

VCE SOLUTIONS LIMITED

Directors' Report and Financial Statements

Year Ended 31 December 2012

7362491

WEDNESDAY



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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors at 2 October 2013**

C P Zajac (USA)

**Solicitors**

Eversheds LLP  
1 Wood Street  
London  
EC2V 7WS  
United Kingdom

**Registered Office**

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

**Bankers**

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

**Registered Number: 07362491**

**Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
1 South Mall  
Cork

**VCE Solutions Limited**

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**DIRECTORS' REPORT**

The directors submit their report together with the audited financial statements of the company for the year ended 31 December 2012

**Principal activities and review of the business**

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

Turnover in 2012 amounted to £15,619,702 (70 weeks ended 31 December 2011: £11,371,860). The company's profit for the financial year was £515,574 (70 weeks ended 31 December 2011: £384,377). The directors recommend that this amount will be transferred to reserves. The directors do not recommend payment of a dividend.

The directors are satisfied with the company's trading and financial position for 2012 and are anticipating further growth and development in the company's operations for 2013.

**Future developments**

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

**Financial risk management**

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

**Subsequent events**

On 6 April 2013, the company transferred its employees to VCE Solutions Limited. Previously the employees were employed directly by EMC and the associated costs were recharged to VCE Solutions Limited. There were no other significant events affecting the company since the year-end.

**Directors**

The names of the persons who are currently or were directors at any time during the year ended 31 December 2012 are set out below.

C P Zajac

**Political and charitable donations**

No donations for charitable or political purposes were made during the year.

**Disclosure of information to auditors**

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

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

**Independent auditors**

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

By order of the board

C P Zajac





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

We have audited the financial statements of VCE Solutions Limited for the year ended 31 December 2012 on pages 8 to 14, which comprise the profit and loss account, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out in note 1 on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act, 2006

**Opinion on other matters prescribed by the Companies Act, 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements



**Matters on which we are required to report by exception**

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

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

A handwritten signature in dark ink, appearing to read 'A. Reidy', written over a horizontal line.

**A Reidy (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Cork**

**4 October 2013**

## ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows

### Basis of preparation

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

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

### Foreign currencies

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

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

### Revenue Recognition

#### *Rendering of services*

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

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

### Taxation

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

### Deferred taxation

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

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

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

### Operating leases

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

## ACCOUNTING POLICIES - continued

### Tangible assets and depreciation

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

Equipment	33%
Leasehold assets	33%
Furniture	14%

### Cash flow statement and related party transactions

The company's parent undertaking is VCE Technology Solutions Limited a company incorporated in Ireland. The ultimate parent company is VCE Company LLC, a company incorporated in the United States of America. The consolidated financial statements of VCE Company LLC may be obtained from the company secretary at the company's registered address which is Collins Crossing, 1500 North Greenville, Richardson, Texas. In common with other group companies the financial statements reflect the effects of such group membership. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions which are eliminated on consolidation with entities that are part of the VCE Company LLC group or investees of the VCE Company LLC group.



VCE Solutions Limited

**PROFIT AND LOSS ACCOUNT**  
Year ended 31 December 2012

	Notes	Year ended 31 December 2012 £	Seventy weeks ended 31 December 2011 £
Operating income		15,619 702	11,371,860
Administration costs and operating expenses		<u>(14 875 907)</u>	<u>(10,830,343)</u>
<b>Profit on ordinary activities before taxation</b>	3	743 795	541,517
Tax on profit on ordinary activities	6	<u>(228,221)</u>	<u>(157,140)</u>
<b>Profit for the financial year</b>	11	<u>515 574</u>	<u>384,377</u>

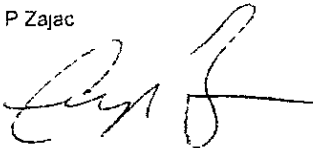
All amounts relate to continuing operations. There were no recognised gains and losses other than those dealt with in the profit and loss account, and therefore no separate statement of total recognised gains and losses have been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The notes on pages 10 to 14 form part of the financial statements.

By order of the board

C P Zajac

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VCE Solutions Limited

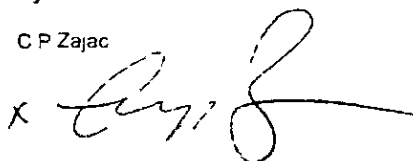
**BALANCE SHEET**  
31 December 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	7	<u>653 900</u>	<u>759 726</u>
<b>Current assets</b>			
Cash at bank		1,147 716	28,980
Debtors	8	<u>5,713,295</u>	<u>4 504 095</u>
		6,861,011	4,533 075
<b>Creditors - amounts falling due within one year</b>	9	<u>(6 614 959)</u>	<u>(4,908 423)</u>
<b>Net current assets/(liabilities)</b>		<u>246,052</u>	<u>(375,348)</u>
<b>Total assets less current liabilities</b>		<u>899,952</u>	<u>384,378</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account	11	<u>899,951</u>	<u>384 377</u>
<b>Equity shareholders' funds</b>	12	<u>899,952</u>	<u>384,378</u>

The financial statements on pages 8 to 14 were approved by the board of directors on 20th Dec 2013 and were signed on its behalf by

By order of the board

C P Zajac

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## NOTES TO THE FINANCIAL STATEMENTS

### 1 Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing 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,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper 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

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice

### 2 Parent and ultimate parent undertaking

The parent company of VCE Solutions Limited is VCE Technology Solutions Limited, a company incorporated in Ireland, and the ultimate parent company is VCE Company LLC a company incorporated in the United States of America

The share capital of VCE Company LLC is held by EMC Corporation, Cisco, VMware and Intel in the following percentages

	%
EMC Corporation	50
Cisco	35
VMware	10
Intel	5
	<hr/>
	100

## NOTES TO THE FINANCIAL STATEMENTS - continued

**3 Profit on ordinary activities before taxation**

	Year ended 31 December 2012 £	Seventy weeks ended 31 December 2011 £
Profit on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets	293,044	75,988
Operating lease charges	212,017	159,012

**4 Staff costs and employee headcount**

During 2012, the company did not have registered employees. Alternatively, it had an agreement in place with a related company, EMC Europe Limited, for the provision of staff and related services. Total staff costs including amounts recharged from EMC Europe Limited was £12,523,442 (70 weeks ended 31 December 2011 £8,862,561)

**5 Directors' emoluments**

	Year ended 31 December 2012 £	Seventy weeks ended 31 December 2011 £
Details of emoluments paid to directors during the financial year are as follows		

Aggregate emoluments

-	-
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**Highest paid director**

Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive scheme

Year ended 31 December 2012 £	Seventy weeks ended 31 December 2011 £
-	-

**6 Tax on profit on ordinary activities**

	Year ended 31 December 2012 £	Seventy weeks ended 31 December 2011 £
Current tax		
UK corporation tax (credit)/charge on profit for the year	242,143	157,140
Adjustment in respect of prior years	(17,965)	-
	224,178	157,140
Deferred tax		
Origination and reversal of timing differences	4,043	-
Tax on profit on ordinary activities	228,221	157,140

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 6 Tax on profit on ordinary activities - continued

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

	Year ended 31 December 2012 £	Seventy weeks ended 31 December 2011 £
Profit on ordinary activities before taxation	743,795	541,517
Profit on ordinary activities in the year multiplied by applicable taxation rate of 24.5% (70 weeks ended 31 December 2011: 26%)	182,229	140,794
Effects of		
Expenses not deductible	27,968	16,346
Capital allowances for period in excess of depreciation	31,946	-
Adjustments in respect of prior year	(17,965)	-
Current tax (credit)/charge for the year	<u>224,178</u>	<u>157,140</u>

A number of changes to the UK corporation tax system were introduced in Finance Act 2011 including a change in the UK main rate of corporation tax to 26%, effective from 1 April 2011. In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax from 26% to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. Further reductions to the main rate are proposed to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes from 23% to 20% had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

## 7 Tangible assets

	Office equipment £	Fixtures and fittings £	Leasehold £	Total £
<b>Cost</b>				
At 31 December 2011	63,241	66,090	706,383	835,714
Additions	<u>136,092</u>	<u>15,972</u>	<u>35,154</u>	<u>187,218</u>
At 31 December 2012	<u>199,333</u>	<u>82,062</u>	<u>741,537</u>	<u>1,022,932</u>
<b>Accumulated depreciation</b>				
At 31 December 2011	(9,872)	(2,355)	(63,761)	(75,988)
Charge for the year	<u>(32,421)</u>	<u>(9,418)</u>	<u>(251,205)</u>	<u>(293,044)</u>
At 31 December 2012	<u>(42,293)</u>	<u>(11,773)</u>	<u>(314,966)</u>	<u>(369,032)</u>
<b>Net book value</b>				
At 31 December 2012	<u>157,040</u>	<u>70,289</u>	<u>426,571</u>	<u>653,900</u>
At 31 December 2011	<u>53,369</u>	<u>63,735</u>	<u>642,622</u>	<u>759,726</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>8 Debtors</b>	<b>2012</b>	<b>2011</b>
	£	£
Prepayments	1,746	2,269
Amounts owed by group undertakings	3,362,871	2,392,292
Value added tax	<u>2,348,678</u>	<u>2,109,534</u>
	<u>5,713,295</u>	<u>4,504,095</u>

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

<b>9 Creditors - amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	£	£
Corporation tax	381,318	157,140
Deferred tax	4,043	-
Accruals and deferred income	1,805,940	1,200,790
Amounts due to related entities	4,198,128	3,550,493
Amounts due to fellow group undertakings	<u>225,530</u>	<u>-</u>
	<u>6,614,959</u>	<u>4,908,423</u>

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

<b>10 Called up share capital</b>	<b>2012</b>	<b>2011</b>
	£	£
<b>Allotted and issued share capital</b>		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

<b>11 Profit and loss account</b>	<b>2012</b>	<b>2011</b>
	£	£
Profit for the financial year	515,574	384,377
Balance at beginning of year	<u>384,377</u>	<u>-</u>
Balance at end of year	<u>889,951</u>	<u>384,377</u>

<b>12 Reconciliation of movements in equity shareholders' funds</b>	<b>2012</b>	<b>2011</b>
	£	£
Equity shareholders' funds at beginning of year	384,378	-
Issue of share capital	-	1
Profit for the financial year	<u>515,574</u>	<u>384,377</u>
Equity shareholders' funds at end of year	<u>889,952</u>	<u>384,378</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

**13 Operating lease commitments**

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

	2012 £	2011 £
Within one year	-	-
Between one and two years	-	-
Between two and five years	254,600	-
Greater than five years	-	212,017
	<u>835,937</u>	<u>212,017</u>

**14 Related parties**

The company has an agreement in place with related entities, EMC Europe Limited and EMC Computer Systems (UK) Limited, for the provision of administrative and support services including staff services

During the year, the company was recharged costs of £15,303,374 in relation to these services. As at the balance sheet date, amounts due to EMC was £4,198,128.

**15 Approval of the financial statements**

The directors approved the financial statements on 2 October 2013.