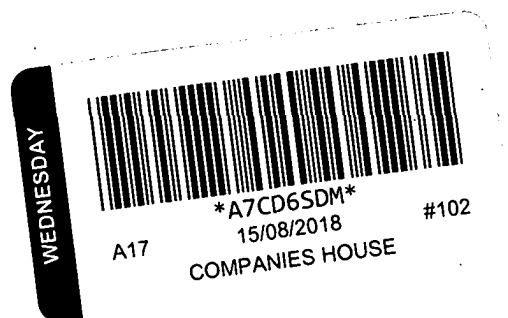


**Thales Training and Simulation Limited**

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

Registration number: 426402



# Thales Training and Simulation Limited

## Contents

Company Information	3
Directors' Report	4
Strategic Report	5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7-9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14

# Thales Training and Simulation Limited

## Company Information

### Directors

E A McCrorie  
M W P Seabrook

### Company Secretary

M W P Seabrook

### Registered office

350 Longwater Avenue  
Green Park  
Reading  
RG2 6GF

### Auditor

Ernst and Young LLP  
1 More London Place  
London  
SE1 2AF

# Thales Training and Simulation Limited

## Directors' Report

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

## Dividends

The Directors declared a final dividend of £92,138,000 (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.

## Environmental information

The Thales Group in the UK has implemented an Environmental Policy to conduct its current and future business in a way that protects the environment. This is achieved through development and implementation of Environmental Management Systems against which it reports 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. Current Environmental Programmes include reducing the Thales UK Group's carbon footprint and implementing a Green Purchasing programme.

## Directors of the Company

The Directors who served during the year were as follows:

E A McCrorie	Appointed – 10 April 2017
M W P Seabrook	Appointed – 10 April 2017
P Jayne	Resigned - 10 April 2017
S McCann	Resigned - 10 April 2017
M Norris	Resigned - 12 May 2017
J Standen	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).

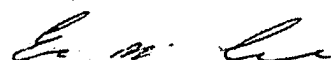
## Disclosure of information to the auditor

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 and Young LLP will therefore continue in office.

Approved by the Board on 3<sup>rd</sup> August 2018 and signed on its behalf by:



E McCrorie  
Director

350 Longwater Avenue  
Green Park  
Reading RG2 6GF

# Thales Training and Simulation Limited

## Strategic Report for the Year Ended 31 December 2017

### Principal activity

The Company did not carry out any operational trading activity during the current or preceding year. The Company acts as a holding company for Thales Group investments in a number of subsidiaries and certain other companies which provide training services to third parties. 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 include the payment of a dividend of £92,138,000, and the elimination of an intercompany loan receivable totalling £92,138,000.

The audited financial statements for the year ended 31 December 2017 are set out on pages 10 to 19.

The Company made a profit after taxation for the year of £3,833,000 (2016 restated: £2,792,000).


### Financial risk management objectives and policies

The Company has a single amount receivable from its parent company at the year end, being £12,800,000 (2016 restated: £101,105,000), and no financial liabilities.

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

In view of the above, the Directors consider that the Company has no exposure to credit risk or liquidity risk.

Approved by the Board on 3<sup>rd</sup> August 2018 and signed on its behalf by:



E McCrorie  
Director

350 Longwater Avenue  
Green Park  
Reading  
RG2 6GF

# Thales Training and Simulation 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 Training and Simulation Limited

## Independent Auditor's Report to the Members of Thales Training and Simulation Limited

### Opinion

We have audited the financial statements of Thales Training and Simulation 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 notes 1 to 13, 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.

### 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.

# Thales Training and Simulation Limited

## Independent Auditor's Report to the Members of Thales Training and Simulation 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.

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 Directors' report have been prepared in accordance with applicable legal requirements.

### 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.



# Thales Training and Simulation Limited

## Independent Auditor's Report to the Members of Thales Training and Simulation Limited continued

### Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 6, 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.

### 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.



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

# Thales Training and Simulation Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2017

	Note	2017 £000	2016 £000 Restated
Revenue		-	-
<b>Operating profit</b>		<u>-</u>	<u>-</u>
Finance income	3	3,833	2,792
<b>Profit before tax</b>		<u>3,833</u>	<u>2,792</u>
Income tax charge	6	<u>-</u>	<u>-</u>
<b>Profit after tax</b>		<u>3,833</u>	<u>2,792</u>
<b>Total comprehensive income for the year</b>		<u>3,833</u>	<u>2,792</u>

The notes on pages 14 to 19 form an integral part of these financial statements.

# Thales Training and Simulation Limited

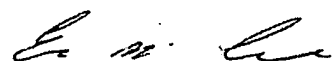
(Registration number: 426402)

Statement of Financial Position as at 31 December 2017

	Note	2017 £000	2016 £000 Restated
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries, joint ventures and associates	7	2,700	2,700
Other non-current financial assets	8	101	101
		<u>2,801</u>	<u>2,801</u>
<b>Current assets</b>			
Trade and other receivables	9	12,800	101,105
<b>Total assets</b>		<u><b>15,601</b></u>	<u><b>103,906</b></u>
<b>Current liabilities</b>		-	-
<b>Net assets</b>		<u><b>15,601</b></u>	<u><b>103,906</b></u>
<b>Equity</b>			
Share capital	10	-	61,000
Retained earnings		15,601	42,906
<b>Total equity</b>		<u><b>15,601</b></u>	<u><b>103,906</b></u>

The notes on pages 14 to 19 form an integral part of these financial statements.

Approved by the Board on 3<sup>rd</sup> August 2018 and signed on its behalf by:



E McCrorie  
Director

# Thales Training and Simulation Limited

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

	Share Capital £000	Retained earnings £000	Total £000
<b>At 31 December 2015 - Restated</b>	<b>61,000</b>	<b>40,114</b>	<b>101,114</b>
Profit for the year - Restated	-	2,792	2,792
Total comprehensive income - Restated	-	2,792	2,792
<b>At 31 December 2016 - Restated</b>	<b>61,000</b>	<b>42,906</b>	<b>103,906</b>
Profit for the year	-	3,833	3,833
Total comprehensive income	-	3,833	3,833
Capital reduction	(61,000)	61,000	-
Dividends	-	(92,138)	(92,138)
<b>At 31 December 2017</b>	<b>-</b>	<b>15,601</b>	<b>15,601</b>

The notes on pages 14 to 19 form an integral part of these financial statements.

# Thales Training and Simulation Limited

## Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £000	2016 £000 Restated
<b>Cash flows from operating activities</b>			
Profit for the year		3,833	2,792
Adjustment for non-cash items			
Finance income	3	-	-
		<u>3,833</u>	<u>2,792</u>
Working capital adjustments			
Increase in trade and other receivables	9	(3,833)	(2,792)
Decrease in trade and other payables		-	-
Net cash flow from operating activities		<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Interest received		-	-
<b>Cash flows from financing activities</b>			
Interest paid		-	-
Dividends paid		-	-
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		<u>-</u>	<u>-</u>

The notes on pages 14 to 19 form an integral part of these financial statements.

# Thales Training and Simulation Limited

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

### 1 General information

The Company is a private company limited by share capital, incorporated and domiciled in England and Wales. The address of its registered office is shown on page 3.

### 2 Accounting policies

#### **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the European Union ("IFRSs").

#### **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 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 Training and Simulation 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.

#### **Restatement of comparative figures**

The comparative amounts for the year ending 31 December 2016 have been restated (see note 9 for details). As part of the 2017 Thales UK simplification project, the Directors reviewed the terms of the previous business re-structuring and transfer, conducted on 31 December 2013, and concluded that the right to receive dividends from the Company's subsidiaries and investments should remain in Thales Training and Simulation Limited and was not transferred to Thales UK Limited. Accordingly, comparative amounts have been restated to reflect the receipt by the Company of all such dividends since 1 January 2014. This changed the total comprehensive income for the year ended 31 December 2016 by £2,792,000 to £2,792,000 and the net assets by £8,967,000 to £103,906,000 as 31 December 2016.

#### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 January 2017 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 2018, 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.

#### **Investments**

Investments in subsidiaries, associates and joint ventures are accounted for at cost less any provision for impairment. An impairment loss is recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

# Thales Training and Simulation Limited

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

### ***Investments continued***

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

### ***Trade receivables***

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

### ***Share capital***

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### ***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.

### ***Financial assets and liabilities***

#### ***Classification***

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.

#### ***Recognition and measurement***

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.

### ***Taxation***

The tax charge / (credit) comprises current and deferred tax. Income tax expense/(credit) is recognised in the statement of comprehensive income 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.

# Thales Training and Simulation Limited

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

### 3 Finance income

	2017 £000	2016 £000
Dividends received	<u>3,833</u>	<u>2,792</u>
	<u>3,833</u>	<u>2,792</u>

### 4 Auditor's remuneration

The Company incurred audit fees in the year of £1,705. This cost was borne by the Company's immediate parent Company, Thales UK Limited (2016: £nil – Company was dormant).

### 5 Employment costs

The Company had no employees during the year (2016: none) and did not incur any employment costs during the year (2016: £nil).

None of the Directors received any remuneration from the Company during the year in respect of services to the Company (2016: £nil). The Directors' costs are borne by Thales UK Limited.

### 6 Income tax charge

	2017 £000	2016 £000 Restated
<b>Total tax charge for the year:</b>	<u>-</u>	<u>-</u>
Profit before tax	3,833	2,792
Profit multiplied by standard corporation tax at 19.25% (2016: 20%)	738	558
<b>Effects of:</b>		
Dividends	<u>(738)</u>	<u>(558)</u>
<b>Total tax charge for the year</b>	<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 Training and Simulation Limited

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

### 7 Investments

	£000
Carrying value of investment in subsidiary at 31 December 2017	<u>2,700</u>
Carrying value of investment in subsidiary at 31 December 2016	<u>2,700</u>
Carrying value of investment in subsidiary at 31 December 2015	<u>2,700</u>

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

Name of subsidiary	Principal activity	Proportion of ownership interest and voting rights held	
		2017	2016
Thales Training & Simulation (Eagle Middle Wallop) Limited	Provision of training services	100%	100%
Thales Training & Simulation (Merlin) Limited	Provision of training services	100%	100%
Thales Training & Simulation (ACE Holdings) Limited	Holding Company	100%	100%

Holding 100,000 ordinary shares of £1 each in Thales Training & Simulation (Eagle Middle Wallop) Limited;

Holding 2,700,000 ordinary shares of £1 each in Thales Training & Simulation (Merlin) Limited;

Holding 100 ordinary shares of £1 each in Thales Training & Simulation (ACE Holdings) Limited;

Each of the above listed subsidiaries has its registered office at:  
350 Longwater Avenue, Green Park, Reading, RG2 6GF.

### 8 Other non-current financial assets

#### Other Participating interests comprise:

A shareholding of 67,600 ordinary shares of €1 each in Eurofighter Simulation Systems GmbH, a company incorporated in Germany. The company's registered office is Eurofighter Simulation, Systems GmbH, Ludwigstrasse 47, D-853899 – Hallbergmoos, Germany. The shareholding represents 26% of the issued ordinary shares. The principal activity of the company is the provision of simulation specific systems.

A shareholding of 284,998 ordinary shares of THB 10 each in International Training Ltd, a company incorporated in Thailand. The company's registered office is 63 Sukhumvit 8 (Soi Preeda), Sukhumvit Road, Klongtoey, Bangkok, Thailand. The shareholding represents 99.99% of the issued ordinary shares. The principal activity of the company is investment holding.

A shareholding of 3,060 shares of SAR1,000 each in The Advanced Arabian Simulation Company, a Company incorporated in Saudi Arabia. The company's registered office is PO BOX 90916, RIYADH 11623, Saudi Arabia. The shareholding represents 40% of the issued shares. The principal activity of the company is the provision of simulation training services.

# Thales Training and Simulation Limited

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

### 9 Trade and other receivables

	2017 £000	2016 £000 Restated
Amount due from parent company	12,800	101,105
	<u>12,800</u>	<u>101,105</u>

An amount of £92,138,000 receivable from the parent company at 31 December 2016 was realised as an asset by the Company for an amount of £92,138,000 during the Thales UK Group simplification project in the year ended 31 December 2017.

As part of the 2017 Thales UK simplification project, the Directors reviewed the terms of the previous business re-structuring and transfer, conducted on 31 December 2013, and concluded that the right to receive dividends from the Company's subsidiaries and investments should remain in Thales Training and Simulation Limited and was not transferred to Thales UK Limited, as had previously been considered. Accordingly, the comparative amount has been restated to reflect the receipt by the Company of all such dividends since 1 January 2014.

The Company does not have a separate bank account and participates in the pooled account managed by its parent company, Thales UK Limited. Dividends from subsidiaries and investee companies are paid directly into the Thales UK Limited pooled account and are treated as an amount receivable by the Company from its parent company.

The amount due from the parent company at 31 December 2017 for dividends held on account of £12,800,000 included dividends paid by the Company's subsidiary Thales Training & Simulation (Merlin) Limited and by its investee company Eurofighter Simulation Systems GmbH in the period since 1 January 2014, and included dividends paid by these companies in the year ended 31 December 2017 amounting to £3,833,000. The corresponding amount receivable at 31 December 2016 was £8,967,000, including dividends paid by these companies in 2016 of £2,792,000.

In the Directors' opinion, the amount receivable at 31 December 2017 and at 31 December 2016 is neither overdue nor impaired.

# Thales Training and Simulation Limited

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

### 10 Share capital

	2017		2016	
	No.	£000	No.	£000
Ordinary shares of £1 each	1	-	56,000,000	56,000
'B' Class Ordinary Shares of £5 each	-	-	1,000,000	5,000

As part of the Thales UK Group simplification project carried out in the year, the Company redeemed and cancelled 55,999,999 shares of £1 each and 1,000,000 'B' Class Ordinary Shares of £5 each, and transferred the total value of £60,999,999 to retained earnings.

### 11 Fair value measurement

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

### 12 Dividends

	2017 £000	2016 £000
Dividends paid	92,138	-

As stated in the Directors' Report, the Directors declared a final dividend of £92,138,000 during the year (2016: £nil).

### 13 Related party transactions

	Amounts owed by		Amounts owed to		Transactions in the year	
	2017 £000	2016 £000 Restated	2017 £000	2016 £000 Restated	2017 £000	2016 £000 Restated
Parent Company	12,800	101,105	-	-	(92,138)	-
Subsidiary	-	-	-	-	2,000	2,000
Associate					1,833	792

The transactions in the year comprises a dividend of £92,138,000 paid to the Company's immediate parent, Thales UK Limited (2016: £nil), and dividends received from the Company's subsidiary, Thales Training & Simulation (Merlin) Limited, and from its investee company, Eurofighter Simulation Systems GmbH.

The Company's immediate parent undertaking is Thales UK 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.