

Thales (Wigmore Street) Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2017

Registration number: 1900915

THURSDAY



A18 *A77LXV1M* 07/06/2018 #302
COMPANIES HOUSE

Thales (Wigmore Street) Limited

Contents

Company Information	1
Directors' Report	2
Strategic Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

Thales (Wigmore Street) Limited

Company Information

Directors M W P Seabrook
E McCrorie

Company secretary M W P Seabrook

Registered office 350 Longwater Avenue
Green Park
Reading
RG2 6GF

Company Registration No 1900915

Auditors Ernst & Young LLP
1 More London Place
London
SE1 2AF

Thales (Wigmore Street) Limited

Directors' Report

The Directors present their annual report and the financial statements, together with the auditor's report, for Thales (Wigmore Street) Limited for the year ended 31 December 2017.

Dividends

The Directors declared a final dividend of £116,732,000 (2016-£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.

Directors of the Company

The Directors who served during the year were as follows:

M W P Seabrook

E McCrorie Appointed 10 April 2017

F A Hexter Resigned 10 April 2017

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 2017 no political donations were made (2016- £nil).

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.

Auditors

In accordance with section 489 of the Companies Act 2006, the Company has not elected to re-appoint its auditor annually and Ernst & Young LLP will therefore continue in office.

Approved by the Board on 25 May 2018 and signed on its behalf by:



E McCrorie
Director

350 Longwater Avenue
Green Park
Reading
RG2 6GF

Thales (Wigmore Street) Limited

Strategic Report for the Year Ended 31 December 2017

Principal activity

The Company did not carry out any operating activities during the current or preceding year. It acts as the holding Company for a fellow subsidiary of the Thales Group in the UK. No change is currently envisaged in the Company's activities. As indicated in the Business review, the Company participated in a legal entity restructuring programme along with fellow Thales subsidiaries in the UK.

Business review

The Company participated in a substantial UK-wide legal entity restructuring programme aimed at simplifying the Group and inter-company balances structure in the UK. The effects of this on the Company were as follows; the receipt of final dividends from its subsidiary of £60,449,000 and the payment of a final dividend of £116,732,000. Additionally, the Company recognised an impairment charge of £59,963,000 representing the full carrying value of its investment in its wholly owned subsidiary.

The audited financial statements for the year ended 31 December 2017 are set out on pages 7 to 16.

The Company made a profit after taxation for the year of £486,000 (2016 - £265,000).

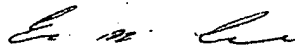
Financial risk management objectives and policies

The Company has only £2 of trade receivables, which is due from Thales UK, 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 credit risk or liquidity risk.

Approved by the Board on 25 May 2018 and signed on its behalf by:



E McCrorie
Director

350 Longwater Avenue
Green Park
Reading
RG2 6GF

Thales (Wigmore Street) 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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.;
- 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.

Thales (Wigmore Street) Limited

Independent Auditor's Report to the Members of Thales (Wigmore Street) Limited

Opinion

We have audited the financial statements of Thales (Wigmore Street) Limited for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes¹ to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 below. 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.

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.

Thales (Wigmore Street) Limited

Independent Auditor's Report to the Members of Thales (Wigmore Street) Limited (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial
- statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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.

Thales (Wigmore Street) Limited

Independent Auditor's Report to the Members of Thales (Wigmore Street) Limited (continued)

Matters on which we are required to report by exception

In the 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 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 by the parent Company, 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

Responsibilities of Directors

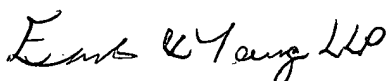
As explained more fully in the statement of Directors responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to 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 these financial statements.

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



J I Gordon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London 25 May 2018

Thales (Wigmore Street) Limited

Statement of comprehensive income for the Year Ended 31 December 2017

	Note	2017 £000	2016 £000
Revenue		-	-
Operating profit/(loss)		-	-
Finance income	5	60,449	265
Impairment of investment in subsidiary	8	(59,963)	-
Profit before tax		486	265
Income tax receipt/(expense)	6	-	-
Profit after tax		486	265
Total comprehensive income for the year		486	265

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

Thales (Wigmore Street) Limited

(Registration number: 1900915)


Statement of Financial Position as at 31 December 2017

	Note	2017 £000	2016 £000
Assets			
Non-current assets			
Investments in subsidiaries	7	-	59,963
Current assets			
Trade and other receivables	8	-	56,283
Total assets		-	116,246
Net assets		-	116,246
Equity			
Share capital	10	-	-
Retained earnings		-	116,246
Total equity		-	116,246

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

The financial statements on pages 8 to 16 were approved by the board of Directors and authorised for issue on 25 May 2018.

They were signed on its behalf by:



E McCrorie
Director

Thales (Wigmore Street) Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

Attributable to equity holders of the Company

	Share capital £000	Retained earnings £000	Total Equity £000
At 31 December 2015	-	115,981	115,981
Profit for the year	-	-	-
Total comprehensive income	-	265	265
At 31 December 2016	-	116,246	116,246
Profit for the year	-	486	486
Total comprehensive income	-	-	-
Dividends	-	(116,732)	(116,732)
At 31 December 2017	-	-	-

Thales (Wigmore Street) Limited

Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Profit for the year		486	265
Finance income	4	(60,449)	(265)
Impairment of investment in subsidiaries	7	59,963	-
		<u>-</u>	<u>-</u>
Working capital adjustments (Decrease) in trade and other receivables		<u>-</u>	<u>-</u>
Net cash flow from operating activities		<u>-</u>	<u>-</u>
Cash flow from financing activities			
Interest received		-	-
Cash flow from financing activities			
Interest paid		-	-
Dividends paid		-	-
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		<u>-</u>	<u>-</u>
Cash and cash equivalents at 31 December		<u><u>-</u></u>	<u><u>-</u></u>

Thales (Wigmore Street) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 Corporate information

The financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Directors on 25 May 2018. 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 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 (Wigmore Street) 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 2017 have had a material effect on the financial statements.

None of the standards, interpretations and amendments which are effective for 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.

Notes to the Financial Statements for the Year Ended 31 December 2017 continued

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 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). Bad debts are written off when identified. Long term receivables are discounted where necessary.

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.

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.

Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

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 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 assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets recognised in the financial statements are listed below:

Thales (Wigmore Street) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 continued

3 Finance income

	2017 £000	2016 £000
Finance income		
Other finance income	60,449	-
Interest received from fellow group companies	-	265
	<u>60,449</u>	<u>265</u>

4 Auditors' remuneration

For the year ended 31 December 2017, and for the preceding year, the auditor's remuneration of £1,705 (2016: £4,000) was borne by a fellow subsidiary.

5 Directors' remuneration

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

The Company had no employees other than the Directors.

6 Income tax expense

	2017 £000	2016 £000
Total tax charge for the year:	<u>-</u>	<u>-</u>
Profit before tax	486	265
Profit multiplied by standard corporation tax at 19.25% (2016: 20%)	94	53
Effects of:		
Dividends	(11,636)	-
Investment impairments	11,542	-
Group relief surrendered for nil payment	-	(53)
Total tax charge for the year	<u>-</u>	<u>-</u>

The rate of corporation tax reduced from 20% to 19% on 1 April 2017. A further reduction to 17% effective 1 April 2020 was included in the Finance Act 2016 which was substantively enacted on 6 September 2016.

Thales (Wigmore Street) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 continued

7 Investment in subsidiaries

The Company has an investment in the following subsidiaries which are incorporated in England and Wales.

	2017			2016		
	Cost	Impairment	Carrying Amount	Cost	Impairment	Carrying amount
	£000	£000	£000	£000	£000	£000
At 1 January	236,585	(203,622)	59,963	263,585	(203,622)	59,963
Provision		(59,963)	(59,963)	-	-	-
At 31 December	236,585	(236,585)	-	263,585	(203,622)	59,963

Details of the subsidiaries as at 31 December 2017 are as follows:

Name of subsidiary	Principal activity	Address	Proportion of ownership interest and voting rights held	
			2017	2016
Thales (Weybridge) Limited	Intermediate holding Company	350 Longwater Avenue Green Park Reading RG2 6GF	100%	100%
Link Miles Limited	Dormant Company	350 Longwater Avenue Green Park Reading RG2 6GF	100%	100%

The company impaired its investment in Thales (Weybridge) Limited by £59,963,000 following a dividend of £60,449,000 being received from Thales (Weybridge) Limited.

8 Trade and other receivables

	2017	2016
	£000	£000
Amounts owed by group undertakings	-	56,283

At 31 December 2017 the Company had an amount of £2 receivable from Thales UK which is neither overdue nor impaired. The amount receivable at 31 December 2016 was neither overdue nor impaired, and was realised as an asset by the Company for an amount of £56,283,000 during the year as part of the Thales UK Group simplification project.

9 Fair Value Measurement

In the Directors' opinion, there is no difference between amounts of assets presented in the annual statements and their fair values.

Thales (Wigmore Street) Limited

Notes to the Financial Statements for the Year Ended 31 December 2017 continued

10 Share capital

Allotted, called up and fully paid shares

	No.	2017 £000	No.	2016 £000
Ordinary shares of £1 each	1	-	1	-
B Ordinary shares of £1 each	1	-	1	-

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.

11 Related party transactions

	Amounts owed by		Amounts owed to		Transactions in the year	
	2017 £000	2016 £000	2017 £000	2016 £000	2017 £000	2016 £000
Parent Company	-	-	-	-	(116,732)	-
Fellow subsidiaries	-	56,283	-	-	60,449	265

The transactions in the year above are made up of £116,732,000 (2016: £nil) dividends paid to parent, and £60,449,000 (2016: £nil) dividends received from subsidiaries. In 2016 £265,000 interest was received from fellow subsidiaries.

The immediate parent Company is Thales Electronics 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.