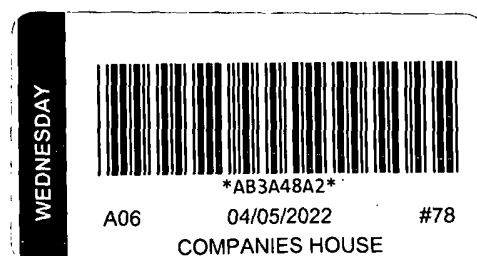


Company Registration No. 03716736

iSoft Group (UK) limited

Annual report and financial statements

For the financial year from 1 April 2020 to 31 March 2021



iSoft Group (UK) limited

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iSoft Group (UK) limited

Officers and Professional Advisers

Directors

C N Halbard Appointed 7 April 2020
S J Turpie
M C Woodfine

Company Secretary

M C Woodfine

Registered Office

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

Principal Bankers

Barclays Bank PLC
Leicester Servicing Centre
United Kingdom
LE87 2BB

Principal Legal Adviser

Vistra Corporate Law
First floor
10 Temple Back
Bristol
BS1 6FL
United Kingdom

Auditor

Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

iSoft Group (UK) limited

Strategic Report

The directors present their Strategic report on the Company for the financial year ended 31 March 2021. In preparing the Strategic report, the directors have complied with s414c of the Companies Act 2006.

iSoft Group (UK) 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 2020 to 31 March 2021 are set out on pages 10 to 21. A loss for the financial year of £3,076,000 (2020: profit of £272,000) has been transferred to reserves.

Business review

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

Risk management, objectives and policies

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

DXC Technology ran a detailed programme to prepare itself and its clients for the end of the EU / UK transition period at the start of the year. A cross disciplinary team across nine workstreams worked to ensure over 200 actions were managed effectively and an escalation process was created to ensure the resources and focus required to deal with any unanticipated eventuality were available.

These detailed preparations were independently assessed by global law firm, Eversheds Sutherland, who provided feedback to DXC’s leadership team independent of the internal Brexit Readiness team. Their feedback, alongside reports from key public and private sector clients, show that DXC was highly successful in its preparations.

This is demonstrated by the fact that the end of the transition period resulted in no material increases in costs, no service or supply disruption and no significant commercial issues. Some measures taken in response to the end of the transition period have had wider application in other areas of the business - particularly as regards global trade policy – to such an extent that costs are now lower than they were prior to 1 January 2021.

Lessons learned, including newly improved processes such as engaging subject matter expertise, information sharing between region, clearly communicated expectations, prioritising work, collaboration are now being shared outside of the UK/IMEA and NCE regions so that these benefits can be realised globally.

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.

The company is part of the DXC group, and Management have considered these risks in the context of the Group’s ability to respond to and mitigate these risks.

The DXC Group has a strong liquidity position which will allow it to sustain the business throughout periods of heightened uncertainty. The Group actively manages cash flow by taking steps to minimise short term debt and working capital to maximise cash.

Our customers ability to pay has not had a material impact up to date of signing the financial statements 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.

iSoft Group (UK) limited

Strategic Report (continued)

Risk management, objectives and policies (Continued)

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 £2,162,000 (2020: nil).

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

Further details on other business risks and uncertainties can be found in Section 1A of the DXC's consolidated financial statements for the year ended 31 March 2021, which are available to the public and may be obtained from the Company's website 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 continues to act as a holding company and the activities of the Company are expected to remain the same.

Key performance indicators

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

Approved by the board and signed on its behalf by:



C N Halbard
Director
29 April 2022

Registered Office:

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

iSoft Group (UK) limited

Directors' report

The directors present the annual report on the affairs of the Company, together with the audited financial statements for the financial year 1 April 2020 to 31 March 2021.

Principal activity

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

Future developments

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

Events since the reporting date

Details of significant events since the balance sheet date are contained in note 13 to the financial statements.

Research and development

No research and development costs were incurred during the financial year (2020: £Nil)

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 objectives and policies are set out in the Strategic report on page 2 and form part of this report by cross reference.

Dividends

No dividend was declared or paid during the financial year. A dividend of £1,239,175 was paid after the year ended 31 March 2021 up to the date of approval of this report (2020: £nil).

Directors

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

A Fiumicelli	Resigned 31 May 2020
C N Halbard	Appointed 7 April 2020
S J Turpie	
M C Woodfine	
T A Gough	Resigned 7 April 2020

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

Political contribution

The Company made no political donations during the financial year (2020: £nil).

Going concern

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

In relation to COVID-19, Management is continuously monitoring the position and taking all necessary steps to protect its employees, customers and stakeholders. A Going Concern impact assessment has been completed that analysed DXC's current and future cash resources, access to existing and new financing facilities, including revolving facilities, the government support measures that have been announced and the customer base of the Group. These are set out in detail within 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.

The impact of the war in Ukraine and related events are considered to be non-adjusting events, they do not affect amounts recognised as of 31 March 2021. The directors consider that the war will not have any material impact in financial year 2022 and beyond since the Company does not hold any investments in either Ukraine or Russia.

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

iSoft Group (UK) limited

Directors' report (continued)

Employees

Details of the number of employees and related costs can be found in note 5 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.

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.

Energy and carbon disclosures

Details of energy and carbon usage reporting requirements for the company are met by combining the company activities with fellow DXC UK group companies into one energy report due to impracticality of reporting individually for iSoft Group (UK) limited. Details can be found in the filings for the main CSC trading company in the UK of CSC Computer Sciences Limited (Registered number 00963578).

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term. The Company has elected to dispense with the obligation to appoint an auditor annually under the provisions of section 485 to 488 of the Companies Act 2006 and appropriate arrangements have been put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

Disclosure of information to auditor

Each 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 auditors are 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 auditors are 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:



C N Halbard
Director
29 April 2022

Registered Office:

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

iSoft Group (UK) 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 period. 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.

Independent auditor's report to the members of iSoft UK (Group) Limited

For the financial year 1 April 2020 to 31 March 2021

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of iSoft Group (UK) Limited (the 'Company'):

- give a true and fair view of the state of the Company affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Independent auditor's report to the members of iSoft UK (Group) Limited (continued)

For the financial year 1 April 2020 to 31 March 2021

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations, data protection act and anti corruption regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent auditor's report to the members of iSoft UK (Group) Limited (continued)

For the financial year 1 April 2020 to 31 March 2021

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.

DocuSigned by:

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Christopher Dolby (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

3 May 2022

iSoft Group (UK) limited**Statement of profit and loss****For the financial year 1 April 2020 to 31 March 2021**

		Financial year 1 April 2020 to 31 March 2021	Financial year 1 April 2019 to 31 March 2020
	Notes	£'000	£'000
Administrative expenses		(26)	(60)
Other operating (expenses)/income		(888)	325
Impairment on investments	7	(2,162)	-
Operating (loss)/profit	4	(3,076)	265
Finance income		-	7
(Loss)/profit before taxation		(3,076)	272
Taxation	6	-	-
(Loss)/profit for the financial year		(3,076)	272

The above results are wholly attributable to continuing activities.

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

The notes on pages 13 to 21 form part of these financial statements.

iSoft Group (UK) limited**Balance sheet
As at 31 March 2021**

		At 31 March 2021	At 31 March 2020
Assets	Note	£'000	£'000
Non-current assets			
Investments	7	3,813	5,975
Trade and other receivables	9	51,092	-
Total non-current assets		54,905	5,975
Current assets			
Trade and other receivables	8	15,062	61,147
Cash at bank and in hand		250	113
Total current assets		15,312	61,260
Total assets		70,217	67,235
Liabilities			
Current liabilities			
Trade and other payables	10	(15,317)	(9,259)
Total current liabilities		(15,317)	(9,259)
Net current liabilities		(5)	52,001
Total assets less current liabilities		54,900	57,976
Total liabilities		(15,317)	(9,259)
Net assets		54,900	57,976
Equity			
Share capital	12	-	-
Profit and loss account		54,900	57,976
Total equity		54,900	57,976

The notes on pages 13 to 21 form part of these financial statements.

These financial statements of iSoft Group (UK) limited (registered number: 03716736) on pages 10 to 21 were approved and authorised for issue by the board of directors on 29 April 2022 and signed on its behalf by:



C N Halbard
Director

iSoft Group (UK) limited**Statement of changes in equity****For the financial year 1 April 2020 to 31 March 2021**

	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
Balance as at 1 April 2019	-	57,704	57,704
Profit and total comprehensive income for the year	-	272	272
Balance as at 31 March 2020	-	57,976	57,976
Loss and total comprehensive expense for the year	-	(3,076)	(3,076)
Balance as at 31 March 2021	-	54,900	54,900

The notes on pages 13 to 21 form part of these financial statements.

Profit and loss account reserve represents accumulated retained earnings net of dividends distributed to shareholders.

iSoft Group (UK) limited

Notes to financial statements

For the financial year 1 April 2020 to 31 March 2021

1) Basis of accounting and general information

iSoft Group (UK) limited ("the Company") acts as a holding company for entities included in the note relating to investments.

The Company is a private company and is 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 judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101. Where relevant, equivalent disclosures have been given in the consolidated financial statements of the ultimate parent company DXC Technology Company 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 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 financial year;
 - (ii) 10(f) – a statement of financial position as at the beginning of the preceding financial year 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 statement of financial position, profit and loss and other comprehensive income, statement of changes in equity and other additional comparative information;
 - (v) 134-136 – disclosure of management of capital;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations.”;
- the requirements of IAS 7 "Statement of Cash Flows";

iSoft Group (UK) limited**Notes to financial statements (continued)****For the financial year 1 April 2020 to 31 March 2021****2) Summary of significant accounting policies (continued)**

- the disclosure exemptions from paragraphs 30 and 31 of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements of IAS 24 “Related Parties” to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transactions is wholly owned by such a member; and
- the requirements of IAS 36 “Impairment of Assets”.

Going concern

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

The Company is loss making and reports net assets. Confirmation has been provided by the parent company, which has provided a letter of support, that it will continue to support the operations going forward for a minimum of twelve months from the date of signing these financial statements.

In relation to COVID-19, Management is continuously monitoring the position and taking all necessary steps to protect its employees, customers and stakeholders. A Going Concern impact assessment has been completed that analysed DXC's current and future cash resources, access to existing and new financing facilities, including revolving facilities, the government support measures that have been announced and the customer base of the Group. These are set out in detail within the Strategic Report.

The impact of the war in Ukraine and related events are considered to be non-adjusting events, they do not affect amounts recognised as of 31 March 2021. The directors consider that the war will not have any material impact in financial year 2022 and beyond since the Company does not hold any investments in either Ukraine or Russia.

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

New standards, amendments and IFRIC interpretations

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

- Amendments to IAS 1 and IAS8- Definition of material - effective for annual years beginning on or after 1 January 2020.
- Conceptual Framework- Amendments to References to the Conceptual Framework in IFRS Standards- effective for annual years beginning on or after 1 January 2020.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2021 have had a material impact on the Company.

Finance income

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

Foreign currency translation

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

iSoft Group (UK) limited**Notes to financial statements (continued)****For the financial year 1 April 2020 to 31 March 2021****2) Summary of significant accounting policies (continued)****Current and deferred income 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 balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the balance sheet and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which 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. 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.

Investments*Investments in group undertakings*

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

Impairment of investments

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

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.

iSoft Group (UK) limited**Notes to financial statements (continued)**
For the financial year 1 April 2020 to 31 March 2021**2) Summary of significant accounting policies (continued)****Financial assets (continued)***Trade and other receivables (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.

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 includes cash in banks.

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.

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 defined contribution pension plans:

Defined contribution schemes

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

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.

3) Critical accounting judgments and key sources of estimation uncertainty

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

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

Having performed an assessment, the Directors have concluded that there is no critical accounting judgement at the reporting year end that have a significant risk of causing a material adjustment to be made to the carrying value amounts of assets and liabilities, in relation to these financial statements.

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.

iSoft Group (UK) limited**Notes to financial statements (continued)****For the financial year 1 April 2020 to 31 March 2021****3) Critical accounting judgments and key sources of estimation uncertainty (continued)****Key sources of estimation uncertainty (continued)****Impairment of investments**

Determining whether the Company's investments in fellow group undertakings 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 group undertakings at the balance sheet date was £3,813,000 (2020: £5,975,000) and impairment loss of £2,162,000 recognised during the year (2020: £nil).

4) Operating (loss)/profit

Operating (loss)/profit is stated after (expensing)/crediting:

	Financial year 1 April 2020 to 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
Foreign currency (loss)/ gain	(959)	325
Impairment on investment	(2,162)	-
	<u><u> </u></u>	<u><u> </u></u>

The auditor's remuneration is borne by a fellow group undertaking within the DXC group. The allocated fees payable to the Company's auditor for the audit of the Company's annual financial statements is £5,000 (2020: £5,000).

5) Employees and directors**Employees**

Employee costs during the financial year (including directors):

	Financial year 1 April 2020 to 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
Wages and salaries	8	28
Social security costs	2	4
Other pension costs (note 10)*	1	4
	<u><u> </u></u>	<u><u> </u></u>
	11	36

* Other pension costs include those cost relating to defined contribution schemes.

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

	Financial year 1 April 2020 to 31 March 2021 No.	Financial year 1 April 2019 to 31 March 2020 No.
Sales and operations staff	-	1
	<u><u> </u></u>	<u><u> </u></u>

Directors**Total remuneration borne by other entities**

The total amounts paid to the directors amounts to £1,320,263 (2020: £2,660,075) which is borne by CSC Computer Sciences Limited and DXC UK International Limited.

iSoft Group (UK) limited**Notes to financial statements (continued)**
For the financial year 1 April 2020 to 31 March 2021**5) Employees and directors (continued)****Highest paid director**

The highest paid director was paid through DXC UK International Limited. In the previous financial year, the highest paid director was paid through CSC Computer Sciences Limited.

6) Taxation**Current taxation**

	Financial year 1 April 2020 to 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
<i>Current tax</i>		
UK corporation tax on profits for the year 19% (2020: 19 %)	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Total deferred tax benefit	-	-
Tax on profit	-	-

The tax expense for the financial year is lower (2020: lower) than the standard rate of corporation tax in the United Kingdom for the financial year ended 31 March 2021 of 19% (2020: 19%).

The differences are explained below:

	Financial year 1 April 2020 to 31 March 2021 £'000	Financial year 1 April 2019 to 31 March 2020 £'000
(Loss)/profit before taxation	(3,076)	272
(Loss)/profit multiplied by the standard rate of tax in the United Kingdom of 19% (2020: 19%)	(584)	52
Effects of:		
Income not subject to tax	(14)	-
Expenses not deductible for tax purposes	411	-
Transfer pricing adjustments	63	150
Adjustment to tax charge in respect of prior years	-	61
Group relief surrender	124	11
Remeasurement of deferred tax – change in UK tax rate	-	(551)
Deferred tax not recognised	-	277
Tax charge on (loss)/profit	-	-

Factors affecting future tax charges

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

The Finance Act 2020 included legislation to maintain the main rate of corporation tax at 19% rather than reducing it to 17% from 1st April 2020. The change to the main rate was substantively enacted at the balance sheet date. The UK budget on 3rd March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1st April 2023.

These changes were not substantially enacted until 21st June 2021 after the balance sheet date and hence have not been reflected in the measurement of deferred tax balances.

iSoft Group (UK) limited**Notes to financial statements (continued)
For the financial year 1 April 2020 to 31 March 2021****6) Taxation (continued)**

The unrecognised deferred tax asset balances comprise:

	Unrecognised 2021 £'000	Unrecognised 2020 £'000
Accelerated capital allowance	251	251
Short term temporary differences	-	1
Losses	4,792	4,772
	<u>5,043</u>	<u>5,024</u>
Undiscounted deferred tax assets	<u>5,043</u>	<u>5,024</u>

Deferred tax assets of £5,043,699 (2020:£5,043,337) have not been recognised as the directors consider there to be insufficient evidence of suitable future taxable income against which to recover them. The impact on the rate change effective from April 2023 will increase these assets to £6,636,446.

7) Investments

	Investments in fellow group undertakings £'000
Cost	
At 1 April 2020	5,975
Additions during the financial year	-
At 31 March 2021	<u>5,975</u>
Provision for impairment provided during the year	
At 1 April 2020	-
Increase in provision	(2,162)
At 31 March 2021	<u>(2,162)</u>
Net book value	
At 31 March 2021	3,813
At 31 March 2020	5,975

Further information on shares held by the Company as at 31 March 2021 and at 31 March 2020:

Name and Registered office	Country of incorporation and principal place of business	Principal Activity	Proportion of ordinary shares held 2021	Proportion of ordinary shares held 2020
Direct Investment held				
CSC Computer Sciences Limited	United Kingdom Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ	Computer Services	0.7%	0.7%

iSoft Group (UK) limited**Notes to financial statements (continued)**
For the financial year 1 April 2020 to 31 March 2021**8) Trade and other receivables: disclosed as current assets**

	At 31 March 2021 £'000	At 31 March 2020 £'000
Amounts owed by fellow group undertakings	15,062	61,147
	<u>15,062</u>	<u>61,147</u>

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

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

	At 31 March 2021 £'000	At 31 March 2020 £'000
Amounts owed by fellow group undertakings	51,092	-
	<u>51,092</u>	<u>-</u>

10) Trade and other payables: disclosed as current liabilities

	At 31 March 2021 £'000	At 31 March 2020 £'000
Trade creditors	-	3
Amounts owed to fellow group undertakings	15,317	9,249
Accrued expenses	-	7
	<u>15,317</u>	<u>9,259</u>

Amount owed to fellow undertaking within DXC Group are unsecured, not interest bearing and are repayable on demand.

11) Retirement benefit obligations

The Company provides retirement benefits to certain employees through a defined contribution pension scheme providing benefits based on final pensionable pay.

The pension charge in the Statement of profit and loss in respect of both this defined contribution represents contributions payable by the Company to the scheme and amounts to £1,109 (2020: £4,434). Contributions of £nil (2020: 739) were outstanding at the reporting date and are included within current liabilities.

12) Share capital

	At 31 March 2021 £	At 31 March 2020 £
Allotted, issued and fully paid: 10 (2020: 10) shares of £0.1 each	<u>1</u>	<u>1</u>

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.

iSoft Group (UK) limited

Notes to financial statements (continued)

For the financial year 1 April 2020 to 31 March 2021

13) 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: 20412 Bashan Drive, Suite 250, Ashburn, VA 20147.

The immediate parent Company of iSoft Group (UK) Limited is DXC UK International Operations Limited (formerly CSC Computer Sciences International Operations Limited), a Company incorporated in the Great Britain and registered in England and Wales and its registered address is Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.

14) Events after the end of the reporting date

- On 25 June 2021, the Company paid the dividend amounting to £1,239,175 to DXC UK International Operations Limited.
- On 16 September 2021, the Company has allotted one equity share to DXC UK International Operations Limited for a consideration of £1,561,891. On the same date, the entity subscribed to one additional ordinary share of £100 in CSC Computer Sciences Limited.
- On 22 November 2021, the Company reduced share capital by an amount of £1,561,891. It is proposed that the amount so reduced be credited to distributable reserves.
- The impact of the war in Ukraine and related events are considered to be non-adjusting events, they do not affect amounts recognised as of 31 March 2021. The directors consider that the war will not have any material impact in financial year 2022 and beyond since the Company does not hold any investments in either Ukraine or Russia.

Except as mentioned above, there were no material or significant events other than mentioned above that occurred in the period from 31 March 2021 to the date of approval that would require adjustment to or disclosure in the financial statements.