DELL CORPORATION LIMITED

Annual Report
Financial Year Ended 3 February 2023

CONTENTS

DIRECTORS AND OTHER INFORMATION

Board of directors at Oct 20, 2023

C Garcia
T Hussain
S Young
C Hyslop

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Solicitors
Osborne Clarke LLP
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STRATEGIC REPORT

The directors present their strategic report on the company for the financial year ended 3 February 2023.

Principal activities
The company's principal activity throughout the financial year was the marketing and distribution of information technology infrastructure under limited risk distributor agreements with other group companies. The Company also provides certain services for both group companies and third party customers.

The company is a member of the Dell Technologies Inc group ("Dell Technologies"), which is a strategically aligned family of businesses that offers a broad range of technology solutions, and is poised to become the essential infrastructure company both globally and here in the UK, as we continue our mission to advance human progress through effective use of technology.

The company is committed to its customers – from global multinationals to our extended partner network across the UK. As we innovate to make our customers increasingly more productive through the use of technology, we are also looking to support them succeed in the digital economy developing around us. We are differentiated by practical innovation and efficient, simple, and affordable solutions.

Dell Technologies is committed to driving human progress by putting our technology and expertise to work where it can do the most good for both people and the planet. We recognize that all of our stakeholders — shareholders, customers, suppliers, employees, and communities — as well as the environment and society, are essential to our business.
Dell Technologies is committed to progressing towards the goals set forth in our plan for 2030 and beyond (our "2030 Goals"). Our 2030 Goals represent an extension of our purpose as a company and have four critical areas of focus:

- Advancing Sustainability
- Cultivating Inclusion
- Transforming Lives
- Upholding Trust

In its operations, the Company considers the labor and environmental legislative framework of the country. The Company considers that it meets the requirements of such laws and that it carries out procedures designed to encourage compliance and ensure that such requirements are met.

Future developments
Both the level of business and the year-end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Key performance indicators

	2023	2022	% change
	£'000	£'000	
Revenue	3,503,501	3,138,281	12%
Gross profit	479,395	453,486	6%
Gross margin	14 %	14 %	—%
Operating profit	63,247	57,348	10%
Profit after tax	67,729	86,521	(22%)
Equity shareholders' funds	71,182	113,230	(37%)
Average number of employees	2,213	2,220	—%

Revenue increased by £365m year on year caused by strong performance in infrastructure solutions group. Infrastructure solutions group revenue increased primarily as a result of continued revenue growth within both our servers and networking and storage offerings.

On 18 October 2022, the directors proposed and the shareholder declared a dividend of £100m. The dividend was paid to the immediate parent company, EMC Information Systems International Unlimited Company (2022: £110m).

Going concern

The directors have considered the basis of preparation of the financial statements for the year ended 3 February 2023. The financial statements have been prepared on the basis that the company is a going concern. The company meets its day-to-day working capital requirements through net cash inflow from operations, cash resources and, if required, intercompany financing.

The balance sheet shows that the company has net assets of £71m (2022: £113m) and net current liabilities of £322m (2022: liabilities of £(140)m) at year-end.

In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information up to 31 October 2024, being at least 12 months following the approval of these financial statements. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to continue to operate within the level of its current arrangements. The directors are satisfied that a parent undertaking has indicated its intent to provide the necessary financial support to enable the company to continue to meet its liabilities as they fall due, if required. After making all necessary enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

Post balance sheet events

On 20 October 2023, the directors proposed and the shareholder declared a dividend of £59m. The dividend was approved to be paid to the parent company, EMC Information Systems International Unlimited Company (2022: £100m).

On the 11 August 2023, Dell Corporation Limited acquired the assets, liabilities and trade of Moogsoft Limited in the amount of circa £2m.

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

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 is minimal. The ultimate parent company, Dell Technologies Inc., has appropriate risk management programmes in place to manage any such risks that may arise.

Ukraine War

We are monitoring and responding to effects of the ongoing war in Ukraine. When Russia invaded Ukraine, Dell Technologies made the decision to not sell, service, or support products in Russia, Belarus, and restricted regions of Ukraine. During Fiscal 2023, DELL has resumed product sales to non-sanctioned areas in Ukraine, focusing on providing products and support to Ukrainian customers as they rebuild infrastructure and restore businesses and the financial sector.

The war and the related economic sanctions are impacting markets worldwide. Our business may be adversely affected by effects of the war and such sanctions, including supply chain disruptions, product shipping delays, macroeconomic impacts resulting from the exclusion of Russian financial institutions from the global banking system, volatility in foreign exchange rates and interest rates, inflationary pressures, and heightened cybersecurity and data theft threats. The full impact of the war on our business operations and financial performance will depend on future developments. We will continue to monitor and assess the related restrictions and other effects and pursue prudent decisions for our team members, customers, and business.

Section 172 (1) statement
From the perspective of the board, the directors are satisfied that the matters which it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent. These include addressing:

- the issues, factors and stakeholders, the directors consider relevant in complying with section 172 (1) (a) to (f) and how they have formed that opinion;
- the main methods the directors have used to engage with stakeholders and understand the issues to which they must have regard; and
- information on the effect of that regard on the Company's decisions and strategies during the financial year.

The Company is a wholly owned subsidiary of EMC Information Systems International Unlimited Company and this is the company's immediate parent undertaking. Dell Technologies Inc., a corporation incorporated in the United States of America, is the company's ultimate parent undertaking. The Company seeks to maintain a reputation for high standards of business conduct with all stakeholders. The board of directors of Dell Corporation Limited, together with the boards of its parent companies, are satisfied they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act, 2006) in the decisions taken during the year ended 3 February 2023 as follows:

Human Resources Management
At Dell Technologies, we are a diverse team with unique perspectives, united in our purpose, our strategy, and our culture. Our goal is to ensure that employees of different backgrounds feel valued, engaged, and inspired to do their best work. Through our ongoing diversity and inclusion efforts, flexible working environments, training and development offerings, and health and wellness resources for our employees, we are striving to attract, develop, and retain an empowered workforce.
We seek to support Dell Technologies' culture in four key focus areas:

- Diversity and Inclusion —Cultivating inclusion is a core component of our culture, and we believe that closing the diversity gap is critical to meeting future talent needs and ensuring that new perspectives reflect our global customer base. We are committed to equal employment opportunity for all and upholding ethics and integrity in all we do and will continue to pursue inclusive policies that support full-spectrum diversity.
- Achievement Through Learning, Development, and Total Rewards - We offer a competitive and comprehensive benefits package and strive to provide the best choice and value at the best cost. We recognize and reward performance through awards aligned with business strategy and individual objectives. Furthermore, we believe that equal pay is a business imperative, and we are committed to it. We provide a multitude of programs to support employees' career growth and development. Through this program, we offer formal training options, individualized development programs and sponsorship, tools for 360-degree feedback, mentoring, networking, stretch assignments, and growth opportunities.
- Balance and Wellness - Work flexibility is part of our culture and remains a significant priority for us. We have developed tools and a culture that provide choice and flexibility to employees, the majority of whom work in a hybrid environment. We support our employees' wellness through a comprehensive approach focused on mental, physical, and financial health, flexibility, and connection. We provide wellness resources to help employees and their families develop and sustain healthy habits.
- Connection and Engagement — We believe that employee feedback is an important part of our culture and how we drive our strategy. Through our annual Tell Dell survey, employees can confidentially voice their perceptions of the Company and our leadership, culture, and inclusiveness so that we can continue to improve the employee experience. We drive further employee engagement and connection through a variety of initiatives including, but not limited to, our team member listening strategy and our Employee Resource Groups ("ERGs").

Employee engagement
The company's employment policies are aimed at informing, training and motivating all its employees.
The company has an effective system of internal communication that ensures employees are kept well informed about the company's business. The Company uses a variety of methods to enable all of its

Section 172 (1) statement - continued

Employee engagement - continued
employees to understand the performance of the company and of their operating site. This is achieved principally through a newsletter, meetings with employee representatives and regular staff briefings using the company's management structure. Employees are consulted on a wide range of issues affecting their current and future interests, and particularly on changes affecting their Company. Employee surveys are used to gain valuable feedback. A quarterly management meeting and onward team cascade process ensures that regular business information is shared and two-way dialogue is encouraged for all colleagues in all parts of the Company. These processes are subject to continual review and improvement. Our employment policies are regularly reviewed to ensure they are simple, helpful and trusted to enable an honest and transparent employment culture.

A robust induction procedure ensures communication and understanding of policies from day one and regular updates are communicated as required.

Equal opportunities
Dell Corporation Limited is opposed to all forms of unlawful and unfair discrimination, recognising that the provision of equal opportunities in the workplace is good management practice and good business sense. Equal opportunities means that those who work for us can reach their full potential. The Company is committed to equality of opportunity amongst its employees. Recruitment, pay and conditions, training and career development policies are based solely on ability, without regard to gender, race, age, disablement, marital status or religion.

The company also gives every consideration, whenever practical, to the employment of disabled persons and has made, and will continue to make, every effort to retrain and assist any employee who becomes disabled during his or her employment.

Learning and development
Dell Corporation Limited are committed to ensuring that all colleagues are provided with the necessary training to enable them to perform their roles safely, to the highest standards and in accordance with relevant Company policy and procedures. We ensure that appropriate documentation and procedures exist to support a regular review of training needs and delivery of appropriate training and development activities. Succession Planning ensures that colleague performance and potential can be realised through targeted development activity. Mandatory development is planned to ensure compliance with relevant statutory obligations.

Health and safety
Dell Technologies' Occupational Health and Safety (OH&S) program is managed through the global Environment, Health and Safety (EHS) organization, made up of health and safety professionals and experts. Dell Technologies' OHS policy is available on our public web page. Additional policies, procedures, tools and other documents are managed at the global, regional, country and/or local levels as necessary to meet the program needs. The EHS organization partners with each internal business to develop tools, programs and processes to manage and meet program goals. Team members are encouraged to identify OH&S improvement opportunities and can report these through a number of mechanisms.
Dell Technologies' manufacturing operations are certified to ISO 45001 (OH&S management system standard) and are regularly assessed for compliance to the RBA's requirements.
Key OH&S metrics are regularly measured and reported throughout Dell Technologies' management chain. Injuries and near-misses are documented and investigated through a formal process that results in corrective action implementation. Dell's OH&S injury and illness rates are consistently very low.

Community involvement
The Company endeavours to be a 'good neighbour' in positively exercising its responsibilities towards the wider community.

Ethical trading
Dell Technologies Code of Conduct, "How We Win," provides guidance on how to carry out our daily activities across Dell Technologies in accordance with our culture and values, as well as in compliance with the letter and spirit of all applicable laws. Our Code applies to all of us. Everyone must adhere to the Dell Technologies' Code, and the policies and standards, which flow from our Code. Our leaders have a special responsibility to lead with integrity and in ways that protect and enhance the reputation of Dell Technologies.

Section 172 (1) statement - continued

Ethical trading - continued
Dell Technologies is committed to responsible business practices and ethical behaviour. This includes holding our partners and suppliers to the same high standards of excellence to which we adhere, as set forth in Dell Technologies' Code of Conduct, and as articulated in governing laws and regulations, recognised international standards and conventions, and global best practices. Complying with Dell Technologies Supplier Principles and with Dell Technologies Partner Code of Conduct is a condition of doing business with Dell Technologies.

Dell Technologies is proud to be a founding member of Responsible Business Alliance ("RBA"). The RBA Code of Conduct establishes standards for safe, responsible, ethical, and sustainable business operations in which workers are treated with respect and dignity.

Environmental responsibility
We believe we have a responsibility to protect and enrich our planet together with our customers, suppliers, and communities. We continue to prioritize sustainability across our business ecosystem, valuing natural resources and seeking to minimize our impact. With the power of our global supply chain, Dell Technologies pursues the highest standards of sustainability and ethical practices.

We are creating a more sustainable future through these focus areas:

- Taking action on climate change: We are creating innovative, sustainable technology and solutions to help our customers improve business outcomes and reduce emissions, while we take action on ambitious climate targets that benefit society and the planet. By 2050, we will deliver on our goal to achieve net zero greenhouse gas (GHG) emissions across scopes 1, 2 and 3. By 2030, we will reduce GHG emissions across scopes 1 and 2 by 50%, and for scope 3 by 45% from purchased goods and services and 30% from the use of sold products.

- Accelerating the circular economy: We are driving circular innovation in design, manufacturing, sustainable materials and services, and partnering with others to dramatically reduce global waste and environmental impact on our planet and society. We are harnessing our unique size, scale and reach to redesign, reuse, and recycle our end-to-end technology, aiming for a future where nothing goes to waste.

- Championing social and environmental responsibility (SER) across our supply chain: With the power of our global supply chain, we have the scale and ability to drive responsible manufacturing. We insist upon ethical practices, respect, and dignity for everyone creating our products, and the adoption of responsible practices to minimize environmental impact. We partner with many of our suppliers to help them develop the necessary insights and capabilities, reinforced by a comprehensive assurance *program — including audits — that accelerates and maintains improvements.*

By order of the board

S Young

20 October 2023

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the financial year ended 3 February 2023.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS 101").

Principal activities
The company's principal activity throughout the financial year was the marketing and distribution of information technology infrastructure under limited risk distributor agreements with other group companies. The Company also provides certain services for both group companies and third party customers.

The company is a member of the Dell Technologies Inc group ("Dell Technologies"), which is a strategically aligned family of businesses that offers a broad range of technology solutions, and is poised to become the essential infrastructure company both globally and here in the UK, as we continue our mission to advance human progress through effective use of technology.

The company is committed to its customers – from global multinationals to our extended partner network across the UK. As we innovate to make our customers increasingly more productive through the use of technology, we are also looking to support them succeed in the digital economy developing around us. We are differentiated by practical innovation and efficient, simple, and affordable solutions.

Dell Technologies is committed to driving human progress by putting our technology and expertise to work where it can do the most good for both people and the planet. We recognize that all of our stakeholders — shareholders, customers, suppliers, employees, and communities — as well as the environment and society, are essential to our business.
Dell Technologies is committed to progressing towards the goals set forth in our plan for 2030 and beyond (our "2030 Goals"). Our 2030 Goals represent an extension of our purpose as a company and have four critical areas of focus:

- Advancing Sustainability
- Cultivating Inclusion
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- Upholding Trust

In its operations, the Company considers the labor and environmental legislative framework of the country. The Company considers that it meets the requirements of such laws and that it carries out procedures designed to encourage compliance and ensure that such requirements are met.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and UK 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 Act 2006.

The directors 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 and secretary
The names of the persons who are currently or were directors for the financial year ended 3 February 2023 are set out below. Unless indicated otherwise they served as directors for the entire financial year.

C Garcia (appointed 8 Jun 2022)
T Hussain (appointed 28 Feb 2023)
S Young (appointed 30 Jan 2023)
C Hyslop (appointed 30 Jan 2023)
R Rawcliffe (resigned 28 Feb 2023)
D Turbitt (resigned 27 Jan 2023)
S Neymecz (resigned 29 Sep 2022)
R Pulls (resigned 08 Jun 2022)

No director held any interests in the share capital of the company at any time during the financial year and since the financial year end.

Directors' indemnities
Throughout the financial year and up to the point of the directors' approval of the financial statements, the company maintained liability insurance for its directors and officers which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Results and dividends
Revenue increased by £365m year on year caused by strong performance in infrastructure solutions group. Infrastructure solutions group revenue increased primarily as a result of continued revenue growth within both our servers and networking and storage offerings.

On 18 October 2022, the directors proposed and the shareholder declared a dividend of £100m. The dividend was paid to the immediate parent company, EMC Information Systems International Unlimited Company (2022: £110m).

Review of the business and future developments

The directors are satisfied with the growth in business during the financial year and they expect that the present level of activity will be sustained for the foreseeable future.

Ukraine War
We are monitoring and responding to effects of the ongoing war in Ukraine. When Russia invaded Ukraine, Dell Technologies made the decision to not sell, service, or support products in Russia, Belarus, and restricted regions of Ukraine. During Fiscal 2023, DELL has resumed product sales to non-sanctioned areas in Ukraine, focusing on providing products and support to Ukrainian customers as they rebuild infrastructure and restore businesses and the financial sector.

The war and the related economic sanctions are impacting markets worldwide. Our business may be adversely affected by effects of the war and such sanctions, including supply chain disruptions, product shipping delays, macroeconomic impacts resulting from the exclusion of Russian financial institutions from the global banking system, volatility in foreign exchange rates and interest rates, inflationary pressures, and heightened cybersecurity and data theft threats. The full impact of the war on our business operations and financial performance will depend on future developments. We will continue to monitor and assess the related restrictions and other effects and pursue prudent decisions for our team members, customers, and business.

Employees
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employees - continued

Continual communication with employees is achieved through various internal communications vehicles, including in-house newsletters, internal blogs and websites and briefing groups. In addition, the company operates a Long Term Incentive Plan in which employees can contribute towards the creation of long-term shareholder value.

The health and safety of the company's employees and customers is of primary concern. It is therefore the policy of the company to manage its affairs so as to avoid unnecessary and unacceptable risks to the health and safety of its employees and customers.

Political and charitable donations

Charitable donations of £2,534,044 (2022: £1,311,803) were made by the company during the year. No political donations or contributions were made or expenditure incurred during the year (2022: £Nil).

Research and development

There were no research and development expenses as there were no research and development activities during the year (2022: £Nil).

Financial risk management

The directors consider that the key financial risks attributable to the company are foreign exchange, credit and cash flow risk. These are reviewed and managed by the directors on an ongoing basis in conjunction with management of Dell Technologies Inc. who have appropriate risk management programmes in place.

Statement of engagement with suppliers, customers, and others in a business relationship with the Company

The directors have regard to the need to foster the company's business relationship with suppliers, customers and others, and the effect of that regard, including on principal decisions taken by the company during the financial year. Please refer to the company's Section 172(1) statement in the Strategic Report.

Disclosure of information to the auditor

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

a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
b) the directors has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Corporate Governance Statement

As a wholly owned subsidiary of Dell Technologies Inc., the Company has chosen not to adopt and report against the Wates Corporate Governance Principles for Large Private Companies ("the Principles"). Whilst we fully support the Principles, the Directors feel that they are less appropriate for the Company. To the extent applicable to the company activities, the company's directors and management follow its ultimate parent undertaking Dell Technologies Inc. corporate governance guidelines and general approach to corporate governance, which are available on its website https://investors.delltechnologies.com/governance-documents. The Board of Directors of Dell Technologies Inc. ("Dell" and the "Group") sets high standards for the Group's directors, officers and employees, and implicit in this philosophy is the importance of sound corporate governance. Group-wide, Dell maintains a Code of Conduct, an Entity Governance Policy and a Delegation of Authority Policy (together, the "Policies") which are designed to ensure the effective governance of all Dell's related undertakings, including the Company.

The Policies aim to ensure effective decision-making to promote the Company's success for the long term and for the benefit of Dell Technologies and the Company's wider stakeholders by (i) providing checks and balances on financial and other information, (ii) encouraging constructive challenge to the Company's management (in addition to advice and support) and (iii) ensuring timely and high qualify information is received by the Directors. There have been no departures from the Policies during the year.

Going concern

The directors have considered the basis of preparation of the financial statements for the year ended 3 February 2023. The financial statements have been prepared on the basis that the company is a going concern. The company meets its day-to-day working capital requirements through net cash inflow from operations, cash resources and, if required, intercompany financing.

Going concern - continued

The balance sheet shows that the company has net assets of £71m (2022: £113m) and net current liabilities of £322m (2022: liabilities of £(140)m) at year-end.

In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information up to 31 October 2024, being at least 12 months following the approval of these financial statements. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to continue to operate within the level of its current arrangements. The directors are satisfied that a parent undertaking has indicated its intent to provide the necessary financial support to enable the company to continue to meet its liabilities as they fall due, if required. After making all necessary enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

Streamlined Energy and Carbon Reporting

The Company is following the Streamlined Energy and Carbon Reporting (SECR) guidelines to calculate and report the emissions resulting from its operations in the United Kingdom.

Emissions reported are related to energy use in the Company's building and employees' business travel. UK *Government* GHG *Conversion Emissions* Factors have been used to calculate Carbon Dioxide Emissions based on Company's data collected in both kWh for Electricity and Gas, fuel and mileage for vehicles used by the Company to undertake necessary business travel.

	2023	2022
Carbon dioxide emissions in Tonnes	3,054	2,788
Carbon dioxide emissions in Tonnes per sq. ft	0.0119	0.0108

Due to changes in scoping and methodology calculation this year, we have made adjustments to the previous year's figures so we can improve consistency and comparability between years as well as accuracy.

Climate action is a priority for Dell Technologies. We have set clear and ambitious GHG emissions targets to reach by 2030, paving the way to achieve net zero emissions across scopes 1, 2 and 3 by 2050.

Post balance sheet events

On 20 October 2023, the directors proposed and the shareholder declared a dividend of £59m. The dividend was approved to be paid to the parent company, EMC Information Systems International Unlimited Company (2022: £100m).

On the 11 August 2023, Dell Corporation Limited acquired the assets, liabilities and trade of Moogsoft Limited in the amount of circa £2m.

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

Statutory auditors

The auditors, PricewaterhouseCoopers, Republic of Ireland, have indicated their willingness to continue in office.

By order of the board

S Young

20 October 2023

pwc

Independent auditors' report to the members of Dell Corporation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Dell Corporation Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 3 February 2023 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 101 "Reduced Disclosure Framework", 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 3 February 2023;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended;
- the notes to the financial statements, which include a description of the significant accounting policies.

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.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

pwc

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 3 February 2023 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 Statement of Directors' Responsibilities, the directors are 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate financial performance and bias within management's estimates and assumptions. Audit procedures performed by the engagement team included:

- discussions with management, in respect of the risk of fraud and any known or suspected instances of non-compliance with laws and regulation and fraud and reviewing Board Minutes;
- confirmation with those charged with governance in respect of risk of fraud and any known or suspected instances of non-compliance with laws and regulations;
- consideration of the overall control environment and the processes and controls in place in the company, including procedures to achieve compliance with laws and regulations; and
- testing of journal entries posted throughout the period and at period end.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained 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.

Shane O' Regan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Cork
Ireland
26 October 2023

PROFIT AND LOSS ACCOUNT
For the financial year ended 3 February 2023

	Notes	3 February 2023 Total £'000	28 January 2022 Total £'000
Revenue	6	3,503,501	3,138,281
Cost of sales		(3,024,106)	(2,684,795)
Gross profit		479,395	453,486
Administration expenses		(416,148)	(396,138)
Operating profit	7	63,247	57,348
Profit on disposal of operations	8	—	41,739
		63,247	99,087
Interest receivable and similar income	10	14,258	781
Interest payable and similar charges	10	(874)	(1,046)
Net interest income/(expense)		13,384	(265)
Profit before income tax		76,631	98,822
Income tax expense	11	(8,902)	(12,301)
Profit for the financial year		67,729	86,521

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 18 to 43 are an integral part of these financial statements.

BALANCE SHEET
As at 3 February 2023

	Note	3 February 2023 £'000	28 January 2022 £'000
Non-current assets			
Right of use assets	12	10,271	12,572
Tangible fixed assets	13	148,714	70,863
Debtors - amounts falling due after one year	14	479,664	559,664
Other non-current assets	15	312,578	184,652
		951,227	827,751
Current assets			
Trade and other receivables	16	768,223	676,758
Inventory	17	37,861	41,580
Other current assets	15	263,643	200,951
Cash and cash equivalents		1,284	1,747
		1,071,011	921,036
Creditors: amounts falling due within one year	18	(1,392,611)	(1,060,912)
Net current (liabilities)/assets		(321,600)	(139,876)
Total assets less current liabilities		629,627	687,875
Creditors: amounts falling due after more than one year	19	(558,445)	(574,645)
Net assets		71,182	113,230
Equity			
Called up share capital	20	—	—
Retained earnings	20	59,670	102,521
Capital contribution	21	—	—
Share based payment reserve	22	11,512	10,709
Total shareholders' funds		71,182	113,230

The notes on pages 18 to 43 are an integral part of these financial statements.

On behalf of the board

S Young

Dell Corporation Limited

Registered no: 02081369

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 3 February 2023

	Share capital	Capital contribution	Retained earnings	Share based payment reserve	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 30 January 2021	—	64,621	63,589	11,939	140,149
Transfer to retained earnings	—	(64,621)	64,621	—	—
Distributions	—	—	(110,000)		(110,000)
Share-based payment recharge		—	(2,210)	(11,939)	(14,149)
Share-based payment charge	—	—	—	10,709	10,709
Profit for the financial year	—	—	86,521	—	86,521
Balance as at 28 January 2022	—	—	102,521	10,709	113,230
Balance as at 29 January 2022	—	—	102,521	10,709	113,230
Distributions	—	—	(100,000)	—	(100,000)
Share-based payment recharge	—	—	(10,580)	(10,709)	(21,289)
Share-based payment charge	—	—	—	11,512	11,512
Profit for the financial year	—	—	67,729	—	67,729
Balance as at 3 February 2023	—	—	59,670	11,512	71,182

The notes on pages 18 to 43 are an integral part of these financial statements.

1 General information

The Company's principal activity throughout the financial year was the marketing and distribution of information technology infrastructure under limited risk distributor agreements with other group companies. The Company also provides certain other services for both group companies and third party customers.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 1st & 2nd Floor, One Creechurch Place, London, EC3A 5AF, United Kingdom. The principal place of business is the United Kingdom.

Dell Corporation Limited is a wholly owned subsidiary of EMC Information Systems International Unlimited Company. Its ultimate parent company is Dell Technologies Inc., a corporation incorporated in the United States of America. Dell Technologies Inc. prepares group financial statements and is both the smallest and largest group for which group financial statements are drawn up, and of which EMC Information Systems International Unlimited Company is a member. As the financial statements of Dell Corporation Limited are included in the consolidated financial statements of Dell Technologies Inc. for the financial year ended 3 February 2023 it is exempt, by virtue of Section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. Copies of Dell Technologies Inc.'s financial statements are available from Dell Technologies Inc., One Dell Way, Round Rock TX 78664, United States of America.

These financial statements are the company's financial statements for the financial year beginning 29 January 2022 and ending 3 February 2023.

2 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the UK Financial Reporting Council and the Companies Act 2006. The financial statements comply with Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006 ("The Act").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards, but makes amendments where necessary in order to comply with the Companies Act 2006. The company has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

3 Going concern

The directors have considered the basis of preparation of the financial statements for the year ended 3 February 2023. The financial statements have been prepared on the basis that the company is a going concern. The company meets its day-to-day working capital requirements through net cash inflow from operations, cash resources and, if required, intercompany financing.

The balance sheet shows that the company has net assets of £71m (2022: £113m) and net current liabilities of £322m (2022: liabilities of £(140)m) at year-end.

In assessing whether the going concern assumption is appropriate, the directors have taken into account all available information up to 31 October 2024, being at least 12 months following the approval of these financial statements. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to continue to operate within the level of its current arrangements. The directors are satisfied that a parent undertaking has indicated its intent to provide the necessary financial support to enable the company to continue to meet its liabilities as they fall due, if required. After making all necessary enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4 Summary of significant accounting policies-continued

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the measurement of certain financial assets and liabilities at fair value through profit and loss. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 5.

Exemptions for qualifying entities under FRS 101

FRS 101 allows a qualifying entity certain disclosure exemptions. Dell Products is a qualifying entity as its ultimate parent company, Dell Technologies Inc., prepares publicly 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 Dell Products is included in the consolidated financial statements. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of IFRS 7 'Financial Instruments: Disclosures'.
- The requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all EU-adopted IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 40A-D (requirements for a third statement of financial position);
  - 111 (cash flow statement information); and
  - 134-136 (capital management disclosures).
- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new EU-adopted IFRS that has been issued but is not yet effective).
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation).
- The requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group where both parties to the transaction are wholly owned within the group.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135I to 135I of IAS 36 'Impairment of Assets'.
- The requirements of paragraphs 45 (b) and 46 to 52 of IFRS 2 'Share-based Payments' (details of the number and weighted-average exercise price of share options, and how the fair value of goods and services received was determined).
- The requirements of the second sentence of paragraph 110 and from paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 is available when IFRS 15 applies.
- Paragraphs 30 and 31 of ISA8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not effective.)
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

The remaining exemptions available under the Framework are not applicable to the company at this time.

4 Summary of significant accounting policies - continued

Exemptions for qualifying entities under FRS 101 - continued

Revenue recognition
The Company accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection.

Revenue is recognised when, or as, control of a promised product or service transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services.

The Company's standard billing terms are that payment is due upon receipt of invoice, payable within 30 days. In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the billing terms are not standard and the timing of payments agreed to by the parties to the contract provide the customer or the Company with a significant benefit of financing, in which case the contract contains a significant financing component. As a practical expedient, the Company does not account for significant financing components if the period between when the Company transfers the promised product or service to the customer and when the customer pays for that product or service will be one year or less. Most arrangements that contain a financing component are financed through Dell Financing Services (separate entities) and include explicit financing terms. Income from these financing transactions is out of the scope of IFRS 15.

The Company reports revenue net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue-producing transactions.

The Company assesses collectability at the inception of a contract. If a contract meets the collectability criterion at contract inception, the criterion should not be reassessed unless there is an indication of a significant change in facts and circumstances. If consideration for an overall arrangement is not considered collectible but cash is received, revenue cannot be recognised until there are no remaining obligations and substantially all of the consideration has been received, or the contract is terminated, or the Company stops transferring goods/services and has no obligation to transfer additional goods/services and the cash is non-refundable in all cases.

The Company sells IT hardware, configuration/installation and warranty services, and third-party software licenses and PCS to consumer, commercial and enterprise customers. Consistent with IFRS 15 and per Company's revenue recognition policy, "Performance obligation that are commonly considered services are satisfied over time as the Company is performing. Performance obligations that are commonly referred to as goods (or products) are satisfied at a point in time, once the Company has completed its obligation and the goods are transferred to the customer." In addition to the aforementioned general policies, the following are the specific revenue recognition policies for arrangements with multiple performance obligations and for each major category of revenue:

Revenues from IT hardware products
Performance obligations are satisfied at the point in time when the Company delivers the products to the customer's control. The control transfers on delivery (FOB Destination).

Shipping is performed by the Company and is not considered to be a separate performance obligation to the customer, as the control to the products is not transferred to the customer before shipment. Shipping is a fulfilment activity as the costs are incurred as part of transferring the products to the customer.

Revenues from extended/upsell warranty services
Customers can purchase warranties for Hardware products which cover a period of time. The Company satisfies the performance obligation over time as the warranty period expires because the Company is standing ready to provide services throughout the contract period. The customer may or may not use the

4 Summary of significant accounting policies - continued

Revenue recognition - continued

Revenues from extended/upsell warranty services - continued
features of the warranty; therefore, revenue from these services is recognised on a straight-line basis over the warranty period.

Revenues from installation/configuration services
Customers can purchase IT Hardware that requires customised set-up, installation or configuration services. Revenue for these services is generally recognised at the time the services are performed, which generally coincides with the timing that the product is delivered (e.g. Hardware is installed by the Company's personnel upon delivery to the customer's facility).

In limited circumstances when a hardware sale with the installation includes customer acceptance provisions, revenue for the installation service is recognised either when customer acceptance has been obtained, customer acceptance provisions have lapsed, or the Company has objective evidence that the criteria specified in the customer acceptance provisions have been satisfied.

Revenue from time-and-material contracts is recognised on an output basis as labour hours are delivered and/or direct expenses are incurred. Revenue from as-a-Service type contracts, such as Infrastructure-as-a-Service, is recognised either on a straight-line basis or on a usage basis, depending on the terms of the arrangement (such as whether the Company is standing ready to perform or whether the contract has usage-based metrics). If the as-a-Service contract includes setup activities, those promises in the arrangement are evaluated to determine if they are distinct.

Revenues from software
The Company sells third-party software licenses which can be used on its IT hardware products. Based on IFRS 15, this software is primarily functional IP, where the customer is granted a right to use the software for a period of time (license period). Based on the guidance, the Company recognises these software licenses at the point in time that the licenses are delivered, and the customer is able to use and benefit from the license. Additionally, the Company does sell third-party hosting contracts (subscriptions) that may include software related goods and services, commonly referred to as Software as a Service and for which the underlying license is not considered to be distinct from the hosting services. These arrangements are recognised over the subscription period.

The Company sells also post-contract support (PCS) for third-party licenses either standalone or bundled with licenses. As these services are distinct, the Company generally recognises the revenue related to PCS over the service period on a straight-line basis because the Company is providing a service of standing ready to provide support, when and if needed, and is providing unspecified software upgrades on a when and if available basis over the contract term.

Multiple element arrangements
The Company's multiple element arrangements generally include a combination of hardware products, software and related post-contractual support, services such as extended warranty, installations, maintenance and other services. The nature and terms of these multiple element arrangements will vary based on the customised needs of the Company's customers. Each of these deliverables in an arrangement typically represents a separate performance obligation. For example, a customer may purchase a server that includes operating system software. In addition, the arrangement may include post-contract support for the software and a contract for post-warranty maintenance service for the hardware. These arrangements consist of multiple products and services, whereby the hardware and software may be delivered in one period and the software support and hardware maintenance services are delivered over time.

To the extent that a product or service in multiple performance obligation arrangements is subject to other specific accounting guidance, such as leasing guidance, that product or service is accounted for in accordance with such specific guidance. For all other products or services in these arrangements, the criteria below are considered to determine when the products or services are distinct and how to allocate the arrangement consideration to each distinct performance obligation. A performance obligation is a

4 Summary of significant accounting policies - continued

Revenue recognition - continued

Multiple element arrangements - continued
promise in a contract with a client to transfer products or services that are distinct. If the Company enters into two or more contracts at or near the same time, the contracts may be combined and accounted for as one contract, in which case the Company determines whether the products or services in the combined contract are distinct. The contracts may be combined and accounted for as one contract if the contracts are negotiated as a package with a single commercial objective, or the amount of consideration to be paid in one contract depends on the price or performance of the other contract, or the goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

A product or service that is promised to a client is distinct if both of the following criteria are met:

- The customer can benefit from the product or service either on its own or together with other resources that are readily available to the customer (that is, the product or service is capable of being distinct); and
- The Company's promise to transfer the product or service to the client is separately identifiable from other promises in the contract (that is, the product or service is distinct within the context of the contract).

If these criteria are not met, the Company determines an appropriate measure of progress based on the nature of its overall promise for the single performance obligation. When products and services are distinct, the arrangement consideration is allocated to each performance obligation on a relative standalone selling price basis. The revenue policies in the Services, Hardware and/or Software sections above are then applied to each performance obligation, as applicable.

Determining the transaction price
If the consideration promised in a contract includes a variable amount, the Company estimates the amount to which it expects to be entitled using either the expected value or most likely amount method. The Company's contracts may include terms that could cause variability in the transaction price, including, for example, rebates, volume discounts, service-level penalties, and performance bonuses or other forms of contingent revenue.

The Company only includes estimated amounts in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The Company may not be able to reliably estimate contingent revenue in certain long-term arrangements due to uncertainties that are not expected to be resolved for a long period of time or when the Company's experience with similar types of contracts is limited. The Company's arrangements infrequently include contingent revenue. Estimates of variable consideration and the determination of whether to include estimated amounts in the transaction price are based on all information (historical, current and forecasted) that is reasonably available to the Company, taking into consideration the type of customer, the type of transaction and the specific facts and circumstances of each arrangement.

Allocating the transaction price to performance obligations in the contract
The Company allocates the transaction price to each performance obligation on a relative standalone selling price basis. The standalone selling price (SSP) is the price at which the Company would sell a promised product or service separately to a customer. In most cases, the Company is able to establish SSP based on the observable prices of products or services sold separately in comparable circumstances to similar customers. The Company typically establishes a standalone selling price range for its products and services, which are reassessed on a periodic basis or when facts and circumstances change.

In certain instances, the Company may not be able to establish a standalone selling price range based on observable prices and the Company estimates the standalone selling price. The Company estimates SSP by considering multiple factors including, but not limited to, overall market conditions, including geographic or regional specific factors, competitive positioning, competitor actions, internal costs, profit objectives and pricing practices. Additionally, in certain circumstances, the Company may estimate SSP for a product or

4 Summary of significant accounting policies - continued

Revenue recognition - continued

Allocating the transaction price to performance obligations in the contract - continued
service by applying the residual approach. This approach has been most commonly used when certain perpetual software licenses are only sold bundled with one year of post-contract support and a price has not been established for the software. Estimating SSP is a formal process that includes review and approval by the Company's management.

Incremental costs of obtaining a contract
Incremental costs of obtaining a contract (e.g. sales commissions) are capitalised and amortised on a straight-line basis over the contracts duration period if the Company expects to recover those costs. The Company previously expensed these costs as incurred. Incremental costs of obtaining a contract include only those costs the Company incurs to obtain a contract that it would not have incurred if the contract had not been obtained. As a practical expedient, the Company expenses costs to obtain a contract as incurred if the amortisation period would have been a year or less. These costs are included in selling, general and administrative expenses.

For contracts greater than one year in duration, the associated costs to obtain a contract are deferred and amortised over the period of contract performance or a longer period, generally the estimated life of the customer relationship, if renewals are expected and the renewal commission is not commensurate with the initial commission. Deferred costs to obtain a contract are typically amortised over a period of three to seven years, depending on the contract term and expectation of the period of benefit for the costs, which may exceed the contract term. Amortisation expense is recognised on a straight-line basis and included in selling, general, and administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income.

Product warranties
The Company offers warranties for its hardware products that generally range up to three years, with the majority being either one or three years. Estimated costs for standard warranty terms are recognised when revenue is recorded for the related product. The Company estimates its warranty costs standard to the product based on historical warranty claim experience and estimates of future spending and applies this estimate to the revenue stream for products under warranty. Estimated future costs for warranties applicable to revenue recognised in the current period are charged to cost of sales. The warranty liability is reviewed quarterly to verify that it properly reflects the remaining obligation based on the anticipated expenditures over the balance of the obligation period. Adjustments are made when actual warranty claim experience differs from estimates. Costs from fixed-price support or maintenance contracts, including extended warranty contracts, are recognised as incurred.

Revenue from extended warranty contracts is initially recorded as deferred revenue and subsequently recognised on a straight-line basis over the delivery period because the Company is providing a service of standing ready to provide services over such term.

Research and development
The company performs research and development work for other group companies. All research and development are recognised as expense in the period in which it is incurred. Research and development expenses are reimbursed by group companies.

Contingencies
Contingent liabilities, arising as a result of past events, are not recognised as a liability because; it is not probable that the company will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

4 Summary of significant accounting policies - continued

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'US Dollar ($)', which is also the company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the profit and loss within 'other income'.

Dividend Income

Dividend income is recognised when the right to receive payment is established. Dividend income is presented as 'income from investment in subsidiaries' or 'income from investments in associated undertaking'.

Income tax

Income tax expense for the year comprises current and deferred tax recognised in the financial year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior 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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total profit and loss 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 and that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred income tax liability is settled.

4 Summary of significant accounting policies - continued

Income tax - continued

(ii) Deferred tax - continued
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Other operating income
Other operating income comprises of income from the provision of services to other Dell group companies including legal, marketing, human resources, IT and other agreed services which is recorded in the period in which the service is provided.

Government grants
Capital grants are credited to the capital grant account when the related expenditure is recorded.

Employment grants are recognised in the financial statements and credited to the profit and loss account once receipt is certain. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets on a systematic basis.

Interest income
Interest income is recognised using the effective interest rate method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate. Interest income is presented as 'Interest receivable and similar income' in the profit and loss account.

Deferred costs of customer acquisition and fulfilment
The Company accounts for both costs to obtain a contract for a customer, which are defined as costs that the Company would not have incurred if the contract had not been obtained, and costs to fulfil a contract by capitalising and systematically amortising the assets on a basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. These costs generate or enhance resources used in satisfying performance obligations that directly relate to contracts. Applying the practical expedient guidance, the Company recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the incremental costs of obtaining contracts that the Company otherwise would have recognised is one year or less.

The Company's customer acquisition costs are primarily attributable to sales commissions and related fringe benefits earned by the Company's sales force and such costs are considered incremental costs to obtain a contract. Sales commissions for initial contracts are deferred and amortised taking into consideration the pattern of transfer to which assets relate and may include expected renewal periods where renewal commissions are not commensurate with the initial commission period. The Company recognises the deferred commissions on a straight-line basis over the life of the customer relationship that is estimated to be seven years.

Additionally, the Company incurs certain costs to install and activate hardware and software used in its managed security services, primarily related to a portion of the compensation for the personnel who perform the installation activities The Company makes judgments regarding the fulfilment costs to be capitalised. Specifically, the Company capitalises direct labour and associated fringe benefits using standards developed from actual costs and applicable operational data. The Company updates the information quarterly for items such as the estimated amount of time required to perform such activity. The Company capitalises and amortises these fulfilment costs on a straight-line basis over the economic life of the services, or approximately four years in employee benefits and staff expenses.

4 Summary of significant accounting policies - continued

Contract assets
The majority of the Company's contract assets represent unbilled amounts related to services contracts, revenue recognised exceeds the amount billed to the customer, and the right to consideration is subject to milestone completion or customer acceptance. Contract assets are generally classified as current and are recorded on a net basis with deferred revenue (i.e. contract liabilities) at the contract level. Such amounts have been insignificant to date.

Contract liabilities
Contract liabilities primarily consist of deferred revenue. Deferred revenue is recorded when the company have a right to invoice or payments have been received for undelivered products or services, or in situations where revenue recognition criteria have not been met. Deferred revenue also represents amounts received in advance for extended warranty services and software maintenance. Revenue is recognised on these items when the revenue recognition criteria are met, generally resulting in rateable recognition over the contract term. The company also have deferred revenue related to undelivered hardware and professional services, consisting of installations and consulting engagements, which are recognised when our performance obligations under the contract are completed.

Tangible fixed assets
Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the assets to its working condition for its intended use, dismantling and restoration costs.

Buildings and leasehold improvements
Buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

Fixtures and fittings
Fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

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

• Leasehold improvements	60 months
• Plant and machinery	60 months
• Furniture	60 months
• Computer equipment	30 - 36 months

Subsequent additions and major components
The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

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

Derecognition
Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in "Net operating expenses".

4 Summary of significant accounting policies - continued

Impairment of non-financial assets
Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Inventories
Inventories are measured at the lower of cost and net realisable value. Inventories are recognised as an expense in the financial year in which the related revenue is recognised. Cost is determined using the first-in, first-out (FIFO) method. Cost comprises the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes raw materials, direct labour and a systematic allocation of direct costs and production overheads (based on normal operating capacity of the production facility).

At the end of each financial year, inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is measured at its selling price less costs to complete and sell and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised, the impairment loss is reversed, up to the original impairment loss, and is recognised in the profit or loss.

Financial instruments

Financial assets
The Company classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The Company classifies all debt instruments as financial assets at amortised cost as it does not have any financial assets at FVOCI and financial assets at FVPL. The classification of debt instruments depends on the Company's business model for managing the financial assets, as well as the contractual terms of the cash flows of the financial assets. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies debt instruments, when and only when, its business model for managing those assets changes.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement
Debt instruments of the Company mainly comprise of cash and cash equivalents, trade and other receivables (including related party receivables) and other assets.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company manages its financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, the Company's financial assets are measured at amortised cost subsequent to initial recognition.

4 Summary of significant accounting policies - continued

Financial instruments - continued

Subsequent measurement - continued
A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade and other receivables (including related party receivable), the Company applied the simplified approach permitted which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the lifetime expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging category and measured based on historical loss rates adjusted by forward looking estimates and individual assessment.

Derecognition
A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired.

Creditors
Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs
General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts may arise due to the timing of cash flows and in that case are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Investments in money market funds that are classified as cash equivalents hold underlying investments with a weighted average maturity of 90 days or less and are recognised at fair value. The valuations of these securities are based on quoted prices in active markets for identical assets, when available, or

4 Summary of significant accounting policies - continued

Cash and cash equivalents - continued
pricing models whereby all significant inputs are observable or can be derived from or corroborated by observable market data. The Company reviews security pricing and assesses liquidity on a quarterly basis.

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

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

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.

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 a defined contribution pension plan).

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.

Post-employment benefits
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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Cash based long-term incentive plan
The Company operates a long-term incentive (LTI) plan for its employees. The programme is designed to drive the long-term growth of the company and generally vests over a period of 3 years within 1/3 vesting annually on the date of grant. The LTI expense is amortised over the entire vest period. Amounts not paid are recorded as accruals at the balance sheet date. The LTI award is determined by employees' target incentives and Dell Performance Indicators.

Distributions to equity shareholders
Dividends and other distributions to company's equity shareholders are recognised as a liability in the financial statements in the financial year in which the dividends and other distributions are approved by the company's shareholders.

4 Summary of significant accounting policies - continued

Share-based payments
The company operates a number of equity-settled, share-based compensation plans, under which the company receives services from employees as consideration for equity instruments (options) of Dell Technologies Inc.. The awards are granted by Dell Technologies Inc. and the company has no obligation to settle the awards. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. A credit is recognised directly to the share-based payment reserve. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (for example, an entity's share price);
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets, and remaining an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save). Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances, employees might provide services in advance of the grant date, and so the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement and grant date.

At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Where recharges from group companies are linked to the share-based awards the company records those recharges as an offset to the "share-based payment reserve". Where the intercompany recharges exceeded the capital contribution that excess is treated as a distribution.

Leases
Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The right-of-use assets is presented separately in the statement of financial position, except for right-of-use assets that meet the definition of investment property and which is presented in statement of financial position in separate line item - "investment property".

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments for the underlying right-of-use assets during the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. Lease liabilities are subsequently measured using the effective interest method. The carrying amount of liability is remeasured to reflect any reassessment, lease modification or revised in-substance fixed payments. The lease term is a non-cancellable period of a lease; periods covered by options to extend and terminate the lease are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

4 Summary of significant accounting policies - continued

Leases - continued

Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs;
- restoration costs.

Subsequently, the right-of-use assets, are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for remeasurement of the lease liability due to reassessment or lease modifications.

The right-of-use assets are depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis. The amortisation periods for the right-of-use assets are as follows:

- right of use for the office building 1 - 6 years.

Payments associated with all short-term leases and certain leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. The Company applies the exemption for low-value assets on a lease-by-lease basis, i.e. for the leases where the asset is sub-leased, a right-of-use asset is recognised with corresponding lease liability; for all other leases of low value assets, the lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

Accounting policies applied until 3 February 2023

Leases in which substantially all risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Where the Company is a lessee in a lease, which transferred substantially all risks and rewards incidental to ownership to the Company, the assets leased are capitalised in premises and equipment at the commencement of the lease at the lower of the fair value of the leased asset, and the present value of the minimum lease payments.

The Company's leasing activities and how they are accounted for

The Company leases office buildings and parking spaces. Rental contracts are typically made for fixed periods of 1 to 6 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The main lease features are summarised below:

- Properties are rented for a period of 1 to 6 years, with a cancellation period. Contracts contain an option to renew the lease. The lease payments are fixed and adjusted for inflation.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The future cash outflows to which the Company as a lessee is potentially exposed that are not reflected in the measurement of the lease liability arise from:

- variable lease payments
- extension and termination options

The Company does not provide any residual value guarantees.

4 Summary of significant accounting policies - continued

Leases - continued

Variable lease payments
Properties (offices etc.) lease contracts contain variable payment terms that are linked to expenses related to maintenance of the rented properties (electricity, heating, etc.) which are measured based on actual expenditure.

Office buildings, global logistics and other buildings are considered as separate asset classes under IFRS 16 as they are different types of real estate properties and have different risk profiles. The Company combines lease and non-lease components for office buildings and separates lease and non-lease components for global logistics and other buildings. The Company combines lease and non-lease components for vehicles and separates lease and non-lease components for equipment. Variable lease payments that depend on actual expenditure are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Variable lease payment terms are used for a variety of reasons, and the primary reason is to reflect the actual usage of the underlying asset.

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.

In particular:
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.

Provisions are not made for future operating losses.

Corresponding amounts
Certain corresponding amounts have been adjusted so they are directly comparable with the amounts shown in respect of the current financial year.

5 Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. 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:

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5 Critical accounting estimates and judgements - continued

(a) *Revenue recognition- allocation of transaction price to performance obligations*

The company allocate the transaction price to performance obligations in the contract. When a contract includes multiple performance obligations, the transaction price is allocated to each performance obligation in an amount that depicts the consideration to which the company expect to be entitled in exchange for transferring the promised goods or services. For contracts with multiple performance obligations, the transaction price is allocated in proportion to the standalone selling price ("SSP") of each performance obligation. The best evidence of SSP is the observable price of a good or service when the company sell that good or service separately in similar circumstances to similar customers. If a directly observable price is available, the company utilise that price for the SSP. If a directly observable price is not available, the SSP must be estimated. The company estimate SSP by considering multiple factors, including, but not limited to, pricing practices, internal costs, and profit objectives as well as overall market conditions, which include geographic or regional specific factors, competitive positioning, and competitor actions.

(b) *Deferred commission costs and deferred fulfilment costs*

The Company capitalises deferred commission and fulfilment cost related with the acquisition of new business and applicable installation activities. These deferred costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate, which is estimated to be 5 years for deferred commission costs and 3 to 5 years for deferred fulfilment costs.

6 Revenue

	3 February 2023	28 January 2022
The analysis of revenue by category all of which originates in the UK, is as follows:	£'000	£'000
The analysis of revenue by category is as follows:		
Hardware	2,924,848	2,686,691
Software	473,464	364,809
Professional services	17,325	8,637
Service fee	87,864	78,144
	3,503,501	3,138,281

(i) Contract assets

The company has recognised the following assets resulting from deferred cost of goods sold related to contracts with customers.

	3 February 2023	28 January 2022
	£'000	£'000
Short-term contract assets	253,513	193,419
Long-term contract assets	299,231	171,945
	552,744	365,364

6 Revenue - continued

(ii) Liabilities related to contracts with customers
The company has recognised the following liabilities related to contracts with customers.

	3 February 2023	28 January 2022
	£'000	£'000
Short-term contract liabilities	753,868	554,052
Long-term contract liabilities	550,600	563,358
	1,304,468	1,117,410

(iii) Revenue recognised in relation to contract liabilities
The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	3 February 2023	28 January 2022
	£'000	£'000
Product	510,333	442,368
Services	131,264	171,708
	641,597	614,076

(iv) Assets recognised from costs incurred to fulfil a contract
In addition to the contract balances disclosed above, the company has also recognised an asset in relation to cost to fulfil a contract.

	3 February 2023	28 January 2022
	£'000	£'000
Asset recognised from costs to obtain a contract	576,221	385,603
Amortisation recognised as cost of providing services during the period	195,755	109,590

7 Operating profit

	3 February 2023	28 January 2022
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Depreciation - tangible assets (note13)	29,294	20,028
Depreciation - right of use assets (note12)	4,637	3,364
Expense relating to variable lease payments not included in lease liabilities	7,707	3,891
Loss on disposals of assets	1,265	2,099
Amortisation of contract assets	195,755	109,590
Expense relating to short term leases	1,579	2,659
Audit fees payable to the company's auditor		
– Audit of the financial statements	177	160
Bad debt expense	1,753	622
Foreign exchange (gain)/loss	(7,755)	(5,652)

8 Disposal of trade assets and liabilities

On 1 May 2021, Dell Technologies Inc. entered into a stock purchase agreement with Bayshore Holdings 2021 L.P. to sell all of the issued and outstanding membership interests of Boomi LLC. The transaction was closed on 30 September 2021. As part of this transaction the Company disposed of part of its business for consideration of £39.8m. The gain on the sale recorded on the income statement as profit from disposals of operations is £41.7m. Dell Corporation acted as an agent for Boomi, recording a referral fee of 2.5% as a commission in respect of sales made. The amount of this referral fee in the financial period to 30 September 2021 was £1.1m (2020:0.9m).

The following table sets out the book values of the identifiable net assets disposed of and their net book value:

	Book value
	£'000
Fixed assets	5
Creditors - amounts falling due within one year	(1,949)
Net liabilities disposed	(1,944)
Consideration received	39,795
Gain on disposal	41,739

9 Employees and directors

Employees

The average monthly number of persons (including executive directors) employed during the year was:

	2023	2022
	No	No
By activity:		
Sales	1,022	1,007
Administration	428	483
Operations	763	730
	2,213	2,220

9 Employees and directors - continued

	3 February 2023	28 January 2022
Employee costs	£'000	£'000
Wages and salaries	263,840	251,338
Social security costs	49,446	46,750
Share-based payment expense	11,512	10,709
Defined contribution pension costs	16,695	15,310
	341,493	324,107

Directors emoluments	£'000	£'000
Aggregate emoluments	2,407	2,054
Of which:		
Amounts received under long term incentive schemes	—	—
Company pension contributions to defined contribution scheme	58	—

During the year, two directors (2022: three) exercised share options in the amount of £999k (2022: £589k) in the ultimate parent company and two directors (2022: none) accrued benefits under a defined contribution pension scheme.

During the financial year, C Garcia was paid by Dell Marketing LP for his services and did not receive any remuneration for his services as director of Dell Corporation Limited. All services provided by C Garcia were of a non-executive nature and all emoluments are deemed to be wholly attributable to services provided to the ultimate parent company. Accordingly, the above details include no emoluments in respect of this director.

	3 February 2023	28 January 2022
Highest paid director:	£'000	£'000
Aggregate emoluments	1,030	830

The highest paid director exercised share options in the amount of £169,630 and accrued benefits under this scheme in the year in the amount of £7,500.

10 Net interest income/(expense)

	3 February 2023	28 January 2022
	£'000	£'000
Interest receivable and similar income		
Interest receivable on loans owed by group undertakings	14,258	781
Interest payable and similar charges		
Interest charges for lease liabilities	(727)	(826)
Interest expense and other similar expense items	(147)	(220)
Origination and reversal of timing difference	(874)	(1,046)
Net interest income/(expense)	13,384	(265)

11 Income tax expense

	3 February 2023	28 January 2022
(a) Tax expense included in profit or loss	£'000	£'000
Current tax:		
United Kingdom corporation tax on profit for the financial year	—	5,592
Adjustment in respect of prior years	(56)	2,305
Foreign tax	89	40
Total current tax	33	7,937
Deferred tax:		
Origination and reversal of timing difference	8,869	4,364
Total deferred tax charge	8,869	4,364
Tax charge on profit	8,902	12,301

(b) Reconciliation of tax charge

The tax assessed for the year is different than the standard rate of corporation tax in the UK for the financial year ended 3 February 2023. The differences are set below:

	3 February 2023 £'000	28 January 2022 £'000
Profit before taxation	76,631	98,822
Profit before taxation multiplied by the standard rate in the UK of 19% (2022: 19%)	14,560	18,776
Effects of:		
Expenses not deductible for tax purposes	2,378	2,133
Schedule 23 deduction	(4,044)	(2,442)
Other non-taxable income	—	(7,931)
Section 52 deduction & depreciation on ineligible assets	(5,116)	(1,215)
Fixed Asset timing differences	3,224	674
Under/(Over) provision for previous periods	(56)	2,305
Foreign tax	89	40
Losses and other deductions (losses)	(2,133)	—
Double tax relief	—	(39)
Total tax charge for the year	8,902	12,301

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead.

12 Right of use assets

The company leases office space, comprised of a number of floors at its primary located office. The amounts recognised in the financial statements in relation to the leases are as follows:

	Right of use £'000
Cost	
At 29 January 2022	21,653
Modifications	2,336
At 3 February 2023	23,989
Accumulated depreciation	
At 29 January 2022	(9,081)
Charge for the year	(4,637)
At 3 February 2023	(13,718)
Net book amounts	
At 29 January 2022	12,572
At 3 February 2023	10,271

13 Tangible fixed assets

	Buildings and leasehold Improvement £'000	Fixtures and Fittings £'000	Total £'000
At 29 January 2022			
Cost	7,854	140,362	148,216
Accumulated depreciation and impairment	(6,193)	(71,160)	(77,353)
Net book amount	1,661	69,202	70,863
Year ended 3 February 2023			
Open net book amount	1,661	69,202	70,863
Additions	3,546	104,864	108,410
Disposals	—	(1,265)	(1,265)
Depreciation	(433)	(28,861)	(29,294)
Closing net book amount	4,774	143,940	148,714
At 3 February 2023			
Cost	11,171	238,581	249,752
Accumulated depreciation and impairment	(6,397)	(94,641)	(101,038)
Net book amount	4,774	143,940	148,714

During the financial year, the company disposed fixtures and fittings of £1.3m with a cost of £6.9m and associated accumulated depreciation of £5.6m for proceeds of £0 resulting in a loss from disposals of £1,3m.

14 Debtors - amount falling due after one year

	3 February 2023 £'000	28 January 2022 £'000
Amounts owed by group undertakings - loan receivable	479,664	559,664

Unsecured term loan with Dell Global B.V. of £480m (2022: £560m). The loan is due to be repaid in full within 3 years from the effective date of 27 January 2022. Interest is earned at the 1 year SONIA rate plus 32 basis points.

15 Other current assets

	3 February 2023 £'000	28 January 2022 £'000
Deferred costs	253,513	193,419
Deferred sales commission	10,130	7,532
	263,643	200,951

Other non-current assets	3 February 2023 £'000	28 January 2022 £'000
Deferred costs	299,231	171,945
Deferred sales commission	13,347	12,707
	312,578	184,652

The Company capitalises a significant portion of its commission expense and related fringe benefits earned by its sales personnel, related to the acquisition of new business.

Additionally, the Company capitalises certain costs to install and activate hardware and software used in its managed security services, primarily related to a portion of the compensation for the personnel who perform the installation activities. These deferred costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

There were no material impairment losses incurred during the period.

16 Trade and other receivables

		3 February 2023 £'000	28 January 2022 £'000
Trade receivables	(i)	476,287	391,090
Other receivables		11,801	17,536
Prepayments		20,183	17,771
Amounts owed by group undertakings - trade balances	(ii)	259,952	248,366
Deferred tax (liability) /assets	18(iii)	—	1,996
		768,223	676,759

Trade receivables of £453k (2022: £Nil) fall due after more than one year.

16 Trade and other receivables - continued

(i) Trade debtors are stated after a provision for impairment of £3.6m (2022: £2.7m). The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate mainly to the unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles of sales over a period of 36 months from 3 February 2023 or 28 January 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP and the employment rate of the country in which it sells its goods and services to the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

(ii) Included within amounts owed by group undertakings is a balance of £130m under cash pooling arrangements, which charged on average 1.26% interest rate during financial year ended 3 February 2023 (2022: no interest). All other amounts are unsecured, interest free and repayable on demand.

17 Inventory

	3 February 2023 £'000	28 January 2022 £'000
Finished products - goods in transit	37,861	41,580

Inventory is stated after a provision for impairment of £Nil (2022: £Nil).

18 Creditors: amounts falling due within one year

		3 February 2023 £'000	28 January 2022 £'000
Trade creditors	(i)	49,126	57,630
Amounts owed to group undertakings – trade balances	(ii)	431,115	320,935
Taxation		73,382	31,848
Social security		9,248	9,672
Accruals		61,779	80,367
Lease liabilities		5,651	4,330
Other creditors		1,569	2,078
Deferred tax liability		6,873	—
Deferred revenue		753,868	554,052
		1,392,611	1,060,912

(i) Trade and other creditors' are payable at various dates in the three months after the end of the financial year in accordance with the creditors usual and customary credit terms.

(ii) Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

18 Creditors: amounts falling due within one year - continued

(iii) The company has recognised deferred tax liabilities which arise largely in respect of fixed asset timing differences.

	3 February 2023 £'000	28 January 2022 £'000
Short-term timing differences	—	—
Excess depreciation over capital allowances	(6,873)	1,996
Total deferred tax asset/(liability)	(6,873)	1,996
At beginning of financial year	1,996	6,360
Prior year adjustment	—	(137)
Deferred tax (charge) in profit and loss account	(8,869)	(4,227)
At end of financial year	(6,873)	1,996

19 Creditors: amounts falling due after more than one year

	3 February 2023 £'000	28 January 2022 £'000
Deferred revenue	550,600	563,358
Lease liabilities	7,845	11,287
	558,445	574,645

20 Capital and reserves

	2023 £	2022 £
102 Ordinary shares of £1 each		
Allotted and fully paid		
At 03 February 2023	102	102

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:

Retained earnings
Retained earnings account represents accumulated comprehensive income for the financial year and prior financial years.

21 Capital contribution

	3 February, 2023 £'000	28 January, 2022 £'000
At beginning of financial year	—	64,621
Transfer to retained earnings	—	(64,621)
At end of financial year	—	—

(i) On 31 May 2019 Dell International Holdings IX BV, made a capital contribution of £23.9m to the company in the form of the entire share capital of VCE Solutions Limited. Subsequently, on 26 June 2020, VCE Solutions Limited paid a dividend of £23.9m to the company, this has been recorded as a return on capital (Note 15).

(ii) On 31 October 2019 Dell Global GV, made a capital contribution of £160.7m to the company in the form forgiveness of an intercompany payable balance. The contribution was made in connection with the acquisition of EMC Computer Systems (UK) and EMC Consulting UK Limited.

(iii) During the year ended 31 January 2020, £120m was transferred from the capital contribution account to retained earnings. During the prior year, the remaining £64.6m was transferred to retained earnings.

22 Share based payment reserve

Dell Tech granted long-term incentive awards in the form of service-based RSUs and performance-based RSUs ("PSUs") in order to align critical talent retention programs with the interests of holders of Dell Tech's Class C Common Stock. The majority of RSUs granted are time based (i.e. with a 3 year service condition), but the remainder consisting of performance based RSUs ("PSUs").

All service-based RSUs and PSUs subject to internal financial metrics vest over a three-year period, and have a fair value based on the closing price of Dell Tech's Class C Common Stock price as reported on the NYSE on the grant date or the trade day immediately preceding the grant date, if the grant date falls on a non-trading day. Each service-based RSU represents the right to acquire one share of Dell Tech's Class C Common Stock upon vesting.

PSUs are reflected as target units while the actual number of units that ultimately vest will range from 0% to 200% of target, based on the level of achievement of the performance goals and continued employment with the Company over a three-year performance period. PSUs that are subject to achievement of market-based performance goals based on relative total shareholder return are valued using a Monte Carlo valuation model to simulate the probabilities of achievement.

During the financial year ended as of 3 February 2023 the company recorded a share-based payment expense in amount of £11.5m (2022: £10.7m) in respect of these awards.

During the financial year ended as of 3 February 2023 the company received an intercompany cross charge in respect of share-based payment in amount of £21.3m (2022: £14.1m) in respect of these awards.

At the end of the financial year, there were 783,620 (2022: 988,998) Dell Technologies non-vested restricted stock units amounting to £26.3m (2022: £22m).

23 Post balance sheet events

On 20 October 2023, the directors proposed and the shareholder declared a dividend of £59m. The dividend was approved to be paid to the parent company, EMC Information Systems International Unlimited Company (2022: £100m).

On the 11 August 2023, Dell Corporation Limited acquired the assets, liabilities and trade of Moogsoft Limited in the amount of circa £2m.

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

24 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 20 October 2023 and were signed on its behalf on that date.