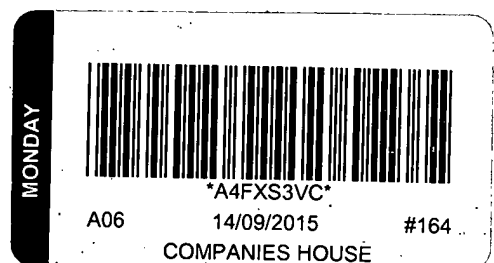


Racal Radio Limited

Annual report and financial statements
for the year ended 31 December 2014

Registered number: 1908212



Directors' Report

For the year ended 31 December 2014

The Directors present their annual report and financial statements for the year ended 31 December 2014.

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

Principal activities

The Company has not traded during the current year but during 2013 the Company impaired the amounts receivable from group undertakings by £6,823,000. No change is currently envisaged to the Company's activities.

Directors

The Directors who served during the year were as follows:

M W P Seabrook

P J Rowley (Appointed 1 January 2014)

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.

By order of the Board



Michael Seabrook

Company Secretary

24 August 2015

2 Dashwood Lang Road
The Bourne Business Park
Addlestone
Nr Weybridge, Surrey
KT15 2NX

Statement of comprehensive income
for the year ended 31 December 2014

| | Note | 2014 £000 | 2013 £000 |
|-----------------------------|------|--------------|--------------|
| Operating profit | | - | - |
| Other expense | | - | (6,823) |
| Loss before taxation | | - | (6,823) |
| Income tax | 2 | - | - |
| Loss for the year | | - | (6,823) |

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

Statement of financial position
for the year ended 31 December 2014

| | Notes | 2014 £000 | 2013 £000 |
|---------------------------------|-------|---------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments | 6 | - | - |
| Debtors - due after one year | 4 | 17,959 | 17,959 |
| | | <u>17,959</u> | <u>17,959</u> |
| Current assets | | | |
| Debtors - due within one year | 4 | 734 | 734 |
| | | <u>734</u> | <u>734</u> |
| Total assets | | <u>18,693</u> | <u>18,693</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Creditors - due within one year | 5 | 7,877 | 7,877 |
| | | <u>7,877</u> | <u>7,877</u> |
| Total liabilities | | <u>7,877</u> | <u>7,877</u> |
| Net assets | | <u>10,816</u> | <u>10,816</u> |
| Equity | | | |
| Share capital | 7 | 22,352 | 22,352 |
| Share premium account | | 21 | 21 |
| Retained earnings | | (11,557) | (11,557) |
| Total equity | | <u>10,816</u> | <u>10,816</u> |

Audit Exemption Statement

For the year ended 31 December 2014, 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 responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Statement of financial position
for the year ended 31 December 2014

The accounts on pages 2 to 9 were approved by the Board of Directors and authorised for issue on:

24 August 2015.

They were signed on its behalf by:

PJ Rowley,

P Rowley
Director

The accompanying notes are an integral part of this balance sheet.

Statement of changes in equity
for the year ended 31 December 2014

| | Share capital £000 | Share premium account £000 | Retained earnings £000 | Total £000 |
|----------------------------|--------------------------|-------------------------------------|------------------------------|---------------|
| At 1 January 2013 | 22,352 | 21 | (4,734) | 17,639 |
| Profit for the year | - | - | (6,823) | (6,823) |
| At 31 December 2013 | 22,352 | 21 | (11,557) | 10,816 |
| Profit for the year | - | - | - | - |
| At 31 December 2014 | 22,352 | 21 | (11,557) | 10,816 |

Statement of cash flows
for the year ended 31 December 2014

| | 2014 £000 | 2013 £000 |
|--|--------------|--------------|
| NON OPERATING ACTIVITIES | | |
| Loss before tax | - | (6,823) |
| Non-cash adjustments to reconcile profit before tax to net cash flows: | - | - |
| Non operating cash flows before movement in working capital | - | (6,823) |
| Reduction in debtors | - | 6,823 |
| Increase in payables | - | - |
| Income taxes | - | - |
| Net cash from non operating activities | - | - |
| FINANCING ACTIVITIES | | |
| Dividends | - | - |
| Net cash used in financing activities | - | - |
| Net movement in cash and cash equivalents | - | - |
| Cash and cash equivalents at beginning of year | - | - |
| Cash and cash equivalents at end of year | - | - |

1 Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) 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 majority of the Company's transactions are denominated, and all values are rounded to the nearest thousand, (£000), except when otherwise indicated.

The principal accounting policies adopted are set out below.

Going concern basis

The Directors have a reasonable expectation that the Company has sufficient resources to continue in its current position for the foreseeable future, and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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. Long term receivables are discounted where necessary.

Trade payables

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

Taxation

The tax charge/ (credit) comprises current and deferred tax. Income tax expense/ (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 payable/(receivable) on the profit /(loss) for the year and any adjustments in respect of previous years using tax rates enacted or substantively enacted at the reporting.

Deferred tax is recognised on an undisclosed basis 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.

Notes to the accounts (continued)
for the year ended 31 December 2014

2 Income tax

The tax for the year can be reconciled to the statement of comprehensive income as follows:

| | 2014 £000 | 2013 £000 |
|--|--------------|--------------|
| Loss before tax | - | (6,823) |
| Loss multiplied by standard rate of corporation tax in the UK (2013: 23.25%) | - | (1,586) |
| Tax effect of: | | |
| Impairment not assessable for tax | - | 1,586 |
| Total tax for the year | - | - |

3 Directors' emoluments

The directors received no remuneration for their services in respect of the Company in either the current or preceding year. The Company had no other employees.

4 Debtors

| | 2014 £000 | 2013 £000 |
|---|--------------|--------------|
| Amounts falling due after more than one year: | | |
| Amounts owed by group undertakings | 17,959 | 17,959 |
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 734 | 734 |

5 Creditors: Amounts falling due within one year

| | 2014 £000 | 2013 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | 7,877 | 7,877 |

Notes to the accounts (continued)
for the year ended 31 December 2014

6 Investments

The Company has investments in the following subsidiary undertaking.

| Company | Country of incorporation | Class of Shares | Holding % | Principal activities | Total £000 |
|---|-----------------------------|--------------------|-----------|----------------------|---------------|
| Racal-Tacticom Limited | UK | Ordinary | 100 | Dormant | |
| Cost and net book value | | | | | |
| At 1 January 2014 and at 31 December 2014 | | | | | 102 |
| Impairment | | | | | (102) |
| | | | | | <hr/> |

7 Share capital

| | 2014 £000 | 2013 £000 |
|---|--------------|--------------|
| <i>Authorised</i> | | |
| 22,526,024 ordinary shares of £1 each | <hr/> 22,526 | <hr/> 22,526 |
| <i>Allotted, called-up and fully-paid</i> | | |
| 22,351,841 ordinary shares of £1 each | <hr/> 22,352 | <hr/> 22,352 |

8 Ultimate controlling party

The immediate parent company is Thales Electronics Ltd (formerly Thales Electronics Plc), a company incorporated in the UK. 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 – CS 20001, 92098 PARIS LA DEFENSE CEDEX, France.