Registered No 03032971

Hewlett-Packard CDS Limited

Report and Financial Statements

31 October 2022

Company Information

Directors
P Oram – resigned on 28 April 2022
M Waters – resigned on 1 September 2022
S Marston – appointed on 28 April 2022
M Harris – appointed on 1 September 2022

Auditors
Ernst & Young LLP
2 Blagrave Street
Reading
Berkshire
RG1 1AZ

Registered office
Ground floor
210 Wharfedale Road
Winnersh Triangle
Berkshire
RG41 5TP

Strategic report

The directors present /their strategic report for the year ended 31 October 2022.

Review of the business

During the year, the Company continued to act as an internal subcontractor for the Hewlett Packard Enterprise group of companies for the delivery of on-site technical support and resident services at client sites.

The Company provides a broad range of integrated IT hardware and software support services for a wide variety of manufacturers' computer products, desktop management services and computer repair services.

The profit for the year, after taxation, amounted to £359,000 (2021: £451,000).

On 28 July 2022 the Company paid an interim dividend of £5,004,000 to Hewlett-Packard CDS (Netherland) B.V. The directors do not recommend a final ordinary dividend, making the total of ordinary dividends paid for the year ended 31 October 2022 £nil (2021: £nil).

The directors monitor the financial performance of the company's operations on a regular basis. Details of the most significant key performance indicators (KPI's) used by the Company are as follows:

	2022	*2021*
	£'000	*£'000*
Operating profit	467	502
Profit before tax	526	500

The operating profit for the year has decreased by £35,000. This is predominantly driven by increase in favourable foreign exchange movement year on year of £657,000 which is partially offset by £631,000 increase in restructuring expenditure and reduction in gross profit by £51,000. The profit before tax for the year increased by £26,000, which is principally due to the increase in interest receivable from group undertakings. The directors recognise that achieving the balance of long-term and short-term objectives is key to future profitability. This profitability allows Hewlett Packard Enterprise to reinvest in new and emerging business opportunities and is highly correlated to generating cash which brings more flexibility to the business at a lower cost.

Principal risk and uncertainties

There are a range of risks and uncertainties facing the Company and the list below is not intended to be exhaustive. The focus is on those specific risks and uncertainties that the directors believe could have a significant impact on the Company's position, performance and future developments, as analysed by its key performance indicators.

Market conditions

Levels of business activity will vary for each of the markets in which Hewlett Packard Enterprise operates, but ultimately this is dependent on factors such as economic cycles, consumer confidence and growth of the economy. A weak economy could affect the level of customer spending on Hewlett Packard Enterprise products which will have a direct impact on the Company. Through developing a greater understanding of partner and consumer needs Hewlett Packard Enterprise have been able to implement global cost reduction strategies to ensure that despite the challenging economic climate the Company can maintain its underlying profitability.

Strategic report (continued)

Principal risk and uncertainties (continued)

Competitive pressures

The Company subcontracts to Hewlett Packard Enterprise group companies that operate in a number of highly competitive markets with differing characteristics. Market share and the level of customer spending could be affected by the emergence of new competitors, product distribution issues, quality, pricing, and reputation. The Company is reliant on the Hewlett Packard Enterprise group companies it services being able to remain competitive within an increasingly price sensitive market by continuing to provide an innovative service to their local customer base. Hewlett Packard Enterprise as a group has reacted to this by increasing their commitment to partners and consumers through targeting their individual requirements and creating innovations that align these needs with their business strategy. Targeting their individual requirements has enabled Hewlett Packard Enterprise to provide more advanced end-to-end personalised and unique solutions.

Reliance on parent company – exposure to credit, liquidity and cash flow risk

The Company is an indirect subsidiary of Hewlett Packard Enterprise Company and is dependent on this ultimate parent company for the supply of services and for its brand strength. The Company also holds short term debtors and creditors with Hewlett Packard Enterprise Company subsidiaries denoted in Sterling, Euros and US Dollars. The financing structure of the Company gives rise to foreign currency risks. Foreign currency risk is the risk of exposure to fluctuations in the value of specific currencies that are used to value the financial assets and liabilities of the Company.

Hewlett Packard Enterprise Company, the ultimate parent company, has a centralised treasury function which manages the overall group's Treasury policy, risks and requirements, including Hewlett-Packard CDS Limited. The centralised treasury function manages foreign currency risk to mitigate any potential exposure to the Company. The centralised treasury function in conjunction with the directors continually assess the performance of the Company, the subsidiary undertakings and the financing structure. This is to ensure that where the requirement for support arises, this is identified and that the company providing the support has the appropriate financial availability to satisfy this.

Any risks impacting the ultimate parent company will cascade to Hewlett-Packard CDS Limited. A full description of the risks and uncertainties impacting Hewlett Packard Enterprise Company and how they are mitigated can be found in the Hewlett Packard Enterprise Company group financial statements.

Section 172 Statement

Section 172(1) of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole.

In exercise of this duty, s.172(1) requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging their section 172 duties, the directors have had regard to the stakeholders and factors set out above as well as other matters which they consider relevant to the decision being made. This includes the group's overall strategic aims as well as the views of other stakeholders such as regulators, government and non-government organisations and the Company's pensioners. The directors have to balance a broad range of views, perspectives and conclusions when making decisions meaning that a decision may not necessarily result in a positive outcome for all stakeholders.

Strategic report (continued)

Section 172 Statement (continued)

Whilst the board does engage directly with stakeholder groups on particular issues, the size and spread of the Company's stakeholders and of the Hewlett Packard Enterprise group means that stakeholder engagement generally takes place at an operational and/or group level being a more efficient and effective approach. Engagement at a group level helps achieve a greater positive impact on environmental, social, governance and other issues than by working alone as an individual company, in particular where matters are of group-wide significance or have the potential to impact the reputation of the group (and thereby the Company).

As is normal for large companies, the directors delegate authority for day-to-day management of the Company and its operations to managers and functions, and then engage management in setting, approving and monitoring execution of the business strategy and related policies. Throughout the financial year, the directors met regularly with management and functions of the Company and the wider Hewlett Packard Enterprise group to discuss information across the organisation to:

- help understand the interests and views of key stakeholders;
- discuss employee engagement;
- review strategy, operational and financial performance;
- review the impacts of the Company's operations;
- review and action key risks and matters affecting the Company; and
- ensure legal and regulatory compliance by the Company.

In consideration of the above, the directors received information in multiple formats including reports and presentations on the company's financial and operational performance, KPIs, risk, surveys, business outcomes as well as pertaining to environmental, social and corporate governance matters.

Accordingly, the approach taken by the board in conjunction with the wider engagement at a group level has allowed the directors to understand the nature of stakeholder interests together with other relevant matters to comply with their section 172 duty to promote success of the company.

The following are certain considerations the directors have had regarding the matters set out s.172(1)(a)-(f) in the discharge of their duties.

Likely Consequences of any Decisions in the Long-Term	The directors in consultation with the senior management of the Company during the year developed and approved business plans and targets for the current and proceeding financial years following which the directors closely monitored the Company's implementation throughout the year. In developing such business plans and targets, the directors, in addition to considering the views of stakeholders and the wider group objectives of the Hewlett Packard Enterprise group as explained hereunder, also considered other factors such as economic, supply chain, political and ongoing challenges within the technology sector to ensure both financial and operating strategy is set at sustaining levels in achieving the long term success of the Company.

Strategic report (continued)

<table>
<tr><td>Need to Foster the Company's Business Relationships with Suppliers, Customers and Others</td><td>The directors oversaw a broad program of stakeholder engagement by the Company in ensuring good corporate citizenship as well as bilateral and multilateral dialogue with key stakeholders throughout the year as follows:
in addition to the engagement performed at a group level as explained on page 4, the directors and management regularly engaged and consulted with the Company's end customers and suppliers in a variety of forums and through everyday operations to obtain feedback, build closer relationships and resolve day-to-day business matters;
the Company employed various customer experience insight tools and obtained customer satisfaction and other related data through customer surveys;
Government and industry engagement is regularly undertaken including through membership of recognized organisations such as Tech UK; and
the Company's Pension and Treasury functions regularly engaged with, and where appropriate consulted, the trustees of the Company's pension schemes – the board was updated and consulted as appropriate on key matters and decisions.</td></tr>
<tr><td>Interests of the Company's Employees</td><td>The directors of the Company and senior management engage with and take into account the views of employees in making decisions which are likely to affect their interests through a number of initiatives including:
group-wide Voice of the Workforce employee surveys conducted annually as well as other ad-hoc surveys on employee experience and workplace related matters;
the Company's employee forum establishes a forum for a dialogue between people leaders and employees who through their representatives are informed and consulted on key business issues that are likely to have a substantial impact on their working environment as well as making recommendations to improve employee experience and well-being;
employee unions are consulted on key decisions that impact employee members and their working environment;
regular employee communications including newsletters, town halls and business updates; and
supporting a number of group-wide and local health and wellness initiatives.
Further examples of how the directors engaged and considered the interests of employees are explained in the Company's employee engagement statement in the Directors' Report on page 8.</td></tr>
</table>

Strategic report (continued)

Impact of the Company's Operations on the Community and Environment	Throughout the year, the directors and management of the Company actively encouraged the Company's employees to participate in a number of activities including: • the Company's Volunteering Policy allows employees of the Company two days of paid annual leave to donate their time and talent to their local community; and • the Hewlett Packard Enterprise Foundation's group-wide program which allows employees to apply for matching donations and credits to donate to good causes. The Hewlett Packard Enterprise group is committed to providing products and services that are environmentally safe throughout their lifecycles and conduct operations in an environmentally responsible and sustainable manner. Accordingly, the Company participates in a number of group-wide initiatives on environmental responsibility and sustainability, further details of which can be found in Hewlett Packard Enterprise's annual corporate responsibility report found at https://www.hpe.com/us/en/living-progress.html.
Desirability of the Company Maintaining a Reputation for high Standards of Business Conduct	The Hewlett Packard Enterprise group has group-wide policies as well as mandatory annual Standards of Business Conduct training which apply to the Company's entire workforce and govern business practices and provides guidance for ethical decision making. These group-wide policies govern conduct with the Company's customers and suppliers as well as matters relating to anti-corruption, conflicts of interest, amenities, workplace harassment and supply chain responsibility amongst many other key matters. More detailed information on Hewlett Packard Enterprise's Standards of Business Conduct and related group-wide policies can be found at https://investors.hpe.com/governance/sbc. The Hewlett Packard Enterprise group has a separately designated standing Audit Committee and related function which from time to time conducts internal compliance audits of the group's business operations and functions including those of the Company. Further information is available at https://investors.hpe.com/governance/committees/audit-committee.
Need to Act Fairly as Between Members of the Company	As of the date of these financial statements, the company has one member, Hewlett-Packard CDS (Nederland) B.V., a holding company and wholly owned subsidiary of the Hewlett Packard Enterprise group.

Strategic report (continued)

Future developments

The Hewlett Packard Enterprise group has continued to diagnose those areas in which efficiencies and improvements can be made and implements plans to reduce costs. Hewlett Packard Enterprise aims to execute further cost reduction strategies within the organisation to continue to stabilise, if not improve, profitability for the next financial year. This has also enabled a renewed focus on the growth of revenue for the next financial year through the use of more rationalised and effective go to market strategies to capture new opportunities in the market. This is expected to directly impact the Company as any new opportunities will result in an increased requirement for the services that the Company provides to Hewlett Packard Enterprise group companies. This in turn is expected to have a positive impact on the market share of the business.

Risks, uncertainties and assumptions include the need to address the many challenges facing Hewlett Packard Enterprise's businesses including the impact of macroeconomic and geopolitical trends and events, pandemics and public health problems, the execution and performance of contracts by Hewlett Packard Enterprise and its suppliers, customers, clients and partners, including any impact thereon resulting from events such as the coronavirus. While great progress has been made in the fight against the novel coronavirus pandemic ("COVID-19" or "pandemic"), there remain global challenges from the pandemic's lasting effects. The management is unable to predict the extent to which the ongoing global COVID-19 pandemic, or other outbreaks, epidemics, pandemics, or public health crises may adversely impact Company's business operations, financial performance and results of operations.

Taking into account the extraordinary situation of the Russian aggression against Ukraine, the Management Board analyzed the situation and potential implications on the entity. The assessment of the entity's situation and uncertain business environment did not reveal any specific threats to the continuation of the Company's operations and its financial situation.

HPE Group continues to monitor the social, political, regulatory, and economic environment in Russia and Ukraine, and will consider further actions as appropriate. More broadly, there could be additional adverse impacts to our net revenues, earnings, and cash flows should the situation continue or escalate geopolitical tensions and the impacts of recession, inflation, and supply chain pressures, both regionally and globally.

Post balance sheet events

There were no events between the financial statements reporting date and the date of the Auditor's Report that would have a material impact on the annual financial statements.

The environment

The Hewlett Packard Enterprise's goals are to provide products and services that are safe and environmentally sound throughout their lifecycles, and conduct operations in an environmentally responsible manner.

To accomplish this, the Hewlett Packard Enterprise will:

- pursue pollution prevention, energy conservation and waste reduction in operations;
- design and manufacture products to be safe to use and to minimise their environmental impact;
- offer customers environmentally responsible end-of-life management services for products; and
- require suppliers to conduct their operations in a socially and environmentally responsible manner.

Strategic report (continued)

The Company achieves this by integrating these objectives into business planning, decision-making, performance tracking and review processes to ensure that goals are reached and continually improved upon.

Hewlett Packard Enterprise Company, for which Hewlett-Packard CDS Limited is a subsidiary, publishes an annual corporate responsibility report where detailed companywide environmental commitments, initiatives and key performance indicators can be found. A copy of the report is available from www.hpe.com/us/en/living-progress.html.

Approved by the Board

Stuart Marston

Stuart Marston

Director

Stuart Marston (Jun 26, 2023 13:44 GMT+1)

Date: 26 June 2023

Directors' report

The directors present their report for the year ended 31 October 2022.

Directors

The directors during the year, and to date, were as follows:

P Oram- resigned on 28 April 2022
M Waters – resigned on 1 September 2022
S Marston- appointed on 28 April 2022
M Harris – appointed on 1 September 2022

During the period, and up to the date of approval of the financial statements, the Company had in place indemnity provision for the benefit of all the directors of the Company.

Employees

Details of the number of employees and related costs can be found in the note 6 to the financial statements.

Employee involvement

The Company continues to place importance upon the education and development of its people. There is a well-developed employee involvement programme within the Company. Employee representatives are consulted regularly on a wide range of matters affecting their interests. Employees receive regular newsletters and have the opportunity to provide feedback to senior management by participating in an annual Voice of the Workforce survey.

All employees' training and development is supported by continuing in-service education.

Hewlett Packard Enterprise's goal is to create health and safety practices and work environments that enable employees to work injury-free. This is accomplished by continually reducing occupational injury and illness risks while promoting employee health and well-being.

The Company believes that a diverse workforce encourages creativity and innovation and helps build an exciting, stimulating work environment. A diverse workforce, reflecting the demographics of the many different markets where Hewlett Packard Enterprise operates, also provides a competitive advantage and helps acquire new business.

Hewlett Packard Enterprise Company, for which the Company is an indirect subsidiary, publishes an annual corporate responsibility report where detailed company-wide employee commitments, initiatives and key performance indicators can be found.

Employment of disabled employees

All applications from disabled persons are fully considered. Should an employee become disabled, it is the Company's practice to continue their current employment where possible or offer suitable alternatives. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Stakeholder Engagement

Further information on how the Company has engaged with its stakeholders can be found in the Strategic Report.

Directors' report (continued)

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and review of business risk are described in the Strategic report on pages 2 to 8.

While great progress has been made in the fight against the novel coronavirus pandemic ("COVID-19" or "pandemic"), there remain global challenges from the pandemic's lasting effects. The management is unable to predict the extent to which the ongoing global COVID-19 pandemic, or other outbreaks, epidemics, pandemics, or public health crises may adversely impact Company's business operations, financial performance and results of operations.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and accordingly, the Board continues to adopt the going concern basis in preparing the financial statements. In making this assessment the directors have considered contractual arrangements in place with the parent company which underpin the intercompany trading agreements and also the parents ability to ensure such arrangements can be honoured for a period until at least end of June 2024.

Strategic report

In accordance with Section 414C(11) of the Companies Act 2006, the following information has been included in the Company's Strategic report which would otherwise be required by Schedule 7 of the "Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008" to be contained in the Directors' report:

- The financial risk management objectives and policies of the Company and exposure of the Company to risk in relation to the use of financial instruments;
- Future developments of the Company (including post balance sheet events); and
- Dividend recommendations.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Ernst & Young LLP continue as the Company's auditor. In accordance with section 487 of the Companies Act 2006, Ernst & Young LLP shall be deemed to be re-appointed as auditors of the Company.

By order of the Board

Stuart Marston — *Stuart Marston*
Director — Stuart Marston (Jun 26, 2023 13:44 GMT+1)

Date: 26 June 2023

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations and Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101").

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

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

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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of Hewlett-Packard CDS Limited

Opinion

We have audited the financial statements of Hewlett-Packard CDS Limited for the year ended 31 October 2022 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 October 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 to 30 June 2024, being at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditor's report

to the members of Hewlett-Packard CDS Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Independent auditor's report

to the members of Hewlett-Packard CDS Limited

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and UK company legislation, being principally the Companies Act 2006, and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations including health and safety, employees, data protection and anti-bribery and corruption regulations.
- We understood how Hewlett-Packard CDS Limited is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included a review of board minutes to identify any noncompliance with laws and regulations, assessment of financial statement disclosures to ensure compliance with relevant reporting frameworks and enquiries of management.
- We assessed the susceptibility of the company's financial statement through error or fraud, including making inquiries of management. We used a data analytics approach to test for unusual journal entries. Our work included identifying specific risk journals and vouching them to supporting documentation and ensuring such transactions were valid and appropriate. We checked the clerical accuracy of the revenue mark-up and agreed the rate applied to supporting documentation.

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

Independent auditor's report

to the members of Hewlett-Packard CDS Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Richard Harrison (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading

Date: 27 June 2023

Statement of profit or loss and other comprehensive income

for the year ended 31 October 2022

	Notes	2022 £'000	2021 £'000
Revenue	3	20,942	21,453
Cost of sales		(19,404)	(19,864)
Gross profit		1,538	1,589
Other operating expenses		(154)	(236)
Other operating income		753	188
Exceptional item	5	(1,670)	(1,039)
Operating profit	4	467	502
Analysed between:			
Operating profit before exceptional item		2,137	1,541
Exceptional item	5	(1,670)	(1,039)
Interest receivable from group undertakings		62	2
Interest payable to group undertakings		(3)	(4)
Profit on ordinary activities before taxation		526	500
Tax on profit on ordinary activities	8	(167)	(49)
Profit and total comprehensive income for the financial year		359	451

All activities of the Company are classed as continuing.

There is no other comprehensive income in either period.

Statement of changes in equity
for the year ended 31 October 2022

	Share capital *£'000*	Retained earnings *£'000*	Total equity *£'000*
At 1 November 2020	3,233	4,621	7,854
Profit for the financial year	-	451	451
At 31 October 2021	3,233	5,072	8,305
Profit for the financial year	-	359	359
Dividend distribution	-	(5,004)	(5,004)
At 31 October 2022	3,233	427	3,660

Balance sheet
at 31 October 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Tangible assets	9	-	1
Right-of-use assets	13	216	334
		216	335
Current assets			
Debtors	10	5,990	9,950
Deferred tax	8	272	267
Cash at bank and in hand		205	145
		6,467	10,362
***Creditors:** amounts falling due within one year*	11	(2,972)	(2,212)
Net current assets		3,495	8,150
***Creditors:** amounts falling after one year*	11	(51)	(179)
Net assets		3,660	8,306
Capital and reserves			
Called up share capital	12	3,233	3,233
Retained earnings		427	5,073
Total equity		3,660	8,306

The financial statements on pages 12 to 31 were approved by the board of directors on and signed on its behalf by:

Stuart Marston
Director

Stuart Marston
Stuart Marston (Jun 26, 2023 13:44 GMT+1)

Date: 26 June 2023

Notes to the financial statements

at 31 October 2022

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Hewlett-Packard CDS Limited (the "Company") for the year ended 31 October 2022 were authorised for issue by the board of directors on 26 June 2023 and the balance sheet was signed on the board's behalf by Stuart Marston. Hewlett-Packard CDS Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in UK Sterling, which is also the Company's functional currency, and all values are rounded to the nearest thousand (£'000) except where otherwise stated.

The Company is a wholly owned subsidiary of Hewlett Packard Enterprise Company, the consolidated financial statements of which are publicly available.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 October 2022.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;

(b) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:

(i) paragraph 79(a)(iv) of IAS 1; and

(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;

(c) the requirements of paragraphs 10(d), 10(f), 16, 38A-38D, 40A-40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;

(d) the requirements of IAS 7 Statement of Cash Flows;

(e) the requirements of paragraph 30 and 31 of IAS 8 Accounting Policies, Change in Accounting Estimates and Errors;

(f) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;

(g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

(h) the requirements of paragraphs 91 to 99 of IFRS 13, Fair Value Measurement;

(i) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, Revenue Recognition;

(j) the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 as well as the requirements of paragraph 58 of IFRS 16;

(k) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

Notes to the financial statements (continued)

at 31 October 2022

2. Accounting policies (continued)

2.2 Going concern

While great progress has been made in the fight against the novel coronavirus pandemic ("COVID-19" or "pandemic"), there remain global challenges from the pandemic's lasting effects. The management is unable to predict the extent to which the ongoing global COVID-19 pandemic, or other outbreaks, epidemics, pandemics, or public health crises may adversely impact Company's business operations, financial performance and results of operations.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and accordingly, the Board continues to adopt the going concern basis in preparing the financial statements. In making this assessment the directors have considered contractual arrangements in place with the parent company which underpin the intercompany trading agreements and also the parents ability to ensure such arrangements can be honoured for a period until at least end of June 2024.

2.3 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.

Management judgement is also required in determining the deductibility of costs within the tax computation, in accordance with the tax legislation.

Notes to the financial statements (continued)

at 31 October 2022

2. Accounting policies (continued)

2.3. Judgements and key sources of estimation uncertainty (continued)

Lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the options to renew or terminate.

The Company excluded any renewal period from the lease term for all leases of property, regardless of the length of non-cancellable period, as due to the continually evolving real estate strategy these are not reasonably certain to be exercised. In addition, any renewal options for leases of motor vehicles are not included as part of the lease term because the Company typically leases motor vehicles for not more than four years, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease only when they are reasonably certain not to be executed.

Leases - Estimating the incremental borrowing rate IFRS 16.26

The Company cannot readily determine the interest rate implicit in a lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.4 Significant accounting policies

Revenue from contracts with customers

The Company is a cost plus entity providing a range of services to other Group companies. Revenue represents an amount equal to the value of certain direct and indirect costs plus an 8% mark-up to which the company expects to be entitled for these services and is recognised on an accruals basis when the underlying services are performed and the expenses incurred as this is concluded to be when the performance obligation is satisfied. No element of financing is deemed to be present as the sales are made with credit terms in general between 30 and 60 days, which is consistent with market practice.

Notes to the financial statements (continued)

at 31 October 2022

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight line basis over its expected useful life as follows:

Machinery and equipment - 3 to 4 years

The carrying values of machinery and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of fixtures, fittings, plant and machinery is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

Financial assets and liabilities

Financial assets and liabilities are recognised in the balance sheet when the Company becomes part to the contractual provision of the instrument.

Intercompany receivables

Intercompany receivables are recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due). Intercompany receivables that do not contain a significant financing component are measured at the transaction price and are subsequently measured at amortised cost.

The Company calculates impairment for intercompany receivables using the IFRS 9 general impairment approach which involves calculating an amount equal to 12 months expected credit losses. Changes in credit risk associated with these assets are assessed on both an individual and collective basis. To date there has been no indication of impairment on an individual or collective basis.

Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Trade and other payables

Trade and other payables are recorded initially at fair value, which is generally the invoice amount, and subsequently measured at amortised cost.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying a spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception - deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Notes to the financial statements (continued)

at 31 October 2022

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

Taxation (continued)

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Pension costs

The Company operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the Company. Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable. Differences between contributions payable and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, if it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, the expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets. The asset and liability are recognised at the date at which the leased asset is available for use by the Company.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease, being the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities and any estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Motor vehicles- over term of lease or useful life (whichever is shorter)

The right-of-use assets are also subject to impairment. Refer to the accounting policies section 'Impairment of non-financial assets'.

Notes to the financial statements (continued)

at 31 October 2022

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

Leases (continued)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include, where necessary, the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses:

Its incremental borrowing rate at the commencement date for property leases because the interest rate implicit in the lease is not readily determinable; and

The interest rate implicit in vehicle leases because this is readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments by reference to a change in an index or rate or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in creditors, as set out in note 13.

Exceptional items

The Company presents as exceptional items those material items of income and expense which, because of the nature or expected infrequency of the events giving rise to them merits separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

3. Revenue

Revenue represents an amount equal to the value of direct and indirect costs, as recognised, plus an additional 8% mark-up as specified in the trust agreement between Hewlett-Packard CDS Limited and Hewlett-Packard Limited. The majority of revenue was derived from the rendering of services within the United Kingdom. The directors consider all other markets to be similar and not substantially differ from the United Kingdom or each other.

Notes to the financial statements (continued)

at 31 October 2022

4. Operating profit

Operating profit is stated after charging/(crediting):

	2022	*2021*
	£'000	*£'000*
Foreign exchange (gain)/loss	(570)	87
Depreciation on tangible assets (note 9)	1	7
Depreciation expense of Right-of-use asset	167	137
Auditor's remuneration for audit services	22	21

5. Exceptional items

	2022	*2021*
	£'000	*£'000*
Recognised in arriving at operating profit:		
Restructuring expenses	1,670	1,039

During 2022, the Company continued with certain employee redundancy programmes at a cost of £1,670,000 (2021: £1,039,000).

6. Staff costs

	2022	*2021*
	£'000	*£'000*
Wages and salaries	15,732	15,616
Social security costs	1,792	1,761
Other pension costs (note 14)	940	847
	18,464	18,224

The monthly average number of employees during the year was as follows:

	2022	*2021*
	278	293

The above aggregate payroll costs include amounts expensed in relation to employee redundancy costs which is shown separately in note 5 as an exceptional item.

Notes to the financial statements (continued)

at 31 October 2022

7. Directors' remuneration

Directors' emoluments have been borne by fellow group companies. The directors of the Company are also directors or officers of other companies within the Hewlett Packard Enterprise group. The directors' services to the Company do not occupy a significant amount of their time and are considered to be incidental. As such these directors do not consider that they receive any remuneration for their services to the Company for the years ended 31 October 2022 and 31 October 2021.

8. Tax charge on profit on ordinary activities

(a) Analysis of tax charge in the year

	2022	*2021*
	£'000	*£'000*
Current tax:		
United Kingdom corporation tax on the profit for the year at 19.00%	122	56
Under provision in prior years	50	(12)
current income tax	172	44
Deferred tax:		
Origination and reversal of timing differences - current year	9	32
Origination and reversal of timing differences - prior year	(14)	32
Effect of tax rate change	-	(59)
Total deferred tax	(5)	5
Total tax on profit on ordinary activities (note 8(b))	167	49

(b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is different to the standard rate of corporation tax in the United Kingdom of 19.00% (2021: 19.00%). The differences are explained below:

	2022	*2021*
	£'000	*£'000*
Profit on ordinary activities before tax	526	500
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19.00% (2021: 19.00%)	100	95
Effects of:		
Other taxable expenses	31	(6)
Effect of tax rate change	-	(59)
Under provision in prior years	36	19
Total deferred tax and current charge for the year (note 8(a))	167	49

Notes to the financial statements (continued)

at 31 October 2022

8. Tax charge on profit on ordinary activities (continued)

(c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2022 £'000	2021 £'000
Deferred tax asset	272	267

The movement in the deferred taxation account during the year was:

	2022 £'000	2021 £'000
Balance brought forward	267	272
Profit and loss account movement arising during the year (note 8(a))	5	(5)
Balance carried forward	272	267

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2022 £'000	2021 £'000
Excess of depreciation over taxation allowances	225	221
Other timing differences	47	46
Total deferred tax asset	272	267

A deferred tax asset has been recognised to the level where the directors believe that, based on forecast results, it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements (continued)
at 31 October 2022

8. Tax charge on profit on ordinary activities (continued)

(d) Factors that may affect future tax charges

The Finance Bill 2021 announced that the corporation tax main rate will increase to 25% from April 2023. The deferred tax balance as at 31 October 2022 have been recognized at the rate at which they are expected to unwind.

9. Tangible fixed assets

	Machinery and equipment £'000
Cost	
At 1 November 2021	315
Disposals	(183)
At 31 October 2022	132
At 1 November 2021	314
Charge for the year	1
Disposals	(183)
At 31 October 2022	132
Net book value	
At 31 October 2021	1
At 1 October 2022	-

10. Debtors

	2022 £'000	*2021 £'000*
Amounts owed by group undertakings	5,748	9,759
Prepayments and other debtors	242	191
	5,990	9,950

Amounts owed by group undertakings include £4,017 (2021: £8,058k) relating to amounts owed from the Group treasury entity. Remaining debtors are non-interest bearing and are generally settled on 30-day payment terms.

Notes to the financial statements (continued)

at 31 October 2022

11. Creditors

Amounts falling due within one year:	*2022* *£'000*	*2021* *£'000*
Amounts owed to group undertakings	484	151
Trade creditors	288	514
Other creditors	1,327	557
Other taxation and social security	555	508
Accruals and deferred income	153	327
Lease liabilities	165	155
	2,972	2,212

Amounts falling after more than one year:

	2022 *£'000*	*2021* *£'000*
Lease liabilities	51	179
	51	179

12. Called up share capital

	2022 *£'000*	*2021* *£'000*
3,233,000 Authorised, allotted, called up and fully paid:		
Ordinary shares of £1 each	3,233	3,233

Notes to the financial statements (continued)

at 31 October 2022

13. Leases

The Company has lease contracts for various items of motor vehicles used in its operations. Leases of motor vehicles generally have lease terms of 3 years. Lease payments made under the lease contract obligations constitute fixed term payments only. There are lease contracts that include extension and termination options, which are further discussed below.

Amounts recognised in the balance sheet

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Motor vehicles
	£'000
At 1 November 2021	334
Additions	49
Depreciation expense	(167)
At 31 October 2022	216

Set out below are the carrying amounts of the lease liabilities (included in creditors) and the movements during the period:

	2022
	£'000
At 1 November 2021	334
Additions	49
Reduction	(167)
At 31 October 2022	216
Current (note 11)	165
Non-current (note 11)	51

The following are the amounts recognised in income statement:

	2021
	£'000
Depreciation expense of right-of-use assets	167
Interest expense on lease liabilities	3
Total amount recognised in income statement	170

Notes to the financial statements (continued)

at 31 October 2022

14. Pension arrangements

The Company contributes to a defined contribution pension scheme for employees in the UK known as the Synstar (UK) Pension Scheme (the "Synstar Scheme"). Benefits, other than the lump sum payable on death in service, are not defined but depend on the contributions paid by and in respect of employees to the pension scheme and their investments return.

The assets of these schemes are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the funds and amounted to £940,000 (2021: £847,000). The outstanding liability relating to the scheme at 31 October 2022 was £132,000 (2021: £118,000).

15. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party of the Company as at the Balance Sheet date is Hewlett Packard Enterprise Company, a corporation registered in United States of America. Copies of the group financial statements of Hewlett Packard Enterprise Company can be obtained from 11445 Compaq Center West Drive, Houston, TX, 77070, United States.

Hewlett-Packard CDS (Nederland) B.V. is the immediate parent undertaking at the year end.

16. Post balance sheet events

There were no material post-balance sheet events in the period between the balance sheet day and the day on which these financial statements for the twelve month period ended on 31 October 2022 were prepared.