Company Registration No. 00963578

CSC Computer Sciences Limited

Annual report and financial statements
For the financial year from 1 April 2019 to 31 March 2020

CSC Computer Sciences Limited

Contents

CSC Computer Sciences Limited

Officers and professional advisers

Directors

T A Gough	Resigned on 7 April 2020
CN Halbard	Appointed on 7 April 2020
M A Majed	Resigned on 26 February 2020
S J Turpie	Appointed on 4 March 2020
M C Woodfine	

Company secretary

M C Woodfine

Registered office

Royal Pavilion
Wellesley Road
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United Kingdom

Principal bankers

Royal Bank of Scotland
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Vistra Corporate Law Limited
First Floor
10, Temple Back
Bristol
United Kingdom
BS1 6FL

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Deloitte LLP
Statutory Auditor
3 Victoria Square
Victoria Street
St. Albans
AL1 3TF
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CSC Computer Sciences 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 section 414c of the Companies Act 2006.

CSC Computer Sciences 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, GU11 1PZ.

The Company is an indirect subsidiary of DXC Technology Company (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 financial statements for the year 1 April 2019 to 31 March 2020 are set out on pages 17 to 57.

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

Many of our clients are responsible for the country's infrastructure, defence and security while others are global leaders in banking, communications, manufacturing, retail, energy and utilities. These clients trust DXC's technology-based solutions and services to run and transform their businesses.

The Company's mission is to enable superior returns on our client's technology investments through best-in-class vertical industry solutions, domain expertise, strategic partnerships with key technology leaders and global scale. We generally do not operate through exclusive agreements with hardware or software providers and believe this independence enables us to better identify and manage solutions specifically tailored to each client's needs.

Results and key performance indicators
A profit for the financial year of £18,405,000 (2019: loss of £47,883,000) has been transferred to reserves.

Details of the financial business results for the period are:

	1 April 2019 to 31 March 2020	*1 April 2018 to 31 March 2019*	*Change*
	£'m	*£'m*	*%*
Revenue	725.9	743.2	-2
Gross profit	122.2	130.3	-6
Gross profit margin	16.8%	17.5%	-0.7 ppts
Operating profit / (loss) before exceptional items	22.4	28.9	-23
Loss before tax	(0.6)	(30.9)	-98

Revenue declined by 2% from £743.2 million in the previous year to £725.9 million in the current year due to reduction in customer contracts. Despite a challenging economic environment and trading activity, the results for the year were broadly in line with management's expectations with known contract expirations taken into consideration.

Gross profit margin for the year has decreased in comparison to prior year and is reported at 16.8% (2019: 17.5%).

Results and key performance indicators (continued)
After overhead costs the operations results showed a decrease in profitability of the Company before exceptional items. An operating profit before exceptional items of £22.4 million is recorded for the year as compared to prior year profit of £28.9 million.

During the financial year ended 31 March 2020 restructuring actions were initiated in certain areas to realign our cost structure and resources to take advantage of operational efficiencies following recent acquisitions and the merger. The restructuring costs were largely the result of implementing workforce reductions. The costs of such reductions for the financial year were £14.9 million (2019: £16.5 million). In addition, the Company has provided for impairment of its investments to the extent of £8.7 million (2019: £nil) and has written back the impairment provided for receivables in the prior year to the extent of £6.9 million (2019: impairment loss of £34.6 million). The Company reports an operating profit of £5.7 million (2019: loss of £22.2 million).

The Company's administrative expenses for the current financial year had increased marginally due to the intercompany overhead costs.

Including exceptional items, the total loss before tax for the year is £0.6 million (2019: loss £30.9 million).

IFRS 16 'Leases' did not have a significant impact on the current period.

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

- Foreign currency risk

As a global business, the Company faces exposure to adverse movements in foreign currency exchange rates. In the normal course of business, the Company enters into certain sales and supply/service contracts denominated in foreign currency. Potential foreign currency exposures arising from these contracts are analysed during the bidding process. The Company generally manages these contracts by incurring costs in the same currency in which the revenue is received, and any related short-term contract financing requirements are met by borrowing in the same currency. At 31 March 2020, the Company had nil forward foreign exchange contracts in place. The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so.

- Credit risk

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

- Liquidity risk

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

Cash flow forecasting is performed at the DXC UK Group level by the treasury team, which monitors the rolling forecasts of the liquidity requirement to ensure it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its cash pool facilities at all times so that the Company does not breach the borrowing limits.

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 in 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 rule out – both as the transition period ends and immediately after.

Risk management, objectives and policies (continued)
DXC has been actively planning for various Brexit scenarios since September 2018, with regular reporting to Senior Managers from a dedicated Brexit readiness team. Significant mitigation has already put in place to reduce the organisation's exposure in a number of key areas. The progress of EU / UK negotiations is 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.

COVID-19
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 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 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.

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. The Company has recognised an impairment loss of £8.7m.

Further details on other business risks and uncertainties can be found in Section 1A of the DXC's consolidated financial statements for the year ended 31 March 2020, which are available to the public and may be obtained from 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.

The Company will continue to provide computer consultancy, systems integration and computer outsourcing services. The business has been able to diagnose those areas in which efficiencies and improvements can be made and implement plans to reduce costs. The Company aims to further execute cost reduction strategies within the organisation to continue to stabilise, if not improve, profitability for the next financial year. It also focuses on reskilling employees with advanced digital capabilities, expanding the DXC Partner Network to support clients in their digital transformations.

In relation to COVID-19, management recognises 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.

Section 172(1) statement

The success of the company's business is dependent on the support of all of its stakeholders. Building positive relationships with stakeholders that share our values is important to the directors and working together towards shared goals assist us in delivering long term sustainable success.

The directors are taking their obligations under section 172 very seriously.

Outcome of stakeholder engagement at an operational level is considered by the directors when making decisions. Reports are regularly made to the directors by the business units about the strategy, performance and key decisions taken which provide the directors with assurance that proper consideration is given to stakeholder interests in decision making. The directors also obtain the views of stakeholders through day-to-day business interactions, regular reporting and meetings and use this information to assess the impact of decisions on each stakeholder group as part of its own decision making process. The directors consider the trade-offs between different stakeholders over the long term, weighing up and evaluation the decision between each group.

The directors make decisions with a long term view in mind and with the highest standards of conduct in line with Group policies. The directors have regard to the likely consequences on all stakeholders of the decisions and actions which they take. When possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken.

Over the financial year in question, the directors have acted in good faith to continually balance the success of the company for the benefit of its members whilst having regard to wider stakeholder needs as per the requirements set out in section 172 Companies Act 2006.

Details of the key stakeholders and how the company engages with them are set out below:

Shareholder:

- Fortnightly company board meetings ensure that any short-term gains such as the receipt of loans or the Company's involvement in other inter-company transactions or projects are given time to be considered and a conclusion reached as to whether such action is in the best interests of the company.
- Any inter-company transactions or those with inter-company impact must first be reviewed and approved by the Corporate Finance Executive Committee to ensure the Company's compliance with the DXC group policies and procedures on such.
- The company does not follow a specific policy on dividends which are instead declared and paid on an ad hoc basis subject to the financial position of the company and future forecasting.

Employees:

- Over the financial year in question, the company commissioned a survey consisting of 22 questions covering all elements of engagement which 59% of the company's employees responded to. Results were shared at a global, regional and company level and the directors worked alongside HR to drive improved engagement.
- The company strives to support a culture of performance matched with integrity and follows a set of CLEAR values (Client focused, Leadership, Execution excellence, Aspiration and Results) to guide business decisions and inform board actions.

Customers & Business:

- Ensuring that business is conducted in a morally appropriate and ethical manner. To this end, the Company's code of conduct is reviewed on an annual basis to refresh and reinforce the importance of compliance with company policy and applicable laws.
- The Company has account and delivery teams for its largest customers to ensure that it can continuously engage and move the company's services and the customer business forward. Examples of this include:
- Developing and maintaining a comprehensive governance regime which includes structured open contact at multiple levels including operational forums, commercial forums, financial interaction between with the company's finance team and also executive level interaction up to and including the Customer and DXC CEOs;
- As a result of these processes, any issues that do arise can be dealt with at the appropriate level.

Suppliers:

- The Company actively manages it suppliers through its Supplier Relationship Management Programme which gives suppliers contact and feedback at all layers of the business by holding regular reviews with its supplier's account or operational, finance and sales teams.
- This process allows both the supplier and the Company to feedback on performance, opportunities and to address any issues.

Environmental:

- During FY20, the Company submitted a Responsible Supply Chain survey to some of its suppliers, in order to ensure that they are meeting, and better exceeding, environmental standards.

CSC Computer Sciences Limited

Strategic report (continued)

Section 172(1) statement (continued)

Communities:

- The Company engages with the communities in which it operates to build trust and understand the local issues. Key areas of focus include how the company can support local causes and issues, create opportunities to recruit and to help look after the environment.

Approved by the board and signed on its behalf by:

M C Woodfine
Director
11 December 2020

Registered Office:
Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

Directors' report

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

Principal activity
The Company continues to provide computer consultancy, systems integration and computer outsourcing services.

Future developments
Future developments have been detailed in the Strategic report on page 4 and form part of this report by cross reference.

Events since the reporting date
Details of the significant events after the reporting date are contained in note 27 to the financial statements.

Research and development
The Company continues to invest in research and development to extend its product offerings and improve the efficiency of its existing products. During the financial year, the Company incurred costs totalling £5,682,000 (2019: £9,856,000).

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

Financial risk management objectives and policies
Performance and finance risk management is an integral part of the Company's management processes. Details of the Company's risk management are set out in the Strategic report on page 3 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:

T A Gough	Resigned on 7 April 2020
CN Halbard	Appointed on 7 April 2020
M A Majed	Resigned on 26 February 2020
S J Turpie	Appointed on 4 March 2020
M C Woodfine	

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

Political contributions
No political donations were made during the financial year (2019: £nil).

Going concern
The Company is profit making, reports net assets, has positive working capital, pension surplus and forecasts profitable trading into the future; thus, the directors have a reasonable expectation that the Company has 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.

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.

Employees
Details of the number of employees and related costs can be found in note 8 to the financial statements.

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

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

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

Disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation
The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group and the Company. This is achieved through formal and informal meetings, the Company magazine and a special edition for employees of the annual financial statements. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. The employee share scheme has been running successfully since its inception. Eligible employees may receive awards under the plan, which primarily include time-based restricted share units (RSUs) and performance-based restricted share units (PSUs). In addition, eligible employees participate in an annual cash bonus plan, with pay-out based on achievement of financial and customer satisfaction metrics.

Engagement with suppliers, customers and others
Engagement with suppliers, customers and others have been detailed in the Section 172(1) statement under the Strategic report on pages 4 to 6 and forms part of this report by cross reference.

Energy and Carbon Report
As per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, information on the company's energy consumption and carbon emissions are included at the end of this report on pages 11 to 14.

The report included has been drawn up for the UK CSC subsidiaries (CSC group and XIS group) of the DXC Technology Group. The report contains combined energy for this subgroup of companies. It has been impractical to present this data on an entity basis and so a combined report is presented.

Corporate governance
As a subsidiary company of the DXC Technology company group which is listed on the New York Stock Exchange, the Company has development governance practices and processes that are fit for purpose.

The directors have applied an undocumented system of governance by:

a) Promoting the purpose of the Company to deliver information technology services and solutions;
b) Regularly reviewing board composition to ensure that it has an appropriately diverse balance of skills, background, experience and knowledge and that individual directors have sufficient capacity to make a valuable contribution;
c) To support effective decision making directors consider the System of Internal Control and the Code of Conduct when acting in their capacity as a director of the Company;
d) In accordance with the governance practices and processes that it adopts the board is supported by System of Internal Control to identify opportunities to create and preserve value;
e) Having regard to and fostering good stakeholder relationships.

Directors' report (continued)

Stakeholder Engagement
The Company aims to build enduring relationships with governments, regulators, customers, partners, suppliers and communities in the United Kingdom. The Company works with its business partners in an honest respectful and responsible way and seeks to work with others who share the Company's commitments to safety, ethics and compliance.

The Company's activity effect a wide variety of individuals and organisations. The company engages with these stakeholders and listens to their differing needs and priorities as an everyday part of its business and used the input and feedback to inform its decision making.

On behalf of the Company, the DXC group participates in industry associations that offer opportunities to share good practise and collaborate on issues of importance. Additionally, it works with governments on a range of issues that are relevant to its business, from regulatory compliance, to collaborating on community initiatives.

The group seeks to engage with customers through social media, focus groups and in-depth interviews with customers to better understand customer's needs and seek their feedback.

Employee Engagement
Employees of the Company are informed of information on matter of concern to them as employees through the employee intranet and local sites, e-mails, social media channels, town halls, site visits and webinars including topics such as quarterly results, strategy, business updates and diversity.

There are a number of employee share plans in place at group level. The group operates share save and share reward plans. The group also operates group-wide discretionary share plans, which allow employee participation at different levels globally and is linked to the group's performance.

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 sections 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 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:

M C Woodfine
Director
11 December 2020

Registered Office:
Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

CSC Computer Sciences 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 UK 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.

CSC Computer Sciences Limited

Energy and Carbon report
For the financial year 1 April 2019 to 31 March 2020

This is the first Energy and Carbon report produced by CSC Computer Sciences Limited ('the Company') which includes data pertaining to the Company and the XIS group (together called 'CSC') since they are part of the DXC UK group ('the Group') to have a consolidated data reported in the Group's 'large' organisation in the UK region due to the impracticality of presenting this data on an entity basis and to provide an overview of the energy and carbon emissions under CSC's operational control of and the mechanisms being put in place to manage these impacts.

The UK Government's 2018 Regulations launched the Streamlined Energy and Carbon Report (SECR) which required all large UK companies to report their carbon emissions and energy usage on an annual basis. The regulations take effect from 1 April 2019 and cover financial reporting years starting after this date. CSC falls within scope of the SECR reporting obligations as a 'large' organisation due to its size and is required to report the following:

- UK energy use (to include as a minimum purchased electricity, gas and transport)
- Associated greenhouse gas emissions
- At least one intensity ratio
- Information about energy efficiency action taken in the organisation's financial year
- Methodologies used in calculation of disclosures.

CSC has voluntarily reported the comparative data in this report.

Reporting boundaries

Operational control
CSC is a legal entity under the US based parent company DXC Technology. DXC's UK property portfolio comprises a wide variety of both owned and leased sites, including Data Centers, Offices, and other uses. DXC report environmental impacts at a global level and CSC reflect the same approach in company reporting for the UK. An operational control approach is used to define the scope according to the GHG Protocol.

Reporting Units
The following 21 sites are in scope for CSC:

Table 1: CSC sites in scope FY20

Site Name	Location
Maidstone Data Center	Pegasus place, Maidstone
Aylesford Data Center	Bellingham Way, Aylesford
Sevenoaks Data Center	North Downs Business Park, Sevenoaks
Tunbridge Wells Data Center	Spectrum House and Millennium House, Tunbridge Wells
Chesterfield Manor Offices	Old Road, Chesterfield
Aldershot Royal Pavilion	Wellesley Road, Aldershot
Maidstone	Bircholt Road, Maidstone
Chorley	Euxton Lane, Chorley
London Pancras Square	Pancras Square, London
London Tenter House	Moorfields, London
Grace Street	West Gate, Leeds
Crossgate House	Cross Street, Sale
Huthwaite	Nunn Brook Rise, Huthwaite
Banbury Business Park	Wildmere Industrial Estate, Banbury
Endeavour Drive	Endeavour Drive, Basildon
Gosport	Grange Road, Gosport
Llantarnam Park	The Pavilions, Cwmbran
Walter Burke Way	Walter Burke Way, Chatham
Fulwood Park	Caxton Road, Preston
Enfield Street	Roundhay Road, Leeds
Tewkesbury	Alexandra Way, Tewkesbury

CSC operate a fleet of leased road vehicles which make up the transport energy and emissions included in this report.

CSC Computer Sciences Limited

Energy and Carbon report (continued)
For the financial year 1 April 2019 to 31 March 2020

Baseline and reporting periods

CSC's financial year runs from April to March. The first reporting period for SECR is 1 April 2019 to 31 March 2020, hereafter referred to as FY20. The previous year is taken as the comparison reporting (baseline) year, 1 April 2018 – 31 March 2019 (FY19).

UK Energy use

Table 2: Energy use

Energy, kWh	FY19	FY20	% change
Natural gas	6,200,039	4,340,645	-30%
Diesel	1,302,236	1,322,251	+ 2%
Electricity	89,788,194	80,397,514	-10%
Transport	3,176,055	154,440	-95%
Total energy use	**100,466,524**	**86,214,850**	**-14%**

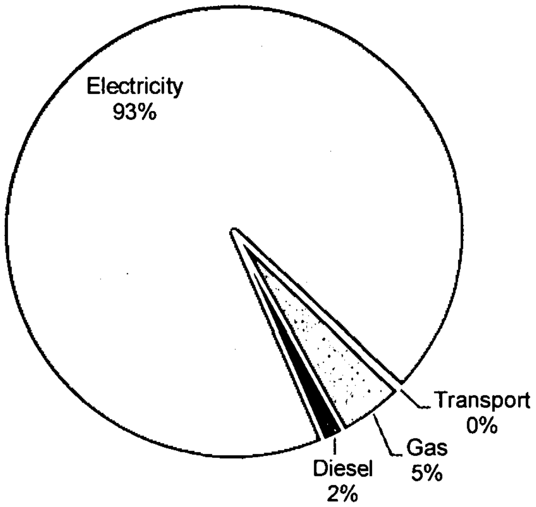

Figure 1: Breakdown of CSC energy use (kWh) in FY20

93% of CSC's energy use is electricity and this is the primary focus of energy saving initiatives. Principal uses of electricity include IT load and cooling in data centres as well as lighting and power across all sites. Natural gas is used for heating in offices. Diesel generators act as the emergency power supply for data centers, and the primary use of diesel is for regular maintenance checks of these systems.

Mileage data is collected for CSC's fleet of leased vehicles. The provision of data has improved from FY19, where contractual maximum mileage was reported, to FY20 where actual mileage travelled was recorded. This manifests as a significant apparent reduction in transport energy use.

Associated greenhouse gas emissions

Table 3: Location based GHG emissions

GHG emissions, $tCO_2(e)$	FY19	FY20	% change
Scope 1 – Gas	*1,141*	*798*	*-30%*
Scope 1 – Diesel	*329*	*334*	*+1%*
Scope 1 - Transport	*783*	*37*	*-95%*
Total Scope 1	2,253	1,169	-48%
Total Scope 2 *Electricity*	25,416	20,550	-19%
Total scopes 1 & 2	**27,669**	**21,719**	**-22%**

Table 4: Market based GHG emissions

GHG emissions, $tCO_2(e)$	FY19	FY20	% change
Scope 1	2,253	1,169	-48%
Scope 2	6,768	2,048	-70%
Total scopes 1 & 2	**9,021**	**3,217**	**-64%**

CSC Computer Sciences Limited

Energy and Carbon report (continued)
For the financial year 1 April 2019 to 31 March 2020

Associated greenhouse gas emissions (continued)
CSC procures renewable electricity backed by Guarantees of Origin. This reduces the total location based emissions by 85% to a small market based emissions footprint.

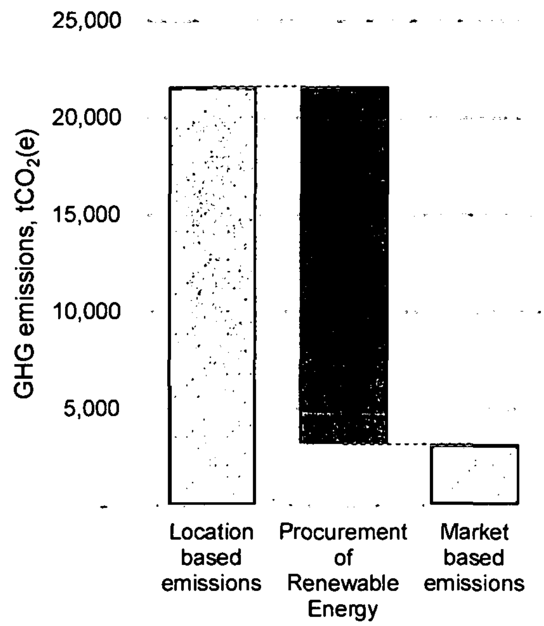

Figure 2: Comparison of location based and market based emissions FY20

Intensity ratio

Table 5: Location based GHG emissions per unit floor area

GHG emissions, $kgCO_2(e)$ per m2 floor area	FY19	FY20	% change
Scope 1	28	15	-48%
Scope 2	317	257	-19%
Total scopes 1 & 2	**345**	**272**	**-21%**

CSC's energy use is predominantly in buildings and the site portfolio is variable year on year. Floor area is therefore used as the intensity metric to evaluate efficiency of CSC's space. From FY19 to FY20 floor area remained static, with only a 0.4% increase.

Energy efficiency action
The CSC portfolio includes four Strategic Data Centres which make up 73% of CSC's electricity use. These sites are certified to ISO 50001 and have an active Energy Management System (EnMS) fully embedded within site operations. Energy efficiency activities take place as part of "business as usual" operation, with a focus on reducing energy used for cooling (one of the significant energy uses on site). These include correct positioning and management of grilles and vents distributing cold air, management of setpoint temperatures and volumes, use of free cooling where possible, and use of variable speed drives to handle flexible loads.

There has been a significant reduction in transport use between FY19 and FY20. This is due to both a marked reduction in fleet vehicles across the operation, and reduced transport in the early months of 2020 due to COVID-19.

Methodologies used
The information in this report has been compiled in accordance with the **GHG Protocol Corporate Standard.**

DXC Technology implements a Global GHG Reporting Procedure which has been updated in 2020 and has been externally verified to limited assurance. This section summarises key aspects from this methodology which are applicable to CSC's operations in the UK.

An operational control approach is taken where owned and leased assets are considered in scope where operated by DXC. All CSC UK sites recorded in DXC's Property Management Database are included in scope unless specifically excluded under criteria in accordance with the GHG Protocol.

Energy and Carbon report (continued)
For the financial year 1 April 2019 to 31 March 2020

Methodologies used (continued)
Reporting years align with the Company's financial year:

Table 6: Base and reporting years

Target base year FY19	1st April 2018 to 31st March 2019
Reporting year FY20	1st April 2019 to 31st March 2020

Actual data is obtained as far as possible, with priority given to sites with the greatest impact on GHG emissions. This limits the need for estimation to smaller, lower impact sites. For CSC in FY20, 89% of the energy use reported in Table 2 is based on actual data, and 11% is estimated. Where actual data is not available for a site, consumption is estimated based on best available information.

Data collection
Energy data is collected at monthly resolution from the following sources:

Table 7: Data sources

Energy broker	Invoice data from energy suppliers Renewable energy certificates
FM provider	Invoice data from energy suppliers Invoice data from landlords Metered consumption data Diesel delivery volumes
DXC Fleet Operations team	Mileage for leased vehicles Vehicle information including fuel type, size, registration.

Data provided undergoes a number of verification checks, including reconciliation between different sources reporting the same data, sampling of data back to supplier invoices, and identification and interrogation of anomalies.

Emissions factors
Location based emissions factors used are the UK Government conversion factors for company reporting. A single set of factors are applied to the reporting year, i.e. the 2019 conversion factors are applied to the full FY20 reporting year.

Market based factors are applied where renewable energy certificates are provided to cover some or all of the electricity consumed.

External verification
Limited assurance of DXC's global GHG inventory for FY20 and FY19 has been provided by Lloyd's Register (LRQA). This verification was conducted in accordance with ISO 14064-3. The CSC UK data reproduced in this report is a subset of DXC's global GHG inventory and is therefore covered by this verification.

Independent auditor's report to the members of CSC Computer Sciences Limited

For the financial year 1 April 2019 to 31 March 2020

Report on the audit of the financial statements

Opinion on financial statements of CSC Computer Sciences Limited (the 'Company')
In our opinion the financial statements:

- give a true and fair view of the state of the Company's 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 the "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 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for 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 CSC Computer Sciences 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. This description forms part of our 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

David Halstead FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom
11 December 2020

CSC Computer Sciences Limited

Statement of profit and loss
For the financial year 1 April 2019 to 31 March 2020

	Notes	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Revenue	5	725,871	743,177
Cost of sales		(603,614)	(612,880)
Gross profit		**122,257**	**130,297**
Administrative expenses		(102,956)	(99,362)
Other operating income/(expense)		3,073	(2,038)
Operating profit before exceptional items		**22,374**	**28,897**
Exceptional costs of restructuring	7	(14,876)	(16,472)
Investment impairment	14	(8,735)	-
Reversal of impairment / (impairment) of receivables		6,944	(34,586)
Operating profit/(loss)	6	**5,707**	**(22,161)**
Income from subsidiary		-	485
Finance income	9	52,922	56,126
Finance expense	9	(59,265)	(65,365)
Loss before taxation		**(636)**	**(30,915)**
Taxation	10	19,041	(16,968)
Profit/(loss) for the financial year		**18,405**	**(47,883)**

The above results are wholly attributable to continuing activities.

The notes on pages 21 to 57 form part of these financial statements.

CSC Computer Sciences Limited

Statement of comprehensive income
For the financial year 1 April 2019 to 31 March 2020

	Notes	Financial year 1 April 2019 to 31 March 2020	Financial year 1 April 2018 to 31 March 2019
		£'000	£'000
Profit/(loss) for the financial year		**18,405**	**(47,883)**
Other comprehensive income/(expense): items that will not be reclassified to statement of profit and loss			
Difference between actual and expected return on pension scheme assets	22	20,298	59,666
Effects of changes in assumptions underlying the present value of pension scheme liabilities	22	83,404	(65,629)
Gain/(loss) relating to retirement benefits obligations		103,702	(5,963)
(Charge)/credit on deferred tax relating to pension asset		(19,892)	1,014
Unrealised (loss)/gain on interest rate swap hedging		(1,351)	402
Credit on deferred tax relating to share-based payments		-	88
Total comprehensive income/(expense) for the financial year attributable to *the owners of the Company*		**100,864**	**(52,342)**

The notes on pages 21 to 57 form part of these financial statements.

CSC Computer Sciences Limited

Balance sheet
As at 31 March 2020

	Notes	31 March 2020 £'000	31 March 2019 £'000
Assets			
Non-current assets			
Intangible assets	11	55,889	54,515
Tangible assets	12	124,587	149,442
Right-of-use assets	13	27,332	-
Investments	14	67,974	67,851
Trade and other receivables	17	40,000	40,000
Deferred taxation asset	10	157,630	157,610
Pension assets	22	228,598	117,432
Total non-current assets		**702,010**	**586,850**
Current assets			
Inventory	15	73,903	88,525
Trade and other receivables	16	476,073	451,489
Cash at bank and in hand		395,082	373,789
Total current assets		**945,058**	**913,803**
Total assets		**1,647,068**	**1,500,653**
Liabilities			
Current liabilities			
Trade and other payables	18	(574,838)	(627,243)
Lease liabilities	23	(14,396)	(10,449)
Provisions	20	(10,132)	(10,281)
Total current liabilities		**(599,366)**	**(647,973)**
Net current assets		**345,692**	**265,830**
Total assets less current liabilities		**1,047,702**	**852,680**
Non-current liabilities			
Trade and other payables	19	(464,608)	(361,342)
Lease liabilities	23	(76,761)	(68,000)
Pension liabilities	22	-	(1,898)
Total non-current liabilities		**(541,369)**	**(431,240)**
Total liabilities		**(1,140,735)**	**(1,079,213)**
Net assets		**506,333**	**421,440**
Equity			
Share capital	24	19,560	19,560
Share premium		243,366	243,366
Share-based payment reserve		-	3,115
Profit and loss account		243,407	155,399
Total equity		**506,333**	**421,440**

The notes on pages 21 to 57 form part of these financial statements.

These financial statements of CSC Computer Sciences Limited (registered number 00963578) were approved and authorised for issue by the board of directors on 11 December 2020 and signed on its behalf by:

M C Woodfine
Director

CSC Computer Sciences Limited

Statement of changes in equity
For the financial year 1 April 2019 to 31 March 2020

	Notes	Share capital £'000	Share premium account £'000	Share based payments reserve £'000	Profit and loss £'000	Total £'000
Balance as at 1 April 2018		**19,560**	**243,366**	**-**	**194,841**	**457,767**
Changes in accounting policies		-	-	-	12,900	12,900
Loss for the financial year		-	-	-	(47,883)	(47,883)
Other comprehensive (expense) / income for the financial year						
Movements relating to retirement benefits obligations	22	-	-	-	(5,963)	(5,963)
Movement relating to unrealised gain on interest rate swap hedging		-	-	-	402	402
Movement on deferred tax relating to pension asset	10	-	-	-	1,014	1,014
Movement on deferred tax relating to share-based payment	10	-	-	-	88	88
Total comprehensive expense for the financial year		-	-	-	(52,342)	(52,342)
Share based payment capital contributions	21	-	-	3,115	-	3,115
Balance as at 31 March 2019		**19,560**	**243,366**	**3,115**	**155,399**	**421,440**
Changes in accounting policies	28	-	-	-	-	-
Profit for the financial year		-	-	-	18,405	18,405
Other comprehensive income/(expense) for the financial year						
Movements relating to retirement benefits obligations	22	-	-	-	103,702	103,702
Movement relating to unrealised gain on interest rate swap hedging		-	-	-	(1,351)	(1,351)
Movement on deferred tax relating to pension asset	10	-	-	-	(19,892)	(19,892)
Movement on deferred tax relating to share-based payment	10	-	-	-	-	-
Total comprehensive income for the financial year		-	-	-	100,864	100,864
Share based payment capital contributions	21	-	-	(3,115)	(12,856)	(15,971)
Balance as at 31 March 2020		**19,560**	**243,366**	**-**	**243,407**	**506,333**

The notes on pages 21 to 57 form part of these financial statements.

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

Share based payment reserve represents the equity-settled share-based payments to employees granted by ultimate parent company which is measured at the fair value of the equity instrument at the grant date.

Profit and loss account reserve represents accumulated retained earnings.

Changes in the accounting policy for the year ended 31 March 2020 relates to impact of the adoption of IFRS 16 Leases (refer note 28). Changes in accounting policy for the year ended 31 March 2019 relates to impact of the adoption of IFRS 15.

1) Basis of accounting and general information

CSC Computer Sciences Limited ("the Company") provides computer consultancy, systems integration and computer outsourcing activities. The Company provides its services mainly in the United Kingdom with a smaller proportion of its revenue generated by other European markets, the United States of America and rest of the world.

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, 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 Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. 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 judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where judgements 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 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:
  - (i) 10(d) and 111 – a statement of cash flows for the period;
  - (ii) 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;
  - (iii) 16 – a statement of compliance with IFRS, which is not applicable since we are adopting FRS101 rather than following IFRS in full;
  - (iv) 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;
  - (v) 134 to136 – disclosure of management of capital;
- the disclosure exemptions from paragraph 45(b) and 46 to 52 of IFRS 2 "Share based payment";
- the disclosure exemptions of IFRS 3 "Business combinations";
- the requirements of IAS 7 "Statement of Cash Flows";
- the disclosure exemptions from paragraphs 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors";

Basis of preparation (continued)

- the requirements of paragraphs 17 and 18A of IAS 24 "Related Party Disclosures";
- the requirements of IAS 24 "Related Party Disclosures" 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, reports net assets, has positive working capital, pension surplus and forecasts profitable trading into the future; thus, the directors have a reasonable expectation that the Company has adequate access to resources from its continuing trading results, reserves and access to group support that it can continue in operational existence for the foreseeable future.

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 or amended Accounting Standards and Interpretations adopted

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.

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

The following Accounting Standards and Interpretations are most relevant to the Company:

IFRS 16 Leases

The Company has adopted IFRS 16 from 1 April 2019 using the modified retrospective method. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the balance sheet. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17.

Full details of the impact of the adoption of these standards can be found in note 28, changes in accounting policies.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2020 have had a material impact on the Company.

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 the registered address: 1775 Tysons Blvd, Tysons, VA 22102, USA.

2) Summary of significant accounting policies (continued)

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

Revenue recognition
Revenue, including intercompany revenue, is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

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

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

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

Services
The Company's primary services offerings include information technology (IT) data centre and business process transformation outsourcing, application management services, technology infrastructure and system maintenance, web hosting, and the design and development of complex IT systems to a client's specifications (design and build). These services are provided on a time and material basis, as a fixed price contract or as a fixed price per measure of output contract, and the contract terms generally range from less than one year to ten years. Revenue from IT data centre and business process transformation outsourcing contracts is recognised in the year the services are provided using either an objective measure of output or a straight-line basis over the term of the contract. Under the output method, the amount of revenue recognised is based on the services delivered in the year as stated in the contract.

Revenue from application management services, technology infrastructure and system maintenance, and web hosting contracts is recognised on a straight-line basis over the term of the contract.

Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred. Revenue related to extended warranty and product maintenance contracts is deferred and recognised on a straight-line basis over the delivery period.

Revenue from fixed-price design and build contracts is recognised where the outcome of a contract can be reliably estimated, and revenue and costs are recognised under input method wherein revenue is recognised over time based on progress measured to satisfaction of performance obligation. This is consistent with provisions of IFRS 15 where performance obligation is satisfied over time. Under this method, revenue is either recognised based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract or on an output method upon customers' acceptance of the project's stage of delivery. If circumstances arise that may change the original estimates of revenues, costs, or extent of progress toward completion, then revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in the statement of profit and loss in the year in which the circumstances that give rise to the revision become known by management.

2) Summary of significant accounting policies (continued)

Revenue recognition (continued)
Services (continued)
The Company performs ongoing profitability analysis of its services contracts in order to determine whether the latest estimates, such as revenue, costs of sales or profits, require updating. If, at any time, these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately.

In some of the Company's services contracts the Company bills the client prior to performing the services. These balances are held as contract liabilities in the balance sheet until the service is performed. In other services contracts the Company performs the services prior to billing the client. These balances are held as amounts recoverable on contracts in the balance sheet until the client is billed. Billings usually occur in the month after the Company performs the services or in accordance with specific contractual provisions.

Multiple-element arrangements
The Company enters into multiple-element software and non-software related revenue arrangements, which may include any combination of services, software and hardware. A multiple-element arrangement is separated into more than one unit of accounting if all of the following criteria are met:

Software related revenue arrangements
- The functionality of the delivered elements is not dependent on the undelivered elements.
- There is a fair value to the undelivered elements.
- Delivery of the delivered elements represents the culmination of the earnings process for those elements.

Non-software related Revenue arrangements
- The delivered items have value to the client on a standalone basis.
- There is objective and reliable evidence of the fair value of the undelivered items.

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.

Current and deferred taxation
The tax expense for the 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 of the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

2) Summary of Significant accounting policies (continued)

Current and deferred taxation (continued)
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.

Intangible assets
Goodwill
Goodwill arising on the acquisition of trade and assets of former subsidiaries and other businesses, represents the excess of fair value of the consideration paid over the aggregate fair value of the identifiable assets and liabilities acquired. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate impairment may be required. It is carried at cost less accumulated impairment losses. Impairment losses on goodwill are recognised in the statement of profit and loss.

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

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

Patents and licences
Patents and licences are included at cost and depreciated in equal instalments over a period of up to 20 years which is their estimated useful life. Provision is made for any impairment.

Intellectual property
Intellectual property is included at acquisition cost and amortised on a straight-line basis over their estimated useful lives up to a maximum of 20 years. Provision is made for any impairment.

Purchased software
Significant purchase software costs are deferred and amortised on a straight-line basis over the period if their expected benefit, either the life of an associated licence or three to five years.

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

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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

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

During the current financial year, the Group's accounting policy on the useful life of network assets had changed from 5 years to 7 years. Accordingly, adjustment of £5 million had been included to give the impact due to the change in useful life of the assets.

2) Summary of Significant accounting policies (continued)

Basis of preparation (continued)

Tangible assets (continued)
Land is not depreciated and assets under construction are not depreciated until ready for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost amount to their residual values over their estimated useful lives, as follows:

Furniture and fittings	Five to ten years
Leasehold improvements	Shorter of lease term and ten years
Computer and related equipment	Three to seven years or useful life
Freehold buildings	Forty years

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

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.

Inventories
Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Long term contracts
Costs on outsourcing contracts are generally expensed as incurred. However, certain costs incurred upon the initiation of an outsourcing contract are deferred and expensed as and when performance obligation is satisfied over the life of the contract. These costs consist of contract acquisition and transition costs, including the costs of due diligence after competitive selection and costs associated with installation of systems and processes. These costs are recorded as contract work in progress on the balance sheet. Costs incurred for bid and proposal activity are expensed as incurred.

Costs on major fixed price contract projects are deferred as contract work in progress and released to the Statement of profit and loss as and when performance obligation is satisfied over time. Contract provisions for work in progress risks and contingencies are included in provisions for liabilities and charges.

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 and contract assets.

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

2) Summary of significant accounting policies (continued)

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

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

Customer acquisition costs
Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained, or which are not otherwise recoverable from a customer are expensed as incurred to statement of profit and loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to statement of profit and loss.

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

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

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.

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.

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 period and reduced by repayments made in the period.

Contract liabilities
Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

2) Summary of significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Leases

The Company as lessee

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Average periods that have been applied following the length of lease periods have been:

Buildings	Seven years
Computers	Three years
Automobiles	Two years
Office equipment	Seven years

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to the statement of profit and loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to statement of profit and loss if the carrying amount of the right-of-use asset is fully written down.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

2) Summary of significant accounting policies (continued)

Retirement benefits
Retirement benefits to employees of the Company are funded by contributions from the Company and employees. The Company operates various post-employment schemes, including both defined benefit and defined contribution pension plans:

Defined benefit section
The defined benefit plan defined an amount of pension benefit an employee will receive on retirement, dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rate on government bonds are used.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholder's funds in other comprehensive income in the period in which they arise. The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined pension liability or asset. Past service costs are recognised immediately in the statement of profit and loss.

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

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

Share-based payment
The Company's ultimate parent company, DXC Technology Company, has granted rights to its equity instruments to certain employees of the Company. These arrangements are accounted for as equity-settled share based payment arrangements, and a capital contribution is recognised to the extent that the Company is not charged by its parent for the cost of share-based payments to employees. Equity-settled share-based payments to employees are measured at the fair value of the equity instrument at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the DXC Technology Company's estimate of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

3) Judgements and key sources of estimation uncertainty
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

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.

i. Revenue recognition
As discussed in note 2, the majority of our revenue is recognised based on objective criteria and does not require significant estimates that may change over time. However, the rest of the arrangements are subject to specific accounting guidance that may require significant judgements, including contracts subject to input method of accounting, contracts that include multiple-element deliverables, and contracts subject to software accounting guidance. These judgements are made on a contract by contract basis and a different assessment would result in a change to the amount of revenue recognised. In making their judgement, the directors considered the detailed criteria for the recognition of revenue as set out in IFRS 15.

3) Judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the Company's accounting policies (continued)

i. Revenue recognition (continued)

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

Variable consideration
Variable consideration, if any, is determined on a case-to-case basis not on a comprehensive level of income.

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

Deferred tax liabilities are generally provided for in full and deferred tax assets are recognised to the extent that it is judged probable that future taxable profit will arise against which the temporary differences will be utilised. The value of deferred tax asset as on the balance sheet date is £153,630,000 (2019: £157,610,000).

iii. Retirement benefit obligations
The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate used to calculate the present value of the liabilities. The Company uses impartial actuarial advice to form these estimates and judgements.

Details of the Company's defined benefit pension schemes are set out in note 22, including tables showing the sensitivity of the pension scheme obligations and assets to different actuarial assumptions. The effects of changes in the actuarial assumptions underlying the benefit obligation and discount rates and the differences between expected and actual returns on the schemes' assets are classified as actuarial gains and losses.

3) Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation 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.

Revenue recognition

There is a major source of estimation of uncertainty in the application of the input method and software sales. These are summarised below:

Performance obligation satisfied over time (input method)

Revenue from fixed-price design and build contracts is recognised where the outcome of a contract can be reliably estimated, and revenue and costs are recognised under input method wherein revenue is recognised over time based on progress measured to satisfaction of performance obligation. This is consistent with provisions of IFRS 15 where performance obligation is satisfied over time. Under this method, revenue is either recognised based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract or on an output method upon customers' acceptance of the project's stage of delivery. If circumstances arise that may change the original estimates of revenues, costs, or extent of progress toward completion, then revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in the Statement of profit and loss in the year in which the circumstances that give rise to the revision become known by management.

Estimates of total revenue at contract inception may differ materially from actual revenue due to volume differences, changes in technology or other factors which may not be foreseen at inception. These estimates are made on a contract by contract basis and a different assessment would result in a change to the amount of revenue recognised.

Software sales

If significant customisation is required in the delivery of a proprietary software product, and the fair value can be reasonably determined to support accounting for the software as a separate unit of account, the software is determined to be delivered as the customisation services are performed and revenue is recognised in accordance with the input method described above. In such cases, cost and profit estimates are required over the life of the project, and changes in such estimates can have a material effect on results.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the balance sheet by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in statement of profit and loss.

Impairment of investments in subsidiaries

Determining whether the Company's investments 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 investments in subsidiaries at the balance sheet date was £67,974,000 (2019: £67,851,000) with an impairment loss recognised in 2020 for £8,735,000 (2019: £nil).

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

4) Financial instruments

The Company has no financial assets measured at fair value through profit and loss.

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

5) Revenue
An analysis of revenue by geographical market is given below:

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
United Kingdom	672,938	690,204
United States of America	6,946	12,730
Other Europe	42,503	36,543
Other Rest of World	3,484	3,700
	725,871	**743,177**

All the revenue reported above is derived from providing services.

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

Contract Balances
The following table provides information about the balances of the Company's trade receivables and contract assets and contract liabilities:

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Trade receivables, net	89,999	117,827
Contract assets	13,647	24,850
Contract liabilities – short term	82,127	105,100
Contract liabilities – long term	39,279	44,845

Contract assets are determined based on the following drivers – milestone billing and invoicing delay which affects the performance of the contract.

Contract liabilities of prior year are recognised as revenue in current year.

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

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	105,100	75,491

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

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

6) Operating profit/(loss)

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Operating profit/(loss) is stated after (crediting)/charging:		
Loss on disposal of tangible assets	329	278
Research and development costs	5,682	9,856
Impairment of intercompany receivables	-	27,520
Impairment of investments in subsidiaries	8,735	-
Impairment (written back)/charge of trade receivables	(6,944)	7,066
Foreign exchange (gain)/loss	(3,787)	1,509
Depreciation:		
Owned assets (note 12)	16,496	26,739
Right-of-use assets (note 13)	9,965	7,395
Amortisation of intangible assets (note 11)	2,895	5,633
Auditor's remuneration:		
Audit fee:		
Company	1,140	1,152
Audit fees borne for other group companies	399	335
Non-audit fee:		
Other liquidation / restructuring / reorganisation project services	632	828
Other taxation advisory services	215	668
Government grants received	(552)	(958)
Lease payments:		
Minimum lease payments	4,404	5,776
Short term lease payments	171	-
Income from subletting right of use assets	(1,904)	(1,651)

Auditor's remuneration in respect of other services relates solely to duties performed in the UK.

7) Exceptional costs of restructuring

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Restructuring costs - severance / pension augmentation	(14,876)	(16,472)

During the year, the Company continued its restructuring programme resulting in exceptional costs of £14,876,000 (2019: £16,472,000). The restructuring programme was undertaken during the year to right size the workforce and is not considered by the director to be a fundamental reorganisation of the business.

8) Employees and directors

Employees

Employee costs during the financial year (including directors):

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Staff costs during the year		
Wages and salaries	138,392	153,270
Social security costs	17,231	21,333
Other pension costs (Note 22)*	20,967	28,235
Total staff costs	**176,590**	**202,838**

*Other pension costs include the Company's costs relating to defined benefit schemes and defined contributions schemes.

8) Employees and directors (continued)

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

	No.	No.
Average number of persons employed (including directors)		
Managerial and professional	588	696
Sales and operations staff	2,099	2,204
	2,687	**2,900**

Directors

The directors' emoluments were as follows:

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Emoluments	37	-
Gains made on the exercise of share options	-	-
Company contributions to defined benefit schemes	-	-
	37	-

Total remuneration borne by other entities

The total amounts paid to the directors amounts to £1,431,740 (2019: £1,401,332) which is borne by DXC UK International Limited, EntServ UK Limited and DXC Technology Singapore Pte. Limited.

Highest paid director

The highest paid director was paid through DXC Technology Singapore Pte. Limited. It is not possible to apportion their payment between the Company and other entities for which they provide services.

9) Finance income and expense

Finance income

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Interest receivable on loans to fellow group undertakings	1,012	970
Bank interest income	9,317	9,675
Other finance income	42	-
Expected return on pension scheme assets (Note 22)	42,551	45,481
	52,922	**56,126**

9) Finance income and expense (continued)

Finance expense

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Interest payable on loans from fellow group undertakings	9,431	9,698
Bank loans and overdrafts	7,513	8,682
Interest on lease liabilities	2,460	4,406
Interest charged on pension scheme liabilities (Note 22)	39,861	42,579
	59,265	**65,365**

10) Taxation

Current taxation	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Current tax		
UK corporation tax on loss for the year 19% (2019: 19%)	-	-
Adjustment in respect of prior periods	32	-
Overseas tax	709	(20)
Research & development	130	225
Total current tax charge	871	205
Deferred tax		
Adjustment in respect of prior periods	(3,996)	692
Origination and reversal of timing differences	2,790	16,071
Impact of change in tax rate	(18,706)	-
Total deferred tax (benefit)/charge	(19,912)	16,763
Tax (credit)/charge on loss	**(19,041)**	**16,968**

Tax expense/(income) included in other comprehensive income:

	Financial year 1 April 2019 to 31 March 2020 £'000	Financial year 1 April 2018 to 31 March 2019 £'000
Deferred tax		
- origination and reversal of timing differences	19,892	(1,102)
- impact of change in tax rate	-	-
Total tax expense/(income) included in other comprehensive income	**19,892**	**(1,102)**

The tax expense for the year is higher (2019: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2020 of 19% (2019: 19%).

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. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. 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.

10) Taxation (continued)

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
Loss before tax	(636)	(30,915)
Loss before tax multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	(121)	(5,874)
Effects of:		
- Research and development provision	130	225
- Impairment of investments	-	-
- Income not taxable	-	(92)
- Adjustments to tax charge in respect of prior periods	(3,963)	692
- Expenses not deductible for tax purposes	553	5,718
- Remeasurement of deferred tax – change in UK tax rate	(18,706)	-
- Group relief surrendered	2,487	18,461
- Withholding taxes	709	(20)
- Other	(130)	(2,142)
Tax (credit)/charge for the year	**(19,041)**	**16,968**

Deferred taxation

The deferred tax asset / provision consists of the following deferred tax assets:

	At 31 March 2020 £'000	At 31 March 2019 £'000
Deferred tax assets due within 12 months	7,876	7,876
Deferred tax liabilities due within 12 months	-	-
Total asset due within 12 months	7,876	7,876
Deferred tax assets due after 12 months	149,754	149,734
Deferred tax liabilities due after 12 months	-	-
Total asset due after 12 months	149,754	149,734
Total deferred tax asset	**157,630**	**157,610**

10) Taxation (continued)

The deferred tax asset of £157,630,000 (2019: £157,610,000) has been recognised within non-current assets.

Movement in the financial year

	Accelerated capital allowances	Pension deficit	Short-term timing differences	Trading losses	Total
	£'000	£'000	£'000	£'000	£'000
1 April 2018	100,017	(17,474)	5,483	85,245	173,271
Credited / (charged) to the statement of profit and loss	(16,049)	(1,757)	(705)	1,748	(16,763)
Credited to other comprehensive income	-	1,014	88	-	1,102
31 March 2019	83,968	(18,217)	4,866	86,993	157,610
Credited / (charged) to the statement of profit and loss	14,676	(5,324)	234	10,327	19,912
Charged to other comprehensive income	-	(19,892)	-	-	(19,892)
31 March 2020	**98,644**	**(43,434)**	**5,100**	**97,320**	**157,630**

11) Intangible assets

	Goodwill £'000	Intellectual property £'000	Patents and licenses £'000	Internally developed software £'000	Purchased software £'000	Total £'000
Cost						
At 1 April 2019	13,214	14,521	1,425	66,002	97,457	192,619
Additions	-	-	-	4,795	1,791	6,586
Disposals	-	-	-	-	(4,094)	(4,094)
At 31 March 2020	**13,214**	**14,521**	**1,425**	**70,797**	**95,154**	**195,111**
Accumulated amortisation						
At 1 April 2019	13,214	14,521	1,425	18,479	90,465	138,104
Charge for the year	-	-	-	416	2,479	2,895
Disposals	-	-	-	-	(1,777)	(1,777)
At 31 March 2020	**13,214**	**14,521**	**1,425**	**18,895**	**91,167**	**139,222**
Net book value						
At 31 March 2020	**-**	**-**	**-**	**51,902**	**3,986**	**55,889**
At 31 March 2019	**-**	**-**	**-**	**47,523**	**6,992**	**54,515**

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

12) Tangible assets

	Freehold land and buildings £'000	Furniture and fittings £'000	Leasehold improvements £'000	Computer and related equipment £'000	Total £'000
Cost					
At 1 April 2019	130,674	6,496	52,325	261,757	451,252
Transfer to right-of-use assets	(5,126)	(1,337)	-	(44,119)	(50,582)
Additions	2,714	439	648	33,387	37,188
Disposals	(334)	(578)	-	(75,056)	(75,968)
Transfer in	-	8	-	2,251	2,259
Transfer out	-	-	-	(2,259)	(2,259)
At 31 March 2020	**127,928**	**5,028**	**52,973**	**175,961**	**361,890**
Accumulated depreciation					
At 1 April 2019	46,680	4,477	47,466	203,187	301,810
Transfer to right-of-use assets	(724)	(350)	-	(30,358)	(31,432)
Charge for the year*	4,480	289	847	10,880	19,496
Disposals	-	(224)	-	(49,345)	(49,569)
Transfer in	-	-	-	281	281
Transfer out	-	-	-	(281)	(281)
At 31 March 2020	**50,436**	**4,190**	**48,313**	**134,364**	**237,303**
Net book value					
At 31 March 2020	**77,492**	**838**	**4,660**	**41,597**	**124,587**
At 31 March 2019	**83,994**	**2,019**	**4,859**	**58,570**	**149,442**

During the year, owing to implementation of IFRS 16, the value of assets held under finance lease (cost of £50,582,000 and accumulated depreciation of £31,433,000) has been transferred to right-of-use assets. The net book value of assets held under finance lease as at 31 March 2019 was £13,620,000.

*The depreciation charge for the year is adjusted for the useful life adjustment pertaining to the category 'Computer and related equipment' of £5 million (2019: £nil).

13) Right of use assets

	Land and buildings £'000	Automobiles £'000	Computers £'000	Office equipment £'000	Total £'000
Cost					
At 1 April 2019	14,248	105	-	-	14,353
Transfer from property, plant and equipment	5,126	-	44,119	1,337	50,582
Additions / Lease modifications	3,060	-	768	-	3,828
Disposals	-	(54)	-	-	(54)
At 31 March 2020	**22,434**	**51**	**44,887**	**1,337**	**68,709**
Accumulated depreciation					
At 1 April 2019	-	-	-		-
Transfer from property, plant and equipment	724	-	30,358	350	31,432
Charge for the year	3,137	47	6,595	186	9,965
Disposals	-	(20)	-	-	(20)
At 31 March 2020	**3,861**	**27**	**36,953**	**536**	**41,377**
Net book value					
At 31 March 2020	**18,573**	**24**	**7,934**	**801**	**27,332**

14) Investments

	Investments in subsidiaries £'000
Cost	
At 1 April 2019	237,998
Additions during the financial year	8,858
Disposals during the financial year	-
At 31 March 2020	**246,856**
Provision for impairment in value	
At 1 April 2019	170,147
Increase in provision during the financial year	8,735
At 31 March 2020	**178,882**
Net book value	
At 31 March 2020	**67,974**
At 31 March 2019	**67,851**

Investments are all stated at cost less allowance for impairment. The registered addresses of the subsidiaries and others are listed in Annexure – I on page 57.

The Company has invested £8,735,000 during the year in iSOFT Health (Ireland) Limited which has been impaired during the year as a result of its dissolution after merger with CSC Computer Sciences Ireland Limited, another entity within the Group in Ireland, effective 1 April 2020. Refer note 27 for further details.

15) Inventory

	At 31 March 2020 £'000	At 31 March 2019 £'000
Finished goods	29,105	41,928
Deferred contract costs	44,798	46,597
	73,903	**88,525**

Certain costs incurred upon the initiation of an outsourcing contract are deferred as contract work in progress and expensed on a straight-line basis over the life of the contract. These costs consist of contract acquisition and transition costs, including the costs of due diligence after competitive selection and costs associated with installation of processes and systems.

In addition, other project costs related to a major outsource contract have been deferred as contract work in progress in line with future milestone revenue recognition. These costs are expected to be expensed over the future life of the contract which is greater than one year.

16) Trade and other receivables: disclosed as current assets

	At 31 March 2020 £'000	At 31 March 2019 £'000
Trade receivables	89,999	117,827
Contract assets	13,647	24,850
Amounts recoverable on contracts	21,816	17,283
Amounts owed by fellow group undertakings	223,174	209,915
Corporation tax recoverable	26,082	13,240
Other debtors	25,692	11,662
Prepayments	75,663	56,712
	476,073	**451,489**

The amounts owed by fellow group undertakings are not interest bearing and repayable on demand.

Trade receivables, contract assets and amounts recoverable on contracts are stated after provision for impairment of £855,000 (2019: £7,066,000).

17) Trade and other receivables: disclosed as non-current assets

	At 31 March 2020 £'000	At 31 March 2019 £'000
Amounts owed by fellow group undertakings	40,000	40,000

The amounts owed by fellow group undertakings for £40,000,000 (2019: £40,000,000) is provided to Xchanging Global Insurance Solutions Limited at an interest rate equal to 12 months GBP LIBOR plus 1.5% per annum and the loan is repayable on 30 March 2027.

18) Trade and other payables: disclosed as current liabilities

	At 31 March 2020 £'000	At 31 March 2019 £'000
Bank loans and overdrafts	243,361	103,444
Trade payables	62,659	101,008
Amounts owed to fellow group undertakings	106,962	232,208
Other taxes and social security	12,138	11,993
Other creditors	1,407	1,407
Accrued expenses	66,183	72,083
Contract liabilities	82,128	105,100
	574,838	**627,243**

Amounts owed to fellow group undertakings has been stated after reclassification of loan amounting to £104,900,000 payable to DXC UK Holdings Limited to non-current liabilities based on the extension of the repayment date from 31 March 2020 to 31 March 2023. This loan was included within the current liabilities portion of amounts owed to fellow group undertakings in the prior year. The remaining amounts owed to fellow group undertakings are not interest bearing and repayable on demand.

19) Trade and other payables: disclosed as non-current liabilities

	At 31 March 2020 £'000	At 31 March 2019 £'000
Bank loans and overdrafts	63,009	63,009
Amounts owed to fellow group undertakings	357,453	252,197
Contract liabilities	39,279	44,845
Other creditors	4,867	1,291
	464,608	**361,342**

The amounts owed to fellow group undertakings includes £247,570,000 (2019: £247,570,000) provided by DXC Technology Company. The principal amount due at maturity will be £250,000,000 (2019: £250,000,000). The loan maturity date is 15 January 2025 with an effective interest rate of 2.97%.

£4,256,000 (2019: £4,256,000) relates to a loan provided by DXC UK Holdings Ltd and carries an interest of 2.91% per annum and the loan is repayable on 31 March 2023.

A loan of £104,900,000 payable to DXC UK Holdings Limited has been reclassified from current liabilities in 2020 based on the extension of repayment date from 31 March 2020 to 31 March 2023. This loan was included within the current liabilities portion of amounts owed to fellow group undertakings in the prior year. The loan carries an interest rate of 12 months GBP Libor +1.5%.

The Company has a loan arrangement with Commerzbank. The loan is payable over a term of 15 years and is measured at amortised cost using the effective interest method.

20) Provisions

	Restructuring £'000	Other provisions £'000	Total £'000
At 1 April 2018	4,112	1,140	5,252
Amounts utilised	(6,970)	(1,140)	(8,110)
Unused amounts reversed to statement of profit and loss during the financial year	(1,694)	-	(1,694)
Transfers to pension augmentation	(2,921)	-	(2,921)
Additions to the statement of profit and loss during the financial year	17,448	306	17,754
At 31 March 2019	9,975	306	10,281
Amounts utilised	(17,005)	(306)	(17,311)
Unused amounts reversed to statement of profit and loss during the financial year	(30,624)	-	(30,624)
Transfers to pension augmentation	(10,487)	-	(10,487)
Additions to the statement of profit and loss during the financial year	50,652	7,621	58,273
At 31 March 2020	**2,511**	**7,621**	**10,132**

The restructuring provision relates to a programme to right size the workforce and is not considered to be a fundamental reorganisation of the business. The restructuring programme is still ongoing due to the fact that the severance process for certain employees is still in place; while there is a probable cash outflow in this regard in the future, there is no reliable estimate on the tenure.

The charge in the statement of profit and loss for the current year under exceptional items for restructuring is £14,876,000 (2019: £16,472,000) which includes both severance cost of £16,855,000 (2019: £16,383,000) and pension credit £1,979,000 (2019: pension cost of £89,000) restructuring costs.

Other provisions relate to the contract loss provision. This represents management's best estimate of the Company's liability to settle service credits currently in negotiation on several long-term contracts.

21) Share based payment

The Company has a share-option scheme for purchasing shares in DXC Technology Company (DXC), the ultimate parent undertaking. DXC operates two stock incentive plans which authorise the issue of share options, restricted stock and other share-based incentives to employees upon terms approved by the Compensation Committee of the Board of directors.

The options vest one-third annually on each of the first three anniversaries of the grant date. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the Company before the options vest.

The Company recognises a share-based payment expense based on the fair value of the awards granted, and an equivalent credit directly in equity as a capital contribution.

RSUs consist of equity awards with the right to receive one share of common stock granted at a price of $0 (2019: $0). RSUs generally vest over a period of three to five years. Upon settlement date, RSUs are settled in shares of DXC common stock and dividend equivalents. If the employee's status as a full-time employee is terminated prior to the vesting of the RSU grant in full, then the RSU is automatically cancelled on the employment termination date and any unvested shares and dividend equivalents are forfeited.

The weighted average share prices for RSUs outstanding at 31 March 2020 was $55.37 (2019: $62.37). During the financial period, the number of RSUs granted was 105,332 (2019: 53,309) and the number of RSUs modified was 4,730 (2019: 33,459). The number of RSUs outstanding as at 31 March 2020 was 156,526 (2019: 125,401). The aggregated estimated fair value of these outstanding RSUs was $8,666,690 (2019: $7,821,865).

22) Retirement benefit obligations

The Company provides retirement benefits to certain employees through three pension schemes providing benefits based on final pensionable pay.

The pension charge in the statement of profit and loss in respect of both this defined benefit section and the defined contribution section of the scheme includes £nil (2019: £nil) relating to directors and net expense of £20,967,000 (2019: £42,528,000) relating to other employees. In the current financial year, there were termination benefits of £4,049,000 (2019: £1,659,000) due to the restructuring plans implemented in the year. There is a pension liability within accruals of £1,623,947 (2019: £1,601,567) relating to pension contributions not paid over by the financial year end.

Defined benefit schemes

The Company participates in defined benefit schemes for qualifying employees as mentioned below, the schemes are subject to regulation under the funding regime set out in part III of the Pensions Act 2004.

- CSC Computer Sciences Ltd Pension Scheme

The pension cost is assessed in accordance with the advice of a professionally qualified actuary. The latest actuarial funding valuation was as at 30 June 2018 updated for FRS 101 to 31 March 2020 using the projected unit method. The main actuarial assumptions at 31 March 2020 were the discount rate of 2.43% p.a. (2019: 2.51% p.a.) and the rate of CPI inflation of 1.84% p.a. (2019: 2.06% p.a.).

At the date of the latest actuarial valuation the market value of the assets of the scheme was £1.69 billion (2019: £1.69 billion) and the actuarial value of the assets was sufficient to cover 113.6% (2019: 106.7%) of the benefits that had accrued to members after allowing for expected future increases in earnings.

The weighted average duration for this scheme is 17 years. The proportion of pensioners' liability to those members who are yet to reach retirement is 56%.

- CSC Computer Sciences Ltd 2005 Pension Scheme

The scheme commenced in January 2005. The latest actuarial valuation was carried out at 30 June 2018 and updated to 31 March 2020 by a qualified independent actuary.

At the date of the latest actuarial valuation the market value of the assets of the scheme were £124.9 million (2019: £116.4 million) and the actuarial value of the assets was sufficient to cover 121.5% (2019: 111.0%) of the benefits that had accrued to members after allowing for expected future increases in earnings.

The Company paid contributions of at least 30.1% of pensionable salaries for the period to 30 November 2019 and pays 41% as of 1 December 2019 in respect of current accrual for 2005 scheme members, with active members paying a further 2% (on average) of pensionable salaries. No deficit recovery payments are currently paid.

The weighted average duration for this scheme is 22 years. The proportion of pensioners liability to those members who are yet to reach retirement is 51%.

- CSC Computer Sciences Ltd SMS Pension Scheme

The scheme was acquired on 29 March 2013 from iSOFT Medical Systems Limited as part of the trade and asset transfer under the legal entity rationalisation programme. The latest actuarial valuation was carried out 30 June 2018 and updated to 31 March 2020 with a net surplus position of £4,635,000 (2019: deficit position of £1,898,000).

At the date of the latest actuarial valuation the market value of the assets of the scheme was £55.1 million (2019: £51.1 million) and the actuarial value of the assets was sufficient to cover 109.2% (2019: 96.4%) of the benefits that had accrued to members after allowing for expected future increases.

The deficit recovery contribution is £960,000 per annum until 2022. There was an additional contribution by the Company of £1,067,000 on 31 January 2020. The weighted average duration for this scheme is 22 years. The proportion of pensioners liability to those members who are yet to reach retirement is 26%.

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

Balance held in the balance sheet as at 31 March 2020	Pension Asset £'000	Pension Liability £'000
CSC Computer Sciences Ltd Pension Scheme	201,893	-
CSC Computer Sciences Ltd 2005 Pension Scheme	22,070	-
CSC Computer Sciences Ltd SMS Pension Scheme	4,635	-
	228,598	-

As at 31 March 2020 a potential deferred tax liability of £43,434,000 (2019: £18,217,000) arises in relation to the net defined benefit pension scheme net surplus of £228,598,000 (2019: £115,534,000). This deferred tax liability has been included within the net deferred tax assets recognised in note 9 to the financial statements.

Future contributions over the year to 31 March 2021 are expected to be £960,000 for deficit recovery plans and £355,000 through monthly payroll deductions in respect of the period 1 April 2020 to 31 March 2021.

CSC Computer Sciences Ltd Pension Scheme:
An actuarial valuation of the CSC Computer Sciences Limited pension scheme was updated to 31 March 2020. The principal assumptions underlying the actuarial assessments of the present value of plan liabilities as at 31 March 2020 are shown below:

	At 31 March 2020 %	At 31 March 2019 %
Expected rate of increase in salaries	N/A	N/A
Expected rate of pension increases	0	0
Discount rate	2.43	2.51
Inflation assumptions	1.84	2.06

No deficit funding has been made during the financial year.

Mortality Assumptions for the plan are as follows:
Investigations have been carried out within the past three years into the mortality experience of the Company's defined benefit schemes. These concluded that the current mortality assumptions include sufficient allowance for future changes in mortality rates. The assumed life expectations on retirement at age 65 are:

	31 March 2020 Years	31 March 2019 Years
Member age 65:		
Males	22.6	22.4
Females	24.5	24.8
Member age 45:		
Males	23.9	23.8
Females	26.0	26.3

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	**Change in assumption**	**Impact on scheme liabilities**
Discount rate	Increase / decrease by 0.50%	Decrease 7.0% / increase by 8.0%
Rate of inflation (CPI)	Increase / decrease by 0.50%	Increase 7.0% / decrease by 6.0%
Rate of mortality	Increase by 1 year	Increase by 2.9%

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

CSC Computer Sciences Ltd Pension Scheme (continued)
The assets and liabilities of the pension scheme, along with the expected rates of return on scheme assets are shown below:

	Expected rate of return at 31 March 2020 %	Value at 31 March 2020 £'000	Expected rate of return at 31 March 2019 %	Value at 31 March 2019 £'000
Equities	6.04	838,457	7.00	1,141,871
Bonds	1.25	540,469	3.30	396,057
Liability driven instrument		303,696		146,231
Cash and other assets		8,878		7,155
Total market value of assets		1,691,500		1,691,314
Actuarial value of liabilities		(1,489,607)		(1,585,373)
Surplus in the scheme		**201,893**		**105,941**

Movements in the actuarial value of scheme assets are:

	31 March 2020 £'000	31 March 2019 £'000
Opening value	1,691,314	1,658,569
Expected return on scheme assets	38,596	41,400
Actuarial gains	12,064	54,624
Contributions from sponsoring companies	9,281	4,682
Contributions from scheme members	(348)	(974)
Benefits paid	(59,407)	(66,987)
	1,691,500	**1,691,314**

Movements in the actuarial value of scheme liabilities are:

	31 March 2020 £'000	31 March 2019 £'000
Opening liability	(1,585,373)	(1,547,920)
Current service cost	(974)	(879)
Interest cost	(36,167)	(38,724)
Actuarial gains / (losses)	77,201	(62,202)
Benefits paid	59,407	66,987
Past service cost	-	(1,950)
Administration expenses	348	974
Termination benefits	(4,049)	(1,659)
	(1,489,607)	**(1,585,373)**

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

CSC Computer Sciences Ltd Pension Scheme (continued)
Amounts included within operating loss are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Current service cost	(974)	(879)
Past service cost	-	(1,950)
Termination benefit	(4,049)	(1,659)
Total amounts included within operating loss	**(5,023)**	**(4,488)**

Amounts credited / (charged) to other finance income are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Expected return on pension scheme assets	38,596	41,400
Interest charged on pension scheme liabilities	(36,167)	(38,724)
Net return	**2,429**	**2,676**

The amounts recognised in the statement of comprehensive income are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Actuarial gain on plan assets	12,064	54,624
Changes in assumptions underlying the present value of the scheme liabilities	77,201	(62,202)
Total actuarial gain / (loss) recognised in the statement of comprehensive income	**89,265**	**(7,578)**

The movement in the pension surplus during the year was:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Opening surplus	105,941	110,649
Contributions	9,281	4,682
Current service cost	(974)	(879)
Other finance income	2,429	2,676
Actuarial gain/(loss)	89,265	(7,578)
Past service cost	-	(1,950)
Termination benefits	(4,049)	(1,659)
Closing surplus	**201,893**	**105,941**

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

CSC Computer Sciences Ltd Pension Scheme (continued)
History of experience gains and losses:

	Year ended 31 March 2020	Period ended 31 March 2019	Period ended 31 March 2018	Period ended 1 April 2017	Period ended 3 April 2016
Difference between the expected and actual return on scheme assets (£'000)	(12,064)	(54,624)	(38,511)	(265,025)	73,270
As a % of the scheme assets	-1%	-3%	-2%	-16%	5%
Experience (losses) / gains on scheme liabilities (£'000)	(52,998)	10,301	15,278	(6,196)	(22,295)
As a % of the scheme liabilities	-4%	1%	1%	0%	-2%
Total actuarial loss / (gain) recognised in other comprehensive income (£'000)	89,265	(7,578)	81,781	(14,656)	(25,445)
As a % of the scheme liabilities	6%	0%	5%	-1%	-2%

CSC Computer Sciences Ltd 2005 Pension Scheme:
An actuarial valuation of the CSC Computer Sciences Limited 2005 pension scheme was updated to 31 March 2020. The principal assumptions underlying the actuarial assessments of the present value of plan liabilities as at 31 March 2020 are shown below:

	At 31 March 2020 %	At 31 March 2019 %
Expected rate of increase in salaries	1.78	2.00
Expected rate of pension increases	0	0
Discount rate	2.41	2.51
Inflation assumptions	1.78	2.00

The average employer contribution for the year has been £123,000 per month.

Mortality assumptions for the plan are as follows:
Investigations have been carried out within the past three years into the mortality experience of the Company's defined benefit schemes. These concluded that the current mortality assumptions include sufficient allowance for future changes in mortality rates. The assumed life expectations on retirement at age 65 are:

	31 March 2020 Years	31 March 2019 Years
Member age 65:		
Males	22.6	22.4
Females	24.5	24.8
Member age 45:		
Males	23.9	23.8
Females	26.0	26.3

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase / decrease by 0.50%	Decrease 9.0% / increase by 11.0%
Rate of inflation (CPI)	Increase / decrease by 0.50%	Increase 10.0% / decrease by 8.0%
Rate of mortality	Increase by 1 year	Increase by 2.4%

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

CSC Computer Sciences Ltd 2005 Pension Scheme (continued)
The assets and liabilities of the pension scheme, along with the expected rates of return on scheme assets are shown below:

	Expected rate of return at 31 March 2020 %	Value at 31 March 2020 £'000	Expected rate of return at 31 March 2019 %	Value at 31 March 2019 £'000
Equities	5.75	67,039	7.00	69,255
Bonds	0.60	56,864	3.30	35,434
Liability driven instrument		-		11,373
Cash and other assets		1,029		367
Total market value of assets		124,932		116,429
Actuarial value of liabilities		(102,862)		(104,938)
Surplus in the scheme		**22,070**		**11,491**

Movements in the actuarial value of scheme assets are:

	31 March 2020 £'000	31 March 2019 £'000
Opening value	116,429	111,599
Expected return on scheme assets	2,780	2,847
Actuarial gain	4,838	3,610
Contributions from sponsoring companies	3,247	1,820
Contributions from scheme members	76	85
Administration cost incurred	(35)	(211)
Benefits paid	(2,403)	(3,321)
	124,932	**116,429**

Movements in the actuarial value of scheme liabilities are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Opening liability	(104,938)	(100,979)
Current service cost	(2,293)	(2,618)
Interest cost	(2,476)	(2,571)
Contributions from scheme members	(76)	(85)
Actuarial gains / (losses)	4,483	(2,197)
Benefits paid	2,403	3,321
Administration cost	35	211
Past service cost	-	(20)
	(102,862)	**(104,938)**

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

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

CSC Computer Sciences Ltd 2005 Pension Scheme (continued)
Amounts included within operating loss are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Current service cost	(2,293)	(2,618)
Past service cost	-	(20)
Total costs included within operating loss	**(2,293)**	**(2,638)**

Amounts credited / (charged) to other finance income are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Expected return on pension scheme assets	2,780	2,847
Interest charged on pension scheme liabilities	(2,476)	(2,571)
Net return	**304**	**276**

The amounts recognised in the statement of comprehensive income are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Actuarial loss on plan assets	(4,838)	(3,610)
Changes in assumptions underlying the present value of the scheme liabilities	(4,483)	2,197.
Total actuarial loss recognised in the statement of comprehensive income	**(9,321)**	**(1,413)**

The movement in the pension surplus during the year was:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Opening surplus	11,491	10,620
Current service cost	(2,293)	(2,618)
Contributions	3,247	1,820
Past service cost	-	(20)
Other finance income	304	276
Actuarial gain	9,321	1,413
Closing surplus	**22,070**	**11,491**

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

CSC Computer Sciences Ltd 2005 Pension Scheme (continued)
History of experience gains and losses:

	Year ended 31 March 2020	Period ended 31 March 2019	Period ended 31 April 2018	Period ended 1 April 2017	Period ended 3 April 2016
Difference between the expected and actual return on scheme assets (£'000)	(4,838)	(3,610)	(3,788)	(12,694)	3,690
As a % of the scheme assets	-4%	-3%	-3%	-12%	4%
Experience (losses) / gains on scheme liabilities (£'000)	(1,117)	(639)	747	(717)	(4,964)
As a % of the scheme liabilities	-1%	-1%	1%	-1%	6%
Total actuarial gain / (loss) recognised in the statement of total comprehensive income (£'000)	9,321	1,413	8,060	(6,057)	(3,908)
As a % of the scheme liabilities	9%	1%	8%	-6%	5%

CSC Computer Sciences Ltd SMS Pension Scheme:
An actuarial valuation of the CSC Computer Sciences Limited SMS pension scheme was updated to 31 March 2020. The principal assumptions underlying the actuarial assessments of the present value of plan liabilities as at 31 March 2020 are shown below:

	At 31 March 2020 %	At 31 March 2019 %
Expected rate of increase in salaries	N/A	N/A
Expected rate of pension increases	N/A	N/A
Discount rate	2.38	2.51
Inflation assumptions	1.73	2.06

No deficit payments have been made during the financial year.

Mortality assumptions:
Investigations have been carried out within the past three years into the mortality experience of the Company's defined benefit schemes. These concluded that the current mortality assumptions include sufficient allowance for future changes in mortality rates. The assumed life expectations on retirement at age 65 are:

	31 March 2020 Years	31 March 2019 Years
Member age 65:		
Males	22.6	22.4
Females	24.5	24.8
Member age 45:		
Males	23.9	23.8
Females	26.0	26.3

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

CSC Computer Sciences Ltd SMS Pension Scheme (continued)
The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase / decrease by 0.50%	Decrease 9.0% / increase by 11.0%
Rate of inflation	Increase / decrease by 0.50%	Increase 4.0% / decrease by 3.0%
Rate of mortality	Increase by 1 year	Increase by 2.9%

The assets and liabilities of the pension scheme, along with the expected rates of return on scheme assets are shown below:

	Expected rate of return at 31 March 2020 %	Value at 31 March 2020 £'000	Expected rate of return at 31 March 2019 %	Value at 31 March 2019 £'000
Equities	5.80	33,041	7.00	33,059
Bonds	1.30	17,977	3.30	9,793
Liability driven instrument		-		5,037
Cash and other assets		4,068		3,178
Total market value of assets		55,086		51,067
Actuarial value of liabilities		(50,451)		(52,965)
Surplus/(Deficit) in the scheme		**4,635**		**(1,898)**

Movements in the actuarial value of scheme assets are:

	31 March 2020 £'000	31 March 2019 £,000
Opening value	51,067	49,135
Expected return on scheme assets	1,175	1,234
Actuarial gain	3,396	1,432
Contributions from sponsoring companies	1,575	300
Administration cost incurred	(112)	(115)
Benefits paid	(2,015)	(919)
	55,086	**51,067**

Movements in the actuarial value of scheme liabilities are:

	31 March 2020 £'000	31 March 2019 £'000
Opening liability	(52,965)	(50,872)
Interest cost	(1,218)	(1,284)
Current service cost	(115)	(83)
Actuarial (gain) / loss	1,720	(1,230)
Benefits paid	2,015	919
Administration expenses	112	115
Past service cost	-	(530)
	(50,451)	**(52,965)**

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

CSC Computer Sciences Ltd SMS Pension Scheme (continued)
Amounts included within operating loss are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Current service cost	(115)	(83)
Past service cost	-	(530)
Total costs included within operating loss	**(115)**	**(613)**

Amounts credited / (charged) to other finance income are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £,000
Expected return on pension scheme assets	1,175	1,234
Interest charged on pension scheme liabilities	(1,218)	(1,284)
Net return	**(43)**	**(50)**

The amounts recognised in the statement of comprehensive income are:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Actuarial loss on plan assets	(3,396)	(1,432)
Changes in assumptions underlying the present value of the scheme liabilities	(1,720)	1,230
Total actuarial loss recognised in the statement of comprehensive income	**(5,116)**	**(202)**

The movement in the pension deficit during the year was:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Opening deficit	(1,898)	(1,737)
Contributions	1,575	300
Current service cost	(115)	(83)
Other finance cost	(43)	(50)
Actuarial gain	5,116	202
Past service cost	-	(530)
Closing surplus/(deficit)	**4,635**	**(1,898)**

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

CSC Computer Sciences Ltd SMS Pension Scheme (continued)
History of experience gains and losses:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Difference between the expected and actual return on scheme assets	(3,396)	(1,432)	(2,344)
As a % of the scheme assets	-6%	-3%	-5%
Experience (losses) / gains on scheme liabilities (£'000)	(1,758)	235	428
As a % of the scheme liabilities	-3%	0%	1%
Total actuarial gain recognised in the statement of total recognised gains and losses (£'000)	5,116	202	3,714
As a % of the scheme liabilities	10%	0%	7%

Reconciliation of Company's statement of profit and loss charges for the combined schemes:

	Note	31 March 2020 £'000	31 March 2019 £'000
Current service cost		3,382	3,580
Termination benefits		4,049	1,659
Operating cost for defined contribution scheme		13,536	22,996
Total pension costs included within operating profit	**8**	**20,967**	**28,235**
Other finance income associated with defined benefit schemes	9	(42,551)	(45,481)
Other finance charges associated with defined benefit schemes	9	39,861	42,579
Total pension cost		**18,277**	**25,333**

22) Retirement benefit obligations (continued)

Defined benefit schemes (continued)

Reconciliation of combined pension liability disclosed on the balance sheet at 31 March 2020:

	CSC Computer Sciences Ltd Pension Scheme £'000	CSC Computer Sciences Ltd 2005 Pension Scheme £'000	CSC Computer Sciences Ltd SMS Pension Scheme £'000	Total £'000
Opening asset / (liability) at 1 April 2018	**110,649**	**10,620**	**(1,737)**	**119,532**
Current service cost	(879)	(2,618)	(83)	(3,580)
Contributions	4,682	1,820	300	6,802
Termination benefit	(1,659)	-	-	(1,659)
Past service cost	(1,950)	(20)	(530)	(2,500)
Other financial income				
- Expected return on pension scheme assets	41,400	2,847	1,234	45,481
- interest charged on pension scheme liabilities	(38,724)	(2,571)	(1,284)	(42,579)
Actuarial loss				
- Actual return less expected return on pension scheme assets	54,624	3,610	1,432	59,666
-Changes in assumptions underlying the present value of the scheme liabilities	(62,202)	(2,197)	(1,230)	(65,629)
Asset / (liability) at 31 March 2019	**105,941**	**11,491**	**(1,898)**	**115,534**
Current service cost	(974)	(2,293)	(115)	(3,382)
Contributions	9,281	3,247	1,575	14,103
Termination benefit	(4,049)	-	-	(4,049)
Other financial income				
- Expected return on pension scheme assets	38,596	2,780	1,175	42,551
- interest charged on pension scheme liabilities	(36,167)	(2,476)	(1,218)	(39,861)
Actuarial loss				
- Actual return less expected return on pension scheme assets	12,064	4,838	3,396	20,298
- Changes in assumptions underlying the present value of the scheme liabilities	77,201	4,483	1,720	83,404
Asset at 31 March 2020	**201,893**	**22,070**	**4,635**	**228,598**

23) Lease liabilities

	At 31 March 2020 £'000	At 31 March 2019 £'000
Current	14,396	10,449
Non-current	76,761	68,000
	91,157	**78,449**

23) Lease liabilities (continued)

Maturity analysis – Undiscounted lease payments

	2020 £'000	2019 £'000
1 year	14,982	10,633
2 year	10,599	7,373
3 year	8,528	4,575
4 year	5,669	3,800
5 year	4,543	3,780
>5 years	73,138	75,484
Total lease liability	**117,459**	**105,645**

Amount recognised in the statement of profit and loss

	2020 £'000	2019 £'000
Interest on lease liabilities	2,460	4,406
Income from sub-leasing right-of-use assets	1,904	-

The Company is using the leased assets for operational purpose.

There are no restrictions or covenants imposed by leases.

24) Share capital

	At 31 March 2020 £'000	At 31 March 2019 £'000
Allotted, issued and fully paid:		
195,600 (2019: 195,600) ordinary shares of par value of £100 each	19,560	19,560

The Company has one class of ordinary shares which carries no right to fixed income.

No shares reserved for issue under options and contracts for the sale of shares.

25) Capital and other commitments

At 31 March 2020, the Company had the following capital commitments:

	At 31 March 2020 £'000	At 31 March 2019 £'000
Contracted for but not provided	5,078	1,962

The capital commitments relate to both computer hardware and software commitments and are due within the next 3 years.

26) 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 the registered address: 1775 Tysons Blvd, Tysons, VA 22102, USA.

The immediate parent Company of CSC Computer Sciences Limited is DXC UK Holdings Limited (formerly CSC Computer Sciences UK Holdings 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, GU11 1PZ.

27) Events after the end of the reporting year

- The Company's subsidiary iSOFT Health (Ireland) Limited was dissolved after merger with CSC Computer Sciences Ireland Limited, another entity within the Group in Ireland, effective 1 April 2020. As a result, the Company's investment in the subsidiary of £8,735,000 has been written off in full and the net book value of this investment as at 31 March 2020 is shown at £nil. Refer note 14 for the details on the value of investments held as at 31 March 2020 by the Company.

- The Company has entered into a new loan agreement (GN 1025) with DXC Technology Deutschland Consulting GmbH ('DXC Germany') repayable on 31 March 2023 for a sum of €8,646,705 by way of roll-forward of the prior loan agreement (GN 1025) for the same sum repayable on 31 March 2020 vide Board resolution dated 18 May 2020. The same has been proposed to be settled through a capital contribution into DXC Germany by the Company for a sum equivalent to the principal along with the interest accrued thereon of €8,648,867 vide Board resolution dated 5 August 2020.

- The Company has acquired the remaining 5.33% shares in DXC Technology Deutschland Consulting GmbH ('DXC Germany') during the next financial year FY21 from DXC Technology B.V for a consideration of €72,875 vide Board resolution dated 5 August 2020. Post this transaction, the Company will hold 100% shares of DXC Germany thereby making DXC Germany its wholly owned subsidiary.

- In relation to COVID-19, management recognises 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.

  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 other 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.

28) Adoption of IFRS 16 – Leases
IFRS 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 April 2019 was as follows:

	1 April 2019 £'000
Operating lease commitments as at 1 April 2019 (IAS 17)	18,476
Operating lease commitments discounted based on the weighted average incremental borrowing rate of 3.243% (IFRS 16)	14,353
Short-term leases not recognised as a right-of-use asset (IFRS 16)	(171)
Low-value assets leases not recognised as a right-of-use asset (IFRS 16)	-
Accumulated depreciation as at 1 April 2019 (IFRS 16)	-
Right-of-use assets (IFRS 16)	14,353
Lease liabilities - current (IFRS 16)	(2,647)
Lease liabilities - non-current (IFRS 16)	(11,706)
Tax effect on the above adjustments	-
Reduction in opening retained profits as at 1 April 2019	-

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

Annexure – I

Name and Registered office	Country of incorporation	Principal activity	Proportion of ordinary shares held % in 2020	Proportion of ordinary shares held % in 2019
Direct investments				
DXC UK (Middle East) Limited Royal Pavilion, Wellesley Road, Aldershot Hampshire, GU11 1PZ, United Kingdom	United Kingdom	Computer Services	100.0	100.0
Computer Sciences Corporation Services (Pty) Limited P O Box 32, West Tower, Canal Walk, Century City Cape Town, 7446	South Africa	Computer Services	100.0	100.0
DXC Technology Deutschland Consulting GmbH Abraham Lincoln Park – 1, DE – 65189, Wiesbaden	Germany	Computer Services	94.7	94.7
iSOFT Health Verwaltungs-GmbH Burgstr. 9, Bochum 44867, Germany	Germany	Computer Services	100.0	100.0
CSC UKD4 Limited Royal Pavilion, Wellesley Road, Aldershot Hampshire, GU11 1PZ, United Kingdom	United Kingdom	Computer Services	100.0	100.0
iSOFT Health Ireland Limited Liffey Park Technology Campus, Leixlip, Co. Kildare, W23 Y972, Ireland	Ireland	Computer Services	100.0	100.0
iSOFT Limited Royal Pavilion, Wellesley Road, Aldershot Hampshire, GU11 1PZ, United Kingdom	United Kingdom	Computer Services	100.0	100.0
Royal Pavilion Unit Trust 22 Grenville Street, St Helier, Jersey, JE4 8PX	Jersey	Unit Trust	100.0	100.0
Fixnetix Limited Royal Pavilion, Wellesley Road, Aldershot Hampshire, GU11 1PZ, United Kingdom	United Kingdom	Computer Services	100.0	100.0
Others				
House Builder XL Limited Future Space - North Gate, Filton Road, Bristol, England, BS34 8RB	United Kingdom	Computer Services	15.0	-
Celeritifintech Services Limited New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire, United Kingdom, SO53 3LG	United Kingdom	Computer Services	5.4	5.4
Indirect investments				
CSC Computer Sciences (Middle East) FZ LLC 201, 2nd floor, Pfizer Building, Dubai Media city PO Box 500020, Dubai	United Arab Emirates	Computer Services	100.0	100.0
CSC Computer Sciences Middle East Ltd OPC PO Box 24139, Doha, State of Qatar	Qatar	Computer Services	100.0	100.0