SIGNED
COPY

VCE SOLUTIONS LIMITED

Annual Report
Thirteen Month Financial Period Ended
3 February 2017

DIRECTORS AND OTHER INFORMATION

Board of Directors at 27/10/2017

S Creed

Solicitors

Eversheds LLP
1 Wood Street
London
EC2V 7WS
United Kingdom

Registered Office

Bentima House 4th Floor
168-172 Old Street
London EC1V 9BP
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
One Albert Quay
Cork
Republic of Ireland

STRATEGIC REPORT

The directors present their strategic report on the company for the thirteen month financial period ended 3 February 2017.

Review of the business

The company's principal activities during the year continued 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:

	Thirteen months ended 3 February 2017	Year ended 31 December 2015	Change
	£'000	£'000	%
Turnover	33,793	28,954	17
Administration cost and operating expenses	32,184	27,575	17
Equity shareholders' funds	9,162	7,183	30
Average no of employees	91	150	-

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.

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, Dell Technologies, has appropriate risk management programmes in place to manage any such risk that may arise.

By order of the board

S Creed

27/10/2017

DIRECTORS' REPORT

The directors present herewith their report and the financial statements of VCE Solutions Limited ("the company") for the thirteen month financial period ended 3 February 2017.

On 7 September 2016, the previous ultimate parent company, EMC Corporation, completed a transaction to combine Dell and EMC to form Dell Technologies Inc. which from this date is the ultimate parent company. In order to align with Dell Technologies' year-end, the company implemented a change to it's reporting calendar, changing from the calendar year ending 31 December to a period ending on the Friday closest to 31 January. As a result, the company has adopted this year-end for the current year and has prepared financial statements for 13 months ended 3 February 2017. The comparative financial information presented is for the 12 months ended 31 December 2015. VCE Technology Solutions Limited continues to be the company's immediate parent company.

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 the period amounted to £33,793,129 (2015: £28,954,179). The company's profit for the financial period was £1,278,540 (2015: £1,087,620). 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 the period and are anticipating growth and development in the company's operations for 2017.

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, Dell Technologies, has appropriate risk management programmes in place to manage any such risk that may arise.

Directors
The directors, who are currently and who served the company during the financial year, are as follows:

C P Zajac	(resigned 31 July 2016)
C Smith	(appointed 31 July 2016, resigned 27 January 2017)
S Creed	(appointed 27 January 2017)

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

DIRECTORS' REPORT

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.

Significant events since the balance sheet date
There have been no significant events affecting the company since the balance sheet date.

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 unaware; 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.

S Creed

On behalf of the board

S Creed
27/10/2017

pwc

Independent auditors' report to the members of VCE Solutions Limited

Report on the financial statements

Our opinion

In our opinion, VCE Solutions Limited financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 3 February 2017 and of its profit for the 13 month period then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 3 February 2017;
- the profit and loss account for the 13 month period then ended;
- the statement of changes in equity for the 13 month period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matter on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

pwc

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4 and 5, 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 Irish 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 section 391 of the Companies Act 2014 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.

Anthony Reidy (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Cork
Republic of Ireland
27 October 2017

PROFIT AND LOSS ACCOUNT
For the thirteen month financial period ended 3 February 2017

	Notes	Thirteen months ended 3 February 2017 £'000	Year ended 31 December 2015 £'000
Operating income		33,793	28,954
Administration costs and operating expenses		(32,184)	(27,575)
Profit on ordinary activities before taxation	5	1,609	1,379
Tax on profit on ordinary activities	8	(331)	(292)
Profit for the financial period/year		1,278	1,087

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 period as set out above and therefore no separate statement of comprehensive income has been prepared.

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

BALANCE SHEET
As at 3 February 2017

	Notes	3 February 2017 £'000	31 December 2015 £'000
Fixed assets			
Tangible assets	9	178	177
Current assets			
Cash at bank and in hand		2,535	420
Debtors	10	10,298	10,210
		12,833	10,630
Creditors - amounts falling due within one year	11	(3,679)	(3,329)
Net current assets		9,154	7,301
Total assets less current liabilities		9,332	7,478
Provision for liabilities	12	(170)	(295)
Net assets		9,162	7,183
Capital and reserves			
Called up share capital - presented as equity	14	-	-
Share-based payment reserve	7	4,034	3,333
Profit and loss account		5,128	3,850
Total equity		9,162	7,183

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

On behalf of the board

S Creed
27/10/2017

VCE Solutions Limited registered number: 07362491

STATEMENT OF CHANGES IN EQUITY
For the thirteen month financial period ended 3 February 2017

	Share capital £'000	Profit and loss account £'000	Share-based payment reserve £'000	Total £'000
Balance at 1 January 2015	-	2,763	-	2,763
Profit for the financial year	-	1,087	-	1,087
Credit relating to equity settled share-based payments	-	-	3,333	3,333
Total transactions recognised directly in equity	-	-	3,333	3,333
Balance at 31 December 2015	-	3,850	3,333	7,183
Balance at 1 January 2016	-	3,850	3,333	7,183
Profit for the financial year	-	1,278	-	1,278
Credit relating to equity settled share-based payments	-	-	701	701
Total transactions recognised directly in equity	-	-	701	701
Balance at 3 February 2017	-	5,128	4,034	9,162

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

NOTES TO THE FINANCIAL STATEMENTS - continued

1 General information

VCE Solutions Limited is incorporated as a company limited by shares in the United Kingdom. The address of its registered office is Bentima House 4th Floor, 168-172 Old Street, London EC1V 9BP, United Kingdom.

On 7 September 2016, the previous ultimate parent company, EMC Corporation, completed a transaction to combine Dell and EMC to form Dell Technologies Inc. which from this date is the ultimate parent company. In order to align with Dell Technologies' year-end, the company implemented a change to its reporting calendar, changing from the calendar year ending 31 December to a period ending on the Friday closest to 31 January. As a result, the company has adopted this year-end for the current year and has prepared financial statements for 13 months ended 3 February 2017. The comparative financial information presented is for the 12 months ended 31 December 2015.

At the balance sheet date, the ultimate parent company and controlling party of VCE Solutions Limited was Dell Technologies Inc. Dell Technologies Inc, a company incorporated in the United States of America, prepared group financial statements for the financial year ended 3 February 2017 and was both the smallest and largest group for which group financial statements are drawn up and of which VCE Solutions Limited was a member. Copies of Dell Technologies Inc. group financial statements are available from Dell Technologies Inc., One Dell Way, Round Rock TX 78682, United States of America.

2 Statement of compliance

The financial statements have been prepared on a going concern basis and in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) and the Companies Act 2006.

3 Summary of significant accounting policies

Basis of preparation
These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are disclosed in note 4.

Disclosure exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity certain disclosure exemptions. VCE Solutions Limited is a qualifying entity at the balance sheet date as its ultimate parent company, Dell Technologies Inc., prepared publically available consolidated financial statements which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss and VCE Solutions Limited is included in these consolidated financial statements. Therefore, the following disclosure exemptions have been taken by the company:

(i) Exemption from the requirement of FRS 102 paragraph 4.12(a) (iv) to disclose a reconciliation of the number of shares outstanding at the beginning and end of the period.

(ii) Exemption from the requirements of Section 7 of FRS 102 and FRS 102, paragraph 3.17 (d), to present a statement of cash flows.

(iii) Exemption from certain disclosure requirements of Section 26 of FRS 102 (paragraphs 26.18(b), 26.19 to 26.19 to 26.21 and 26.23) in respect of share-based payments.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 **Summary of significant accounting policies - continued**

Disclosure exemptions for qualifying entities under FRS 102 - continued

(iv) Exemption from the requirements of FRS 102, paragraph 33.7, to disclose key management compensation in total.

(v) Disclosures required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29 relating to financial instruments have not been presented as the information is provided in the consolidated financial statements of Dell Technologies Inc.

(vi) The entity discloses transactions with related parties which are not wholly owned with the same group. It is exempt from disclosing transactions with members of the same group that are wholly owned.

Foreign currencies

(i) Functional and presentation currency
The company's functional and presentation currency is the pound sterling denominated by the symbol "£" and unless otherwise stated, the financial statements have been presented in thousands ('000).

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to £ using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in 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.

Income tax
Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income or equity as the transaction or other event that resulted in the income tax expense.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

Income tax - continued

(ii) Deferred tax - continued
Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing difference.

Employee benefits
The company provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) Short term employee benefits
Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefits
Defined contribution plan
The company operates a defined contribution plan for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the company in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

(iii) Share-based payments
The company's employees participate in a share-based payment arrangement established by the previous ultimate parent company. The employees are granted share options over equity shares of EMC Corporation. The fair value of the share options is measured at the grant date. The company recognises a share-based payment expense in profit or loss based on the grant date fair value of the share options over the vesting period, with adjustment to equity as a capital contribution. Following the merger with Dell, all share options vested and the share-based payment reserve was re-designated to the profit and loss account.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

Tangible assets and depreciation
Tangible fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bring the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

(i) Leasehold improvements
Leasehold improvements are carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Equipment
Furniture and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Fixtures and fittings
Fixtures and fittings are carried at cost less accumulated depreciation and accumulated impairment losses.

(iv) Depreciation and residual values
Depreciation on assets is calculated using the straight-line method over their estimated useful lives as follows:

Leasehold improvements	33%
Equipment	33%
Fixtures and fittings	14%

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Financial instruments
The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets
Basic financial assets, including trade and other debtors, cash and cash equivalents and short-term deposits are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents, and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the assets has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

Financial instruments - continued

Financial liabilities
Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortized cost using the effective interest method.

Derivatives
Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

Related party transactions
The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, or other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents are presented as current asset investments.

Provisions
Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Restructuring provisions are recognised when the company has a legal or constructive obligation at the end of the financial year to carry out the restructuring. The company has a constructive obligation to carry out a restructuring when there is a detailed, formal plan for the restructuring and the company has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

Share capital presented as equity
Equity shares issued are recognised at the proceeds received. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4 Critical accounting judgements and estimation uncertainty

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Useful economic lives of tangible fixed assets
The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets, and note 3 for the useful economic lives for each class of tangible fixed assets

(ii) Restructuring provision
Restructuring provisions are recognised when the company has a legal or constructive obligation at the end of the financial year to carry out the restructuring. The company has a constructive obligation to carry out a restructuring when there is a detailed, formal plan for the restructuring and the company has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected. This is set out in more detail in Note 12 to the financial statements.

(iii) Share-based payments.
Certain employees have been granted share-based payments entitlements by the company. Estimates have been made with regard to the likely future shares to be issued under these schemes based on historical information and using latest information available on expected exercise of entitlements. This is set out in more detail in note 7 to the financial statements.

5 Profit on ordinary activities before taxation

	Thirteen months ended 3 February 2017	Year ended 31 December 2015
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets (Note 9)	109	87
Operating lease charges	71	212
Restructuring costs (Note 12)	204	295

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Profit on ordinary activities before taxation - continued

Auditors' remuneration

Remuneration (including expenses) for the statutory audit and for other services carried out for the company by the company's auditor is as follows:

	Thirteen months ended 3 February 2017 £'000	Year ended 31 December 2015 £'000
Audit of entity financial statements	14	12
Other assurance services	-	-
Other non-audit services	-	-
Tax advisory services	-	-
	14	12

6 Employees and directors

	Thirteen months ended 3 February 2017 £'000	Year ended 31 December 2015 £'000
(i) Employees		
Wages and salaries	13,846	17,003
Social welfare costs	2,171	2,509
Other pension costs (note 16)	654	879
Other compensation costs – equity settled share based costs (note 7)	701	1,405
	17,372	21,796

The average number of persons employed by the company during the year was 91 persons (2015:150 persons).

During the period a number of VCE Solutions Limited employees were transferred to EMC Europe Limited. VCE Solutions Limited receives a recharge from EMC Europe Limited for these resources. The amount recharged by EMC for this provision of personal for the financial period was £10,019,267 (2015: Nil)

(ii) Directors' emoluments

Details of emoluments paid to directors during the financial year are as follows:

	Thirteen months ended 3 February 2017 £'000	Year ended 31 December 2015 £'000
Aggregate emoluments	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Employees and directors - continued

	Thirteen months ended 3 February 2017 £'000	Year ended 31 December 2015 £'000
Highest paid director		
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive scheme	-	-

7 Share-based payments

Certain employees of the company have been granted options over shares in the EMC Corporation. The options are granted with a fixed exercise price, are exercisable 5 years after the date of grant and expire 10 years after the date of grant. Employees are required to remain in employment with the group throughout the vesting period. EMC no longer grants options.

On exercise of the share options by employees of EMC Corporation the company is charged the intrinsic value of the share options by EMC Corporation. VCE Solutions Limited was charged £701,000 (2015: £1,405,000) for share options exercised during the financial period/year and this was recognised directly in equity. In February 2015, the company converted its long term incentive plan consisting of bonuses for long service into share options to the value of £1,927,997.

Share-based payment reserve represents the accumulated reserve held for the options issued to employees during the period. Following the merger with Dell, and subsequent vesting of all share options, management have re-designated this reserve into the profit and loss account.

8 Tax expenses included in profit and loss

	Thirteen months ended 3 February 2017 £'000	Year ended 31 December 2015 £'000
Current tax:		
UK corporation tax charge on profit for the financial year	331	285
Adjustment in respect of prior financial years	-	(37)
	331	248
Deferred tax:		
Origination and reversal of timing differences	-	44
Tax on profit on ordinary activities	331	292

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Tax expenses included in profit and loss - continued

Reconciliation of tax expense

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:

	Thirteen months ended 3 February 2017 £'000	Year ended 31 December 2015 £'000
Profit on ordinary activities before taxation	1,609	1,379
Profit on ordinary activities in the year multiplied by average taxation rate for the year of 20% (2015: 20.5%)	321	296
Effects of:		
Expenses not deductible	39	-
Permanent Differences	(29)	(41)
Adjustments in respect of prior years	-	37
Current tax charge for the year	331	292

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Tangible assets

	Office equipment £'000	Fixtures and fittings £'000	Leasehold £'000	Computer equipment £'000	Total £'000
Financial year ended 31 December 2015					
Opening carrying amount	37	71	16	114	238
Additions	-	-	-	53	53
Disposals	-	(3)	(4)	(20)	(27)
Depreciation	(33)	(15)	(11)	(28)	(87)
Carrying amount	4	53	1	119	177
At 31 December 2015					
Cost	206	112	808	216	1,341
Accumulated depreciation and impairment	(202)	(59)	(807)	(97)	(1,164)
Carrying amount	4	53	1	119	177
Thirteen month financial period ended 3 February 2017					
Opening carrying amount	4	53	1	119	177
Additions	72	-	28	19	119
Disposals	-	(9)	-	-	(9)
Depreciation	(21)	(17)	(9)	(62)	(109)
Carrying amount	55	27	20	76	178
At 3 February 2017					
Cost	87	93	28	241	449
Accumulated depreciation and impairment	(32)	(66)	(8)	(165)	(271)
Carrying amount	55	27	20	76	178

During the financial period, tangible fixed assets with a carrying amount of £9,000 were disposed of. The assets had a cost of £1,017,000 and accumulated depreciation of £1,008,000. The loss on disposal of these assets was £9,000.

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Debtors

	3 February 2017 £'000	31 December 2015 £'000
Prepayments	34	251
Deferred tax (note 13)	27	27
Amounts owed by parent undertakings	9,910	9,803
Value added tax	327	129
	10,298	10,210

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

11 Creditors - amounts falling due within one year

	3 February 2017 £'000	31 December 2015 £'000
Corporation tax	151	132
Accruals	3,315	3,114
Trade creditors	213	83
	3,679	3,329

12 Provisions for liabilities - restructuring

	3 February 2017 £'000	31 December 2015 £'000
At the beginning of year/period	295	-
Movements in the profit and loss account	204	295
Amounts utilised during the period	(329)	-
At end of the year/period	170	295

13 Deferred tax asset

	£'000
At 1 January 2015	71
Credit to profit and loss account	(44)
At 1 January 2016 and 3 February 2017	27

The deferred tax asset is composed as follows:

	3 February 2017 £'000	31 December 2015 £'000
Tax timing differences between receipt of tax capital allowances and charging of depreciation	27	27

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Share capital and reserves

	3 February 2017 £'000	31 December 2015 £'000
Authorised:		
100,000 ordinary shares of £1 each	100	100
Allotted and fully paid - presented as equity:		
1 ordinary shares of £1 each	1	1

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

A description of each reserve within equity is as follows:

(i) Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years plus share-based payments adjustments and related tax credits, charges from the parent company for share-based payments, transfers from the revaluation reserve relating to depreciation (net of tax) realised on revaluations less dividends paid.

(ii) Share-based payment reserve represents the accumulated reserve held for the options issued to employees during the period. (Note 7)

15 Operating lease commitments

Future minimum lease payments under non-cancellable operating leases at the end of the financial year were:	3 February 2017 £'000	31 December 2015 £'000
Payments due:		
Not later than one year	-	76
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	76

16 Post-employment benefits

Defined contribution

For certain employees, the company operates a defined contributions pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' defined contributions. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. The company has agreed a funding plan with the trustee, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the trustee to reduce the funding deficit where necessary.

The amount recognised in the balance sheet is as follows:	3 February 2017 £'000	31 December 2015 £'000
Defined contributions scheme liability	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Post-employment benefits - continued

The amount recognised in the profit and loss account is as follows:

	Thirteen months ended 3 February 2017 £'000	Year ended 31 December 2015 £'000
Defined contribution scheme	654	879
Total expense	654	879

17 Events since the balance sheet date

There have been no significant events affecting the company since the balance sheet date.

18 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 27/10/2017 and were signed on its behalf on that date.