

Company Registration No. 05460456

Fixnetix Limited

Annual report and financial statements

For the financial year from 1 April 2018 to 31 March 2019



Fixnetix Limited

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Fixnetix Limited

Officers and professional advisors

Directors

T A Gough
M A Majed
M C Woodfine

Company secretary

M C Woodfine

Registered office

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
England
GU11 1PZ

Principal bankers

Barclays Bank Plc
27 Soho Square
London
W1D 3QR

Principal legal advisers

Vistra Corporate Law Limited
First floor
10, Temple Back
Bristol
BS1 6FL

Auditor

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

Fixnetix Limited

Strategic report

The directors present their Strategic report on the Company for the financial year ended 31 March 2019. In preparing the Strategic report, the directors have complied with s414c of the Companies Act 2006.

Fixnetix 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), a public listed company incorporated in the United States of America and listed on the New York Stock Exchange.

The financial statements for the financial year 1 April 2018 to 31 March 2019 are set out on pages 9 to 26. A loss for the financial year of £2,352,000 (2018: loss of £ 3,820,000) has been transferred from reserves.

Business review

The Company's principal activity continued to be the provision of market data, trading and communication services.

During the financial year ended 31 March 2019, the Company and the wider DXC group set its sights on deepening client and partner relationships, strengthening its position in the marketplace and solidifying the Company's long-term growth strategy. Key transactions entered into during the financial year:

The Company has taken £1,624,030 worth equipment on lease in January 2019 which have been sublet since February 2019.

Risk management, objectives and policies

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

On 23 June 2016, a referendum in the United Kingdom returned a result in favour of leaving the European Union. Whilst the longer term political and economic effects of these events are yet unclear, 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. DXC has been actively planning for various Brexit scenarios, 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.

While a new Brexit deadline of 31 January 2020 has been set, the UK government is working towards an exit with a deal before that date. The situation is being actively monitored by subject matter experts on a daily basis and the directors shall review whether there has been any impact of changes to the foreign exchange on the financial statements after the final date and shape of Brexit is determined.

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 2019, 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 changes in the Company's activities in the foreseeable future.

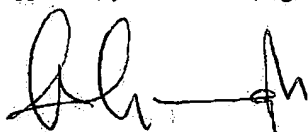
Fixnetix Limited

Strategic report (continued)

Key performance indicators

The Company is managed by the UKIMEA (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:



T A Gough
Director

18/12/2019

Registered office
Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

Fixnetix 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 2018 to 31 March 2019.

Principal activity

The Company's principal activity continued to be the provision of market data, trading and communication services.

Future developments

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

Events since the reporting date

There were no material or significant events that occurred in the period from the date of statement of financial position to the date of reporting that would require adjustment to or disclosure in the financial statements.

Research and development

The Company undertook activities for internal generated software and incurred expenses towards R&D £3,911,637 (2018: £3,714,713).

Branches outside the UK

The Company has no branches outside UK as defined in section 1046(3) of 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 Company's risk management are set out in the Strategic report on page 2 and form part of this report by cross reference.

Dividends

No dividend was declared or paid during the financial year and up to date of approval of this report (2018: £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
M A Majed
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 contribution

The Company made no political donations during the financial year (2018: £nil).

Going concern

The Company is loss making and reports net liabilities as a result of amounts due to other group companies. Confirmation has been obtained from the parent Company that it will continue to provide financial support to enable the Company to meet its financial obligations for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

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

Employees

Details of the number of employees and related costs can be found in note 6 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.

Fixnetix Limited

Directors' report (continued)

Employees (continued)

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.

Auditor

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

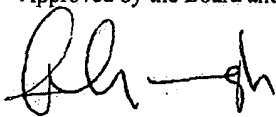
Disclosure of information to auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



T A Gough
Director

18/12/2019

Registered Office:

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

Fixnetix Limited

Directors' responsibilities statement

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report for Fixnetix Limited

For the financial year from 1 April 2018 to 31 March 2019

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Fixnetix Limited (the "Company")

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 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;
- the Statement of financial position;
- the Statement of changes in equity; and
- the related notes 1 to 21.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Independent auditor's report for Fixnetix Limited (continued)

For the financial year from 1 April 2018 to 31 March 2019

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.

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

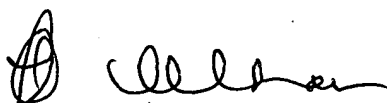
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



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

70 December 2019

Fixnetix Limited**Statement of profit and loss****For the financial year 1 April 2018 to 31 March 2019**

		Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
	Notes		
Revenue	4	38,070	31,510
Cost of sales		(21,355)	(16,070)
Gross profit		16,715	15,440
Administrative expenses		(18,216)	(19,998)
Other operating (expense) / income		(175)	1,081
Operating loss	5	(1,676)	(3,477)
Finance income	7	8	2
Finance expenses	7	(684)	(345)
Loss before taxation		(2,352)	(3,820)
Tax charge on loss	8	-	-
Loss for the year		(2,352)	(3,820)

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 12 to 26 form part of these financial statements.

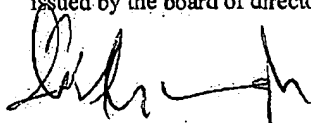
Fixnetix Limited

Statement of financial position As at 31 March 2019

		At 31 March 2019	At 31 March 2018
	Note	£'000	£'000
Assets			
Non-current assets			
Intangible assets	9	298	503
Property, plant and equipment	10	6,070	6,631
Trade and other receivables	13	1,678	-
Total non-current assets		8,046	7,134
Current assets			
Inventory	11	115	959
Trade and other receivables	12	12,753	8,343
Total current assets		12,868	9,302
Total assets		20,914	16,436
Liabilities			
Current liabilities			
Trade and other payables	14	(40,886)	(35,384)
Total current liabilities		(40,886)	(35,384)
Net current liabilities		(28,018)	(26,082)
Total assets less current liabilities		(19,972)	(18,948)
Non-current liabilities			
Trade and other payables	15	(1,328)	-
Total non-current liabilities		(1,328)	-
Total liabilities		(42,214)	(35,384)
Net liabilities		(21,300)	(18,948)
Equity			
Ordinary shares	18	5,890	5,890
Share premium		216	216
Capital contribution		3,579	3,579
Capital redemption reserve		2,787	2,787
Profit and loss account		(33,772)	(31,420)
Total equity		(21,300)	(18,948)

The notes on pages 12 to 26 form part of these financial statements.

These financial statements of Fixnetix Limited (registered number: 05460456) on pages 9 to 26 were approved and authorised for issued by the board of directors on 18/12/2019 and signed on its behalf by:



T A Gough
Director

Fixnetix Limited

Statement of changes in equity For the financial year 1 April 2018 to 31 March 2019

	Share Capital £'000 (Note 18)	Share Premium account £'000	Capital redemption reserve £'000	Capital contribution £'000	Profit and loss account £'000	Total £'000
Balance as at 1 April 2017	5,890	216	3,579	2,787	(27,600)	(15,128)
Loss and total comprehensive loss for the financial year	-	-	-	-	(3,820)	(3,820)
Balance as at 31 March 2018	5,890	216	3,579	2,787	(31,420)	(18,948)
Loss and total comprehensive loss for the financial year	-	-	-	-	(2,352)	(2,352)
Balance as at 31 March 2019	5,890	216	3,579	2,787	(33,772)	(21,300)

The notes on pages 12 to 26 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.

Capital redemption reserve represents amount transferred from profit and loss account on purchase of own shares by the Company.

Capital contribution reserve represents the introduction of new capital without taking shares in return or creating new debt.

Profit and loss account reserve represents accumulated retained earnings.

Fixnetix Limited

Notes to the financial statements

For the financial year 1 April 2018 to 31 March 2019

1) Basis of accounting and general information

Fixnetix Limited ("the Company") provides market data, trading and communication services. The Company provides its services mainly in the UK, with a smaller proportion of its revenue generated by other European markets, United States of America and Canada.

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

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101. Where relevant, equivalent disclosures have been given in the consolidated financial statements of the ultimate parent company, DXC Technology Company ("DXC"), in relation to:

- the disclosure exemptions from IFRS 7 "Financial Instruments: Disclosures";
- the disclosure exemptions from IFRS 13 "Fair Value Measurement" to the extent that they apply to financial instruments;
- the disclosure exemptions from paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- the disclosure exemptions from paragraphs 134 to 136 of IAS 1 "Presentation of Financial Statements";
- the disclosure exemptions from paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- the requirements of IAS 7 "Statement of Cash Flows";
- the requirements of 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, provide that any subsidiary which is party to the transactions is wholly owned by such a member; and
- the requirements of IAS 36 "Impairment of Assets".

Going concern

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

The Company meets its day-to-day working capital requirements through a combination of intercompany loans from its parent and other group companies. Assurance has been given by the ultimate parent company that it will continue to support the operations of the Company for a minimum of twelve months from the date of signing these financial statements.

The directors have a reasonable expectation 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.

Fixnetix Limited

Notes to the financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

2) Summary of significant accounting policies (continued)

New standards, amendments and IFRIC interpretations

In the current year the Company has applied IFRS 15, Revenue from Contract with Customers (as amended in April 2016) and IFRS 9, Financial Instruments which is effective for an annual period that begins on or after 1 January 2018.

IFRS 15 introduced a 5-step approach to revenue recognition. More prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

IFRS 15 uses the terms "contract asset" and "contract liability" to describe what might more commonly be known as "accrued revenue" and "deferred revenue" and included in prior year account categories within "amounts recoverable on contracts" and "deferred contract revenue". Previously termed "deferred costs" changes to "contract costs". This includes both costs capitalised to obtain a contract and to fulfil a contract, see note 19. These are amortised over the contract life and subject to annual impairment testing.

The Company has adopted the terminology used in IFRS 15 to describe such balances in the financial statements from this year.

The Company's policy for revenue recognition is included in the revenue recognition section of this note.

IFRS 9 introduced new requirements for:

- the classification and measurement of financial assets and financial liabilities;
- impairment of financial assets; and
- general hedge accounting.

IFRS 9 modifies the classification and measurement of certain classes of financial assets and liabilities and requires the Company to reassess the classification of financial assets from four to three primary categories (amortised cost, fair value through profit and loss (FVTPL), fair value through other comprehensive income), reflecting the business model in which assets are managed and their cash flow characteristics. Financial liabilities continue to be measured at either fair value through profit and loss or amortised cost.

The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 April 2018. Based on the facts and circumstances that existed at that date it has been concluded that the initial application of IFRS 9 has not had a material impact on the Company's Financial Statements. There is no adjustment to opening retained earnings arising from the adoption of IFRS 9 and the prior period has not been restated.

Impairment of assets

IFRS 9 requires an expected credit loss (ECL) model to be applied to financial assets rather than the incurred credit loss model required under IAS 39. The ECL is calculated by considering the probability of default and exposure at default. The probability of default is an estimate of the likelihood of default over the expected lifetime of the debt. The assessment of credit risk and the estimation of ECL are required to be unbiased, probability weighted and should incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. IFRS 9 requires credit risk to be considered on initial recognition of the financial asset and then subsequently at each date of statement of financial position. The forward-looking aspect of IFRS 9 requires considerable judgement as to how changes in economic factors affect ECLs.

General hedge accounting

The new general hedge accounting requirements retain the three types of hedging which were available under IAS 39; fair value hedges, cash flow hedges and net investment hedges. The Company do not enter into any forward currency contracts, therefore requirements of IFRS 9 related to general hedge accounting has no impact to the Company's financial statements.

The Company's policy for financial assets and financial liabilities are included in the financial asset, financial liabilities and equity section of this note.

Full impact of adoption of these standards is disclosed under note 21, Adoption of new and revised standards.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2019 have had a material impact on the Company.

Fixnetix Limited

Notes to the financial statements (continued) For the financial year 1 April 2018 to 31 March 2019

2) Summary of significant accounting policies (continued)

Foreign currency translation

Foreign currency transactions are translated into the functional currency of GBP using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss. 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 at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

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 is received on work done for fellow group companies where services provided are billed, this includes at an arm's length mark-up.

Hardware

Revenue from hardware sales is recognised when the product is shipped to the client and when significant risk and rewards of ownership have been transferred to the buyer. Any cost of warranties and remaining obligations that are inconsequential or perfunctory are accrued when the corresponding revenue is recognised.

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 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 the percentage of completion (POC) method. Under the POC 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.

Fixnetix Limited

Notes to the financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

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 deferred income in the statement of financial position 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 statement of financial position until the client is billed. Billings usually occur in the month after the Company performs the services or in accordance with specific contractual provisions.

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 financial year comprises current and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

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

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the financial 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.

Fixnetix Limited

Notes to the financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

2) Summary of significant accounting policies (continued)

Intangible assets

Internally developed 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).

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.

Property, plant and equipment

Property, plant and equipment 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.

Depreciation 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 five years or useful life

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.

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 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 systems and processes. These costs are recorded as contract work in progress on the statement of financial position. 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 according to the appropriate stage of completion. 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 statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Fixnetix Limited

Notes to the financial statements (continued) For the financial year 1 April 2018 to 31 March 2019

2) Summary of significant accounting policies (continued)

Financial assets

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less any appropriate provision for estimated irrecoverable amounts. A provision is made for irrecoverable amounts where there is objective evidence that amounts due will not be collected.

They are included in current assets, except for payment terms greater than twelve months after the end of the reporting 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.

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

Cash and cash equivalents

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

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.

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 financial year.

Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the liability) are charged to the statement of profit and loss on a straight-line basis over the period of the lease.

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.

The Company as lessee

The Company leases certain property, plant and equipment. Leases of property, plant and equipment, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in creditors. The interest element of the finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

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.

Fixnetix Limited

Notes to the financial statements (continued) For the financial year 1 April 2018 to 31 March 2019

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 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 judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from these judgements, estimates and assumptions.

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

Having performed an assessment, the directors have concluded that there are no critical accounting judgement in relation to these financial statements.

Key sources of estimation uncertainty

There are no areas for which 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.

Fixnetix Limited

Notes to the financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

4) Revenue

An analysis of revenue by geographical market is given below:

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
United Kingdom	25,499	22,094
United States of America	3,978	1,011
Other Europe	1,296	2,453
Rest of the World	7,297	5,952
	<u>38,070</u>	<u>31,510</u>

An analysis of revenue by category is given below:

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Revenue from services	32,503	29,792
Revenue from sale of goods	5,567	1,718
	<u>38,070</u>	<u>31,510</u>

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 2019 £'000	As at 31 March 2018 £'000
Trade receivables, net	6,604	5,068
Amount recoverable on contracts	39	60
Contract liabilities	2,181	3,956

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 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	3,956	*

**Management have not estimated the figures for prior period as 2019 is the first period in which IFRS 15 has been applied.*

Revenue recognised in relation to prior periods

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

Fixnetix Limited

Notes to the financial statements (continued) For the financial year 1 April 2018 to 31 March 2019

5) Operating loss

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Operating loss is stated after charging		
Research and development costs	3,912	3,715
Depreciation:		
-owned assets	2,140	1,403
-assets held under finance lease and hire purchase contracts	39	47
Amortisation of intangible assets	85	-
Operating lease rentals	359	377
Write-off relating to internally generated intangible assets	149	1,053
Foreign exchange loss / (gain)	175	(27)
Impairment of receivables	292	-

The auditors' remuneration is borne by a fellow group undertaking within the DXC Technology Company group. The allocated fees payable to the Company's auditor for the audit of the Company's annual financial statements is £73,500 (2018: £70,000).

6) Employees and directors

Employees

Employees costs during the financial year:

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Wages and salaries	6,577	7,638
Social security costs	756	945
Other pension costs (Note 17)	274	318
	<u>7,607</u>	<u>8,901</u>

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

	Financial year 1 April 2018 to 31 March 2019	Financial year 1 April 2017 to 31 March 2018
Managerial and professional	27	79
Sales and operational staff	51	18
	<u>78</u>	<u>97</u>

Directors

Total remuneration borne by other entities

The total amounts paid to the directors amounts to £1,401,332 which is borne by CSC Computer Sciences 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. As noted above, it is not possible to apportion their payment between the Company and other entities for which they provide services.

Fixnetix Limited

Notes to the financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

7) Finance income and expense

Finance income

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Interest on finance leases	8	2
	<u>8</u>	<u>2</u>

Finance expense

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Interest payable on loans and overdrafts	684	345
	<u>684</u>	<u>345</u>

8) Taxation

Current taxation

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Current Tax		
UK Corporation tax on loss for the financial year 19% (2018: 19%)	-	-
Adjustments in respect of prior financial years	-	-
Total current tax charge	<u>-</u>	<u>-</u>

Deferred Tax

Origination and reversal of timing differences	-	-
Adjustments in respect of prior periods	-	-
Impact of changes in tax rate	-	-
Total deferred tax charge	<u>-</u>	<u>-</u>
Tax charge on loss	<u>-</u>	<u>-</u>

Tax expense for the period is lower (2018: lower) than the standard rate of corporation tax in the UK for the period ended 31 March 2019 of 19% (2018: 19%).

Fixnetix Limited

Notes to the financial statements (continued) For the financial year 1 April 2018 to 31 March 2019

8) Taxation (continued)

The differences are explained below:

	Financial year 1 April 2018 to 31 March 2019 £'000	Financial year 1 April 2017 to 31 March 2018 £'000
Loss before tax	(2,352)	(3,820)
Loss multiplied by standard rate of tax in the UK of 19% (2018: 19%)	(447)	(725)
Effects of:		
- Expenses not deductible for tax purposes	52	209
- Group relief surrender	162	391
- Deferred tax not recognised	233	125
Total charge for the year	-	-

The tax rate remains unchanged from the prior year.

A reduction to the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction in UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

The rate of 17% (2018: 17%) has been used to calculate deferred tax asset/(liability).

Deferred tax figures above comprise:

	FY 19 provided £'000	FY 19 unprovided £'000	FY 18 provided £'000	FY 18 unprovided £'000
Fixed asset timing differences	-	1,928	-	1,560
Short term timing differences	-	50	-	-
Losses	-	3,572	-	3,656
Total	-	5,550	-	5,216

Deferred tax assets of £5,550,131 (2018: £5,216,173) have not been recognised as the directors consider there to be insufficient evidence of suitable future taxable income against which to recover them.

Fixnetix Limited

Notes to the financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

9) Intangible assets

	Internally generated software £'000
Cost	
At 1 April 2018	1,556
Additions	29
	<u>1,585</u>
At 31 March 2019	<u>1,585</u>
Accumulated amortisation and impairment	
At 1 April 2018	1,053
Charge for the financial year	85
Write-off for the financial year	149
	<u>1,287</u>
At 31 March 2019	<u>1,287</u>
Net book value	
At 31 March 2019	298
At 31 March 2018	<u>503</u>

These relate to internally developed software which will be used to run pre trade-risk checks clients executing trades within the capital markets. Write-off for the financial year relates to iX-ecute7, an internally developed software as no future cash flows are expected to arise from the same.

10) Property, plant and equipment

	Computer and related equipment £'000	Furniture and fittings £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 April 2018	17,828	940	62	18,830
Additions	1,591	54	-	1,645
Disposals	(27)	-	-	(27)
	<u>19,392</u>	<u>994</u>	<u>62</u>	<u>20,448</u>
At 31 March 2019	<u>19,392</u>	<u>994</u>	<u>62</u>	<u>20,448</u>
Accumulated depreciation				
At 1 April 2018	11,574	587	38	12,199
Charge for the year	2,072	128	6	2,206
Disposals	(27)	-	-	(27)
	<u>13,619</u>	<u>715</u>	<u>44</u>	<u>14,378</u>
At 31 March 2019	<u>13,619</u>	<u>715</u>	<u>44</u>	<u>14,378</u>
Net book value				
At 31 March 2019	5,773	279	18	6,070
At 31 March 2018	<u>6,254</u>	<u>353</u>	<u>24</u>	<u>6,631</u>

Included in the total net book value of computer equipment is £nil (2018: £39,486) in respect of assets held under finance leases. Depreciation for the year on these assets was £39,486 (2018: £47,383).

Fixnetix Limited

Notes to the financial statements (continued) For the financial year 1 April 2018 to 31 March 2019

11) Inventory

	31 March 2019 £'000	31 March 2018 £'000
Finished goods	115	959

12) Trade and other receivables: disclosed as current assets

	31 March 2019 £'000	31 March 2018 £'000
Trade receivables	6,604	5,068
Amount recoverable on contracts	39	60
Finance lease debtors (note 13)	384	-
Amounts owed by fellow group undertakings	2,284	868
Other debtors	773	334
Prepayments	2,669	2,013
	<u>12,753</u>	<u>8,343</u>

Amounts owed by fellow group undertakings of £ 2,283,730 (2018: £ 867,697) are unsecured, not interest bearing and repayable on demand.

Trade receivables and amount recoverable on contracts are stated after provision for impairment of £292,416 (2018: £nil). Further details can be found in note 21(b).

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

	31 March 2019 £'000	31 March 2018 £'000
Finance lease receivables	1,678	-
	<u>1,678</u>	<u>-</u>

Finance lease receivable denotes the amount receivable as a result of sub-lease arrangement entered into by the Company. The assets let under sub-lease are obtained under finance lease (note 15).

14) Trade and other payables: disclosed as current liabilities

	31 March 2019 £'000	31 March 2018 £'000
Bank overdraft	21,125	13,988
Obligations under finance lease and hire purchase contracts (note 15)	296	-
Amounts owed to fellow group undertakings	7,743	8,864
Trade and other creditors	2,340	2,580
Accrued expenses	6,566	5,986
Contract liabilities	2,181	3,956
Other taxes and social security taxes	635	10
	<u>40,886</u>	<u>35,384</u>

Amounts owed to fellow group undertakings totaling £7,743,281 (2018: £8,864,000) are unsecured, not interest bearing and are repayable on demand.

The contract liabilities balance as stated above is reclassified from deferred income which was reported in the previous year. Further details can be found under note 21(a).

Fixnetix Limited

Notes to the financial statements (continued) **For the financial year 1 April 2018 to 31 March 2019**

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

Finance lease liabilities

	31 March 2019 £'000	31 March 2018 £'000
More than one year	1,328	-
	<u>1,328</u>	<u>-</u>

The obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

16) Capital and other commitments

Finance lease receivables

	31 March 2019 £'000	31 March 2018 £'000
Amounts receivable under finance leases:		
- within one year	467	-
- more than one year	1,831	-
	<u>2,298</u>	<u>-</u>
Less: unearned finance income	(236)	-
	<u>2,062</u>	<u>-</u>

Obligations under finance leases

	31 March 2019 £'000	31 March 2018 £'000
Amounts payable under finance leases:		
- within one year	364	-
- more than one year	1,457	-
	<u>1,821</u>	<u>-</u>
Less: future finance charges	(197)	-
	<u>1,624</u>	<u>-</u>

17) Retirement benefit obligations

The Company operates a defined contribution pension scheme. The pension cost charge in the statement of profit and loss for the period represents contributions payable by the group to scheme and amounted to £273,920 (2018: £318,459). There is a pension liability within accruals of £34,833 (2018: £28,788) relating to pension contributions not paid over by the financial year end.

18) Share capital

	31 March 2019 £	31 March 2018 £
Allotted, issued and fully paid:		
3,321,610 (2018: 3,321,610) ordinary shares of £ 0.0001 each	332	332
5,889,980 (2018: 5,889,980) 'A' preferred shares of £1 each	5,889,980	5,889,980
30 (2018: 30) 'B' preferred shares of £1 each	30	30
	<u>5,890,342</u>	<u>5,890,342</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.

The preferred shares are redeemable on a liquidation event or at the discretion of the Company (provided that funds are legally available). The holders of preferred shares are entitled to receive cumulative dividends at 0.5% per annum calculated on a daily basis and are not entitled to vote at the meetings of the Company.

Fixnetix Limited

Notes to the financial statements (continued)

For the financial year 1 April 2018 to 31 March 2019

19) Controlling parties

The ultimate parent Company and controlling entity is DXC Technology Company, a Company incorporated in the United States of America. This is the parent undertaking of both the smallest and the largest group which includes the Company and for which group financial statements are prepared. Copies of the group financial statements of DXC Technology Company are available from 1775 Tysons Blvd, Tysons, VA 22102, USA.

The immediate parent Company of Fixnetix Limited is CSC Computer Sciences Limited, a Company incorporated in Great Britain and registered in England and Wales with its registered office situated at Royal Pavilion, Wellesley Road, Aldershot, Hampshire, GU11 1PZ.

20) Events after the end of the reporting period

There were no material or significant events that occurred in the period from 31 March 2019 to the date of reporting that would require adjustment to or disclosure in the financial statements.

21) Adoption of new and revised standards

a) IFRS 15 Revenue from contracts with customers

The Company has adopted IFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies. The Company has also voluntarily changed the presentation of certain amounts in the statement of financial position to reflect the terminology of IFRS 15:

Account Description	Note	IAS 18 carrying amount 31 March 2018 £'000	Reclassification £'000	IFRS 15 carrying amount 1 April 2018 £'000
Contract liabilities	14	-	3,956	3,956
Deferred income	14	3,956	(3,956)	-

Incremental Costs of Obtaining a Contract

Certain sales commissions earned by the Company's sales force are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and amortised on a straight-line basis over five years which approximates to the contract terms they relate to.

Capitalised sales commissions costs are classified within current assets. The outstanding balance as at 31 March 2019 is £76,138.

There is no impact on the opening reserves of the Company as at 1 April 2018.

b) IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Company adopted IFRS 9 Financial Instruments from 1 April 2018. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The transitional provisions do not impact future periods.

Adoption of IFRS 9 has an impact of £292,416 on the amount receivable as at 31 March 2019. This amount has been recognised as impairment of receivables classified under administrative expenses in the statement of profit and loss for the year.