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VCE SOLUTIONS LIMITED

**Directors' Report and Financial Statements
Year Ended 31 December 2014**

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CONTENTS

	Page
DIRECTORS AND OTHER INFORMATION	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	4 and 5
INDEPENDENT AUDITORS' REPORT	6 and 7
ACCOUNTING POLICIES	8 and 9
PROFIT AND LOSS ACCOUNT	10
BALANCE SHEET	11
NOTES TO THE FINANCIAL STATEMENTS	12 to 16

DIRECTORS AND OTHER INFORMATION

Board of Directors at 14 May 2015

C P Zajac (USA)

Solicitors

Eversheds LLP
1 Wood Street
London
EC2V 7WS
United Kingdom

Registered Office

One Finsbury Circus
Part Ground Floor East
London EC2 M7EB
United Kingdom

Registered Number: 07362491

Bankers

Citibank
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
1 South Mall
Cork

STRATEGIC REPORT

The directors present their strategic report on the company for the year ended 31 December 2014.

Review of the business

The company's principal activities during the year continues to be the provision of marketing and promotional services to the company's parent undertaking, VCE Technology Solutions Limited.

The key financial and other performance indicators during the year are as follows:

	2014 £'000	2013 £'000	Change %
Turnover	29,568	22,985	29%
Administration cost and other expenses	28,160	21,892	29%
Equity shareholders' funds	2,751	1,686	62%
Average no of employees	138	100	38%

The company incurs costs in the course of providing its marketing and promotional services. Under the terms of a marketing services agreement in place, these costs get recharged to the parent to include a dedicated mark-up as stipulated in the agreement. This mark-up is set at a level which recognises the limited risk levels borne by the company. All commercial and financial risks associated with sales activity in the UK are borne by the parent company. The UK market has seen significant growth in activity levels for VCE and this has significantly increased the selling, marketing and payroll costs incurred by the company. The projections for 2015 anticipate further significant growth in activity levels.

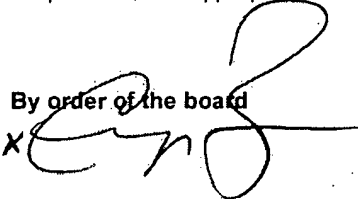
Future developments

The company plans to grow and develop the level of marketing and promotional services provided to VCE Technology Solutions Limited into the future.

Principal risks and uncertainties

Due to the nature of the company's business arrangements, the directors believe that risk attributable to foreign exchange, interest rates, credit and cash flow are minimal. The ultimate parent company, EMC Corporation, has appropriate risk management programmes in place to manage any such risk that may arise.

By order of the board



DIRECTORS' REPORT

The directors present herewith their report and the audited financial statements of the company for the year ended 31 December 2014.

Principal activities and business review

The principal activity of the company involves the provision of marketing and promotional services to its parent undertaking, VCE Technology Solutions Limited. The company is remunerated for its costs plus a mark-up under the terms of a marketing services agreement in place with VCE Technology Solutions Limited.

Turnover in 2014 amounted to £29,568,258 (2013: £22,985,000). The company's profit for the financial year was £1,065,000 (2013: £785,000). The directors recommend that this amount will be transferred to reserves. The directors do not recommend payment of a dividend.

The directors are satisfied with the company's trading and financial position for 2014 and are anticipating further growth and development in the company's operations for 2015.

Effective from 11 December 2014, EMC Corporation became the ultimate parent company of VCE Solutions Limited as a result of a recapitalisation of VCE Company LLC.

VCE Technology Solutions Limited remains the parent company as at 31 December 2014.

Future developments

The company plans to grow and develop the level of marketing and promotional services provided to VCE Technology Solutions Limited into the future.

Principal risks and uncertainties

Due to the nature of the company's business arrangements, the directors believe that risk attributable to foreign exchange; interest rates, credit and cash flow are minimal. The ultimate parent company, EMC Corporation, has appropriate risk management programmes in place to manage any such risk that may arise.

Directors

The director who served the company during the year was as follows:

C P Zajac

Statement of directors' responsibilities

The directors are responsible for preparing the directors' 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 prepared 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts, 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.

DIRECTORS' REPORT - continued

Post balance sheet events

There have been no significant events affecting the company since year-end.

Statement of disclosure of information to auditors

So far as the directors in office at the date of approval of these financial statements are aware:

- there are no relevant audit information of which the company's auditors are aware; and
- the directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditor are aware of the information.

Independent auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

C P Zajac

14 May 2015

DIRECTORS' REPORT - continued

Post balance sheet events

There have been no significant events affecting the company since year-end.

Statement of disclosure of information to auditors

So far as the directors in office at the date of approval of these financial statements are aware:

- there are no relevant audit information of which the company's auditors are aware; and
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The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

C P Zajac 



INDEPENDENT AUDITORS' REPORT: To the members of VCE Solutions Limited

We have audited the financial statements of VCE Solutions Limited for the year ended 31 December 2014 on pages 8 to 16, which comprise the profit and loss account, the balance sheet and related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act, 2006, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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's affairs as at 31 December 2014 and of its profit for the year then ended;
- 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 matters 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, 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.

A handwritten signature in black ink, appearing to read 'A Reidy', is written over the typed name.

**A Reidy (Senior statutory auditor)
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Cork
Republic of Ireland**

25 May 2015

ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

Basis of preparation

The financial statements have been prepared under the historical cost convention in Pounds Sterling and in accordance with the Companies Act, 2006, and generally accepted accounting standards in the United Kingdom. Accounting standards generally accepted in the United Kingdom, in preparing financial statements giving a true and fair view, are those issued by the Accounting Standards Board, and published by the Institute of Chartered Accountants in England and Wales.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Revenues, costs and non-monetary items, denominated in a foreign currency, are translated at the rates of exchange ruling at the dates of the transactions.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the profit and loss account.

Revenue Recognition

Rendering of services

The company earns revenue under an agreement for the provision of marketing and promotional services with VCE Technology Solutions Limited.

The revenue receivable from marketing and promotional services is recognised as the services are rendered and is included in the profit and loss account as operating income.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future-reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Employee benefits

The company operates a defined contribution pension plan for its employees. The charge to the profit and loss account comprises of the contributions payable to the scheme.

ACCOUNTING POLICIES - continued

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

Tangible assets and depreciation

All tangible assets are initially recorded at cost. Costs include expenditure that is directly attributable to the acquisition of the item. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write-off cost or valuation, less estimated residual value, of each asset systemically over its expected useful life as follows:

Computer equipment	33%
Other equipment	33%
Leasehold	33%
Fixtures and Fittings	14%
Software	33%

Cash flow statement and related party transactions

The company's immediate parent undertaking is VCE Technology Solutions Limited, a company incorporated in Ireland. The ultimate parent company is EMC Corporation, a company incorporated in the United States of America. The consolidated financial statements of EMC Corporation may be obtained from the company secretary at the company's registered address which is 176 South Street, Hopkinton MA 01748, USA. In common with other group companies, the financial statements reflect the effects of such group membership. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions which are eliminated on consolidation with entities that are part of EMC Corporation.

VCE Solutions Limited

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Operating income		29,568	22,985
Administration costs and operating expenses		<u>(28,160)</u>	<u>(21,892)</u>
Profit on ordinary activities before taxation	2	1,408	1,093
Tax on profit on ordinary activities	5	<u>(343)</u>	<u>(308)</u>
Profit for the financial year	11	<u>1,065</u>	<u>785</u>

All of the activities of the company are classed as continuing.

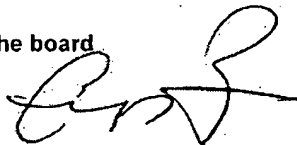
There are no material differences between the profit on ordinary activities before taxation and the retained profit, and their historical cost equivalents.

The company has no recognised gain or loss other than the results for the year as set out above.

The notes on pages 12 to 16 form part of the financial statements.

On behalf of the board

C P Zajac X



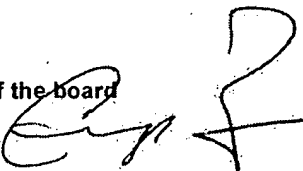
BALANCE SHEET
31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	6	<u>238</u>	<u>437</u>
Current assets			
Cash at bank and in hand		1,225	2,598
Debtors	7	<u>7,573</u>	<u>3,042</u>
		8,798	5,640
Creditors - amounts falling due within one year	8	<u>(6,285)</u>	<u>(4,391)</u>
Net current assets		<u>2,513</u>	<u>1,249</u>
Total assets less current liabilities		<u>2,751</u>	<u>1,686</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	<u>2,750</u>	<u>1,685</u>
Equity shareholders' funds	12	<u>2,751</u>	<u>1,686</u>

The notes on pages 12 to 16 form part of the financial statements.

On behalf of the board

C P Zajac x



VCE Solutions Limited registered number: 07362491

NOTES TO THE FINANCIAL STATEMENTS

1 Parent and ultimate parent undertaking

The parent company of VCE Solutions Limited is VCE Technology Solutions Limited, a company incorporated in Ireland. Effective from 11 December 2014, the ultimate parent company became EMC Corporation, a company incorporated in the United States of America, as a result of a recapitalisation of VCE Company LLC.

2 Profit on ordinary activities before taxation	2014	2013
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	345	365
Depreciation of tangible fixed assets cross charged from EMC	-	23
Operating lease charges	212	212
	<u>212</u>	<u>212</u>

3 Staff costs and employee information	2014	2013
	£'000	£'000
Wages and salaries	21,752	11,059
Social welfare costs	2,194	1,126
Other pension costs (note 14)	700	321
	<u>24,646</u>	<u>12,506</u>

The average number of persons employed by the company during the year was 138 persons (2013:100 persons).

4 Directors' emoluments	2014	2013
	£'000	£'000
Details of emoluments paid to directors during the financial year are as follows:		
Aggregate emoluments	<u>-</u>	<u>-</u>
Highest paid director	2014	2013
	£'000	£'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive scheme	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Tax on profit on ordinary activities	2014 £'000	2013 £'000
Current tax:		
UK corporation tax charge on profit for the year	379	345
Adjustment in respect of prior years	-	2
	<u>379</u>	<u>347</u>
Deferred tax:		
Origination and reversal of timing differences	(36)	(39)
Tax on profit on ordinary activities	<u>343</u>	<u>308</u>

The company's activities are subject to corporation tax at the standard rate in the United Kingdom. The difference between profit on ordinary activities multiplied by the corporation tax rate applicable to the company and the current tax charge for the year are:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	<u>1,408</u>	<u>1,093</u>
Profit on ordinary activities in the year multiplied by average taxation rate for the year of 21.5% (2013: 23.5%)	303	254
Effects of:		
Expenses not deductible	28	26
Differences between capital allowances and depreciation	48	65
Adjustments in respect of prior years	-	2
Current tax charge for the year	<u>379</u>	<u>347</u>

The main rate of corporation tax was reduced from 24% to 23% from 1 April 2013. Further reductions to reduce the rate to 21% from 1 April 2014 and to 20% from April 2015 were substantively enacted in the Finance Act 2013 on 2 July 2013 and have been reflected within these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Tangible assets	Office equipment £'000	Fixtures and fittings £'000	Leasehold £'000	Computer equipment £'000	Software £'000	Total £'000
Cost						
At 1 January 2014	216	115	753	81	6	1,171
Additions	7	-	59	84	-	150
Disposals	-	-	-	-	(6)	(6)
Reclassification	(17)	-	-	17	-	-
At 31 December 2014	<u>206</u>	<u>115</u>	<u>812</u>	<u>182</u>	<u>-</u>	<u>1,315</u>
Accumulated depreciation						
At 1 January 2014	(112)	(23)	(582)	(15)	(2)	(734)
Charge for the year	(57)	(21)	(214)	(53)	-	(345)
Disposals	-	-	-	-	2	2
At 31 December 2014	<u>(169)</u>	<u>(44)</u>	<u>(796)</u>	<u>(68)</u>	<u>-</u>	<u>(1,077)</u>
Net book value						
At 31 December 2014	<u>37</u>	<u>71</u>	<u>16</u>	<u>114</u>	<u>-</u>	<u>238</u>
At 31 December 2013	<u>104</u>	<u>92</u>	<u>171</u>	<u>66</u>	<u>4</u>	<u>437</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Debtors	2014 £'000	2013 £'000
Prepayments	230	152
Deferred tax (note 9)	71	35
Amounts owed by group undertakings	7,086	2,802
Value added tax	186	53
	<u>7,573</u>	<u>3,042</u>

Amounts owed by group undertakings are unsecured, non-interest bearing and are repayable within one year.

8 Creditors - amounts falling due within one year	2014 £'000	2013 £'000
Corporation tax	215	244
Accruals and deferred income	6,070	3,321
Amounts due to related entities	-	168
Amounts due to fellow group undertakings	-	658
	<u>6,285</u>	<u>4,391</u>

Amounts owed to related entities and fellow group undertakings are unsecured, non-interest bearing and are repayable within one year.

9 Deferred tax asset	£'000
At beginning of year	35
Credit to profit and loss account	<u>36</u>
At end of year	<u>71</u>

The deferred tax asset is composed as follows:

	2014 £'000	2013 £'000
Tax timing differences between receipt of tax capital allowances and charging of depreciation	<u>36</u>	<u>35</u>

10 Called up share capital	2014 £	2013 £
Allotted and issued share capital		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Profit and loss account	2014 £'000	2013 £'000
Profit for the financial year	1,065	785
Balance at beginning of year	<u>1,685</u>	<u>900</u>
Balance at end of year	<u>2,750</u>	<u>1,685</u>

12 Reconciliation of movements in equity shareholders' funds	2014 £'000	2013 £'000
Equity shareholders' funds at beginning of year	1,686	901
Profit for the financial year	<u>1,065</u>	<u>785</u>
Equity shareholders' funds at end of year	<u>2,751</u>	<u>1,686</u>

13 Operating lease commitments

The company had annual commitments under non-cancellable operating leases in respect of land and buildings which expire as follows:

	2014 £'000	2013 £'000
Within one year	-	-
Between one and two years	255	-
Between two and five years	-	255
Greater than five years	-	-
	<u>255</u>	<u>255</u>

14 Pension

The pension entitlements of certain employees arise under a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £699,796 (2013 £321,324). Contributions payable at 31 December 2014 amounted to £Nil (2013: £Nil).

15 Related parties

EMC recharged VCE Solutions Limited for support services during 2014. These amounted to £10,894.

As at the balance sheet date amounts due from EMC to VCE Solutions Limited were £152,434.

16 Approval of the financial statements

The directors approved the financial statements on 14 May 2015.