

Thales e-Security Limited

Annual Report and Financial Statements
for the year ended 31 December 2018

Registration number: 2518805



Thales e-Security Limited

Company Information

Directors

E McCrorie
M W P Seabrook

Company secretary

M W P Seabrook

Registered office

350 Longwater Avenue
Green Park
Reading
RG2 6GF

Thales e-Security Limited

Directors' report

The Directors present their annual report and the unaudited financial statements for the year ended 31 December 2018.

The Company has taken the exemption under S414B of the Companies Act 2006 to not prepare a strategic report.

Principal activity

The Company did not trade during the current year and made neither profit nor loss. In the preceding year the Company made a profit of £5,000, and participated in a Thales UK-wide legal entity review aimed at simplifying the Group and inter-company balances in the UK. No change is currently envisaged to the Company's activities.

Dividends

There were no dividends declared by the Directors in the year. (2017: £49,757,000).

Directors of the Company

The Directors who served during the year were as follows:

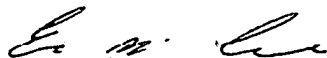
M W P Seabrook

E A McCrorie

Directors' interests

According to the register of Directors' interests, no Director had any beneficial interests in the shares of the Company or held the right to subscribe for shares during the period.

Approved by the Board on 10th June 2019 and signed on its behalf by:



E McCrorie
Director

350 Longwater Avenue
Green Park
Reading
RG2 6GF

Thales e-Security Limited

Statement of Comprehensive Income for the year ended 31 December 2018

	Note	2018 £000	2017 £000
Revenue		-	-
Operating profit / (loss)		<u>-</u>	<u>-</u>
Finance Income	3		24,065
Impairment of investment in subsidiary	6	<u>-</u>	<u>(24,060)</u>
Profit before tax		-	5
Income tax charge	5	<u>-</u>	<u>-</u>
Profit after tax		<u>-</u>	<u>5</u>
Total comprehensive income for the year		<u><u>-</u></u>	<u><u>5</u></u>

The accompanying notes are an integral part of this Statement of Comprehensive Income.

Thales e-Security Limited

(Registration number: 2518805)

Statement of Financial Position as at 31 December 2018

	Note	2018 £000	2017 £000
Assets			
Non-current assets			
Investments in subsidiaries, joint ventures and associates	6	-	-
Current assets			
Trade and other receivables	7	-	-
Total assets		<u>-</u>	<u>-</u>
Current liabilities		-	-
Net assets		<u>-</u>	<u>-</u>
Equity			
Share capital	8	-	-
Retained earnings		-	-
Total equity		<u>-</u>	<u>-</u>

Audit Exemption Statement


For the financial year ended 31 December 2018 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 11 were approved by the board of Directors and authorised for issue on 10th June 2019.

They were signed on its behalf by:



E McCrorie
Director

The accompanying notes are an integral part of this statement of financial position.

Thales e-Security Limited

Statement of Changes in Equity for the year ended 31 December 2018

	Share Capital £000	Retained earnings £000	Total £000
At 31 December 2016	35,200	14,552	49,752
Total comprehensive income		5	5
Capital Reduction	(35,200)	35,200	-
Dividends	-	(49,757)	(49,757)
At 31 December 2017	-	-	-
Total comprehensive income	-	-	-
At 31 December 2018	-	-	-

Thales e-Security Limited

Statement of Cash Flows for the year ended 31 December 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Profit for the year		-	5
Adjustment for non-cash items			
Finance income	3	-	(24,065)
Impairment of investment in subsidiary	6	-	24,060
		<hr/>	<hr/>
Working capital adjustments		-	-
Increase in trade and other receivables		-	-
Decrease in trade and other payables		-	-
Net cash flow from operating activities		<hr/>	<hr/>
Cash flows from investing activities			
Interest received		-	-
Cash flows from financing activities			
Interest paid		-	-
Dividends paid		-	-
Net cash from financing activities		<hr/>	<hr/>
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		<hr/>	<hr/>

Thales e-Security Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The Company is a limited company incorporated and domiciled in England and Wales.

The address of the registered office is given on page 2. The nature of the Company's principal activity is set out in the Directors' report. Information on its ultimate parent is presented in note 11.

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) adopted for use in the European Union. The financial statements have been prepared on a historical cost basis. The financial statements are presented in pounds sterling, the currency in which the Company's transactions are denominated, and all values are rounded to the nearest thousand, (£000), except when otherwise indicated.

These financial statements contain information about Thales e-Security Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Thales SA, which prepares consolidated accounts which are publicly available.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2018 has had a material effect on the financial statements.

None of the standards, interpretations and amendments which are effective for accounting periods beginning after 1 January 2018, and which have not been adopted early, are expected to have a material effect on the financial statements.

The principal accounting policies are set out below:

Impairment of investments

At each reporting date the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Thales e-Security Limited

Notes to the Financial Statements for the year ended 31 December 2018 continued

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Taxation

The tax charge / (credit) comprise current tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity. Current tax is the expected tax payable on the (loss)/profit for the year and any adjustments in respect of previous years using tax rates enacted or substantively enacted at the reporting date, forward; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax is provided using rates of tax that have been enacted or substantively enacted at the balance sheet date or the date that the temporary differences are expected to reverse. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Trade receivables

Trade receivables are carried at fair value (in the majority of cases this will equate to original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end). Bad debts are written off when identified.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Directors.

Summary of significant accounting policies and key accounting estimates

The preparation of financial statements requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgments 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. Actual results may differ from these estimates.

3 Finance income

	2018 £000	2017 £000
Finance income		
Dividend received from subsidiary	-	24,065
	<u>-</u>	<u>24,065</u>

4 Employment costs

The Company had no employees during the year (2017: none) and did not incur any employment costs during the year (2017: £nil).

None of the Directors received any remuneration from the Company during the year in respect of services to the Company (2017: £nil). The Directors' costs are borne by Thales UK Limited.

Thales e-Security Limited

Notes to the Financial Statements for the year ended 31 December 2018 continued

5 Income tax charge

	2018 £000	2017 £000
Total tax charge for the year:	-	-
Profit before tax	-	5
Profit multiplied by standard corporation tax at 19% (2017: 19.25%)	-	1
Effects of:		
Dividends	-	(4,633)
Investment impairments	-	4,632
Total tax charge for the year	-	-

The rate of corporation tax remained unchanged at 19%. A reduction to 17% effective 1 April 2020 was included in the Finance Act 2016 which was substantively enacted on 6 September 2016.

6 Investments

	£000
Carrying value of investment in subsidiary at 31 December 2016	24,060
Impairment in year ended 31 December 2017	(24,060)
Carrying value of investment in subsidiary at 31 December 2017	-
Carrying value of investment in subsidiary net of impairment at 31 December 2018	-

Details of the subsidiary as at 31 December 2018 are as follows:

Name of subsidiary	Principal activity	Proportion of ownership interest and voting rights held 2018	2017
nCipher Corporation Limited	Non-trading Company	-	100%

Registered office: 350 Longwater Avenue, Green Park, Reading, RG2 6GF

In 2017 the Company impaired its investment in nCipher Corporation Limited by £24,060,000 following a dividend of £24,065,000 being received from nCipher Corporation Limited.

Having fully impaired the carrying value of its investment in nCipher Corporation Limited, the Company applied to strike of its subsidiary, and accordingly nCipher Corporation Limited was dissolved on 31st July 2018.

7 Trade and other receivables

	2018 £000	2017 £000
Group undertakings	-	-

The Company has only £1 of trade receivables (2017: £1), which is due from Thales UK Limited, and no other financial assets or liabilities. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Thales e-Security Limited

Notes to the Financial Statements for the year ended 31 December 2018 continued

8 Share capital

	2018		2017	
	No.	£000	No.	£000
Ordinary shares of £0.05 each	20	-	20	-

As part of the Thales UK Group simplification project carried out in the year ended 31 December 2017, the Company redeemed and cancelled 704,001,880 shares of £0.05 each, and transferred the value of £35,200,094 to retained earnings.

9 Dividends

	2018 £000	2017 £000
Dividends paid	-	49,757

As stated in the Directors' Report, there were no dividends declared by the Directors in the year. (2017: £49,757,000).

10 Related party transactions

	Amounts owed by		Amounts owed to		Transactions in the year	
	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000
Parent Company	-	-	-	-	-	(49,757)
Fellow subsidiaries	-	-	-	-	-	24,065

The transactions in the year ended 31 December 2017 comprise a dividend of £49,757,000 paid to the Company's immediate parent, Thales UK Limited, and a dividend of £24,065,000 received from its subsidiary, nCipher Corporation Limited (Dissolved 31 July 2018).

11 Parent and ultimate parent undertaking

The Company's immediate parent undertaking is Thales UK Limited a company incorporated in England and Wales.

The ultimate parent company is Thales SA, a company incorporated in France. This is also both the largest and smallest group which includes the Company and for which consolidated accounts are prepared. Copies of the group accounts of Thales SA are available from Tour Carpe Diem, 31 place des Corolles, 92098 Paris La Défense, France.