Company Registration No. 5460456

Fixnetix Limited

Annual report and financial statements

For the financial year from 1 April 2017 to 31 March 2018

Fixnetix Limited

Contents

Fixnetix Limited

Officers and professional advisers

Directors

T A Gough	appointed 12 April 2017
M A Majed	appointed 31 March 2018
M C Woodfine	
D W H Gray	resigned 7 April 2017
N A Wilson	appointed 10 April 2017, resigned 31 March 2018

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
Baker & McKenzie LLP
100 New Bridge street
London
EC4V 6JA

Auditor
Deloitte LLP
Statutory Auditors
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 2018. 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.

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

The financial statements for the financial year 1 April 2017 to 31 March 2018 are set out on pages 8 to 23. A loss for the financial year of £3,820,000 (FY17: loss of £4,236,000) has been transferred to reserves.

During the financial year ended 31 March 2018 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.

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 next period.

Principal risks and uncertainties
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 cashflow risk is not material for the assessment of assets, liabilities and the financial statements.

Key performance indicators
The Company is managed by the UK management team along with other UK DXC entities. The performance and results for all UK 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.

Further details on other business risks and uncertainties can be found in section 1A of the DXC's consolidated financial statements for the financial year ended 31 March 2018 which are available to the public and may be obtained from the Company's website www.dxc.technology.

Approved by the board and signed on its behalf by:

T A Gough
Director
20/12/2018

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 and auditor's report for the financial year 1 April 2017 to 31 March 2018.

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.

Dividends
No dividend was declared or paid during the financial period (2017: £nil).

Political contribution
The company made no political donations during the financial period (2017: £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.

Financial instruments and Financial Risks
Performance and finance risk management is an integral part of the Company's management processes. Details of the Company's risk management are set out in the Strategic report on page 2 and form part of this report by cross reference.

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

T A Gough	appointed 12 April 2017
M A Majed	appointed 31 March 2018
M C Woodfine	
D W H Gray	resigned 7 April 2017
N A Wilson	appointed 10 April 2017, resigned 31 March 2018

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

Research and development
The Company undertook activities for internal generated software and incurred expenses towards R&D £3,714,713 (2017: £2,042,968).

Events since the reporting date
The company has no subsequent events since the reporting date.

Directors' report (continued)

Employees
Details of the number of employees and related costs can be found in note 7 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

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.

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

1. so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. the directors have taken all steps that they ought to have taken as a director to make themselves 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
20/12/2018

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

Fixnetix Limited

Statement of directors' responsibilities

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 applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Standards and applicable law), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

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 financial year. In preparing these financial statements, the directors are required to:

(i) select suitable accounting policies and then apply them consistently;

(ii) make judgements and accounting estimates that are reasonable and prudent;

(iii) state whether applicable United Kingdom Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and

(iv) 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 ultimate parent 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 2017 to 31 March 2018

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 2018 and of the loss of the Company for the financial year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework".
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 20.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Independent auditor's report for Fixnetix Limited

For the financial year from 1 April 2017 to 31 March 2018 (continued)

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 Auditors
Cambridge, United Kingdom
21 December 2018

Fixnetix Limited

Income statement

For the financial year from 1 April 2017 to 31 March 2018

	Notes	Financial year 1 April 2017 to 31 March 2018 £'000	Financial year 2 April 2016 to 31 March 2017 £'000
Revenue	4	31,510	28,385
Cost of sales		(16,070)	(15,516)
Gross profit		**15,440**	**12,869**
Administrative expenses		(19,998)	(18,934)
Other operating expense		1,081	(200)
Gain on disposal of investment in subsidiary	6	-	2,228
Operating loss	5	**(3,477)**	**(4,037)**
Finance income	8	2	7
Finance expenses	8	(345)	(206)
Loss before taxation		**(3,820)**	**(4,236)**
Tax charge on (loss)	9	-	-
Loss for the financial year/period		**(3,820)**	**(4,236)**

The above results are wholly attributable to continuing activities.

There is no income or loss for the current or previous financial period, other than shown above. Accordingly, no Statement of comprehensive income has been presented.

The notes on pages 11 to 23 form part of these financial statements.

Fixnetix Limited

Statement of financial position
As at 31 March 2018

	Notes	At 31 March 2018 £'000	At 31 March 2017 £'000
Assets			
Non-current assets			
Intangible assets	10	503	423
Property, plant and equipment	11	6,631	2,714
Total non-current assets		7,134	3,137
Current assets			
Inventory	12	959	170
Trade and other receivables	13	8,343	7,077
Total current assets		9,302	7,247
Total assets		16,436	10,384
Liabilities			
Current liabilities			
Trade and other payables	14	(35,384)	(25,512)
Total current liabilities		(35,384)	(25,512)
Net current liabilities		(26,082)	(18,265)
Total assets less current liabilities		(18,948)	(15,128)
Total liabilities		(35,384)	(25,512)
Net liabilities		(18,948)	(15,128)
Equity			
Share capital	17	5,890	5,890
Share premium		216	216
Capital redemption reserve		3,579	3,579
Capital contribution		2,787	2,787
Profit and loss account		(31,420)	(27,600)
Total shareholders deficit		(18,948)	(15,128)

The notes on pages 11 to 23 form part of these financial statements.

The financial statements of Fixnetix Limited (registered number: 5460456) were approved and authorised for issue by the Board of directors on 20/12/2018 and signed on behalf by:

T A Gough
Director

Fixnetix Limited

Statement of changes in equity
For the financial year 1 April 2017 to 31 March 2018

	Share Capital £'000 Note 17	Share Premium account £'000	Capital redemption reserve £'000	Capital contribution £'000	Profit and loss account £'000	Total £'000
Balance as at 1 April 2016	5,890	216	3,579	2,787	(23,364)	(10,892)
Loss for the financial year	-	-	-	-	(4,236)	(4,236)
Balance as at 31 March 2017	5,890	216	3,579	2,787	(27,600)	(15,128)
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)

The notes on pages 11 to 23 form part of these financial statements.

Notes to the financial statements
For the financial year 1 April 2017 to 31 March 2018

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 limited by shares and incorporated in the United Kingdom under companies act 2006 and registered in England and Wales. The address of the registered office 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 periods 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 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 disclosure exemptions from paragraphs 134 to 136 of IAS 1 "Presentation of Financial Statements";
- the disclosure exemptions from paragraphs 10 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
- the disclosure exemptions from paragraph 45(b) and 46-52 of IFRS 2 "Share based payment";
- the disclosure exemptions of IFRS 3 "Business combinations";
- the requirements of IAS 7 "Statement of Cash Flows";
- the requirements of IAS 24 "Related Parties" 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 as well as uncommitted money market facilities which are due for renewal at various different times in the future. Confirmation 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 wider DXC Group and the Company 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.

2) Summary of significant accounting policies (continued)

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

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 Income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the Income statement within 'Other operating income or other operating 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.

The Company recognises revenue only if it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

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 Income statement in the year in which the circumstances that give rise to the revision become known by management.

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.

2) Summary of significant accounting policies (continued)

Interest income
Interest income is recognised in the Income statement using the effective interest method.

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

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

Dividend distribution
Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the financial period in which the dividends are approved by the Company's shareholders.

Current and deferred taxation
The tax expense for the financial period comprises current and deferred tax. Tax is recognised in the Income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. 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 of the deferred income tax liability is settled.

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 period, 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.

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

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

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.

2) Summary of significant accounting policies (continued)

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 Income statement during the financial period 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 Income statement.

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 Income statement 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.

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.

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 if 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.

2) Summary of significant accounting policies (continued)

Financial assets (continued)

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 collaterised borrowing for the proceeds received.

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

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity, after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Trade and other payables
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 Income statement 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 period.

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 Income statement on a straight-line basis over the period of the lease.

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 leases 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 Income statement 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.

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,

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 policies and 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.

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

Critical accounting policies and judgements

Revenue recognition
As discussed in note 2, the majority of our revenue is recognised based on objective criteria and does not require significant estimates that may change over time. However, some arrangements are subject to specific accounting guidance that may require significant estimates, including contracts subject to percentage-of-completion accounting, contracts that include multiple-element deliverables, and contracts subject to software accounting guidance. These estimates are made on a contract by contract basis and a different assessment would result in a change to the amount of revenue recognised.

Key sources of estimation of uncertainty

Areas for which there are major sources of estimation uncertainty 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 are discussed below:

By contrast, areas where estimation is applied primarily in the context of applying critical accounting policies and judgements have been discussed in the preceding section above.

Valuation of intangible assets
The company reviews the carrying value of intangible assets annually for indicators of impairment. The application of impairment accounting requires the use of significant estimates and assumptions. Where applicable and when there are indicators of impairment, the company will estimate future cash flows which are discounted to their present value: The company's estimates are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. These valuations require the use of management assumptions, which would not reflect unanticipated events and circumstances that may occur.

4) Revenue

An analysis of revenue by geographical market is given below:

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial year 2 April 2016 to 31 March 2017 £'000
UK	22,094	20,033
Europe	1,011	845
Americas and Canada	2,453	2,239
Others	5,952	5,268
	31,510	**28,385**

Revenue by category

Services	29,792	27,028
Sale of goods	1,718	1,357
	31,510	**28,385**

5) *Operating loss*

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial year 2 April 2016 to 31 March 2017 £'000
Operating loss is stated after charging		
Depreciation:		
-owned assets	1,403	704
-assets held under finance lease and hire purchase contracts	47	47
Operating lease expenses	377	666
Write off relating to internally generated intangible assets	1,053	-

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 £70,000 (2017: £61,500).

6) Gain on disposal of investment in subsidiary

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial year 2 April 2016 to 31 March 2017 £'000
Gain on disposal of investment in subsidiary	-	2,228
	-	2,228

Notes to the financial statements (continued)
For the financial year 1 April 2017 to 31 March 2018

7) Employees and directors
Employees

Employees costs during the financial period:

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial year 2 April 2016 to 31 March 2017 £'000
Wages and salaries	6,589	6,978
Social security costs	945	1,060
Other pension costs	318	341
	7,852	8,379

Employees

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

	Financial year 1 April 2017 to 31 March 2018	Financial year 2 April 2016 to 31 March 2017
Managerial and professional	79	75
Sales and operational staff	18	18
	97	93

Directors

The directors of the Company are also directors or officers of other companies within the DXC Technology group. The directors' services to the Company do not occupy a significant amount of their time and are considered to be incidental. As such these directors do not consider that they receive any remuneration for their services to the Company for the current or previous financial year.

8) Finance income and expense

Finance income

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial year 2 April 2016 to 31 March 2017 £'000
Interest on finance leases	2	7
	2	7

Finance expense

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial year 2 April 2016 to 31 March 2017 £'000
Interest payable on finance leases	-	11
Interest payable on loans and overdrafts	345	195
	345	206

9) Taxation

Current taxation

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial year 2 April 2016 to 31 April 2017 £'000
Current Tax		
UK Corporation tax on loss for the financial year	-	-
Total current tax credit/ (charge)	-	-
Deferred Tax		
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior years	-	-
Impact of change in tax rate	-	-
Total deferred tax charge/(credit)	-	-
Tax charge / (credit) on loss	-	-

Tax expense for the period is lower (2017: lower) than the standard rate of corporation tax in the UK for the period ended 31 March 2018 of 19% (2017: 20%). The differences are explained below:

	Financial year 1 April 2017 to 31 March 2018 £'000	Financial year 2 April 2016 to 31 March 2017 £'000
Loss before tax	(3,820)	(4,236)
Loss multiplied by standard rate of tax in the UK of 19% (2017: 20%)	(725)	(847)
Effects of:		
Expenses not deductible for tax purposes	209	10
Group relief surrender	391	-
Re-measurement of deferred tax on change in tax rate	-	419
Deferred tax not recognised	125	418
Total charge / (credit) for the year	-	-

The tax rate for the current period is lower than prior period due to changes in the UK corporation tax rate which decreased from 20% to 19% from 1 April 2017.

A reduction to the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015.

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

The rate of 17% (2017: 17%)has been used to calculate the deferred tax asset/(liability).

9) Taxation (continued)

Deferred tax figures above comprise:

	FY 18 provided £'000	FY 18 unprovided £'000	FY 17 provided £'000	FY 17 unprovided £'000
Fixed asset timing difference	-	1,560	-	1,322
Losses	-	3,656	-	3,781
At 31 March 2018	-	5,216	-	5,103

Deferred tax assets of £5,216,173 (2017: £5,103,916) have not been recognised as the directors consider there to be insufficient evidence of suitable future taxable income against which to recover them

10) Intangible assets

	Internally generated software £'000
Cost	
At 1 April 2017	423
Additions	1,133
At 31 March 2018	1,556
Accumulated amortisation and impairment	
At 1 April 2017	-
Write off for the financial period	1,053
At 31 March 2018	1,053
Net book value	
At 31 March 2018	503
At 31 March 2017	423

Intangible assets relate to internally developed software which will be used to run pre-trade risk checks clients executing trades within the capital markets. There is no amortisation during the current year relating to iXEye v4 asset as it was put to use from 1 April 2018. Write off relates to internally developed software iX Hybrid as no future cash flows are expected to arise from this software.

Notes to the financial statements (continued)
For the financial year 1 April 2017 to 31 March 2018

11) Property, plant and equipment

	Computer and related equipment £'000	Furniture and fittings £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 April 2017	12,629	773	62	13,464
Additions	5,199	168	-	5,367
Disposals	-	(1)	-	(1)
At 31 March 2018	17,828	940	62	18,830
Accumulated depreciation				
At 1 April 2017	10,258	460	32	10,750
Charge for the year	1,316	128	6	1,450
Disposals	-	(1)	-	(1)
At 31 March 2018	11,574	587	38	12,199
Net book value				
At 31 March 2018	6,254	353	24	6,631
At 31 March 2017	2,371	313	30	2,714

Included in the total net book value of computer equipment is £39,486 (2017: £86,870) in respect of assets held under finance leases. Depreciation for the year on these assets was £47,383 (2017: £47,383).

12) Inventory

	31 March 2018 £'000	31 March 2017 £'000
Finished goods	959	170

13) Trade and other receivables: disclosed as current assets

	31 March 2018 £'000	31 March 2017 £'000
Trade receivables	5,068	4,363
Finance lease debtors	-	40
Amounts owed by fellow group undertakings	868	39
Other debtors	334	920
Prepayments	2,073	1,715
	8,343	7,077

Amounts owed to fellow group undertaking within the DXC Technology company group are not interest bearing and repayable on demand.

14) Trade and other payables: disclosed as current liabilities

	31 March 2018	31 March 2017
	£'000	£'000
Bank overdraft	13,988	7,340
Obligations under finance lease and hire purchase contracts	-	46
Amounts owed to fellow group undertakings	8,864	4,793
Trade and other creditors	2,580	2,311
Accruals	5,986	5,267
Deferred income	3,956	5,232
Other taxes and social security taxes	10	523
	35,384	25,512

Amounts owed by fellow group undertaking within the DXC Technology company group are not interest bearing and repayable on demand.

15) Loans and borrowings

Finance lease liabilities

	31 March 2018	31 March 2017
	£'000	£'000
Less than one year	-	46
	-	46

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

16) Retirement benefit obligations

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to scheme and amounted to £318,459 (2017: £341,869). Contributions amounting to nil (2017: £nil) were payable to the scheme at the year end and are included in creditors.

17) Share capital

	31 March 2018	31 March 2017
	£'000	£'000
Allotted, issued and fully paid:		
5,889,980 (2017: 5,889,980) 'A' preferred shares of £1 each	5,890	5,890
	5,890	5,890

18) Capital and other commitments

At 31 March 2018, the Company was committed to making the following payments in respect of finance leases and hire purchase obligations:

	31 March 2018	31 March 2017
	£'000	£'000
Less than one year	-	46
	-	46

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.

20) Events after the end of the reporting period

The company has no subsequent events since the reporting date.