EMC CONSULTING (UK) LIMITED

Annual Report
Financial Year Ended 2 February 2018

Registered Number: 02598884

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DIRECTORS AND OTHER INFORMATION

Board of Directors at 30 October 2018

J M Bawcom	(U.S.)
R Rawcliffe	(U.K.)

Registered office

DELL EMC Tower,
Great West Road,
Brentford,
Middlesex,
TW8 9AN

Bankers

Citibank N.A.
Citigroup Centre
Canary Wharf-33
London
E14 5LB

Registered Number: 02598884

Auditors
PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Albert Quay
Cork
Republic of Ireland

STRATEGIC REPORT

The directors present their strategic report on the company for the financial year ended 2 February 2018.

Review of the business
The principal activity of the company is the provision of digital media, business and technology services to major companies seeking business advantage through adoption of the latest technology. The company works with clients to develop digital strategies and solutions which will deliver value. It also provides the design, implementation and support services to help clients realise these strategies.

The company is a member of Dell Technologies Inc., which is a strategically aligned family of businesses that offers a broad range of technology solutions, which is poised to become the essential infrastructure company, from the edge to the core to the cloud, as we continue our mission to advance human progress through technology. We seek to accomplish this by executing two, related, high-level strategic initiatives: helping our customers transform their businesses through digital, IT, workforce, and security transformation, while extending our many leading market positions in client solutions and IT infrastructure.

The company is committed to its customers. As we innovate to make our customers' existing IT increasingly productive, we help them reinvest their savings into the next generation of technologies that they need to succeed in the digital economy. We are positioned to help customers of any size and are differentiated by our practical innovation and efficient, simple, and affordable solutions. The key financial and other performance indicators during the year are as follows:

Key performance indicators

	2018 £'000	2017 £'000	% change
Turnover	13,818	16,223	(15%)
Gross profit	4,672	5,703	(18%)
Gross margin	34%	35%	(1%)
Operating profit	1,390	7,023	(80%)
Profit after tax	1,174	6,058	(81%)
Equity shareholders' funds	8,053	6,879	17%
Average number of employees	29	38	(24%)

Turnover for the period has decreased by £2,405,000 when compared to 2017 which is due to two factors, one being the impact of a 12 month reporting period compared to a 13 month financial year in 2017 and also a number of long term customer projects coming to a natural completion. Included in the operating profit result for the prior year was a one-off gain of £2,431,000 in relation to debt forgiveness on a loan previously provided by Conchango Limited to EMC Consulting (UK) Limited.

Shareholders' funds have increased by 17% due to an increase in retained earnings as the company made a profit during the year. The total average number of employees decreased by 24% during the financial year. The decrease year on year is a result of the directors managing headcount to service the business.

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.

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

By order of the board

R Rawcliffe
Director

Date: 30 October 2018

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the financial year ended 2 February 2018.

Principal activities
The principal activity of the company is the provision of digital media, business and technology services to major companies seeking business advantage through adoption of the latest technology. The company works with clients to develop digital strategies and solutions which will deliver value. It also provides the design, implementation and support services to help clients realise these strategies.

The company is a member of Dell Technologies Inc., which is a strategically aligned family of businesses that offers a broad range of technology solutions, which is poised to become the essential infrastructure company, from the edge to the core to the cloud, as we continue our mission to advance human progress through technology. We seek to accomplish this by executing two, related, high-level strategic initiatives: helping our customers transform their businesses through digital, IT, workforce, and security transformation, while extending our many leading market positions in client solutions and IT infrastructure.

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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.

DIRECTORS' REPORT - continued

Directors
The names of the persons who are currently or were directors for the financial year ended 02 February 2018 are set out below. Unless indicated otherwise they served as directors for the entire financial year.

J M Bawcom	
R Rawcliffe	(appointed 20 August 2018)
S A Creed	(resigned 20 August 2018)

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.

Results and dividend
Turnover for the period has decreased by £2,405,000 when compared to 2017 which is due to two factors, one being the impact of a 12 month reporting period compared to a 13 month financial year in 2017 and also a number of long term customer projects coming to a natural completion. Included in the operating profit result for the prior year was a one-off gain of £2,431,000 in relation to debt forgiveness on a loan previously provided by Conchango Limited to EMC Consulting (UK) Limited.

Review of the business and future developments
The present trading conditions reflect current challenges in the market. It is anticipated that trading performance will improve over the coming years as the company refines its market reach.

Going concern
The directors, after making enquiries, have a reasonable expectation, that the company has adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

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.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. This is achieved principally through regular staff briefings using the company's management structure. In addition, the company operates a share based incentive plan. The purpose of the plan is to motivate employees to 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.

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.

Foreign currency risk
Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To mitigate the foreign exchange risk the company holds foreign currency derivatives instruments as a mechanism to reduce foreign currency risk.

DIRECTORS' REPORT - continued

Financial risk management - continued

Credit risk
Credit risk arises from credit exposure to trade receivables and cash and cash equivalents including deposits with banks. Trade receivables arise from a wide and varied customer base and as such there is no significant concentration of credit risk. The group's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. The utilisation of credit limits is regularly monitored.

Cash flow risk
The company has in place a programme of financial and non-financial performance indicators as part of its management reporting systems. Management review key financial performance indicators of sales, margin, profitability, cash flow and investment in working capital.

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 each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
(b) the directors have 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.

Post balance sheet events
There have been no significant events affecting the company since the year-end.

Political and charitable donations
During the financial year the following political or charitable donations were made by the company during the year £Nil (2017: £599).

Statutory auditors
The statutory auditors, PricewaterhouseCoopers, Republic of Ireland, 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

R Rawcliffe
Director

Date: 30 October 2018

pwc

Independent auditors' report to the members of EMC Consulting (UK) Limited

Report on the audit of the financial statements

In our opinion, EMC Consulting (UK) Limited's financial statements:

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

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 2 February 2018; the profit and loss account, the statement of changes in equity for the year then ended; and 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

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

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

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

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.

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

We have no exceptions to report arising from this responsibility.

Bernie O'Connell

Bernie O'Connell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Cork
Republic of Ireland

31 October 2018

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

	Notes	12 months ended 2 February 2018 £'000	13 months ended 3 February 2017 £'000
Turnover	6	13,818	16,223
Cost of sales		(9,146)	(10,520)
Gross profit		4,672	5,703
Administration expenses		(3,282)	(1,111)
Other operating income	7	-	2,431
Operating profit	8	1,390	7,023
Interest receivable and similar income	10	69	26
Interest payable and similar charges	10	-	(1)
Net interest income		69	25
Profit on ordinary activities before income tax		1,459	7,048
Tax on profit on ordinary activities	11	(285)	(990)
Profit for the financial year		1,174	6,058

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

The notes on pages 12 to 25 form an integral part of these financial statements.

BALANCE SHEET
As at 2 February 2018

	Notes	2 February 2018 £'000	3 February 2017 £'000
Fixed assets			
Tangible assets	12	4	11
Current assets			
Debtors	13	37,048	32,640
		37,048	32,640
Creditors - amounts falling due within one year	14	(28,999)	(25,707)
Net current assets		8,049	6,933
Total assets less current liabilities		8,053	6,944
Creditors - amounts falling due in more than one year	15	-	(65)
Net assets		8,053	6,879
Equity			
Called up share capital	17	50	50
Profit and loss account	17	8,003	6,829
Total shareholders' funds		8,053	6,879

The notes on pages 12 to 25 form an integral part of these financial statements.

On behalf of the board

R Rawcliffe
Director

Date: 30 October 2018

EMC Consulting (UK) Limited

Registered no: 02598884

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

	Called-up share capital £'000	Share-based payments reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2016	50	2,724	3,062	5,836
Allocated share-based payment reserve	-	157	-	157
Transfer of share-based payment reserve to profit and loss account	-	(2,881)	2,881	-
Dividends paid	-	-	(5,172)	(5,172)
Profit for the financial period	-	-	6,058	6,058
Balance at 3 February 2017	50	-	6,829	6,879
Balance at 4 February 2017	50	-	6,829	6,879
Profit for the financial period	-	-	1,174	1,174
Balance at 2 February 2018	50	-	8,003	8,053

The notes on pages 12 to 25 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The principal activity of the company is the provision of digital media, business and technology services to major companies seeking business advantage through adoption of the latest technology. The company works with clients to develop digital strategies and solutions which will deliver value. It also provides the design, implementation and support services to help clients realise these strategies.

The company is incorporated and resident in the United Kingdom. The address of its registered office is DELL EMC Tower, Great West Road, Brentford, Middlesex TW8 9AN.

EMC Consulting (UK) Limited is a wholly owned subsidiary of EMC Computer Systems (UK) Limited, which is incorporated in the United Kingdom. Its ultimate parent company is Dell Technologies Inc., a company incorporated in the United States of America. Copies of Dell Technologies Inc.'s financial statements are available from the company secretary, Dell Technologies Inc., One Dell Way, Round Rock TX 78682, United States of America.

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

2 Statement of compliance

The individual financial statements of EMC Consulting (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Going concern

The directors, after making enquiries and having regard to the company's financial position, trading performance and financing available to the company have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future.

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 years presented, unless otherwise stated.

Basis of preparation
The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain 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 are significant to the financial statements are disclosed in note 5.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies – continued

Exemptions for qualifying entities under FRS 102

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

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

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

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

Foreign 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 'Pounds Sterling' (£), 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 'Administration Expenses'.

Other revenue

The company also earns interest income. Interest income is recognised using the effective interest rate method. Interest income is presented as 'interest receivable and similar income' in the profit and loss account.

Property, plant and equipment

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

Leasehold improvements

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

Fixtures, fittings and equipment

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

Plant and machinery

Plant and machinery are stated at cost less accumulated depreciation and accumulated impairment losses.

Assets in the course of construction

Assets in the course of construction are stated at cost and are not depreciated until they are available for use.

Depreciation and residual values

Land is not depreciated. Depreciation on other assets is calculated, using the straight line method over their estimated useful lives, as follows:

- Fixtures, fittings - 7 years
- Plant & machinery - 3 – 5 years
- Leasehold improvements - over the life of the lease

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies – continued

Property, plant and equipment – continued
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 probably 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 "Other operating (losses)/gains".

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.

Financial assets

Classification
The company classifies its financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

(b) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise receivables and cash in the balance sheet.

Recognition and measurement
Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within interest income or expenses in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies – continued

Impairment of financial assets
Assets carried at amortised cost
The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Share capital
Ordinary shares are classified as equity. 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.

Turnover
Turnover represents the invoiced amounts for services supplied excluding value added tax. Included within turnover are amounts relating to long term contracts comprising the value of work executed during the financial year. Services revenue consists of the sale of installation services, hardware maintenance, training and professional services.

Professional Services
Installation services revenues are recognised upon completion of installation.

Fixed price contracts are recognised based on percentage of completion basis as determined by costs incurred to date versus estimated costs of the project. Total project costs are subject to revision throughout the life of a fixed-price contract. The estimates are based on historical cost to completion data available and are reviewed regularly.

Time and materials projects including custom residency engagements are recognised with an agreed bill rate per hour for services delivered.

Event based projects are setup to earn revenue and invoicing in set amounts at specific Intervals. Once the specific internal (called a milestone) is reached the revenue is recognised. The milestone delivery schedule is agreed with the customer prior to commencement.

Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. 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.

Taxation assets and liabilities are not discounted.

Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or prior financial years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The directors 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

Taxation - continued

Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised 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 period end and that are expected to apply to the reversal of the timing difference.

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

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

Provisions - continued
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.

Provision is not made for future operating losses.

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

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.

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

Leased assets
At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating lease
Operating leases that do not transfer substantially all the risks and rewards of ownership to the lessor. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the period of the lease.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Summary of significant accounting policies - continued

Financial instruments - continued

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate 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 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.

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

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

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

5 Critical accounting estimates and judgements

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.

Critical accounting estimates and assumptions

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.

Critical judgement in applying the entity's accounting policies
The following judgement, apart from those involving estimates, made by the directors has had significant effect on the amounts recognised in the financial statements;

Revenue recognition
Revenue recognition involves judgments, including estimates of fair value and selling price in arrangements with multiple elements, assessments of expected returns and the likelihood of non-payment. The directors analysis various factors, including a review of specific transactions, the credit-worthiness of our customers, our historical experience and market and economic conditions. Changes in judgments on these factors could materially impact the timing and amount of revenue and costs recognised. The directors consider each deal separately in making its judgement.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Critical accounting estimates and judgements - continued

Critical accounting estimates and assumptions - continued

Professional services
For certain professional service contracts, for example fixed price contracts, we recognise revenue based on percentage of completion basis as determined by costs incurred to date versus estimated costs of the project. We believe that we have sufficient historical data and experience to estimate this cost to completion. Total project costs are subject to revision throughout the life of a fixed-price contract. The estimates are based on historical cost to completion data available and are reviewed regularly.

Useful economic lives of assets
The annual depreciation charge for assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 4 for the useful economic lives for each class of assets.

Impairment of debtors
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 13 for the net carrying amount of the receivables and associated impairment provision.

6 Turnover

The geographical analysis of turnover by destination, all of which originates in the UK, is as follows:

	12 months ended 2 February 2018 £'000	13 months ended 3 February 2017 £'000
Professional services	13,818	16,223

7 Other operating income

	12 months ended 2 February 2018 £'000	13 months ended 3 February 2017 £'000
Debt forgiveness	-	2,431

During 2017 a related party, Conchango Limited, the previous immediate parent company commenced liquidation proceedings resulting in debt forgiveness of £2,431,000 on a loan previously provided by Conchango Limited to EMC Consulting (UK) Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Operating profit

	12 months ended 2 February 2018 £'000	13 months ended 3 February 2017 £'000
Operating profit is stated after charging/(crediting):		
Depreciation (note 12)	7	13
Audit fees payable to the company's auditor		
- audit of the financial statements	30	34
Redundancy charge/(credit)	239	(212)
Foreign exchange loss/(gain)	793	(1,729)

9 Employees and directors

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

	12 months ended 2 February 2018 £'000	13 months ended 3 February 2017 No.
Employees		
By activity:		
Consultants	20	26
Sales	6	7
Administration	3	5
	29	38
Employee costs		
Wages and salaries	3,452	4,650
Social security costs	490	772
Equity-settled share-based payments	-	157
Other pension costs:		
- Defined contribution pension scheme (note 19)	141	220
	4,083	5,799

No emoluments or retirement benefits were payable to any director during the year. (2017:£Nil)

10 Net interest income

	12 months ended 2 February 2018 £'000	13 months ended 3 February 2017 £'000
Interest payable and similar charges		
Interest payable on loans owed to group undertakings:		
- repayable within one year (finance cost)	-	(1)
Interest receivable and similar income		
Interest receivable on loans owed by group undertakings:	13	-
- repayable within one year (finance income)	56	26
Net interest income	69	25

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Taxation

Tax expense included in profit or loss

	12 months ended 2 February 2018 £'000	13 months ended 3 February 2017 £'000
Current tax:		
United Kingdom corporation tax on profit for the financial year	270	890
Adjustment in respect of prior years	4	-
Total current tax	274	890
Deferred tax:		
Origination and of timing differences	13	107
Effects of changes in tax rates	(2)	(7)
Total deferred tax charge	11	100
Tax charge on profit on ordinary activities	285	990

Reconciliation of tax charge

The tax assessed for the financial year is different than the standard rate of corporation tax in the UK for the financial year ended 2 February 2018. The differences are set out below:

	12 months ended 2 February 2018 £'000	13 months ended 3 February 2017 £'000
Profit on ordinary activities before tax	1,459	7,048
Profit multiplied by the standard rate of UK corporation tax applicable in the financial year of 19.17% (2017: 20%)	280	1,410
Effects of:		
Expenses not deductible for tax purposes	3	-
Income not taxable	-	(460)
Tax rate changes	(2)	(6)
Share options timing differences	-	46
Adjustments in respect of prior financial years	4	-
Tax charge for the financial year	285	990

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

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Tangible assets

	Furniture, fittings and equipment £'000
At 4 February 2017	
Cost	358
Accumulated depreciation	(347)
Net book amount	11
Year ended 2 February 2018	
Opening net book amount	11
Disposals	(1)
Depreciation on disposal	1
Depreciation charge for the financial year	(7)
Closing net book amount	4
At 2 February 2018	
Cost	357
Accumulated depreciation	(353)
Net book amount	4

13 Debtors

		2 February 2018 £'000	3 February 2017 £'000
Trade receivables		5,005	2,457
Other receivables		17	3
Amounts owed by group undertakings - loan balances	(i)	6,863	7,379
Amounts owed by group undertakings - trade balances	(i)	22,456	20,500
Prepayments and accrued income		2,643	1,839
Corporation tax		-	387
Deferred tax	(ii)	64	75
		37,048	32,640

(i) Amounts owed by group undertakings - loan balances relate to an amount, owed by EMC International Company, amounting to £6,862,705 which charged an average interest rate of 0.85% (2017: £7,378,687 which charged an average interest rate of 1.03%). The loans are repayable on demand. Amounts owed by group undertakings - trade balances are unsecured, interest free and repayable on demand.

(ii) Deferred tax asset
The company has recognised deferred tax assets which arise largely in respect of cumulative tax losses carried forward which are available as an offset in reducing future tax liabilities. The available tax losses do not expire under current legislation.

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Debtors - continued

An analysis of the deferred tax asset is as follows:	2 February 2018 £'000	3 February 2017 £'000
Excess depreciation over capital allowances	64	75
Total deferred tax asset	64	75
Balance at beginning of the financial year	75	175
Deferred tax (credit) in profit and loss account	(11)	(100)
Balance at end of the financial year	64	75

14 Creditors: Amounts falling due within one year

		2 February 2018 £'000	3 February 2017 £'000
Trade creditors	(i)	288	110
Amounts owed to group undertakings	(ii)	26,005	24,214
Corporation tax		401	-
Bank overdraft		30	-
Taxation and social security payable		115	168
Accruals and deferred income		2,160	1,215
		28,999	25,707

(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.

15 Creditors - amounts falling due after more than one year

	2 February 2018 £'000	3 February 2017 £'000
Deferred revenue	-	65

16 Provisions for liabilities

The company had the following provisions during the financial year:	Restructuring provision £'000
At 1 January 2016	500
Paid in the financial year	(288)
Credit to the income statement	(212)
At 3 February 2017	-
At 3 February 2017	-
Paid in the financial year	(239)
Credit to the income statement	239
At 2 February 2018	-

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Share capital and reserves

	2 February 2018 £'000	3 February 2017 £'000
50,000 Ordinary shares of £1 each		
Authorised		
At 3 February	50,000	50,000
50,000 Ordinary shares of £1 each		
Allotted and fully paid		
At 3 February	50,000	50,000

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

A description of each reserve within equity is as follows:

(i) Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years plus share-based payments adjustments and related tax credits, charges from the parent company for share-based payments less dividends paid.

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

18 Dividends

	2 February 2018 £'000	3 February 2017 £'000
Dividend paid of £Nil (2017: £103) per share	-	5,172

19 Pension commitments

The company operates a defined contribution pension scheme. Certain permanent employees of EMC Consulting (UK) Limited are eligible as members of a contributory defined contribution plan. The assets of the defined contribution plan are held separately from those of the company in an independent trustee administered fund. The company's contributions are charged to the profit and loss account in the financial year in which contributions are payable. During the year, £140,575 (2017: £220,000) was charged to the profit and loss account and contributions of £Nil (2017: £567), were outstanding as at 2 February 2018.

20 Directors emoluments

	12 months ended 2 February 2018 £'000	13 months ended 3 February 2017 £'000
Emoluments	-	-
Benefits under long-term incentive schemes	-	-
Contributions to retirement benefit schemes		
Defined contribution scheme	-	-
Compensation for loss of office paid by the company and other termination payments	-	-

There were no contracts of any significance in relation to the business of the company in which the directors had any interest at any time during the period ended 2 February 2018 and the year ended 3 February 2017.

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Contingent liability

HM Revenue & Customs (HMRC) are currently performing a transfer pricing enquiry into financial years 2013 to 2017 inclusive and a diverted profits tax review for financial year 2015 and 2017. The transfer pricing enquiry is expected to continue for several months and while the final outcome of the enquiry is unknown the Company intends to robustly defend its transfer pricing position and so believes no provision is required. It is expected upon resolution of the transfer pricing enquiry that the diverted profits tax review will also be resolved such that no diverted profits tax is due to be paid to HMRC, however if we are unsuccessful in defending our position, it may have an impact on our financial results

22 Events since the balance sheet date

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

23 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 30 October 2018 and were signed on its behalf on that date.