

Thales Optronics (Holdings) Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2016

Registration number: 2156725



Thales Optronics (Holdings) Limited

Contents

Company Information	1
Directors Report	2
Strategic Report	4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6
Income Statement	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

Thales Optronics (Holdings) Limited

Company Information

Directors	M Seabrook E McCrorie
Company secretary	M Seabrook
Registered office	350 Longwater Avenue Green Park Reading RG2 6GF
Company Registration No	2156725
Auditors	Ernst & Young LLP 1 More London Place, London SE1 2AF

Thales Optronics (Holdings) Limited

Directors Report

The Directors present their annual report and financial statements, together with the auditors' report, for Thales Optronics (Holdings) Limited for the year ended 31 December 2016.

Matters relating to the principal activity, business review and principal risks and uncertainties are addressed in the Strategic Report on page 4.

Dividends

The directors do not recommend the payment of a dividend (2015-£nil)

Directors of the company

The directors who served during the year were as follows:

G M E Blanguernon Resigned 22 March 2017

M E Broughton Resigned 1 January 2016

S M Boulton Appointed 1 January 2016 and resigned 22 March 2017

The following directors were appointed after the year end:

M Seabrook Appointed 22 March 2017

E McCrorie Appointed 22 March 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 year to 31 December 2016 no political donations were made (2015- £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 their report, of which the auditor is unaware. Having made enquiries of the auditor, the Director has taken all the steps he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

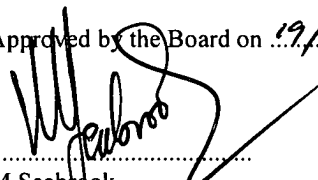
Thales Optronics (Holdings) Limited

Directors Report

Reappointment of auditors

Ernst & Young LLP have indicated their willingness to continue in office and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

Approved by the Board on 19/6/17 and signed on its behalf by:



.....
M Seabrook
Company secretary

350 Longwater Avenue
Green Park
Reading
RG2 6GF

Thales Optronics (Holdings) Limited

Strategic Report for the Year Ended 31 December 2016

The Directors present their strategic report for the year ended 31 December 2016.

Principal activities

The principal activity of the Company continues to be that of a holding Company.

The subsidiary undertakings held by the Company are listed in note 8 to the financial statements.

Business review

The Company operates only as a holding Company and made a profit for the year of £39,000 (2015:£39,000).

The Directors do not expect any change to the Company's activities.

Financial risk management objectives and policies

The Company has various financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

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

Credit risk

The Company's principal financial assets are trade and other receivables and investments.

The Company trades exclusively with fellow subsidiaries and associates.

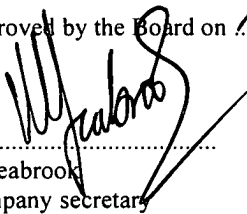
With respect to credit risk arising from the other financial assets of the Company, the exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Directors consider the credit risk to be minimal due to the financial status of its counterparties.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates is minimal.

Approved by the Board on 19/6/17 and signed on its behalf by:


.....
M Seabrook
Company secretary

350 Longwater Avenue
Green Park
Reading
RG2 6GF

Thales Optronics (Holdings) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, the Strategic 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 entity's financial position and financial performance

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 Optronics (Holdings) Limited

Independent Auditor's Report to the shareholders of Thales Optronics (Holdings) Limited

We have audited the financial statements of Thales Optronics (Holdings) Limited for the year ended 31 December 2016 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 notes 1 to 14. 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.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (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.

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 (APB's) Ethical Standards for Auditors to the financial statements.

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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2016 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.

Opinion on other matter 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 Directors' Report for the principal year for which the financial statements are prepared is consistent with the financial statements
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Thales Optronics (Holdings) Limited

Independent Auditor's Report to the shareholders of Thales Optronics (Holdings) Limited

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 identified no material misstatements in the strategic report or Directors' Report.

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



.....
J I Gordon (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

19 June 2017

Thales Optronics (Holdings) Limited

(Registration Number: 2156725)

Statement of comprehensive income for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Continuing Operations			
Finance Income	4	<u>39</u>	<u>39</u>
Profit before tax		39	39
Income tax receipt/(expense)	7	<u>-</u>	<u>-</u>
Profit for the year		<u>39</u>	<u>39</u>
Total comprehensive income for the year		<u><u>39</u></u>	<u><u>39</u></u>

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

Thales Optronics (Holdings) Limited

(Registration number: 2156725)

Statement of Financial Position as at 31 December 2016

	Note	2016 £ 000	2015 £ 000
ASSETS			
Non-current assets			
Investments in subsidiaries	8	<u>32,663</u>	<u>32,663</u>
		32,663	32,663
Current assets			
Trade and other receivables	9	<u>60,842</u>	<u>60,803</u>
Total assets		93,505	93,466
LIABILITIES			
Current liabilities			
Trade and other payables	10	<u>43,044</u>	<u>43,044</u>
Net assets		<u>50,461</u>	<u>50,422</u>
Equity			
Share capital	12	31,295	31,295
Share premium		8,366	8,366
Retained earnings	13	<u>10,800</u>	<u>10,761</u>
Total equity		<u>50,461</u>	<u>50,422</u>

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

The financial statements on pages 8 to 21 were approved by the board of directors and authorised for issue on

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They were signed on its behalf by: *19/6/17*

.....
M Seabrook
Director

Thales Optronics (Holdings) Limited

(Registration number: 2156725)

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £ 000 Note 12	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 31 December 2014	31,295	8,366	10,722	50,383
Comprehensive income for the year	-	-	39	39
At 31 December 2015	31,295	8,366	10,761	50,422
Comprehensive income for the year	-	-	39	39
At 31 December 2016	<u>31,295</u>	<u>8,366</u>	<u>10,800</u>	<u>50,461</u>

Share capital

The share capital reserve represents the consideration that has been received on exchange for ordinary share capital.

Share premium

The share premium reserve represents the consideration that has been received on exchange for ordinary share capital in excess of the nominal value of the share capital.

Thales Optronics (Holdings) Limited

(Registration number: 2156725)

Statement of Cash Flows for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
OPERATING ACTIVITIES			
Profit for the year		<u>39</u>	<u>39</u>
Adjustments to cash flows from non-cash items			
Finance Income		<u>(39)</u>	<u>(39)</u>
Operating cash flows before movement in working capital		-	-
Working capital adjustments			
Increase in trade and other receivables	9	<u>(39)</u>	<u>(39)</u>
Cash generated from operations		(39)	(39)
Income taxes (paid)/received	7	<u>-</u>	<u>-</u>
Net cash flow from operating activities		<u>(39)</u>	<u>(39)</u>
INVESTING ACTIVITIES			
Interest received	4	<u>39</u>	<u>39</u>
Net cash from investing 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>

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

Thales Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The financial statements for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Directors on the 19th June 2017.

The Company is incorporated in the United Kingdom under the Company's Act 2006. The address of the registered office is given on page 3. The nature of the Company's operations and principal activities are set out in the Strategic report.

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 except when otherwise indicated.

2 Accounting policies

Basis of accounting

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 unless otherwise stated.

These financial statements contain information about Thales Optronics (Holdings) 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 financial statements afforded by Section 400 of the Company's Act 2006 because it is a wholly owned subsidiary of Thales SA, which prepares consolidated financial statements which are publicly available.

The principal accounting policies adopted are set out below:

Going concern basis

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Investments

Investments are measured at cost less any identified impairment losses at each reporting date

Thales Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Impairment of investments

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

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

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

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

Trade and other 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. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade payables

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

Thales Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

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 date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is recognised on an undiscounted 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.

Revenue recognition

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

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 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:

Impairment of investments

The impairment reviews of certain investments in the trading subsidiaries are based on future cash flows.

Thales Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

3 Application of new and revised International Financial Reporting Standards (IFRSs)

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. There have been no new or amended International Financial Reporting Standards (IFRS's) and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective as of 1 January 2016.

New standards issued but not yet effective

The Company has not applied the following IFRS and IFRIC that are applicable to the Company and that have been issued but are not yet effective.

New/revised international financial reporting standards

Effective date		
IFRS 9	Financial Instruments	Annual Periods beginning on or after 1 January 2018

The Directors do not expect that the adoption of the above pronouncements will have a material impact to the financial statements in the period of initial application other than disclosure.

4 Finance income

	2016 £ 000	2015 £ 000
Finance income		
Interest receivable	<u>39</u>	<u>39</u>

5 Auditors' remuneration

For the year ended 31 December 2016 and the preceding year, the auditor's remuneration for audit services of £4,000 (2015: £4,000) has been borne by a fellow subsidiary.

6 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.

Thales Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

7 Income tax expense

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax	-	-
Total current income tax	-	-

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

	2016 £ 000	2015 £ 000
Profit before tax	39	39
Profit multiplied by the main rate of corporation tax in the UK of 20% (2015 - 20.25 %)	8	8
Tax effect of:		
Group relief surrendered for nil payment	(8)	(8)
Total tax charge/(credit)	-	-

The rate of corporation tax remained unchanged at 20% on 1 April 2016. Reductions to 19% and 18%, effective from 1 April 2017 and 1 April 2020 respectively, were included in the Finance Act (No.2) 2015 which was enacted on 18 November 2015, and 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 Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

8 Investments in subsidiary

Details of the subsidiaries as at 31 December 2016 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2016	2015
Thales Optronics Limited	Dormant Company	Scotland	100%	100%
			Subsidiary undertakings £ 000	
Cost				
At 1 January 2016 and 31 December 2016			<u>32,663</u>	
Provisions for impairment				
At 1 January 2016 and 31 December 2016			<u>-</u>	
Net book value as at 1 January 2016 and 31 December 2016			<u><u>32,663</u></u>	

9 Trade and other receivables

	2016 £ 000	2015 £ 000
Other receivables	5	5
Amounts receivable from group undertakings	<u>60,837</u>	<u>60,798</u>
	<u><u>60,842</u></u>	<u><u>60,803</u></u>

The Directors consider that an allowance for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience, is not necessary.

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.

At 31 December 2016 & 31 December 2015 the aged trade receivables analysis is as follows:

	Total	Neither past due nor impaired	Overdue amount less than 3 months	Overdue amount more than 3 months	Overdue amount more than 6 months
2016:	<u>60,842</u>	<u>60,842</u>	<u>-</u>	<u>-</u>	<u>-</u>
2015:	<u><u>60,803</u></u>	<u><u>60,803</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Thales Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

10 Trade and other payables

	2016 £ 000	2015 £ 000
Amounts due to group undertakings	<u>43,044</u>	<u>43,044</u>

The Directors consider that the carrying amount of trade payables approximates their fair value.

11 Financial instruments

Fair value

The Company's financial risks management policy is set out in the Strategic Report on page 2.

Set out below is a comparison of the carrying amounts and fair value of all of the Company's financial instruments.

	2016 Carrying amount £ 000	2016 Fair value £ 000	2015 Carrying amount £ 000	2015 Fair value £ 000
Financial assets:				
Trade and other receivables	<u>60,842</u>	<u>60,842</u>	<u>60,803</u>	<u>60,803</u>
Financial liabilities:				
Trade and other payables	<u>43,044</u>	<u>43,044</u>	<u>43,044</u>	<u>43,044</u>

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

Maturity of financial liabilities

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

	Within one year £ 000	Total £ 000
At 31 December 2016		
Trade and other payables	<u>43,044</u>	<u>43,044</u>
At 31 December 2015		
Trade and other payables	<u>43,044</u>	<u>43,044</u>

Maturity of financial assets

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

Thales Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

11. Financial Instruments

	Within one year £ 000	Total £ 000
At 31 December 2016		
Trade and other receivables	<u>60,842</u>	<u>60,842</u>
At 31 December 2015		
Trade and other receivables	<u>60,803</u>	<u>60,803</u>

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

Sensitivity analysis

As the Company has no cash and bank balances or overdrafts and loans and because its only financial instruments are balances with fellow group Company's that are denominated in sterling, there would be no significant impact on the statement of comprehensive income or net assets as a result of market movements in foreign exchange and interest rates.

12 Share capital

	No. 000	2016 £ 000	No. 000	2015 £ 000
<i>Authorised</i>				
31,295,358 ordinary shares of £1 each	<u>31,295</u>	<u>31,295</u>	<u>31,295</u>	<u>31,295</u>
Allotted, called up and fully paid shares				
	No. 000	2016 £ 000	No. 000	2015 £ 000
31,295,358 ordinary shares of £1 each	<u>31,295</u>	<u>31,295</u>	<u>31,295</u>	<u>31,295</u>

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 ended 31 December 2016 and 31 December 2015.

Thales Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

13 Retained earnings

	2016 £ 000	2015 £ 000
At 1 January	10,761	10,722
Profit for the year	<u>39</u>	<u>39</u>
At 31 December	<u><u>10,800</u></u>	<u><u>10,761</u></u>

Ultimate parent undertaking

The immediate parent Company is Thales UK Limited, 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 financial statements are prepared. Copies of the group financial statements of Thales SA are available from Tour Carpe Diem, 31 place des Corolles, 92098 Paris La Défense, France.

14 Related party transactions

During the year, the Company entered into the following transactions with related parties:

	Amounts owed by related parties		Amounts owed to related parties	
	2016 £ 000	2015 £ 000	2016 £ 000	2015 £ 000
Fellow subsidiaries	60,837	60,798	-	-
Fellow subsidiaries	-	-	43,044	43,044

	2016 Trading transactions £ 000	2015 Trading transactions £ 000
Interest on loan - fellow subsidiaries	<u>39</u>	<u>39</u>

The amounts outstanding are unsecured and no guarantees have been given or received. No expense has been recognised in the year for bad or doubtful debts in respect of the amounts owed by related parties.

The related party amounts disclosed above were as follows:

Thales Optronics (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

14. Related party transactions

	2016	2015
	£ 000	£ 000
Amounts owed by related parties		
Thales UK Limited	53,051	53,000
Thales Holdings UK Plc	7,786	7,798
Amounts owed to related parties		
Thales UK Limited	43,009	43,009
Controls and Communications Limited	35	35