Gemalto Terminals Limited

(Registered Number: 534821)

Directors' Report and Financial Statements

Year Ended 31 December 2012



Gemalto Terminals Limited

Director's Report for the Year Ended 31 December 2012

The Directors have pleasure in submitting their annual report together with the financial statements of Gemalto Terminals Limited (the Company) for the year ended 31 December 2012

Principal Activity

The Company holds an interest bearing loan due from a fellow group undertaking

Results and Dividends

The profit before taxation on the year's trading was £19,000 (2011 Loss £35,000) The Directors do not recommend payment of a dividend (2011 nil)

Review of the Business and Future Developments

The Company has limited financial transactions and is not anticipating to carry out any trade in the foreseeable future

Political Contributions and Charitable Donations

No political contributions were made during the year (2011 nil) No charitable donations were made during the year (2011 nil)

Directors Report for the Year Ended 31 December 2012 (Continued)

Financial and other risk management

The Company's operations in the current year exposed it to a limited number of financial risks The board reviews and agrees policies for managing these risks Where relevant, the policies have remained unchanged throughout the year and are summarized below

Liquidity risk

The Company's exposure to liquidity risk is not significant An interest bearing loan is provided by the Company to a fellow Group undertaking, which is repayable on demand

Other risks & Key Performance Indicators (KPI's)

Given the size, ownership and relatively straightforward nature of the business, the Directors consider there to be no benefit in setting out any additional information on risks, or on KPI's

Directors

The following were Directors of the Company during the year and at the date of this report

A B Bruce (Resigned 21 August 2012)
L Smith
H Berg

Charitable Contributions

The Company made no charitable or political contributions during the year (2011 £nil)

Gemalto Terminals Limited

Directors Report for the Year Ended 31 December 2012 (Continued)

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

Disclosure of information to auditors

As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps necessary as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

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

By order of the Board

L Smith
Director

June 26th 2013

Gemalto Terminals Limited

Independent Auditors' Report to the Members of Gemalto Terminals Limited

We have audited the financial statements of Gemalto Terminals Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement (as set out on page 3) 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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the 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

Independent Auditors' Report to the Members of Gemalto Terminals Limited (Continued)

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

Keith Evans

Keith Evans (Senior Statutory Auditor)

For and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
26 June 2013

Gemalto Terminals Limited

Profit and Loss Account
For the Year Ended 31 December 2012

	Notes	Year Ended 31 December 2012 Total £'000	Year Ended 31 December 2011 Total £'000
Net operating expenses	2	9	(45)
Operating profit/(loss)		9	(45)
Interest receivable and similar income	4	10	10
Profit/(loss) on ordinary activities before taxation		19	(35)
Tax on profit/(loss) on ordinary activities	5	(2)	65
Profit for the financial year	11	17	30

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

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 8 to 13 form part of these financial statements

Gemalto Terminals Limited

Balance Sheet as at 31 December 2012

	Notes	31 December 2012 £'000	31 December 2011 £'000
Fixed assets			
Investments	6	-	-
		-	-
Current assets			
Debtors	7	**2,658**	2,648
Cash at bank and in hand		**43**	50
		2,701	2,698
Creditors Amounts falling due within one year	8	**(2)**	(16)
Net current assets		**2,699**	2,682
Total assets less current liabilities		**2,699**	2,682
Capital and reserves			
Called up share capital	9	**27,718**	27,718
Share premium account	10	**36**	36
Profit and loss account	11	**(25,055)**	(25,072)
Total Shareholders' Funds	12	**2,699**	2,682

The notes on pages 8 to 13 form part of these financial statements

The financial statements on pages 6-13 were approved by the board of directors on 26th June 2013 and were signed on its behalf by

L Smith
Director

Gemalto Terminals Limited

Notes to the Financial Statements
For the Year Ended 31 December 2012

1 Principal Accounting Policies

The principal accounting policies adopted by the Directors in 2012 and 2011 are described below

Basis of Accounting

The financial statements have been prepared in accordance with the Companies Act 2006 on a realised basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom The accounting policies have been consistently applied in both the current and comparative financial year

The Company is exempt from preparing and delivering group financial statements under section 400 of the Companies Act 2006

Fixed Asset Investments

Investments in subsidiary undertakings are valued at cost, less any provisions for impairment

The carrying values of investments are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable Any impairment in the value of fixed assets is charged to the profit and loss account

Taxation including Deferred Taxation

Corporation tax payable is provided on taxable profits at the current rate

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet dates where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1 Principal Accounting Policies (Continued)

Foreign Currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the transaction date Assets and liabilities denominated in foreign currencies are translated into sterling at the rates in operation at the balance sheet date All revaluation differences and realised foreign exchange differences are taken to the profit and loss account

Related Party Disclosures

The Company has taken advantage of exemptions under Financial Reporting Standard No 8 as a wholly owned subsidiary of Gemalto NV (See Note 18) not to disclose transactions with other group entities

Cash Flow Statement

The Company has taken advantage of the exemptions available to wholly owned UK subsidiaries under Financial Reporting Standard No 1 (Revised 1996) "Cash Flow Statements" and accordingly has not prepared a cash flow statement

2 Net operating expenses

Statutory audit fees of £1,000 were borne by a fellow group company (2011 £1,000)

3 Director emoluments

None of the Directors who held office during the year were remunerated by the Company in their capacity as Directors given the incidental nature of their duties on behalf of the Company compared to those on behalf of the group as a whole (2011 none)

4 Interest Receivable and similar income

	2012 £'000	2011 £'000
Interest earned from loans to fellow group companies	10	10

5 Tax on profit/loss on ordinary activities

The taxation charge/(credit) based on the profit for the year as adjusted for taxation purposes may be analysed as follows

	2012 £'000	2011 £'000
Analysis of the charge / (credit) in the year		
UK corporation tax at 24 5% (2011 26 5%)	2	-
Adjustment in respect of prior years	-	(65)
	2	(65)
Deferred tax	-	-
	2	(65)

The current year tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 24 5% (2011 26 5%) The differences are explained below

	2012 £'000	2011 £'000
Profit/(loss) on ordinary activities before tax	19	(35)
Tax (credit)/charge on profit before tax at standard rate of 24 5% (2011 26 5%)	4	(9)
Non deductible items	-	8
Accelerated capital allowances and other timing differences	-	(3)
Adjustments in respect of prior years	-	(65)
Group Relief surrendered free of charge to fellow group company	-	4
Utilisation of losses	(2)	-
Current tax charge / (credit) for the year	2	(65)

The main rate of UK corporation tax will reduce from 24% to 23% on 1 April 2013 Further reductions to the main rate are proposed to reduce the rate to 21% on 1 April 2014 and to 20% on 1 April 2015 The recognised deferred tax asset has been calculated using a rate of 23% (2011 25%) as this was the rate enacted at the balance sheet date for the period after 1 April 2013

A deferred tax asset of £9,532,798 (2011 £10,360,000) has not been recognised in respect of timing differences primarily relating to capital losses as there is insufficient evidence that the asset will be recovered in the future The asset would be recovered if the company were to make future capital disposals resulting in chargeable gains

6 Investments

	Cost £'000	Provision £'000	Net book value £'000
Balance at 1 January 2012	2,500	(2,500)	-
Balance at 31 December 2012	**2,500**	**(2,500)**	**-**

On 1 January and 31 December 2012, the Company owned the entire share capital of the following

	Country of incorporation	Nature of business
Axalto Cards Limited	England	Dormant

7 Debtors

	2012 £'000	2011 £'000
Amounts owed by group undertakings	2,658	2,648

Amounts owed by group undertakings are unsecured, bearing interest at the average GBP LIBOR 1 month rate less 0 25%, and repayable on demand

8 Creditors – Amounts Falling Due Within One Year

	2012 £'000	2011 £'000
Trade creditors	-	10
Accruals and deferred income	-	6
Corporation Tax	2	-
	2	16

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

9 Called Up Share Capital

	2012 £'000	2011 £'000
Authorised ordinary shares of 50p each (Number of shares 100,000,000 (2011 100,000,000))	50,000	50,000
Allotted and fully paid ordinary shares of 50p each at 31 December (Number of shares 55,436,508 (2011 55,436,508))	27,718	27,718

10 Share Premium

	2012 £'000	2011 £'000
At 1 January and 31 December	36	36

Notes to the Financial Statements For the Year Ended 31 December 2012 (Continued)

11 Reserves

	Profit and loss account £'000
At 1 January 2012	(25,072)
Profit for the financial year	17
At 31 December 2012	**(25,055)**

12 Reconciliation of Movements in Shareholders' Funds

	2012 £'000	2011 £'000
Profit for the financial year	**17**	30
Opening shareholders' funds	**2,682**	2,652
Closing shareholders' funds	**2,699**	2,682

14 Leasing Commitments

At 31 December 2012 the Company had no annual commitments under non–cancellable operating leases

15 Ultimate Parent Company

At the balance sheet date, the immediate parent of the company was Gemalto UK Limited Gemalto UK Limited has a 100% interest in the equity capital of the company at 31 December 2012 The ultimate parent company is Gemalto NV Gemalto NV is the smallest and largest group to consolidate these results

Copies of the ultimate parent's consolidated financial statements may be obtained from the investor relations page of the company's website, www gemalto com or from Barbara Strozzilaan 382, 1083 HN, Amsterdam, The Netherlands