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Company Registration No. 34108659

XCHANGING B.V.

Unaudited Annual Report and Financial statements
for the financial year ended 31 March 2022



XCHANGING B.V.

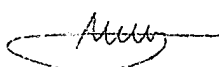
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XCHANGING B.V.
Balance Sheet as at 31 March 2022
(Before appropriation of net result)

		31 March 2022	31 March 2021
	Note	£'000	£'000
Non-current assets			
Financial fixed assets	5, 16	174,239	174,239
Receivables	6	200,204	-
Total fixed assets		374,443	174,239
Current assets			
Receivables	7	135	202,138
Cash and cash equivalents		-	16,186
Total current assets		135	218,324
Total assets		374,578	392,563
Current liabilities			
Bank overdraft		(15,926)	(207)
Payables	8	(36,446)	(118,700)
Total current liabilities		(52,372)	(118,907)
Non-Current liabilities			
Payables	9	(47,703)	-
Total non-current liabilities		(47,703)	-
Total liabilities		(100,075)	(118,907)
Net assets		274,503	273,656
Shareholder's equity			
Share capital		351	354
Share premium		188,421	188,421
Currency translation reserve share capital		(105)	(108)
Merger reserves		-	83,092
Other reserves		83,092	-
Undistributed results		2,744	1,897
Total Shareholder's equity	10	274,503	273,656

The notes on pages 3 to 14 form part of these financial statements.

These financial statements of Xchanging B.V. (registered number 34108659) were approved and authorized for issue by the sole Director on 6 December 2022.



M C Woodfine
Director

XCHANGING B.V.**Income statement for the year ended 31 March 2022**

		31 March 2022	31 March 2021
	Note	£'000	£'000
Foreign exchange gain	11	502	1,511
Other expenses	11	(5)	(1)
		<hr/>	<hr/>
Operating profit	11	497	1,510
Dividend income	12	40,400	-
Finance income	13	1,710	1,678
Finance costs	13	(1,360)	(1,291)
		<hr/>	<hr/>
Profit before taxation		41,247	1,897
Taxation	14	-	-
		<hr/>	<hr/>
Profit for the year		41,247	1,897
		<hr/>	<hr/>

The above results are wholly attributable to continuing operations.

XCHANGING B.V.

Notes to the financial statements for the year ended 31 March 2022

1) Basis of accounting and general information

Xchanging B.V. ("the Company") is a holding Company and does not trade. Its parent entity is Xchanging Holdings Limited.

Xchanging B.V. is a private limited liability Company, incorporated in the Netherlands, registered with the Dutch Chamber of Commerce under number 34108659 and domiciled in United Kingdom with the Companies House under registered number FC027376. The Company's principal address is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, United Kingdom, GU11 1PZ.

The Company is an indirect subsidiary of DXC Technology (DXC) ("the ultimate Parent Company"), a public listed company incorporated in the United States of America and listed on the New York Stock Exchange. The entities controlled directly or indirectly by the ultimate Parent Company are referred as the Group companies ("Group").

The Company qualifies as a micro-sized company, but reports under the requirements of a small sized company. It is not required to have its accounts audited as per Article 396, Paragraph 6, Part 9, Book 2 of the Dutch Civil Code (Art. 2.396 DCC). The Company have availed exemptions of certain disclosures, including a Management Board's report based on Art. 2.396 DCC.

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 periods presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Article 396, Paragraph 6, Part 9, Book 2 of the Dutch Civil Code (Art.2.396 DCC) and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The accounting policies applied for measuring assets and liabilities and the determination of result are based on the historical cost convention, unless otherwise stated in the further principles.

All values are rounded to the nearest thousand pounds (£'000) except where otherwise stated.

Going concern

The Company meets its day-to-day working capital requirements through a combination of intercompany loans from the Group. Assurance has been given by the ultimate Parent Company by way of letter of support 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.

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 and the customer base of the Group.

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

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

Consolidation

The Company has taken advantage of the exemption under Article 408, Part 9, Book 2, of the Dutch Civil Code (Art.2.408 DCC) from the requirement to produce consolidated financial statements since the Company itself is a wholly owned subsidiary undertaking of DXC Technology, 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. A copy of the Group financial statements of DXC Technology will be filed at the Dutch Chamber of Commerce.

Functional currency

The functional currency and reporting currency is GBP.

Operating profit

Operating profit is arrived at after deducting other expenses and crediting foreign exchange gain.

XCHANGING B.V.

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

2) Summary of significant accounting policies (continued)

Finance income

Dividends

Dividend income from financial assets is recognised in the income statement when the Company's right to receive payments is established.

Interest income

Interest income from the loan given to the related parties recognised in the Income statement using the effective interest method

Finance costs

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

Foreign currency transactions

Foreign currency transactions are measured to the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the measurement at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except for the currency translation of share capital denominated in EUR, which is recognised in equity.

Current taxation

Tax is recognised in the Income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds.

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

Financial fixed assets

Investments in subsidiaries and participation

Participations are stated at acquisition cost, as allowed for intermediate companies using the consolidation exemption allowed by (Art. 2.408 DCC), less allowances for permanent diminution in value, if any.

Impairment of investments

At the reporting date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment and also to ensure investment values are substantiated by their net assets or value in use. 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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'Receivables' in the balance sheet.

Cash and cash equivalents

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

Payables

Payables represent amount of loan taken and their corresponding interest payables on such outstanding loan amount payable by the related parties as at the year end. Loans and payables are classified as 'Payables' in the balance sheet.

Cash flow statement

The Company has opted not to disclose a cash flow statement by the exemption allowed under Dutch Accounting Standard 360.104. Copies of the Group financial statements of DXC Technology in which a consolidated cash flow statement is taken up are available from 20408 Bashan Drive, Suite 231, Ashburn, VA 20147, USA, which is the registered office address.

XCHANGING B.V.

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

3) Critical accounting estimates and judgements

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.

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

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

Impairment of investments in subsidiaries

Determining whether the Company's investment in subsidiaries have been impaired requires estimation of investments value in use. The value in use calculations require entity to estimate future cash flows expected to arise from investments and suitable discount rates in order to calculate present values. The carrying amount of investment in subsidiaries at the balance sheet date was £174,239,000 (2021: £174,239,000) after providing the impairment loss of £nil (2021: £nil) and the reversal of impairment loss of £nil (2021: £nil). It is reasonably possible that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the affected asset or liability.

4) Employees and Directors

Employees

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

Directors

During the current year, Director's remuneration was borne by DXC UK International limited.

5) Financial fixed assets

Movements in financial assets is as follows:

Shares in Group undertaking

	31 March 2022 £'000	31 March 2021 £'000
Opening balance	174,239	174,239
Closing balance	<u>174,239</u>	<u>174,239</u>

For details relating to list of the subsidiaries held by this Company, please refer to note 16

XCHANGING B.V.

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

6) Receivables: disclosed as non-current assets

	31 March 2022 £'000	31 March 2021 £'000
Loan owed by Group undertakings	40,870	-
Amount owed by Group undertakings	159,334	-
	<u>200,204</u>	<u>-</u>

Loan receivable from Xchanging UK Limited, one of subsidiary entities amounting to £40.9m which is repayable on 31 March 2025, was reclassified from current assets to non-current assets during the current year. This loan bears interest at 3.6437% and has a maturity date on 31 March 2025.

Amounts owed by Group undertakings are unsecured, and interest free, is reclassified from current assets to non-current assets during the current year, as the management is intended to settle these balances after 31 March 2023.

7) Receivables: disclosed as current assets

	31 March 2022 £'000	31 March 2021 £'000
Amounts owed by Group undertakings	135	159,245
Loan owed by Group undertakings	-	42,891
VAT receivable	-	2
	<u>135</u>	<u>202,138</u>

Amounts owed by Group undertakings are unsecured, and interest free, is reclassified from current assets to non-current assets during the current year, as the management is intended to settle these balances after 31 March 2023.

Loan owed by Group undertakings relates to the loan receivable from Xchanging UK Limited comprises of loan amounting to €1.68m was settled during the year and balance £40.9m loan bearing interest at 3.6437% and which has maturity date as 31 March 2025, was reclassified from current assets to non-current assets during the current year.

8) Payables: disclosed as current liabilities

	31 March 2022 £'000	31 March 2021 £'000
Loans owed to Group undertakings	36,400	71,102
Amounts owed to Group undertakings	46	47,217
Group relief payable	-	381
	<u>36,446</u>	<u>118,700</u>

Loans owed to Group undertakings comprises of loan receivable of £36.4m from Xchanging EMEA Limited at the rate of 1.515% and repayable on 31 March 2023 and loan amount of £34.7m with Xchanging UK Limited was settled during the year.

Amounts owed to Group undertakings are unsecured, interest free and are repayable on demand.

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

9) Payables: disclosed as non-current liabilities

	31 March 2022 £'000	31 March 2021 £'000
Amounts owed to Group undertakings	47,703	-
	<u>47,703</u>	<u>-</u>

Amounts owed to Group undertakings are unsecured, interest free, which are reclassified from current liabilities to non-current liabilities during the current year, as these are going to settle beyond 31 March 2023 as per Management assessment.

10) Shareholder's equity

Movement in shareholder's equity is as follows:

	Share capital £'000	Share premium £'000	Currency translation reserve £'000	*Merger reserves £'000	Other reserves £'000	Undistributed results £'000	Total £'000
Balance as at 31st March 2020	369	188,421	(123)	83,092	-	-	271,759
Profit for the year	-	-	-	-	-	1,897	1,897
Currency translation reserve share capital	(15)	-	15	-	-	-	-
Balance as at 31st March 2021	354	188,421	(108)	83,092	-	1,897	273,656
Profit for the year	-	-	-	-	-	41,247	41,247
Dividend**	-	-	-	-	-	(40,400)	(40,400)
Currency translation reserve share capital	(3)	-	3	-	-	-	-
Reclassification	-	-	-	(83,092)	83,092	-	-
Balance as at 31st March 2022	351	188,421	(105)	-	83,092	2,744	274,503

The authorised ordinary share capital consists of 112,319,226 shares with the par value of EUR 0.01 each. The issued and paid-in ordinary share capital comprises of 41,590,332 shares of EUR 0.01 each, has been revalued using the rate prevailing at reporting date. [31 Mar 2022: 1 Eur = 0.845 (31 Mar 2021: 1 Eur = 0.85193)].

*On account of Group restructuring, Xchanging BV entered into a Sale Agreement with Computer Sciences Corporation to transfer 100% of the shares held in Xchanging Holdco No.3 Ltd for a consideration of £133,461,000 in the form of cash. The difference between consideration received and carrying value of investment was transferred to merger reserves. During the year, the balance under merger reserve has been reclassified to other reserves for better presentation purposes.

**Dividend of £40,400,000 was declared and paid to Xchanging Holdings limited out of current year profits.

The company has proposed to transfer the undistributed profit for the year ended 31 March 2022 amounting to £2,744,000 to other reserves upon board approval.

XCHANGING B.V.

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

11) Operating profit/(loss)

	31 March 2022 £'000	31 March 2021 £'000
Operating profit/(loss) is stated after crediting/(charging):		
-Foreign exchange gains	502	1,511
-Other expenses	(5)	(1)
	<u> </u>	<u> </u>

12) Dividend income

During the year, the Company received dividend of £40,400,000 from Xchanging (Mauritius) Limited. (2021: £nil).

13) Finance income and costs

Finance income

	31 March 2022 £'000	31 March 2021 £'000
Interest income on loans receivable	1,560	1,673
Bank interest income	150	5
	<u> </u>	<u> </u>
	<u>1,710</u>	<u>1,678</u>

Interest income relates to the interest on loan to Xchanging UK limited of £40.9m bearing interest at 3.5% above LIBOR and loan of €1.68m bearing interest at 3.5%.

Finance costs

	31 March 2022 £'000	31 March 2021 £'000
Interest on bank overdraft	(1)	(1)
Interest expense on loans payable	(1,359)	(1,290)
	<u> </u>	<u> </u>
	<u>(1,360)</u>	<u>(1,291)</u>

Interest expenses on loan payable includes the interest payable on the loan borrowed from Xchanging EMEA Limited of £36.4m bearing interest at 1.51% and interest payable on the loans borrowed from Xchanging UK Limited of £34.6m, which got settled on 23 March 2022.

Interest on bank overdraft includes the interest paid on the overdraft balance maintained with the Lloyds bank.

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

14) Taxation

	31 March 2022 £'000	31 March 2021 £'000
Tax credit included in profit and loss		
Current tax:		
UK corporation tax on profits for the year	-	-
Adjustment in respect of prior periods	-	-
	<hr/>	<hr/>
Tax expense for the year	-	-
	<hr/>	<hr/>

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

	31 March 2022 £'000	31 March 2021 £'000
Profit before tax	41,247	1,897
Result multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	7,837	360
Effects of factors affecting future tax expenses:		
- Expenses not deductible for tax purposes	-	1
- Income not taxable	(7,676)	-
- Group relief claimed	(51)	-
- Deferred tax not recognized	(110)	(361)
	<hr/>	<hr/>
Tax expense for the year	-	-
	<hr/>	<hr/>

The Finance Act 2021 included legislation to maintain the main rate of corporation tax at 19%. In addition, an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1st April 2023.

This change was enacted at the balance sheet date, and any material impact has been reflected in the measurement of deferred tax balances.

The rate of 25% (2021: 19%) has been used to calculate the deferred tax asset/(liability).

15) Controlling parties

The ultimate Parent Company and controlling entity is DXC Technology, 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 are available from 20412 Bashan Drive, Suite 250, Ashburn, VA 20147, USA, which is the registered office address.

The immediate Parent Company of Xchanging B.V. is Xchanging Holdings Limited, a Company incorporated in Great Britain and registered in England and Wales.

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

16) Financial fixed assets

The Company has the following principal subsidiary undertakings:

Direct subsidiaries

Name	Country of incorporation and principal place of business	Principal activity	Effective interest and proportion of ordinary shares held	
			2022	2021
Xpanse No 2 Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Corporate	100%	100%
Xchanging (Mauritius) Limited	Mauritius C/o Abax Corporate services 6th Floor, Tower A1 Cyber city, Ebene 1	Corporate	100%	100%
Xpanse Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Corporate	100%	100%
Xchanging UK Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Corporate	100%	100%
Xchanging Italy Holding S.r.L.	Italy Via Della chiusa 2 via della Milan I-20213	Holding company	100%	100%

Indirect Subsidiaries:-

Xchanging Claims Services Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Insurance services	50%	50%
LCO Marine Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Insurance services	50%	50%

XCHANGING B.V.**Notes to the financial statements for the year ended 31 March 2022 (continued)****16) Financial fixed assets (continued)**

Name	Country of incorporation and principal place of business	Principal activity	Effective interest and proportion of ordinary shares held	
			2022	2021
LCO Non-Marine and Aviation Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Insurance services	50%	50%
Xchanging Solutions (USA), Inc.	Delaware Corporation Trust centre 1209, Orange street Wilmington DE 19801	Procurement	100%	100%
Xchanging Technology Services India Private Limited	India 33, Coconut grove 1A Cross 6th Block, 18th Main road Koramangala Bengaluru 95	Computer services	100%	100%
Xchanging Solutions (Singapore) Pte	Singapore 13 International Business park #06-01 Singapore, 609932	Computer services	100%	100%
Xchanging Builders (India) Private	India SJR I Park Plot number 13,14,15 EPIP Industrial area Whitefield, Bengaluru 66	Infrastructure services	100%	100%
Xchanging Solutions Limited	India SJR I Park Plot number 13,14,15 EPIP Industrial area Whitefield Bengaluru 66	Computer services	75%	75%
Nexplicit Infotech India Private Limited*	India SJR I-Park, Plot 13,14,15 EPIP Industrial area Phase I, Whitefield Bangalore 66	Computer services	100%	100%
Xchanging Pty Limited	Australia Level 2, 201 Elizabeth street Sydney, 2000	Computer services	100%	100%

XCHANGING B.V.**Notes to the financial statements for the year ended 31 March 2022 (continued)****16) Financial fixed assets (continued)**

Name	Country of incorporation and principal place of business	Principal activity	Effective interest and proportion of ordinary shares held	
			2022	2021
Xchanging Broking Services Limited*	The Shard, 32, London bridge street London SE1 9SG	Insurance services	100%	100%
Xchanging (Rebus) Pension Trustees Limited*	The Shard, 32 London bridge street London SE1 9SG	Financial services	100%	100%
Xchanging Global Insurance Systems Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Technology	100%	100%
Ins-Sure Holdings Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Insurance services	50%	50%
Ins-Sure Services Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Insurance services	50%	50%
LPSO Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Insurance services	50%	50%
London Processing Centre Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Insurance services	50%	50%

XCHANGING B.V.**Notes to the financial statements for the year ended 31 March 2022 (continued)****16) Financial fixed assets (continued)**

Name	Country of incorporation and principal place of business	Principal activity	Effective interest and proportion of ordinary shares held	
			2022	2021
Xchanging Global Insurance Solutions Limited	United Kingdom Royal Pavilion Wellesley Road Aldershot, Hampshire GU11 1PZ	Technology	100%	100%
Xchanging Asia Pacific Sdn Bhd	Malaysia HP Global Center, Persiaran Rimba Permai Cyber 8, 63000, Cyberjaya, Selangor Darul Ehsan	Computer services	100%	100%
Xchanging Italy S.p.A.	Italy Via della Chiusa 2 Milano 20123 Italy	IT services	100%	100%
Xchanging Malaysia Sdn Bhd	Pusat Data Wimax Jalan Strachan Kuala Lumpur 51100	Computer services	100%	100%
Data Integration Limited**	United Kingdom 156, Great Charles Queensway, West Midlands, B3 3HN	Computer services	-	100%
Xchanging Technology for Intermediaries Pty Ltd**	Australia Level 10 390, La trobe street Melbourne 3000	Computer services	-	100%

XCHANGING B.V.

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

16) Financial fixed assets (continued)

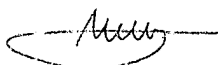
Name	Country of incorporation and principal place of business	Principal activity	Effective interest and proportion of ordinary shares held	
			2022	2021
Xchanging Solutions (Europe) Limited**	United Kingdom Hill House 1, Little New Street London EC4A 3TR	Computer services	-	100%
Xchanging International Limited**	United Kingdom 156, Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN.	Computer services	-	100%
Xchanging Integrated Services Victoria Pty Limited**	Australia Macquarie Park Sydney NSW 2113	Computer services	-	100%
Xchanging US Funding Limited**	United Kingdom 156, Great Charles street, Queensway, Birmingham, West Midlands, B3 3HN.	Holding Company	-	100%

*Represent the entities which are in liquidation and will be liquidated in subsequent year(s).

** Represents the entities which are liquidated during the year.

17) Events after the end of the reporting period

No material events have occurred since 31 March 2022 that would make the present financial position substantially different from that shown as at balance sheet date.



M C Woodfine
Director