that would require adjustment to or disclosure in the financial statements.



## **DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

### **Notes to the financial statements (continued) For the financial year 1 April 2019 to 31 March 2020**

#### **Investments - Appendix to note 9**

Further information on shares held by the Company as at 31 March 2020 are listed in below:

#### **A) Direct Investment made:**

Name of the Subsidiary	Country of incorporation and registered office	Activity	Proportion of ownership interest and voting rights held in (%)	
			2020	2019
CSC Computer Sciences Limited	Royal Pavilion, Aldershot, Hampshire, GU11 1PZ, United Kingdom	Computer services	100	100

#### **B) Indirect investment made:**

Name of the Subsidiary	Country of incorporation and registered office	Activity	Proportion of ownership interest and voting rights held in (%)	
			2020	2019
iSOFT Health Verwaltungs-GmbH	United Kingdom Hill House 1, Little New Street London EC4A 3TR	Computer Services	100	100
iSOFT Health (Ireland) Limited	LiffeyPark, Technology Campus Kildare W23 Y972 Ireland	Computer Services	100	100
Computer Sciences Corporation Services (Pty) Limited	6th Floor West Tower, Canal Walk, Century City, Cape Town 441, South Africa	Computer Services	100	100
DXC UK (Middle East) Limited (formerly CSC Computer Sciences (Middle East) Limited)	Royal Pavilion, Wellesley Road, Aldershot, Hampshire GU11 1PZ, United Kingdom	Computer Services	100	100
CSC UKD 4 Limited	Royal Pavilion, Wellesley Road, Aldershot, Hampshire GU11 1PZ, United Kingdom	Computer Services	100	100
iSOFT Limited	Royal Pavilion, Wellesley Road, Aldershot, Hampshire GU11 1PZ, United Kingdom	Computer Services	100	100

**DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings Limited)**

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

**For the financial year 1 April 2019 to 31 March 2020**

**Investments - Appendix to note 9**

Name of the Subsidiary	Country of incorporation and registered office	Activity	Proportion of ownership interest and voting rights held in (%)	
			2020	2019
RPDP Limited	22 Grenville Street, Jersey, JE4 8PX	Computer Services	100	100
CSC Computer Sciences Middle East Ltd OPC	PO Box 24139, Doha, State of Qatar	Computer Services	100	100
DXC Technology (Middle East) FZ LLC	201, 2nd floor, Pfizer Building, Dubai Media City 500020, Dubai, United Arab Emirates	Computer Services	100	100
Fixnetix Ltd.	Royal pavilion, Wellesley road, Aldershot Hampshire GU11 1PZ, United Kingdom	Computer services	100	100
DXC technology Deutschland Consulting GmbH	Abraham-Lincoln-Park 1 Wiesbaden 65189, Germany	Computer Services	100	95
HouseBuilder XL Ltd.	Future Space - North Gate, Filton road, Bristol England, BS34 8RB United Kingdom	Computer services	100	-