

Company Registration No. 00963578

CSC COMPUTER SCIENCES LIMITED

Report and Financial Statements

Period from 3 April 2010 to 1 April 2011

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CSC COMPUTER SCIENCES LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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CSC COMPUTER SCIENCES LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G M Hains
A J Thomson
L Benison

SECRETARY

G A Wilson

REGISTERED OFFICE

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

BANKERS

National Westminster Bank Plc
63 Piccadilly
London
W1A 2AG

SOLICITORS

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

AUDITORS

Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom

CSC COMPUTER SCIENCES LIMITED

DIRECTORS' REPORT (continued)

The directors present their annual report and the audited financial statements for the period from 3 April 2010 to 1 April 2011

ENHANCED BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activities of the group during the period were the provision of computer consultancy, systems integration and computer outsourcing. The group is a leading supplier of computing services in the United Kingdom and Ireland and plans to continue its expansion through organic growth of the current business, further acquisitions, additional major outsourcing contracts and development of e-commerce services.

The subsidiary undertakings principally affecting the profits or net assets of the group in the period are listed in note 10 to the financial statements.

There have not been any significant changes in the group's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely major changes in the group's activities in the next period.

The consolidated profit and loss account is on page 7 of the financial statements.

Turnover decreased by 0.4% during the period to £1,179,870,000 (2010 – £1,184,964,000) mainly as a result of business performance in the health service sector.

Profit on ordinary activities before tax increased by £33,498,000 during the period. On 7 April 2010 the group announced that with effect from 1 July 2010 the accrual of future benefits would be discontinued for the two United Kingdom defined benefit pension schemes, the Computer Sciences Limited Pension Scheme and sections A and C of the CSC Computer Sciences Limited 2005 Pension Scheme. This resulted in a curtailment gain of £49,735,000.

The retained profit of the group for the period amounted to £145,121,000 (2010 – £116,889,000). As a result of this, FRS 17 pension movements and FRS 20 share-based payment accounting, the group profit and loss account including the share-based payment reserve carried forward is £391,443,000 (2010 – £222,560,000).

The directors do not recommend payment of dividends in the period (2010 – £nil).

The consolidated balance sheet is on pages 8 and 9 of the financial statements.

Fixed assets decreased by 1.1% over the previous period as a result of depreciation charges exceeding additions as a major client contract matures.

Stock including work in progress increased by 17.3% as a result of costs incurred during the year on a major long term contract.

Cash balances decreased by 28.2% to £287,437,000 due to a decrease in advance payments on a major customer contract.

Net assets before net pension assets and liabilities increased by 6.5% due to performance in the period. Net assets after pension assets and liabilities increased by 38.1% due to pension scheme curtailment gains and increase in pension contributions.

POST BALANCE SHEET EVENTS

During the financial year 2012 the Directors concluded on a change in accounting estimate to a fixed price project, the adjustment reduced the project profitability by £28 million, increasing accruals and deferred income by £18 million and decreasing contract work in progress by £10 million. The impact of the change in accounting estimate will be reflected in the next financial accounting period.

Various disputes have arisen between the Company and the NHS in relation to a £2.9 billion contract under which the Company is developing and deploying an integrated electronic patient records system. In December 2011 the NHS communicated to CSC that the contract amendment under discussion would not be approved by the government.

As a result of the December 2011 communication the company has revised its estimate of revenues and costs at completion under this method to include only those revenues reasonably assured of collection. As a result of this change in estimate, the Company recorded a £953 million contract charge as of December 30, 2011, including a £131 million reduction of revenue. This charge included the write-off of its work in process balance of £806 million, billed and unbilled receivables of £131 million and net other assets and liabilities of £16 million resulting in no material remaining net assets in respect of the contract. The full details of the post balance sheet event are included in note 26 of these financial statements.

CSC COMPUTER SCIENCES LIMITED

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

CSC Business Systems Limited, a subsidiary of the company, entered into a major sole customer long term outsource contract in June 2003 for the supply of information technology services. Operating costs were at a higher level in the early years of the contract resulting in initial operating losses. However the company has been profitable in the current and previous period and the directors are confident that profitability is achievable over the life of the contract.

CSC Computer Sciences Limited in January 2004 entered a long term customer contract for the supply of information technology services to the health services sector. The contract represents a significant part of company and group business. Following the post balance sheet date contract charge noted above, the directors are confident that the contract will achieve profitability going forwards.

Some of the contracts undertaken by the company are performed on a fixed price basis under which particular products or services are delivered to clients for pre-determined and fixed amounts. On these contracts revenue is only recognised when milestones marking specific deliverables are reached. The company is not generally able to recover any additional revenue in the event of it incurring higher costs than anticipated in the performance of these contracts. The company adopts a range of specific internal control measures in order to manage these contracts including regular comparisons of contract costs and progress against targets, regular preparation and review of full forecasts for costs and revenues over the life of the contracts and independent internal reviews by the internal audit and delivery assurance functions. Work in progress, representing costs incurred on fixed price contracts for which deliverable milestones have yet to be reached, is included within the stock balance of £774,267,000 (2010 - £659,949,000) in the consolidated balance sheet. The majority of this balance has been written off subsequent to the year end as noted in the post balance sheet events section above.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they 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 1.

ENVIRONMENT

The CSC Computer Sciences Limited group recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by the group's activities.

EMPLOYEES

Details of the number of employees and related costs can be found in note 3 to the financial statements.

It is the group's policy to give consideration to disabled people in selection for employment, training and career development opportunities, and to take action to facilitate the continuing employment of people who become disabled while on the group's payroll. This policy is applied in a manner consistent with good business practice and the group's regard for the health and safety of all employees and the community at large.

The group recognises the benefit of keeping employees informed of the progress of the business and of involving them in the group's performance. During the period the employees were provided with information regarding the factors affecting the performance of the group and on other matters of concern to them as employees.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1.

The directors throughout the period and subsequently except as noted were

G M Hains	
H M Eales	(resigned 27 April 2010)
A J Thomson	
A Williams	(appointed 27 April 2010, resigned 13 January 2012)
L Benison	(appointed 1 February 2012)

No qualifying third party indemnity provisions were made by the company during the period for the benefit of its directors.

CSC COMPUTER SCIENCES LIMITED

DIRECTORS' REPORT (continued)

FINANCIAL RISK MANAGEMENT

The directors have considered the risks attached to the group's financial instruments which principally comprise operating debtors, operating creditors and loans to and from other group companies. The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so.

DONATIONS

During the period the group made charitable donations of £74,600 (2010 – £58,987). No political donations were made during the period (2010 – £Nil).

CREDITOR PAYMENT POLICY

The group's current policy concerning the payment of the majority of its trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU). For other suppliers, the group's policy is to

- (a) settle the terms of payment with those suppliers when agreeing the terms of each transaction,
- (b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- (c) pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

Trade creditor days of the group for the period ended 1 April 2011 were 22 days (2010 – 30 days), trade creditor days of the company for the period ended 1 April 2011 were 23 days (2010 – 31 days), calculated in accordance with the requirements set down in the Companies Act 2006.

AUDITORS

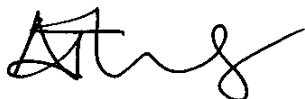
Each of the directors at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 485 to 488 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board by



A J Thomson

Director

24 February 2012

CSC COMPUTER SCIENCES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial period. 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). 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 the group and of the profit or loss of the company and the group for that period. In preparing these financial statements, the directors are required to

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CSC COMPUTER SCIENCES LIMITED

We have audited the group and parent company financial statements of CSC Computer Sciences Limited for the period from 3 April 2010 to 1 April 2011 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated statement of total recognised gains and losses, the reconciliation of movements in consolidated shareholders' funds and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK) and Ireland. Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company and group affairs as at 1 April 2011 and of the profit of the group for the period from 3 April 2010 to 1 April 2011,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



Alexander Butterworth ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

Reading, United Kingdom

24 February 2012

CSC COMPUTER SCIENCES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Period 3 April 2010 to 1 April 2011

	Notes	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
TURNOVER	1,2	1,179,870	1,184,964
Cost of sales		(930,316)	(928,227)
Gross profit		249,554	256,737
Administrative expenses		(73,495)	(99,947)
Other operating income /(expense)		1,219	(960)
OPERATING PROFIT BEFORE INTEREST		177,278	155,830
Interest receivable and similar income	4	2,032	1,325
Interest payable and similar charges	5	(8,332)	(8,828)
Other finance income/(expense)	23	5,100	(5,747)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	176,078	142,580
Tax charge on profit on ordinary activities	7	(30,957)	(25,691)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT FOR THE FINANCIAL PERIOD	19	145,121	116,889

All results in the current and preceding period related to continuing activities

CSC COMPUTER SCIENCES LIMITED

CONSOLIDATED BALANCE SHEET

1 April 2011

	Notes	1 April 2011	2 April 2010
		£'000	£'000
FIXED ASSETS			
Goodwill	8	1,276	1,983
Negative goodwill	8	(3,982)	(5,821)
Intangible assets		(2,706)	(3,838)
Tangible assets	9	224,727	227,289
Investments	10	11	11
		222,032	223,462
CURRENT ASSETS			
Stock	11	774,267	659,949
Debtors			
- due within one year	12	511,353	502,779
Cash at bank and in hand		287,437	400,180
		1,573,057	1,562,908
CREDITORS: amounts falling due within one year	13	(1,094,178)	(1,125,023)
NET CURRENT ASSETS		478,879	437,885
TOTAL ASSETS LESS CURRENT LIABILITIES		700,911	661,347
CREDITORS: amounts falling due after more than one year	14	(2,174)	(5,223)
PROVISIONS FOR LIABILITIES	15	(3,250)	(3,186)
NET ASSETS EXCLUDING PENSION ASSETS AND LIABILITIES		695,487	652,938
Pension assets*	23	1,596	-
Pension liabilities*	23	(84,675)	(209,413)
NET ASSETS INCLUDING PENSION ASSETS AND LIABILITIES		612,408	443,525

CSC COMPUTER SCIENCES LIMITED

CONSOLIDATED BALANCE SHEET (continued)

1 April 2011

	Notes	1 April 2011 £'000	2 April 2010 £'000
CAPITAL AND RESERVES			
Called up share capital	18	1,500	1,500
Share Premium	19	219,433	219,433
Capital reserve	19	32	32
Share-based payment reserve	19	4,789	8,525
Profit and loss account	19	386,654	214,035
SHAREHOLDER'S FUNDS		<u>612,408</u>	<u>443,525</u>

* The totals for pension assets and pensions liabilities are net of attributable deferred tax

These financial statements were approved by the Board of Directors on 29 February 2012

Signed on behalf of the Board of Directors of CSC Computer Sciences Limited, registered in England, No 00963578



A J Thomson

Director

CSC COMPUTER SCIENCES LIMITED

COMPANY BALANCE SHEET 1 April 2011

	Notes	1 April 2011 £'000	2 April 2010 £'000
FIXED ASSETS			
Goodwill	8	1,276	1,983
Intangible assets		1,276	1,983
Tangible assets	9	198,987	200,884
Investments	10	48,503	48,503
		248,766	251,370
CURRENT ASSETS			
Stock	11	764,703	644,397
Debtors			
- due within one year	12	601,514	510,439
Cash at bank and in hand		262,251	378,738
		1,628,468	1,533,574
CREDITORS: amounts falling due within one year	13	(1,085,760)	(1,091,451)
NET CURRENT ASSETS		542,708	442,123
TOTAL ASSETS LESS CURRENT LIABILITIES		791,474	693,493
CREDITORS: amounts falling due after more than one year	14	(2,174)	(4,723)
DEFERRED TAXATION	17	(34,132)	(17,280)
PROVISIONS FOR LIABILITIES	15	(3,250)	(3,186)
NET ASSETS		751,918	668,304
CAPITAL AND RESERVES			
Called up share capital	18	1,500	1,500
Share premium	19	219,433	219,433
Share-based payment reserve	19	4,789	8,525
Profit and loss account	19	526,196	438,846
SHAREHOLDERS' FUNDS		751,918	668,304

These financial statements were approved by the Board of Directors on 24 February 2012

Signed on behalf of the Board of Directors of CSC Computer Sciences Limited, registered in England, No

00963578



A J Thomson

Director

CSC COMPUTER SCIENCES LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Period 3 April 2010 to 1 April 2011

		Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
	Notes		
Profit on ordinary activities after taxation		145,121	116,889
Exchange differences	19	-	13
Difference between actual and expected return on pension scheme assets	23	(9,547)	191,228
Experience of gains/(losses) on pension scheme liabilities	23	7,208	(45,885)
Movement on deferred taxation attributable to pension assets and liabilities	23	(19,213)	57,506
Effects of changes in assumptions underlying the present value of pension scheme liabilities	23	49,050	(350,719)
Total recognised gains and losses relating to the period		172,619	(30,968)

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

Period 3 April 2010 to 1 April 2011

	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
Profit on ordinary activities after taxation	145,121	116,889
Exchange differences	-	13
FRS 20 share-based payment capital contribution	(3,736)	214
FRS 17 current year pension accounting adjustments	27,498	(147,870)
Net (deduction)/addition to shareholders' funds	168,883	(30,754)
Opening shareholders' funds	443,525	474,279
Closing shareholders' funds	612,408	443,525

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. A summary of the principal accounting policies are set out below.

The accounting policies below have been applied on a consistent basis in both the current and prior period.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern basis

The group's business activities, together with the factors likely to affect its future development, principal risks and uncertainties, performance and position are set out under the director's report. Further the amounts due to creditors are stated under note 13 of these financial statements.

The group meets its day to day working capital requirements through a combination of intercompany loans from the parent and other group companies as well as uncommitted money market facilities which are due for renewal at various different times in the future. The current economic conditions create uncertainty particularly over recoverability of the outstanding debts.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. Further assurance has been given by the parent company that it will continue to support the operations going forward by way of intercompany funding. The company is recovering most outstanding debts from its external customers and there have been no events which have given any indication of significant recoverability issues.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries.

On the acquisition of a company, fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is capitalised and amortised over its estimated useful life. Where the cost of acquisition is less than the values attributable to such net assets, the difference is treated as negative goodwill and is capitalised and amortised over its estimated useful life.

Where the fair value of net assets acquired exceeds the cost of acquisition and the consideration is in the form of shares, the difference is treated as a capital reserve.

Share-based payment

The company has applied the requirements of FRS 20 'Share-based Payment'. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that remained unvested as of 1 April 2005.

Certain employees receive remuneration in the form of share-based payments, including shares or rights over shares in the ultimate holding entity, Computer Sciences Corporation. The cost of equity-settled transactions with employees is measured by reference to the fair value of the instruments concerned at the date at which they are granted. The fair value is determined using Black-Scholes-Merton model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Computer Sciences Corporation.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the vesting date on which the relevant employees become fully entitled to the award. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors at that date, will ultimately vest.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

1. ACCOUNTING POLICIES (continued)

Turnover

Turnover represents sales value net of VAT. The group's primary service offerings are information technology (I/T) outsourcing and I/T and other professional services. The group provides these services under time and materials, cost-reimbursable, unit priced and fixed price contracts. The form of the contract, rather than the type of service offering, is the primary determinant of revenue recognition. Revenues are recognized when persuasive evidence of an arrangement exists, services or products have been provided to the client, the sales price is fixed or determinable and collectability is reasonably assured.

Contract work in progress

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 balance sheet.

Costs incurred for bid and proposal activity are expensed as incurred.

Costs on major fixed price contract projects are deferred as contract work in progress and released to the profit and loss account according to the appropriate stage of completion. Contract provisions for work in progress risks and contingencies are included in provisions for liabilities and charges.

Intangible fixed assets

Goodwill

Goodwill arising on consolidation is capitalised and amortised on a straight-line basis over its estimated useful life (15 years). Goodwill is regularly reviewed and additional provision made for any permanent impairment. Purchased goodwill in the company is also amortised over 15 years.

Negative goodwill

Negative goodwill arising on consolidation represents the excess of net assets acquired over consideration paid in relation to acquisitions and is written back to the profit and loss on a straight-line basis over its estimated useful life (currently 10 years).

Development costs

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 five years).

Tangible fixed assets

All tangible fixed assets are held at cost less depreciation and any provision for impairment and are depreciated on a straight-line basis over the following periods:

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
Buildings	Forty years
Land	Not depreciable

Investments

Investments held as fixed assets are stated at cost less provision for permanent impairment.

Stocks

Stocks including work in progress are valued at the lower of cost or net realisable value.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

1. ACCOUNTING POLICIES (continued)

Amounts recoverable on contracts

In accordance with Statement of Standard Accounting Practice No 9, amounts recoverable on contracts are valued at anticipated net sales value after provision for anticipated future losses on contracts

Cash received on account of contracts is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors. Contract provisions in excess of amounts recoverable are included in provisions for liabilities and charges

Foreign currency

Foreign currency transactions have been translated at the rates ruling at the dates of the transactions except where the transactions were covered by a forward contract in which case the transactions have been translated at the rates ruling under that contract. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date have been translated at the exchange rates ruling at that date. Any transactional exchange differences are taken to the profit and loss account. Translation differences arising from the conversion and consolidation of foreign subsidiaries are taken directly to reserves

Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation

Under FRS19 deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation

Pensions

Retirement benefits to employees of the company are funded by contributions from the company and employees. The group operates a pension scheme with two sections

(i) Defined benefit section

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

1. ACCOUNTING POLICIES (continued)

Pensions (continued)

(ii) Defined contribution section

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Cash flow statement

As a wholly owned subsidiary of Computer Sciences Corporation, whose group financial statements contain a cash flow statement and are publically available, the company avails itself of the exemption from the requirement to produce a cash flow statement per FRS 1 (Revised 1996).

2. TURNOVER

In the opinion of the directors, the group's activities, as described in the Directors' Report, can be regarded as a single business segment.

In addition, the group operates predominantly in the European Union, which in the opinion of the directors can be regarded as a single geographical market.

3. DIRECTORS' REMUNERATION AND STAFF COSTS

	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
Directors' remuneration		
Emoluments (excluding pension contributions)	524	1,452
Company contributions to directors' pensions		
Money purchase section	4	114
	No.	No.
Number of directors to whom retirement benefits are accruing under money purchase section	0	4
Number of directors to whom retirement benefits are accruing under defined benefit section	0	0
Number of directors who exercised share options	0	3

In addition to the amounts noted above, in the current year some of the directors received remuneration from other CSC companies excluded from these consolidated financial statements.

	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
Remuneration of the highest paid director		
Emoluments (excluding pension contributions)	481	779
Company contributions to money purchase pension section	0	52

The highest paid director did not exercise any share options during the period.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

3. DIRECTORS' REMUNERATION AND STAFF COSTS (continued)

	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
Staff costs during the period (including directors)		
Wages and salaries	384,916	376,627
Social security costs	41,666	40,174
Other pension costs per profit and loss account (note 23)*	3,222	42,195
Total staff costs	429,804	458,996

*Pension costs reported other than within operating costs are excluded from the above figures i.e. interest costs, expected return on assets and actuarial gains and losses (note 23)

	No.	No.
Average number of persons employed (including directors)		
Managerial and professional	6,268	6,278
Clerical	1,284	1,286
	7,552	7,564

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
Interest receivable on loans to group undertakings	963	999
Bank deposits	333	326
Other	736	-
	2,032	1,325

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
Interest payable on loans with group undertakings	6,833	8,188
Bank loans and overdrafts	68	160
Finance leases and hire purchase contracts	318	176
Other	1,113	304
	8,332	8,828

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
Profit on ordinary activities before taxation is after charging/(crediting):		
Loss on sale of fixed assets	126	1,676
Depreciation		
Owned assets	83,840	88,998
Assets held under finance leases and hire purchase contracts	573	329
Amortisation of intangible fixed assets		
Goodwill	707	854
Negative goodwill	(1,839)	(1,838)
Auditor's remuneration		
Audit fee		
Company	379	375
Other group companies	32	70
Other services – non statutory reporting	359	329
Other services – tax advice	126	149
Hire of plant and machinery	2,069	404
Other operating leases	14,196	13,174
Foreign currency exchange gain	(319)	(710)

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

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

Group

	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
<i>Current tax</i>		
UK corporation tax at 28% (2010 – 28%)	1,175	16,310
Adjustment in respect of prior periods	(1,741)	(1,912)
Overseas tax	(448)	-
Total current tax (credit)/charge	(1,014)	14,398
<i>Deferred tax</i>		
Origination and reversal of timing differences	18,225	1,528
Changes in tax rate	(956)	-
FRS 17 adjustment	14,762	9,601
Adjustment in respect of prior periods	(60)	164
Total deferred tax charge	31,971	11,293
Tax charge on profit on ordinary activities	30,957	25,691

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (continued)

Reconciliation to total current tax (credit)/charge:

	Period 3 April 2010 to 1 April 2011 £'000	Period 4 April 2009 to 2 April 2010 £'000
Profit on ordinary activities before taxation	176,078	142,580
Profit before tax at 28% (2010 - 28%)	49,302	39,923
Expenses not deductible for tax purposes	(3,258)	(3,834)
Capital allowances lower than/(in excess of) depreciation	3,987	(1,271)
Other timing differences	(1,047)	72
Movement in tax losses	(491)	-
Pension accrual movement	(36,532)	(9,551)
Research and development provision	890	(2,503)
Withholding tax adjustment	280	928
Group relief claimed	(11,091)	(7,454)
Transfer pricing adjustment	(865)	-
Foreign tax charged at higher rate	(448)	-
Adjustments in respect of prior periods	(1,741)	(1,912)
Total current tax (credit)/charge	(1,014)	14,398

8. INTANGIBLE FIXED ASSETS

Group	Negative Goodwill £'000	Goodwill £'000	Total £'000
Cost			
At 2 April 2010 and 1 April 2011	(22,702)	16,309	(6,393)
Accumulated amortisation			
At 2 April 2010	(16,881)	14,326	(2,555)
(Credit)/charge for the period	(1,839)	707	(1,132)
At 1 April 2011	(18,720)	15,033	(3,687)
Net book value			
At 1 April 2011	(3,982)	1,276	(2,706)
At 2 April 2010	(5,821)	1,983	(3,838)

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

8. INTANGIBLE FIXED ASSETS (continued)

Company	Goodwill £'000	Total £'000
Cost		
At 2 April 2010 and 1 April 2011	13,214	13,214
Accumulated amortisation		
At 2 April 2010	11,231	11,231
Charge for the period	707	707
At 1 April 2011	11,938	11,938
Net book value		
At 1 April 2011	1,276	1,276
At 2 April 2010	1,983	1,983

9 TANGIBLE FIXED ASSETS

Group	Land and buildings £'000	Furniture and fittings £'000	Leasehold improve- ments £'000	Computer and related equipment £'000	Total £'000
Cost					
At 2 April 2010	43,271	7,522	50,789	430,294	531,876
Additions	12,623	818	2,938	67,070	83,449
Transfers in	2,573	459	17,559	83	20,674
Transfers out	(4,873)	(87)	(15,259)	(896)	(21,115)
Disposals	(27)	(4,580)	(174)	(54,688)	(59,469)
At 1 April 2011	53,567	4,132	55,853	441,863	555,415
Accumulated depreciation					
At 2 April 2010	12,068	5,628	13,066	273,825	304,587
Charge for the period	1,940	511	5,349	76,613	84,413
Transfers in	1,014	31	4,451	3	5,499
Transfers out	(1,519)	(15)	(3,945)	(137)	(5,616)
Disposals	(5)	(4,491)	(97)	(53,602)	(58,195)
At 1 April 2011	13,498	1,664	18,824	296,702	330,688
Net book value					
At 1 April 2011	40,069	2,468	37,029	145,161	224,727
At 2 April 2010	31,203	1,894	37,723	156,469	227,289

Included in the above are fully depreciated assets with an original cost of £92,951,609 (2010 - £100,179,119)

Included in computer and related equipment above are assets with a net book value of £1,505,227 (2010 - £1,020,308) held under finance leases and hire purchase contracts

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

9. TANGIBLE FIXED ASSETS (continued)

Company	Land and buildings £'000	Furniture and fittings £'000	Leasehold improvements £'000	Computer and related equipment £'000	Total £'000
Cost					
At 2 April 2010	37,082	7,057	50,218	372,118	466,475
Additions	12,616	796	2,938	54,585	70,935
Disposals	(27)	(4,490)	(174)	(47,775)	(52,466)
Transfers In	2,573	459	17,559	83	20,674
Transfers Out	(4,873)	(87)	(15,259)	(896)	(21,115)
At 1 April 2011	47,371	3,735	55,282	378,115	484,503
Accumulated depreciation					
At 2 April 2010	11,006	5,317	12,811	236,457	265,591
Charge for the period	1,776	459	5,295	64,269	71,799
Disposals	(5)	(4,401)	(96)	(47,254)	(51,756)
Transfers In	1,013	31	4,451	3	5,498
Transfers Out	(1,519)	(15)	(3,945)	(137)	(5,616)
At 1 April 2011	12,271	1,391	18,516	253,338	285,516
Net book value					
At 1 April 2011	35,100	2,344	36,766	124,777	198,987
At 2 April 2010	26,076	1,740	37,407	135,661	200,884

Included in the above are fully depreciated assets with an original cost of £80,985,015 (2010 - £91,876,635)

Included in computer and related equipment above are assets with a net book value of £1,505,227 (2010 - £1,020,308) held under finance leases and hire purchase contracts

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

10. INVESTMENTS HELD AS FIXED ASSETS

	Group £'000	Company £'000
Shares in group undertakings		
Cost		
At 2 April 2010 and 1 April 2011	11	52,951
	11	52,951
Provision for impairment in value		
At 2 April 2010 and 1 April 2011	-	4,448
	-	4,448
Net book value		
At 2 April 2010 and 1 April 2011	11	48,503
	11	48,503

Further information on shares held by the group

Name	Country of incorporation/ Registration	Activity	Proportion of ordinary shares held %
Computer Sciences Corporation Continuum – Informatica Lda	Portugal	Computer Services	5 0

Further information on shares held by the company

Name	Country of incorporation/ Registration	Activity	Proportion of ordinary shares held %
CSC Business Systems Limited	Great Britain	Computer Services	100 0
CSC Investment Services Management Limited	Great Britain	Dormant	100 0
Kalchas Limited	Great Britain	Dormant	100 0
CSC Information Systems Limited	Great Britain	Computer Services	100 0
CSC Financial Services Limited	Great Britain	Dormant	100 0
Computer Sciences Corporation Services (Pty) Limited	South Africa	Computer Services	100 0
Continuum Direct Limited	Great Britain	Computer Services	100 0
CSC Services No 2 Limited	Great Britain	Computer Services	100 0
CSC Services No 1 Limited	Great Britain	Computer Services	100 0
CSC UKD 6 Limited	Great Britain	Dormant	100 0

In the opinion of the directors, the aggregate value of the shares in and the amounts arising from the subsidiary undertakings is not less than the aggregate of the amounts at which they are stated in the company's balance sheet

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

11. STOCK

	Group		Company	
	1 April 2011 £'000	2 April 2010 £'000	1 April 2011 £'000	2 April 2010 £'000
Stock	1,718	4,139	1,290	4,139
Contract work in progress	772,549	655,810	763,413	640,258
	<u>774,267</u>	<u>659,949</u>	<u>764,703</u>	<u>644,397</u>

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

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

12. DEBTORS

Amounts falling due within one year

	Group		Company	
	1 April 2011 £'000	2 April 2010 £'000	1 April 2011 £'000	2 April 2010 £'000
Trade debtors	118,989	156,227	111,036	139,790
Amounts recoverable on contracts	163,774	186,683	161,537	181,958
Amounts owed by parent company and other group undertakings	103,835	90,731	114,076	103,064
Corporation tax recoverable	1,382	-	1,394	-
Deferred taxation asset (note 17)	4,774	3,682	-	-
Other debtors	1,993	1,621	1,969	1,595
Prepayments	116,606	63,835	211,502	84,032
	<u>511,353</u>	<u>502,779</u>	<u>601,514</u>	<u>510,439</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

13. CREDITORS

Amounts falling due within one year

	Group		Company	
	1 April 2011 £'000	2 April 2010 £'000	1 April 2011 £'000	2 April 2010 £'000
Obligations under finance leases and hire purchase contracts (note 21)	686	315	689	315
Trade creditors	46,057	63,660	42,196	60,154
Amounts owed to parent company and other group undertakings	510,655	356,987	565,551	403,574
Corporation tax payable	-	7,072	-	6,936
Taxation and social security	52,361	93,405	48,187	89,188
Other creditors	4,072	4,213	4,068	4,213
Accruals and deferred income	480,347	599,371	425,069	527,071
	<u>1,094,178</u>	<u>1,125,023</u>	<u>1,085,760</u>	<u>1,091,451</u>

14. CREDITORS

Amounts falling due in over one year

	Group		Company	
	1 April 2011 £'000	2 April 2010 £'000	1 April 2011 £'000	2 April 2010 £'000
Obligations under finance leases and hire purchase contracts (note 21)	686	641	686	641
Other creditors	1,488	4,582	1,488	4,082
	<u>2,174</u>	<u>5,223</u>	<u>2,174</u>	<u>4,723</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Contingencies for contract WIP		Future losses on onerous contracts		Total	
	1 April 2011 £'000	2 April 2010 £'000	1 April 2011 £'000	2 April 2010 £'000	1 April 2011 £'000	2 April 2010 £'000
Group and Company						
Opening balance	-	-	3,186	4,915	3,186	4,915
Utilised in period	-	-	(1,048)	(1,729)	(1,048)	(1,729)
Unwinding of discount	-	-	1,112	-	1,112	-
Closing balance	<u>-</u>	<u>-</u>	<u>3,250</u>	<u>3,186</u>	<u>3,250</u>	<u>3,186</u>

Future loss provisions in relation to onerous contracts arose from the restructuring exercise completed during the period 31 March 2007 to 28 March 2008. The provisions will be utilised according to costs incurred on the underlying contracts.

Deferred tax provisions are shown separately in note 17.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

16. SHARE-BASED PAYMENT

The company and group recognised a total expense of £1,654,000 (2010 - £3,617,000) in respect of share-based payment in the year. Share-based payment consists of share options issued by the ultimate holding company, Computer Sciences Corporation to employees of the group.

The grant price for share options is equal to the average quoted market price of the group's shares at the date of grant. The standard vesting schedule for stock options is one third on each of the first three anniversaries of the grant date. The vesting period is typically three years. If share options remain unexercised after a period of ten years from the date of grant, the options expire. Share options are forfeited if the employee leaves the group before the options vest and are subject to earnings per share performance conditions. Further details can be found in the financial report of Computer Sciences Corporation.

Details of share options outstanding at the balance sheet date with respect to employees of the company are as follows:

	<u>2011</u>		<u>2010</u>	
	Number of Share Options	Weighted Average Exercise Price USD	Number of Share Options	Weighted Average Exercise Price USD
	No.		No.	
Outstanding at beginning of period	1,694,753	49.96	1,911,331	47.79
Transferred out during the period	(484,017)	42.94	-	-
Granted during the period	247,358	47.02	351,727	42.28
Forfeited during the period	(413,428)	48.89	(249,796)	53.32
Exercised during the period	(71,132)	41.92	(318,509)	40.16
Outstanding at the end of the period	<u>973,534</u>	50.97	<u>1,694,753</u>	46.96
Exercisable at the end of the period	<u>648,143</u>	49.10	<u>1,052,453</u>	47.72

The options outstanding at 1 April 2011 had exercise prices ranging from 27.84 USD to 60.25 USD and a weighted average remaining contractual life of 6.14 years (2010 - 6.35 years).

Options Outstanding			Options Exercisable		
Range of Option Exercise Price	Number	Weighted Average Exercise Price USD		Number	Weighted Average Exercise Price USD
			Weighted Average Remaining Contractual Life Years		
\$0 - \$6.14	-	0.00	-	-	-
\$6.15 - \$42.12	271,452	39.68	5.45	136,977	39.04
\$42.13 - \$48.61	414,324	47.51	6.67	190,331	46.51
\$48.62 - \$55.35	279,258	54.57	5.58	307,335	54.96
\$55.36 - \$78.94	8,500	58.06	4.50	13,500	57.88
	<u>973,534</u>			<u>648,143</u>	

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

16. SHARE-BASED PAYMENT (continued)

The fair value of share options was determined using a Black-Scholes-Merton model and the following assumptions

	<u>2011</u>	<u>2010</u>
Expected volatility	28%	41%
Risk free rate	2.37	2.20
Expected lives	5.85 yrs	4.14 yrs
Dividend yield	1.17%	-

Expected volatility was based on a blended approach using an equal weighting of implied volatility and historical volatility. Historical volatility was based on the ultimate parent company's ten year historical daily closing price. Implied volatility was based on option trading behaviour for those options traded on certain exchange markets that have maturities of nine months and longer. The expected life was calculated based on the ultimate parent company's historical experience with respect to its stock plan activity and is representative of the period of time that the stock-based awards are expected to be outstanding.

17. DEFERRED TAXATION

The deferred tax (assets)/liabilities are

	Group		Company	
	1 April 2011 £'000	2 April 2010 £'000	1 April 2011 £'000	2 April 2010 £'000
Deferred taxation				
Deferred taxation movements for the period				
Opening balance	(3,682)	(5,374)	17,280	12,406
Movement in respect of FRS 17 pension (note 23)	(33,035)	(9,601)	-	-
Rate change charged to profit and loss account (note 7)	(956)	-	-	-
Transfer	(28)	-	-	-
Charged to profit and loss account (note 7)	32,927	11,293	16,852	4,874
Undiscounted deferred tax (assets)/liabilities	<u>(4,774)</u>	<u>(3,682)</u>	<u>34,132</u>	<u>17,280</u>

The amounts of deferred taxation provided in the accounts are as follows

	Provided 1 April 2011 £'000	Provided 2 April 2010 £'000
Group		
Decelerated capital allowances	(3,925)	(37)
Pensions	536	(725)
Short term timing differences	(1,385)	(2,471)
Losses	-	(449)
Undiscounted deferred tax assets	<u>(4,774)</u>	<u>(3,682)</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

17. DEFERRED TAXATION (continued)

	Provided 1 April 2011 £'000	Provided 2 April 2010 £'000
Company		
(Accelerated)/decelerated capital allowances	(2,643)	623
Pensions	38,067	19,044
Short term timing differences	(1,292)	(2,387)
Undiscounted deferred tax liabilities/(assets)	<u>34,132</u>	<u>17,280</u>

18. CALLED UP SHARE CAPITAL

	1 April 2011 £'000	2 April 2010 £'000
Authorised:		
25,000 (2010 25,000) ordinary shares of £100 each	<u>2,500</u>	<u>2,500</u>
Called up, allotted and fully paid:		
15,003 (2010 15,003) ordinary shares of £100 each	<u>1,500</u>	<u>1,500</u>

19. STATEMENT OF MOVEMENT ON RESERVES

Group	Share premium £'000	Capital reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total £'000
Balance at 2 April 2010	219,433	32	8,525	214,035	442,025
Retained profit for the period	-	-	-	145,121	145,121
Exchange gain	-	-	-	-	-
FRS 20 share-based payment reserve transfer	-	-	(5,016)	-	(5,016)
FRS 20 share-based payment exercised	-	-	(374)	-	(374)
FRS 20 share-based payment provision	-	-	1,654	-	1,654
Pension funds current period actuarial adjustment	-	-	-	27,498	27,498
Balance at 1 April 2011	<u>219,433</u>	<u>32</u>	<u>4,789</u>	<u>386,654</u>	<u>610,908</u>
Company					
Balance at 2 April 2010	219,433	-	8,525	438,846	666,804
Retained profit for the period	-	-	-	87,350	87,350
FRS 20 share-based payment reserve transfer	-	-	(5,016)	-	(5,016)
FRS 20 share-based payment exercised	-	-	(374)	-	(374)
FRS 20 share-based payment provision	-	-	1,654	-	1,654
Balance at 1 April 2011	<u>219,433</u>	<u>-</u>	<u>4,789</u>	<u>526,196</u>	<u>750,418</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

19. STATEMENT OF MOVEMENT ON RESERVES (continued)

Group	1 April 2011 £'000	2 April 2010 £'000
Profit and loss reserves including share-based payment reserve excluding pension assets and liabilities	474,522 (83,079)	431,973 (209,413)
Pension deficit	391,443	222,560
Profit and loss reserves including share-based payment reserve and pension assets and liabilities		

20. PROFIT AND LOSS ACCOUNT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The profit after tax of the parent company of £87,350,000 (2010 – profit £94,448,000) is included in the group's profit for the period.

21. LEASE COMMITMENTS

Operating leases

At 1 April 2011 the group and the company were committed to making the following payments during the next year in respect of non-cancellable operating leases:

	Land and buildings 1 April 2011 £'000	Other 1 April 2011 £'000	Land and buildings 2 April 2010 £'000	Other 2 April 2010 £'000
Leases which expire				
Within one year	411	327	1,557	539
Within two to five years	4,236	6,491	3,093	3,145
After five years	1,315	-	1,325	-
	<u>5,962</u>	<u>6,818</u>	<u>5,975</u>	<u>3,684</u>

Finance leases and hire purchase obligations

At 1 April 2011 the group and the company were committed to making the following payments in respect of finance leases and hire purchase obligations:

	1 April 2011 £'000	2 April 2010 £'000
Minimum lease payments due		
Within one year	683	344
Within two to five years	756	667
	<u>1,439</u>	<u>1,011</u>
Finance charges allocated to future periods	(67)	(55)
	<u>1,372</u>	<u>956</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

22. CAPITAL COMMITMENTS

	Group		Company	
	1 April 2011 £'000	2 April 2010 £'000	1 April 2011 £'000	2 April 2010 £'000
Contracted for but not provided	8,932	6,191	8,664	6,191

23. PENSION COMMITMENTS

The company provides pensions to certain employees through two pension schemes providing benefits based on final pensionable pay

The pension charge in the consolidated profit and loss account in respect of both this defined benefit section and the defined contribution section of the scheme includes £4,000 (2010 - £114,000) relating to directors and net income of £1,883,000 (2010 - £47,828,000 expense) relating to other employees. The income is as a result of a curtailment gain of £49,735,000, which arose as a consequence of the announcement on 7 April 2010 that with effect from 1 July 2010 the accrual of future benefits would be discontinued for these two United Kingdom defined benefit pension schemes, the Computer Sciences Limited Pension Scheme and sections A and C of the CSC Computer Sciences Limited 2005 Pension Scheme.

There is a pension liability within accruals of £4,315,249 (2010 - £4,032,686) relating to pension contributions not paid over by the period end.

CSC Computer Sciences Ltd Pension Scheme

The pension cost is assessed in accordance with the advice of a professionally qualified actuary. The latest actuarial valuation was as at 30 June 2009 updated to 1 April 2011 and used the projected unit method. The main actuarial assumptions were that salaries would increase by 4.4% p.a. and the return on scheme investments would be 6.30% p.a. in the pre-retirement period and 5.25% in the post-retirement period.

At the date of the latest actuarial valuation the market value of the assets of the scheme were £939,269,000 and the actuarial value of the assets was sufficient to cover 89% of the benefits that had accrued to members after allowing for expected future increases in earnings.

CSC Computer Sciences Ltd 2005 Pension Scheme

The scheme commenced in January 2005. The latest actuarial valuation was carried out at 30 June 2009 and updated to 1 April 2011 by a qualified independent actuary.

At the date of the latest actuarial valuation the market value of the assets of the scheme were £55,686,000 and the actuarial value of the assets was sufficient to cover 104% of the benefits that had accrued to members after allowing for expected future increases in earnings.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

23. PENSION COMMITMENTS (continued)

FRS 17 disclosures

The required disclosures under FRS 17 are set out below

a) CSC Computer Sciences Ltd Pension Scheme.

The actuarial valuation of the pension scheme was updated to 1 April 2011. The principal actuarial assumptions used as at 1 April 2011 are shown below

	At 1 April 2011 %	At 2 April 2010 %
Rate of increase in salaries	4.40	4.40
Rate of increase of pensions in payment	2.25	3.30
Discount rate	5.50	5.50
Inflation assumption	3.40	3.40

The normal contribution rate for the period was 25.6% of employees pensionable pay and the agreed contribution rate for the next eleven years is 25.6% of pensionable pay including £1.25m per month deficit funding. Thereafter it is anticipated the contribution rate will be 13.4% of pensionable pay. There was an additional lump sum deficit funding contribution of £30m made during the period.

Mortality Assumptions

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

	1 April 2011 Years	2 April 2010 Years
Member age 60		
Males	26.8	26.7
Females	29.7	29.6
Member age 40		
Males	29.0	28.9
Females	31.8	31.7

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

23. PENSION COMMITMENTS (continued)

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.25%	Decrease 5.25%/decrease by 5.75%
Rate of inflation	Increase/decrease by 0.25%	Increase 3.65%/decrease by 3.15%
Rate of pension increases	Increase/decrease by 0.25%	Increase 2.5%/decrease by 2%
Rate of mortality	Increase by 1 year	Increase by 1%

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

	Expected rate of return at 1 April 2011 %	Value at 1 April 2011 £'000	Expected rate of return at 2 April 2010 %	Value at 2 April 2010 £'000	Expected rate of return at 3 April 2009 %	Value at 3 April 2009 £'000
Equities	8.50	375,708	8.40	501,913	8.2	399,591
Bonds	4.50	563,561	4.95	309,513	5.3	188,043
Cash and other assets	0.0	-	0.0	25,096	0.0	-
Total market value of assets		939,269		836,522		587,634
Actuarial value of liabilities		(1,053,695)		(1,120,708)		(707,320)
Deficit in the scheme		(114,426)		(284,186)		(119,686)
Related deferred tax asset		29,751		79,572		33,512
		<u>(84,675)</u>		<u>(204,614)</u>		<u>(86,174)</u>

Movements in the fair value of scheme assets are

	1 April 2011 £'000	2 April 2010 £'000
Opening value	836,521	587,634
Expected return on scheme assets	62,667	43,093
Actuarial gains and losses	(9,215)	183,921
Contributions from sponsoring companies	73,656	45,913
Contributions from scheme members	2,253	2,187
Benefits paid	(26,613)	(26,227)
	<u>939,269</u>	<u>836,521</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

23 PENSION COMMITMENTS (continued)

Amounts included within operating profit are

	Period ended 1 April 2011 £'000	Period ended 2 April 2010 £'000
Current service cost	(1,305)	(8,127)
Curtailment gains	47,665	-
Total income/(costs) included within operating profit	<u>46,360</u>	<u>(8,127)</u>

Amounts credited/(charged) to other finance income are

	Period ended 1 April 2011 £'000	Period ended 2 April 2010 £'000
Expected return on pension scheme assets	62,667	43,093
Interest charged on pension scheme liabilities	<u>(58,257)</u>	<u>(48,955)</u>
Net return	<u>4,410</u>	<u>(5,862)</u>

The amounts recognised in the statement of total recognised gains and losses are

	Period ended 1 April 2011 £'000	Period ended 2 April 2010 £'000
Actual return less expected return on pension scheme assets	(9,215)	183,921
Experience gains/(losses) arising on the scheme liabilities	6,955	(42,776)
Changes in assumptions underlying the present value of the scheme liabilities	<u>47,594</u>	<u>(337,569)</u>
Total actuarial gain/(loss) recognised in the statement of total recognised gains and losses	<u>45,334</u>	<u>(196,424)</u>

The movement in the pension deficit during the period was

	Period ended 1 April 2011 £'000	Period ended 2 April 2010 £'000
Opening deficit	(284,186)	(119,686)
Current service cost	(1,305)	(8,127)
Contributions	73,656	45,913
Past service costs	-	-
Curtailment gain	47,665	-
Other finance (cost)/income	4,410	(5,862)
Actuarial gain/(loss)	<u>45,334</u>	<u>(196,424)</u>
Closing deficit	<u>(114,426)</u>	<u>(284,186)</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

23. PENSION COMMITMENTS (continued)

History of experience of gains and losses

	Period ended 1 April 2011	Period ended 2 April 2010	Period ended 3 April 2009	Period ended 28 March 2008	Period ended 30 March 2007
Difference between the expected and actual return on scheme assets (£'000)	(9,215)	183,921	(187,511)	(98,081)	(59,819)
As a % of the scheme assets	-1%	22%	-32%	-14%	-8%
Experience gains/(losses) on scheme liabilities (£'000)	6,955	(42,776)	(1,812)	-	134,902
As a % of the scheme liabilities	1%	-4%	0%	0%	16%
Total actuarial gain/(loss) recognised in the statement of total recognised gains and losses (£'000)	45,334	(196,424)	(133,280)	44,495	42,640
As a % of the scheme liabilities	4%	-18%	-19%	6%	5%

b) CSC Computer Sciences Ltd 2005 Pension Scheme:

The actuarial valuation of the pension scheme was updated to 1 April 2011. The principal actuarial assumptions used are shown below:

	At 1 April 2011 %	At 2 April 2010 %
Rate of increase in salaries	4.40	4.40
Rate of increase of pensions in payment	2.25	3.30
Discount rate	5.50	5.50
Inflation assumption	3.40	3.40

The normal contribution rate from commencement of the scheme was 17.5% of employee's pensionable pay £583,333 per month of additional deficit funding is payable from July 2010 to June 2011.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

23. PENSION COMMITMENTS (continued)

Mortality Assumptions

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

	1 April 2011 Years	2 April 2010 Years
Retiring today		
Males	26.8	26.7
Females	29.7	29.6
Retiring in 20 years		
Males	29.0	28.9
Females	31.8	31.7

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.25%	Decrease 5.25%/increase by 5.75%
Rate of inflation	Increase/decrease by 0.25%	Increase 3.65%/decrease by 3.15%
Rate of salary growth	Increase/decrease by 0.25%	Increase 4.65%/decrease by 4.15%
Rate of pension increases	Increase/decrease by 0.25%	Increase 2.5%/decrease by 2.0%
Rate of mortality	Increase by 1 year	Increase by 1%

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

23 PENSION COMMITMENTS (continued)

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

	Expected rate of return at 1 April 2011 %	Value at 1 April 2011 £'000	Expected rate of return at 2 April 2010 %	Value at 2 April 2010 £'000	Expected rate of return at 3 April 2009 %	Value at 3 April 2009 £'000
Equities	8.50	16,706	8.40	27,574	8.2	24,221
Bonds	4.50	38,980	4.95	17,591	5.3	10,380
Cash	0.0	-	0.0	2,377	0.0	-
Total market value of assets		55,686		47,542		34,601
Actuarial value of liabilities		(53,529)		(54,208)		(34,677)
Surplus/(deficit) in the scheme		2,157		(6,666)		(76)
Related deferred tax asset/(liability)		(561)		1,867		22
		1,596		(4,799)		(54)

Movements in the fair value of scheme assets are

	1 April 2011 £	2 April 2010 £
Opening value	47,542	34,601
Expected return on scheme assets	3,549	2,571
Actuarial gains/(losses)	(332)	7,307
Contributions from sponsoring companies	5,496	3,302
Contributions from scheme members	233	344
Benefits paid	(802)	(583)
	55,686	47,542

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

23. PENSION COMMITMENTS (continued)

Amounts included within operating profit are

	Period ended 1 April 2011 £'000	Period ended 2 April 2010 £'000
Current service cost	(810)	(1,053)
Curtailment gains	2,070	-
Total income/(costs) included within operating profit	<u>1,260</u>	<u>(1,053)</u>

Amounts credited/(charged) to other finance income are

	Period ended 1 April 2011 £'000	Period ended 2 April 2010 £'000
Expected return on pension scheme assets	3,549	2,571
Interest charged on pension scheme liabilities	(2,859)	(2,456)
Net return	<u>690</u>	<u>115</u>

The amounts recognised in the statement of total recognised gains and losses are

	Period ended 1 April 2011 £'000	Period ended 2 April 2010 £'000
Actual return less expected return on pension scheme assets	(332)	7,307
Experience gains/(losses) arising on scheme liabilities	253	(3,109)
Changes in assumptions underlying the present value of the scheme liabilities	1,456	(13,152)
Total actuarial gain/(loss) recognised in the statement of total recognised gains and losses	<u>1,377</u>	<u>(8,954)</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

23. PENSION COMMITMENTS (continued)

The movement in the pension deficit during the period was

	Period ended 1 April 2011 £'000	Period ended 2 April 2010 £'000
Opening surplus	(6,666)	(76)
Current service cost	(810)	(1,053)
Contributions	5,496	3,302
Past service costs	-	-
Curtailment gain	2,070	-
Other finance income	690	115
Actuarial gain/(loss)	1,377	(8,954)
Closing surplus/(deficit)	2,157	(6,666)

	Period ended 1 April 2011	Period ended 2 April 2010	Period ended 3 April 2009	Period ended 28 March 2008	Period ended 30 March 2007
Difference between the expected and actual return on scheme assets (£'000)	(332)	7,307	(11,456)	(4,324)	(321)
As a % of the scheme assets	-1%	15%	-27%	-10%	-1%
Experience gains/(losses) on scheme liabilities (£'000)	253	(3,109)	-	-	1,925
As a % of the scheme liabilities	0%	-6%	0%	0%	5%
Total actuarial gain/(loss) recognised in the statement of total recognised gains and losses (£'000)	1,377	(8,954)	6,985	3,539	(5,102)
As a % of the scheme liabilities	3%	-17%	20%	10%	-13%

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

23. PENSION COMMITMENTS (continued)

c) Reconciliation of net assets and reserves under FRS 17 for the combined schemes:

	1 April 2011 £'000	2 April 2010 £'000
Group net assets		
Group net assets excluding defined benefit liabilities/surplus	695,487	652,938
Defined benefit liability under FRS 17	(114,426)	(290,852)
Related deferred tax	29,751	81,439
Defined benefit surplus under FRS 17	2,157	-
Related deferred tax	(561)	-
Group net assets including defined benefit liabilities/surplus	<u>612,408</u>	<u>443,525</u>
Group reserves		
Group profit and loss reserve excluding defined benefit liabilities/surplus	474,522	431,973
Defined benefit liability under FRS 17	(114,426)	(290,852)
Related deferred tax	29,751	81,439
Defined benefit surplus under FRS 17	2,157	-
Related deferred tax	(561)	-
Group profit and loss reserves including defined benefit liabilities/surplus	<u>391,443</u>	<u>222,560</u>

d) Reconciliation of group profit and loss charges under FRS 17 for the combined schemes:

	1 April 2011 £'000	2 April 2010 £'000
Pension operating cost for the main defined benefit scheme	1,305	8,127
Pension operating cost for 2005 defined benefit scheme	810	1,053
Other finance cost/(income) for main defined benefit scheme	(4,410)	5,862
Other finance income for 2005 defined benefit scheme	(690)	(115)
Curtailment gain for the main defined benefit scheme	(47,665)	-
Curtailment gain for 2005 defined benefit scheme	(2,070)	-
Pension operating cost for defined contribution scheme	50,842	33,015
Total pension (income)/cost	<u>(1,878)</u>	<u>47,942</u>
Add other finance (cost)/income for defined benefit schemes	5,100	(5,747)
Total staff pension cost (note 3)	<u>3,222</u>	<u>42,195</u>

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

24 DERIVATIVES NOT INCLUDED AT FAIR VALUE

Foreign currency risk management

The group has derivatives which are not included at fair value in the accounts

The group uses derivatives to hedge its exposures to changes in foreign currency exchange rates. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts.

The group is mainly exposed to the euro and US dollar currencies

	Principal 1 April 2011 £'000	Fair Value 1 April 2011 £'000	2 April 2010 £'000
Forward foreign exchange contracts	83,370	226	59

Forward foreign exchange contracts

It is the policy of the group to enter into forward foreign exchange contracts to cover exposure on foreign currency payables and receivables over £100,000 in order to alleviate as much risk as is consistent with a reasonable cost of hedging the exposure. The value of forward exchange contracts is not material to the group or company.

25. RELATED PARTY TRANSACTIONS

The company and group is availing itself of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose transactions with group companies on the basis that all are 100% owned subsidiaries.

26. POST BALANCE SHEET EVENTS

During the financial year 2012 the Directors concluded on a change in accounting estimate to a fixed price project, the adjustment reduced the project profitability by £28 million, increasing accruals and deferred income by £18 million and decreasing contract work in progress by £10 million. The impact of the change in accounting estimate will be reflected in the next financial accounting period.

NHS Post-Balance Sheet Event

The Company and the NHS are parties to a £2.9 billion contract under which the Company is developing and deploying an integrated electronic patient records system.

Various disputes have arisen between the parties, primarily related to delays in development and deployment of the Lorenzo software product, the principal software product under the contract owned and licensed by the Company's subcontractor, iSOFT Group Limited, which was acquired by another group company on July 29, 2011.

The NHS and the Company have been in discussions since 2010 regarding a Memorandum of Understanding (MOU) which would set forth an agreement in principle to the key terms of a reduction in scope, and related total contract value. Negotiation of the terms of the MOU was confirmed by the NHS to be substantially completed in May 2011. Subsequent government reviews of the MOU occurred by the U.K. Major Projects Authority, the joint U.K. Cabinet Office-Treasury body which oversees large public sector projects and the U.K. House of Commons Public Accounts Committee.

In a statement issued on September 22, 2011, Cabinet Office ministers and the NHS officials stated that they would continue to work with existing suppliers, such as the Company, to determine the best way to deliver services in a way which allows the local NHS to exercise choice while delivering the best value for money. The Company reiterated to the U.K. government its view that these factors were key principles on which the parties conceived and negotiated the MOU.

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

26. POST BALANCE SHEET EVENTS (continued)

In November 2011, the Company, the NHS and Cabinet officials resumed discussions on the MOU and the way forward, which included discussions regarding a proposed contract amendment with different scope modifications and contract value reductions than those contemplated by the MOU. In December 2011, the Company was informed that neither the MOU nor the contract amendment then under discussion would be approved by the government. Whilst negotiations have continued since then, and the company continues software development and deployment activities in cooperation with the NHS, because of the December 2011 communication rejecting the MOU referred to above, the proposals to significantly reduce the scope and value of the Lorenzo deployments, and the uncertainty over the results of these negotiations, the company has revised its estimate of revenues and costs at completion under this method to include only those revenues reasonably assured of collection. As a result of this change in estimate, the Company recorded a £953 million contract charge as of December 30, 2011, including a £131 million reduction of revenue. This charge included the write-off of its work in process balance of £806 million, billed and unbilled receivables of £131 million and net other assets and liabilities of £16 million resulting in no material remaining net assets in respect of the contract.

While the contract is in a cumulative loss position as of December 30, 2011, an additional forward loss is not evident at this point and has not been accrued, but further losses could be incurred by the Company depending on the outcome of negotiations, the terms of any potential agreement, or if no agreement is concluded. The Company is unable to estimate the amount of such additional costs, however, such costs could be material. In addition, depending on the outcome of the negotiations, it is also reasonably possible that an agreement, if concluded, could result in a payment for the recovery of a portion of the amounts that have been written off as of December 30, 2011, and therefore generate a gain in the near term. However, there can be no assurance that an agreement will be concluded, that any gain will be generated in the event an agreement is concluded or that any recovery will occur.

The NHS has the right to terminate the contract for convenience, in which case the NHS would owe significant termination fees to the Company and would be subject to claims including claims for compensation due to delays and excess costs caused by the NHS or for contractual deployment delay remedies or for costs associated with change. In the event of termination for convenience, the contract states that the total amount recoverable by the Company solely from termination fees payable by the NHS is determined in accordance with a contractual formula. This formula includes a cap which varies by reference to the date of termination, but in any event decreases on a monthly basis with total elimination of termination fees by April 2015. Based upon events to date, the Company does not anticipate that the NHS will terminate the contract. However, if the NHS had terminated the entire contract for convenience with immediate effect at December 30, 2011, the termination fee would have been capped at approximately £430 million. In addition, the Company would be entitled by way of termination fee to a sum to compensate for the profit that the Company would have earned over the following 12 months had the contract not been terminated. Additional amounts recoverable from claims by the Company or any mitigation efforts by the Company are uncertain and cannot be reasonably estimated at this time. The Company's total recovery in a termination for convenience scenario, therefore, would depend on a number of factors but would likely be greater than the net asset value associated with the contract, which as a result of the contract charge described above is approximately zero. Future deployment delays caused by the Company could, however, result in reduced recovery by the Company.

If the parties do not successfully conclude a contract amendment, either or both parties could elect to assert claims against the other for breach of contract or similar claims. Subject to a legal obligation to mitigate its damages and subject to contractual limits of the Company's liability, the NHS could elect in this event to seek delay damages under the contract or terminate the contract and seek damages from the Company, including alleged damages for the cost of a replacement system and for unrealized savings and benefits under the contract. The Company could assert claims against the NHS for breach of contract and seek damages from the NHS, including compensation due to delays and excess costs caused by the NHS or for contractual deployment delay remedies. If the NHS wrongfully seeks to terminate the contract and refuses to withdraw its termination notice following the Company's demand, the Company could assert a claim for wrongful termination and seek damages for repudiatory breach of contract. Although the parties have not asserted claims formally in any arbitration or other legal proceeding, there can be no assurance that in any such proceeding the NHS will not assert claims against the Company for damages in a material amount. The Company believes that the NHS contract is enforceable and that the NHS has no existing right to terminate the contract. However, contractual disputes and litigation of this nature are complex and inherently uncertain and the Company's position is subject to the ongoing review and evaluation of new facts and information which may come to the Company's attention. If a contractual dispute or litigation ensues, the outcome is uncertain and there can be no assurance that the Company would prevail or that the NHS would not obtain a judgment and a material award of damages against the Company which could have a material adverse effect on the Company's consolidated financial position, results

CSC COMPUTER SCIENCES LIMITED

NOTES TO THE ACCOUNTS

Period 3 April 2010 to 1 April 2011

26. POST BALANCE SHEET EVENTS (continued)

of operations and cash flows. If the NHS wrongfully terminated the contract on the basis of alleged material breach by the Company, the Company believes that it would be entitled to recovery for damages, however, the amount of any such recovery is uncertain and cannot be reasonably estimated at this time.

27. PARENT COMPANY

The ultimate parent company and controlling entity is Computer Sciences Corporation, 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 Computer Sciences Corporation are available from 3170 Fairview Park Drive, Falls Church, Virginia 22042, USA.

The immediate parent company of CSC Computer Sciences Limited is Computer Sciences UK Limited, a company incorporated in Great Britain and registered in England and Wales.