

Company Registration No 03693883 (England and Wales)

**VAULT- IC UK LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**



# **VAULT- IC UK LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	A Bear R Detourniere
<b>Secretary</b>	Jordon Company Secretaries
<b>Company number</b>	03693883
<b>Registered office</b>	20-22 Bedford Row London WC1 R4RS
<b>Auditors</b>	Eacotts Limited Grenville Court, Britwell Road Burnham Buckinghamshire SL1 8DF
<b>Business address</b>	The Maxwell Building Scottish Enterprise Technology Park East Kilbride Glasgow G75 0QR
<b>Bankers</b>	Bank of Scotland 41 Princess Mall East Kilbride Glasgow G74 1LA

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# VAULT- IC UK LIMITED

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# **VAULT- IC UK LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2012***

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The directors present their report and financial statements for the year ended 31 December 2012

#### **Principal activities and review of the business**

The principal activity of the company is the design, development and testing of integrated circuits for use in security and communications applications

We aim to present a balanced and comprehensive review of the development and performance of the year and its position at year end. Our review is consistent with the size and non complex nature of our business and is written in the context of the risks and uncertainties we face

The majority of our revenue is generated through inter-company billing of all site overhead costs to Inside Secure, SA in France subject to an inter-company transfer pricing agreement

Revenue in the year under review has fallen by £17,343 (0.27%) compared to 2011. The financial position of the company is in line with expectations and consistent with the size and complexity of the business

As for many businesses of our size, the business environment in which we operate continues to be challenging. The global market for our products is highly competitive and margins are tight. We are aware that any future developments of our business may be subject to unforeseen future events outside our control

#### **Results and dividends**

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

#### **Directors**

The following directors have held office since 1 January 2012

A Bear

R Detourniere

#### **Auditors**

Eacotts Limited are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

# VAULT- IC UK LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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### 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). 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 accounting estimates that are reasonable and prudent,
- 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.

### Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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.

On behalf of the board



R Delouin

Director

5/4/2013

# **VAULT- IC UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF VAULT- IC UK LIMITED**

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We have audited the financial statements of Vault- IC UK Limited for the year ended 31 December 2012 set out on pages 5 to 13. 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).

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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 and express an opinion on 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.

#### **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 Directors' 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 matter 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.

# **VAULT- IC UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

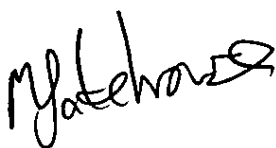
### **TO THE MEMBERS OF VAULT- IC UK LIMITED**

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#### **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



**Mr Martin Gatehouse ACA (Senior Statutory Auditor)**  
**for and on behalf of Eacotts Limited**

9/4/13

**Chartered Accountants**  
**Statutory Auditor**

Grenville Court, Britwell Road  
Burnham  
Buckinghamshire  
SL1 8DF

## VAULT- IC UK LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	6,366,741	6,384,084
Cost of sales		(269,488)	(330,295)
<b>Gross profit</b>		6,097,253	6,053,789
Administrative expenses		(5,771,604)	(6,049,467)
Other operating income		5	19,458
<b>Operating profit</b>	3	325,654	23,780
Other interest receivable and similar income	4	-	340
Interest payable and similar charges	5	-	(24)
<b>Profit on ordinary activities before taxation</b>		325,654	24,096
Tax on profit on ordinary activities	6	(173,068)	(201,083)
<b>Profit/(loss) for the year</b>	13	152,586	(176,987)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# VAULT- IC UK LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	7		1,323,174		1,552,703
<b>Current assets</b>					
Debtors	8	2,389,274		1,459,058	
Deferred tax asset	8	719,692		892,760	
Cash at bank and in hand		48,956		429,276	
		3,157,922		2,781,094	
<b>Creditors amounts falling due within one year</b>	9	(383,898)		(389,185)	
<b>Net current assets</b>			2,774,024		2,391,909
<b>Total assets less current liabilities</b>			4,097,198		3,944,612
<b>Provisions for liabilities</b>	10		(300,000)		(300,000)
			3,797,198		3,644,612
<b>Capital and reserves</b>					
Called up share capital	12		1		1
Profit and loss account	13		3,797,197		3,644,611
<b>Shareholders' funds</b>	14		3,797,198		3,644,612

Approved by the Board and authorised for issue on 5/4/2013

R Detourniere  
Director

Company Registration No 03693883

# VAULT- IC UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the parent company are publicly available

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land & buildings leasehold	5% straight line on leasehold building
Leasehold improvements	10% - 20% straight line
Fixtures, fittings & equipment	10% - 33 33% straight line

#### **1.4 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

#### **1.5 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. Deferred tax asset is provided in full on the grounds that it is certain the company will make sufficient taxable profits to allow the deferred tax asset to be utilised in the foreseeable future

#### **1.6 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

#### **1.7 Government grants**

Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred

# VAULT- IC UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

### 2 Turnover

#### Geographical market

	Turnover	
	2012	2011
	£	£
Europe	6,366,741	6,384,084
	<u>6,366,741</u>	<u>6,384,084</u>

### 3 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	402,518	937,767
Loss on foreign exchange transactions	3,571	2,716
Auditors' remuneration (including expenses and benefits in kind)	8,509	18,350
and after crediting		
Profit on disposal of tangible assets	(500)	-
	<u>(500)</u>	<u>-</u>

### 4 Investment income

	2012	2011
	£	£
Bank interest	-	52
Other interest	-	288
	<u>-</u>	<u>340</u>

### 5 Interest payable

	2012	2011
	£	£
On bank loans and overdrafts	-	24
	<u>-</u>	<u>24</u>

# VAULT- IC UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2012

6	Taxation	2012 £	2011 £
	<b>Total current tax</b>	-	-
	<b>Deferred tax</b>		
	Deferred tax credit current year	173,068	201,083
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	325,654	24,096
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	78,157	6,265
	Effects of		
	Non deductible expenses	(2)	53
	Capital allowances in excess of depreciation	-	(6,318)
	Capital allowances	(98,612)	-
	Allowable loss	20,457	-
		(78,157)	(6,265)
	<b>Current tax charge for the year</b>	-	-

The company has estimated losses of £ 250,857 (2011 - £ 160,293) available for carry forward against future trading profits

# VAULT- IC UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

### 7 Tangible fixed assets

	Land & buildings leasehold	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2012	1,387,596	3,388,120	5,758,930	10,534,646
Additions	5,250	-	167,737	172,987
Disposals	-	-	(6,008)	(6,008)
At 31 December 2012	1,392,846	3,388,120	5,920,659	10,701,625
<b>Depreciation</b>				
At 1 January 2012	906,498	2,925,868	5,149,575	8,981,941
On disposals	-	-	(6,008)	(6,008)
Charge for the year	68,384	56,098	278,036	402,518
At 31 December 2012	974,882	2,981,966	5,421,603	9,378,451
<b>Net book value</b>				
At 31 December 2012	417,964	406,154	499,056	1,323,174
At 31 December 2011	481,098	462,252	609,353	1,552,703

### 8 Debtors

	2012	2011
	£	£
Trade debtors	180	-
Amounts owed by parent and fellow subsidiary undertakings	2,244,101	1,289,630
Other debtors	-	77,877
Prepayments and accrued income	144,993	91,551
Deferred tax asset (see note 10)	719,692	892,760
	3,108,966	2,351,818

# VAULT- IC UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2012

9	Creditors amounts falling due within one year	2012 £	2011 £
	Bank loans and overdrafts	-	973
	Trade creditors	116,080	168,030
	Taxes and social security costs	165,402	102,689
	Accruals and deferred income	102,416	117,493
		<u>383,898</u>	<u>389,185</u>

#### 10 Provisions for liabilities and charges

Other  
£

Balance at 1 January 2012 (Previously shown in Accruals and deferred income)

300,000

Balance at 31 December 2012

300,000

Other provisions represent the amounts potentially repayable in respect of grants received by the company

#### 11 Pension and other post-retirement benefit commitments Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	<u>157,404</u>	<u>148,080</u>

#### 12 Share capital

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

# VAULT- IC UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2012

#### 13 Statement of movements on profit and loss account

Profit and  
loss  
account  
£

Balance at 1 January 2012	3,644,611
Profit for the year	152,586
Balance at 31 December 2012	<u>3,797,197</u>

#### 14 Reconciliation of movements in shareholders' funds

2012  
£

2011  
£

Profit/(Loss) for the financial year	152,586	(176,987)
Opening shareholders' funds	<u>3,644,612</u>	<u>3,821,599</u>
Closing shareholders' funds	<u>3,797,198</u>	<u>3,644,612</u>

#### 15 Directors' remuneration

2012  
£

2011  
£

Remuneration for qualifying services	110,178	133,491
Company pension contributions to defined contribution schemes	<u>4,877</u>	<u>4,827</u>
	<u>115,055</u>	<u>138,318</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2011 - 1)

# VAULT- IC UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

### 16 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Design and engineering	59	47
Administration	18	31
	<u>77</u>	<u>78</u>

#### Employment costs

	2012 £	2011 £
Wages and salaries	3,572,079	3,382,310
Social security costs	378,564	372,319
Other pension costs	157,404	148,080
	<u>4,108,047</u>	<u>3,902,709</u>

### 17 Control

The ultimate parent company is Inside Secure S A, a company registered in France

Consolidated accounts which include the company's financial data are made available from the parent company Inside Secure S A at 41 Parc Club du Golf, 13856 Aix-en Provence, France

### 18 Related party relationships and transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 not to disclose related party transactions as it is a wholly owned subsidiary and is included in the consolidated accounts of its parent company