

Thales Electronics Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2022

Registration number: 497098



Thales Electronics Limited

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Thales Electronics Limited

Company Information

Directors

M W P Seabrook
C W Hindle

Company secretary

M W P Seabrook

Registered office

350 Longwater Avenue
Green Park
Reading
RG2 6GF

Auditor

Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

Thales Electronics Limited

Strategic Report for the Year Ended 31 December 2022

Principal activity

The Company did not trade during the current or preceding year. No change is currently envisaged in the Company's activities.

Section 172(1) Statement

The Directors have taken account of new reporting requirements as required by *The Companies (Miscellaneous Reporting) Regulations 2021* (the Regulations) which apply for companies which meet certain criteria in respect of reporting periods commencing on or after 1 January 2021. In this regard, the Directors consider that the Company is within the scope of the criteria which determine whether or not an entity is required to provide a Section 172(1) report in its annual report and financial statements on the basis that it meets the criterion of being a subsidiary of a company the shares of which are quoted on a regulated financial market (see Note 13 for ultimate parent company details).

Under the Regulations, the Directors are required to report on certain specified matters. However, the Directors note that the Company does not trade in its own right, and does not have any contracts with third parties for the sale or purchase of goods and services, nor does it have any employees. Consequently, in the Directors' view there are no relevant matters which should be presented in this report regarding engagement with customers, suppliers or employees.

The Directors carry out their statutory duties under Section 172 of The Companies Act 2006 to promote the interests of the Company in accordance with the Corporate Governance arrangements of Thales UK Group, and in this regard minutes of statutory meetings and key decisions of the Directors are recorded and retained by the Company Secretary.

Business review

The Company did not engage in any trading activity during the year. It holds only one asset of £325,000,000 of trade receivables, which is due from its parent Company Thales Holdings UK Plc, and no other financial assets or liabilities.

The Company made a profit after taxation for the year of £nil (2021: £nil).

Financial risk management objectives and policies

The Company has £325,000,000 of trade receivables, which is due from its parent Company Thales Holdings UK Plc, and no other financial assets or liabilities.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The Company therefore has no exposure to liquidity risk, and very low exposure to credit risk.

Approved by the Board on 16 August 2023 and signed on its behalf by:



C Hindle, Director

350 Longwater Avenue
Green Park
Reading
RG2 6GF

Thales Electronics Limited

Directors' Report for the Year Ended 31 December 2022

The Directors present their annual report and the financial statements, together with the auditor's report, for Thales Electronics Limited for the year ended 31 December 2022.

Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to the principal activity, business review and principal risks and uncertainties.

Dividends

The Directors declared a final dividend of £nil (2021: £nil).

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In concluding their assessment that the Company is a going concern, the Directors noted that the Company only has one asset, being the amount of £325,000,000 receivable from its immediate parent company, Thales Holdings UK Plc. The amount receivable by the Company is considered by the Directors to be recoverable for the value presented in the statement of financial position at 31 December 2022.

Environmental information

The Thales Group in the UK has implemented an Environmental Policy to conduct our current and future business in a way that protects the environment. This is achieved through development and implementation of Environmental Management Systems against which we report environmental performance regularly to the Thales Holdings UK Plc board. It is a Thales requirement that operating companies are certified to the International Standard for Environmental Management Systems ISO 14001 to which we have been certified. Current Environmental Programmes include reducing our carbon footprint and implementing a Green Purchasing programme.

Directors of the Company

The Directors who served during the year and to the date of this report were as follows:

E A McCrorie (resigned 1 August 2023)

C W Hindle (appointed 1 August 2023)

M W P Seabrook

Directors' liabilities

The Company has not granted any indemnity against liability to its Directors during the year or at the date of approving the Directors' Report.

Donations

During the period to 31 December 2022 no political donations were made (2021: £nil).

Thales Electronics Limited

Directors' Report for the Year Ended 31 December 2022 continued

Disclosure of information to the auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of the auditor, the Directors have taken all the steps they are obliged to take as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board on 16 August 2023 and signed on its behalf by:



C Hindle, Director

350 Longwater Avenue
Green Park
Reading RG2 6GF

Thales Electronics Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 UK-adopted international accounting standards. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; 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.

Approved by the Board on 16 August 2023 and signed on its behalf by:



C Hindle, Director

350 Longwater Avenue
Green Park
Reading
RG2 6GF

Thales Electronics Limited

Independent Auditor's Report to the Members of Thales Electronics Limited

Opinion

We have audited the financial statements of Thales Electronics Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Thales Electronics Limited

Independent Auditor's Report to the Members of Thales Electronics Limited continued

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Thales Electronics Limited

Independent Auditor's Report to the Members of Thales Electronics Limited continued

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

Auditor's 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 auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to anti-bribery, corruption, fraud and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Thales Electronics Limited

Independent Auditor's Report to the Members of Thales Electronics Limited continued

Auditor's responsibilities for the audit of the financial statements continued

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 auditor's 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.


Gavin Barclay (Aug 16, 2023 18:20 GMT+1)

Gavin Barclay (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

16 August 2023

Thales Electronics Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £000	2021 £000
Finance income	3	-	-
Profit before tax		-	-
Income tax charge	6	-	-
Profit after tax		-	-
Total comprehensive income for the year		-	-

All amounts relate to continuing operations.

The accompanying notes are an integral part of this statement of comprehensive income.

Thales Electronics Limited

Company Number: 497098

Statement of Financial Position as at 31 December 2022

	Note	2022 £000	2021 £000
Assets			
Non-current assets			
Investments in subsidiaries	7	-	-
Current assets			
Trade and other receivables	8	325,000	325,000
		<u>325,000</u>	<u>325,000</u>
Total assets		<u>325,000</u>	<u>325,000</u>
Equity			
Share capital	10	-	-
Retained earnings		325,000	325,000
Total shareholder's funds		<u>325,000</u>	<u>325,000</u>

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

The financial statements on pages 10 to 21 were approved by the Board of Directors and authorised for issue on 16 August 2023.

They were signed on its behalf by:



C Hindle
Director

Thales Electronics Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share Capital £000 (Note 10)	Retained earnings £000	Total £000
At 1 January 2021	-	325,000	325,000
Profit and total comprehensive income for year	-	-	-
At 31 December 2021	-	325,000	325,000
Profit and total comprehensive income for year	-	-	-
At 31 December 2022	-	325,000	325,000

The retained profit relates to the performance of the Company.

The accompanying notes are an integral part of this statement of changes in equity.

Thales Electronics Limited

Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Profit for the year		-	-
Adjustment for non-cash items			
Finance income	3	-	-
Working capital adjustments			
Increase in trade and other receivables		-	-
Net cash flow from operating activities		-	-
Cash flows from investing activities			
Interest received		-	-
Cash flows from financing activities			
Interest paid		-	-
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

The accompanying notes are an integral part of this statement of cash flows.

Thales Electronics Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1. Corporate information

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 16 August 2023. The Company is a limited company incorporated and domiciled in England and Wales.

The address of the registered office is given on page 1. The nature of the Company's operations and principal activities are set out in the strategic report. Information on its ultimate parent is presented in Note 13.

2. Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with UK-adopted international accounting standards.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards. 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 Electronics 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 401 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 2022 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 2023, and which have not been adopted early, are expected to have a material effect on the financial statements.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In concluding their assessment that it is appropriate to adopt the going concern basis of accounting in preparing the annual financial statements for the year ended 31 December 2022, the Directors have taken account the fact that the Company does not trade in its own right, nor do any of its subsidiaries (Note 7).

Additionally, the Directors noted that the Company only has one asset, being the amount of £325,000,000 receivable from its immediate parent company, Thales Holdings UK Plc. The amount receivable by the Company is considered by the Directors to be recoverable for the value presented in the statement of financial position at 31 December 2022.

Thales Electronics Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 continued

2. Accounting policies (continued)

The principal accounting policies adopted are set out below:

Financial Instruments

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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).

Following the implementation of IFRS 9, from 1 January 2018 the Company has adopted the "expected loss" model, based on credit risk, required by the new standard as the basis for estimating the appropriate level of provision for doubtful receivables.

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 post-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. 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.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Thales Electronics Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 continued

2 Accounting policies (continued)

Taxation

The tax credit comprises current tax. Income tax credit 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 receivable on the loss for the year and any adjustments in respect of previous years using tax rates enacted or substantively enacted at the reporting date.

Finance income

Interest income is recognised as interest accrues, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payments have been established.

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.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. 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. Actual results may differ from these estimates. The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets recognised in the financial statements are listed below:

Impairment of investments

The impairment review of investments is based on forecast future cash flows at a pre-tax discount rate.

Recovery of trade and other receivables

Trade and other receivables are recognised at amortised cost in accordance with IFRS 9. They are subject to impairment if an expected loss or an impairment indicator is identified.

Thales Electronics Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 continued

3. Finance income

	2022 £000	2021 £000
Finance income	-	-
Total finance income	-	-

4. Auditor's remuneration

For the year ended 31 December 2022 and the preceding year, the auditor's remuneration of £6,700 (2021: £6,000) has been borne by a fellow subsidiary.

5. Directors' remuneration

The Directors received no remuneration for their services in respect of the Company in the current and preceding year.

6. Income tax charge

	2022 £000	2021 £000
Current tax	-	-
Current income tax charge	-	-
Total current tax	-	-
Total tax charge	-	-

The tax charge for the year can be reconciled to the Statement of Comprehensive Income as follows:

Profit before tax	-	-
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	-	-
Tax effect of:		
Imputed interest under UK to UK transfer pricing legislation	1,019	618
Group relief received for nil payment	(1,019)	(618)
Total tax charge	-	-

Following the 2022 autumn statement, it was decided to maintain the increase in corporation tax rate to 25% with effect from 1 April 2023. The higher rate has been substantially enacted following the third reading of the Finance Bill Autumn 2022 on 30 November 2022.

Thales Electronics Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 continued

7. Investments in subsidiaries

	Cost	2022 Impairment	Carrying Amount	Cost	2021 Impairment	Carrying Amount
	£000	£000	£000	£000	£000	£000
At 1 January and at 31 December	921,637	(921,637)	-	921,637	(921,637)	-

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Proportion of ownership interest and voting rights held	
		2022	2021
Decca Limited	Non-trading company	100%	100%
Controls and Communications Limited	Non-trading company	100%	100%
Thales Overseas Holdings Limited	Holding company	100%	100%
Thales (Wigmore Street) Limited	Holding company	100%	100%
Racal Executive Trustee Limited	Non-trading company	100%	100%
Racal Norsk Limited	Non-trading company	51%	51%
Thales (Wigmore Street) Limited wholly owns the following UK subsidiaries:			
Thales (Weybridge) Limited	Intermediate holding company	100%	100%
Link-Miles Limited	Non-trading company	100%	100%
Thales (Weybridge) Limited holds investments in the following UK subsidiary:			
Airsafe Limited	Non-trading company	100%	100%

The registered address for all subsidiaries listed above is:

350 Longwater Avenue, Green Park, Reading, RG2 6GF.

Thales Electronics Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 continued

8. Trade and other receivables

	2022 £000	2021 £000
Amount owed by group undertaking	<u>325,000</u>	<u>325,000</u>

Following the implementation of IFRS 9, from 1 January 2018 the Company has adopted the “expected loss” model, based on credit risk, required by the new standard as the basis for estimating the appropriate level of provision for doubtful receivables.

The carrying amount above represents the Company’s maximum exposure to credit risk. The Directors consider that the carrying amount of trade and other receivables approximates their fair value. As at 31 December, no trade receivables were past due or impaired.

9. Financial instruments

Categories of financial instruments	Loans and receivables	Total
31 December 2022	£000	£000
Assets		
Trade and other receivables	325,000	325,000
Liabilities		
Trade and other payables	-	-
31 December 2021		
Assets		
Trade and other receivables	325,000	325,000
Liabilities		
Trade and other payables	-	-

Information concerning the risks arising from financial instruments which the Company is exposed to can be located in the strategic report, along with the Company’s policies for managing those risks.

Thales Electronics Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 continued

9. Financial instruments (continued)

Fair value

Set out below is a comparison of the carrying amounts and fair value of all of the Company's financial instruments, that are carried in the financial statements.

	2022		2021	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Financial assets:				
Trade and other receivables	325,000	325,000	325,000	325,000

The carrying amount of the assets above represents the Company's maximum exposure to credit risk.

Maturity of financial assets

The contractual maturity of the Company's non-derivative financial assets is as follows:

	Within year £000	Between one and two £000	Between two and five £000	More than five years £000	Total £000
At 31 December 2022					
Trade receivables	325,000	-	-	-	325,000
At 31 December 2021					
Trade receivables	325,000	-	-	-	325,000

The Company's funding strategy is to ensure a mix of funding sources offering flexibility and cost effectiveness to match its requirements.

Thales Electronics Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 continued

10. Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No	£000	No	£000
Ordinary shares of £0.25 each	4	-	4	-

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years end 31 December 2022 and 31 December 2021.

11. Dividends

	2022 £000	2021 £000
Final dividend of £nil (2021: £nil)	-	-

12. Related party transactions

	Amounts owed by		Amounts owed to		Transactions in the year	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Parent	325,000	325,000	-	-	-	-

13. Parent and ultimate parent undertaking

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

The ultimate parent undertaking 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. These financial statements are available upon request from Tour Carpe Diem, 31 place des Corolles 92098 Paris La Défense, France.

14. Events since the balance sheet date

In the Directors' view, there are no events which have occurred since the balance sheet date which require disclosure in these financial statements, or which require any of the financial amounts as recorded at 31 December 2022 to be adjusted.