

**VCE SOLUTIONS LIMITED**

**Annual Report  
Financial Year Ended 2 February 2018**

**Registered Number: 07362491**



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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors at 30-10-18**

F Dibley

**Registered Office**

1<sup>st</sup> and Part 2nd Floor  
One Creechruch Place  
London EC3R 5AF  
United Kingdom

**Registered Number:** 07362491

**Solicitors**

Eversheds LLP  
1 Wood Street  
London  
EC2V 7WS  
United Kingdom

**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 financial year ended 2 February 2018.

**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. Subsequent to the year end, the company's parent company changed to EMC Ireland Holdings.

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

	Year ended 2 February 2018 £'000	Thirteen months ended 3 February 2017 £'000	Change %
Turnover	25,913	33,793	(23%)
Administration cost and operating expenses	24,691	32,184	(23%)
Equity shareholders' funds	10,185	9,162	10%
Average no of employees	<u>72</u>	<u>91</u>	<u>(21%)</u>

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 VCE Technology Solutions Limited 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 VCE Technology Solutions Limited.

**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

F Dibley



30-10-18

## DIRECTORS' REPORT

The directors present herewith their report and the financial statements of VCE Solutions Limited ("the company") for the financial year ended 2 February 2018.

### Principal activities and business review

The principal activity of the company involves the provision of marketing and promotional services to 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 for the year amounted to £25,912,652 (13 months ended 3 February 2017: £33,793,129). The company's profit for the financial year was £1,023,371 (13 months ended 3 February 2017: £1,278,540). 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 year and are anticipating growth and development in the company's operations for 2018 and 2019.

### 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 director, who is currently and who served the company during the financial year, is as follows:

S Creed (resigned 21 August 2018)

F Dibley (appointed 21 August 2018)

### 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 comprising FRS102 "The Financial Reporting Standard applicable in the UK and ROI 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

**DIRECTORS' REPORT**

**Statement of directors' responsibilities - continued**

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.

**Significant events since the balance sheet date**

On 1 June 2018, the company's parent company, VCE Technology Solutions Limited, distributed the shares of VCE Solutions Limited to EMC Ireland Holdings. From that date, EMC Ireland Holdings will be the company's immediate parent company.

**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 a meeting of the Board of Directors.

On behalf of the board

F Dibley



30-10-18



## ***Independent auditors' report to the members of VCE Solutions Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, VCE Solutions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 2 February 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 2 February 2018; the profit and loss account for the year then ended, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.\*

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 2 February 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' Responsibilities Statement on pages 4 and 5, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

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.





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## Other required reporting

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### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

Anthony Reidy (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Auditors  
Cork  
31 October 2018

**PROFIT AND LOSS ACCOUNT**  
**For the financial year ended 2 February 2018**

	Notes	Year ended 2 February 2018 £'000	Thirteen months ended 3 February 2017 £'000
Operating income		25,913	33,793
Administration costs and operating expenses		(24,691)	(32,184)
<b>Profit before tax</b>	5	1,222	1,609
Tax on profit	8	(199)	(331)
<b>Profit for the financial year/period</b>		<u>1,023</u>	<u>1,278</u>

All amounts included in the income statement derive from continuing operations. The company has no other income or expenses other than those included in the results and therefore no separate statement of comprehensive income has been prepared.

The notes on pages 12 to 22 form part of the financial statements.

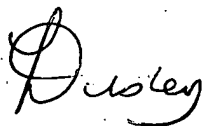
**BALANCE SHEET**  
As at 2 February 2018

	Notes	2 February 2018 £'000	3 February 2017 £'000
<b>Fixed assets</b>			
Tangible assets	9	72	178
<b>Current assets</b>			
Debtors		11,176	10,298
Cash at bank and in hand	10	1,221	2,535
		12,397	12,833
<b>Creditors - amounts falling due within one year</b>	11	(2,284)	(3,679)
<b>Net current assets</b>		10,113	9,154
<b>Total assets less current liabilities</b>		10,185	9,332
Provision for liabilities	12	-	(170)
<b>Net assets</b>		10,185	9,162
<b>Capital and reserves</b>			
Called up share capital - presented as equity	14	-	-
Share-based payment reserve	7	-	4,034
Profit and loss account		10,185	5,128
<b>Total equity</b>		10,185	9,162

The notes on pages 12 to 22 form part of the financial statements.

On behalf of the board

F Dibley



30-10-18

VCE Solutions Limited

Registered number: 07362491

**STATEMENT OF CHANGES IN EQUITY**  
**For the financial year ended 2 February 2018**

	Share capital	Profit and loss account	Share-based payment reserve	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2016</b>	-	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
<b>Balance at 3 February 2017</b>	-	5,128	4,034	9,162
<b>Balance at 4 February 2017</b>	-	5,128	4,034	9,162
Release of share-based payment reserve to the profit and loss reserve	-	4,034	(4,034)	-
Profit for the financial year	-	1,023	-	1,023
<b>Balance at 2 February 2018</b>	-	10,185	-	10,185

The notes on pages 12 to 22 form part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 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 1<sup>st</sup> and Part 2<sup>nd</sup> Floor, One Creechurch Place, London, EC3 R5AF United Kingdom. At the balance sheet date, the company's immediate parent company was VCE Technology Solutions Limited. As outlined in Note 16 of these financial statements, on 1 June 2018, the company's parent company, VCE Technology Solutions Limited, distributed the shares of VCE Solutions Limited to EMC Ireland Holdings. From that date, EMC Ireland Holdings will be the company's immediate parent company.

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 2 February 2018 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.

In the prior period, following the transaction to combine Dell and EMC to form Dell Technologies, the company implemented a change to its US reporting calendar changing from a calendar year ending 31 December to a period ending on the Friday closest to 31 January. As a result, the prior year comparative financial information is presented for the 13 months ended 3 February 2017. The current year financial information is prepared for the year ended 2 February 2018.

These financial statements are the company's separate financial statements.

### 2 Statement of compliance

The financial statements have been prepared on a going concern basis in accordance accounting standards issued by the UK Financial Reporting Council and the Companies Act 2014. The entity financial statements comply with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

### 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 year.
- (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

### 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.

#### 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

### 3 Summary of significant accounting policies - continued

#### Income tax - continued

##### (ii) *Deferred tax*

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, 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 leased assets are consumed.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

#### *Depreciation and residual values*

Depreciation on assets is calculated using the straight-line method over their estimated useful lives as follows:

Leasehold improvements	33%
Office Equipment	33%
Computer 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

### 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**

**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. There were no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**5 Profit before tax**

	Year ended 2 February 2018 £'000	Thirteen months ended 3 February 2017 £'000
Profit before tax is stated after charging:		
Depreciation of tangible fixed assets (Note 9)	106	109
Operating lease charges	-	71
Restructuring costs	40	204
	<u>40</u>	<u>204</u>

**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:

	Year ended 2 February 2018 £'000	Thirteen months ended 3 February 2017 £'000
Audit of entity financial statements	11	14
	<u>11</u>	<u>14</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 6 Employees and directors

	Year ended 2 February 2018 £'000	Thirteen months ended 3 February 2017 £'000
<b>(i) Employees</b>		
Wages and salaries	10,386	13,846
Social welfare costs	1,367	2,171
Other pension costs (note 15)	386	654
Other compensation costs – equity settled share based costs (note 7)	-	701
	<u>12,139</u>	<u>17,372</u>

The average number of persons employed by the company during the year was 72 persons (2017: 91 persons).

During the year 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 year was £7,747,463 (13 months ended 3 February 2017: £10,019,267).

**(ii) Directors' emoluments**

	Year ended 2 February 2018 £'000	Thirteen months ended 3 February 2017 £'000
Details of emoluments paid to directors during the financial year are as follows:		
Aggregate emoluments	<u>-</u>	<u>-</u>
	Year ended 2 February 2018 £'000	Thirteen months ended 3 February 2017 £'000
<b>Highest paid director</b>		
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive scheme	<u>-</u>	<u>-</u>

## 7 Share-based payments

Previously the company recognised equity-settled share-based payment expense based on the grant date fair value of share options. The expense was recognised on a straight-line basis over the vesting period. 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 for this in the prior year. EMC no longer grants options and the final options were settled in the prior year.

During the year the remaining reserve was transferred to the profit and loss account.

## NOTES TO THE FINANCIAL STATEMENTS

## 8 Tax on profit

	Year ended 2 February 2018 £'000	Thirteen months ended 3 February 2017 £'000
Current tax:		
Over provision in the prior period	(64)	-
UK corporation tax charge on profit for the financial year	263	331
Over provision in the prior year	199	331
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	<u>199</u>	<u>331</u>

**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:

	Year ended 2 February 2018 £'000	Thirteen months ended 3 February 2017 £'000
Profit on ordinary activities before taxation	<u>1,222</u>	<u>1,609</u>
Profit on ordinary activities in the year multiplied by average taxation rate for the year of 19% (2017: 20%)	232	321
Effects of:		
Expenses not deductible	31	39
Over provision in the prior period	(64)	-
Permanent Differences	-	(29)
Current tax charge for the year	<u>199</u>	<u>331</u>

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

9 Tangible assets	Office equipment £'000	Fixtures and fittings £'000	Leasehold £'000	Computer equipment £'000	Total £'000
<b>At 3 February 2017</b>					
Cost	87	93	28	241	449
Accumulated depreciation and impairment	(32)	(66)	(8)	(165)	(271)
<b>Carrying amount</b>	<b>55</b>	<b>27</b>	<b>20</b>	<b>76</b>	<b>178</b>
<b>Financial year ended 2 February 2018</b>					
Opening carrying amount	55	27	20	76	178
Depreciation	(36)	(13)	(13)	(44)	(106)
<b>Carrying amount</b>	<b>19</b>	<b>14</b>	<b>7</b>	<b>32</b>	<b>72</b>
<b>At 2 February 2018</b>					
Cost	87	93	28	241	449
Accumulated depreciation and impairment	(68)	(79)	(21)	(209)	(377)
<b>Carrying amount</b>	<b>19</b>	<b>14</b>	<b>7</b>	<b>32</b>	<b>72</b>

10 Debtors	2 February 2018 £'000	3 February 2017 £'000
Prepayments	-	34
Deferred tax (note 13)	27	27
Amounts owed by parent undertakings	11,149	9,910
Value added tax	-	327
	<b>11,176</b>	<b>10,298</b>

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

11 Creditors - amounts falling due within one year	2 February 2018 £'000	3 February 2017 £'000
Corporation tax	138	151
Accruals	1,785	3,315
Trade creditors	361	213
	<b>2,284</b>	<b>3,679</b>

**NOTES TO THE FINANCIAL STATEMENTS**

<b>12 Provisions for liabilities - restructuring</b>	<b>2 February</b>	<b>3 February</b>
	2018	2017
	£'000	£'000
At the beginning of year/period	170	295
Movements in the profit and loss account	40	204
Amounts utilised during the year	(210)	(329)
At end of the year/period	<u>-</u>	<u>170</u>

<b>13 Deferred tax asset</b>	£'000
At 3 February 2017 and 2 February 2018	<u>27</u>

The deferred tax asset is composed as follows:	<b>2 February</b>	<b>3 February</b>
	2018	2017
	£'000	£'000
Tax timing differences between receipt of tax capital allowances and charging of depreciation	<u>27</u>	<u>27</u>

<b>14 Share capital and reserves</b>	<b>2 February</b>	<b>3 February</b>
	2018	2017
	£'000	£'000
Authorised:		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid - presented as equity:		
1 ordinary shares of £1 each	<u>-</u>	<u>-</u>

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, less dividends paid. During the year, the company transferred its unutilised share based payment reserve to profit and loss reserves (note 7).

**NOTES TO THE FINANCIAL STATEMENTS**

**15 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.

	2 February 2018 £'000	3 February 2017 £'000
The amount recognised in the balance sheet is as follows:		
Defined contributions scheme liability	-	-
The amount recognised in the profit and loss account is as follows:		
Defined contribution scheme	386	654
Total expense	386	654

**16 Events since the balance sheet date**

On 1 June 2018, the company's parent company, VCE Technology Solutions Limited, distributed the shares of VCE Solutions Limited to EMC Ireland Holdings. From that date, EMC Ireland Holdings will be the company's immediate parent company.

**17 Approval of financial statements**

The financial statements were approved and authorised for issue by the board of directors on 30-10-18 and were signed on its behalf on that date.