

# **GPT Special Project Management Limited**

Annual report and financial  
statements

Registered number 2984211

31 December 2015



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## Strategic report

### Principal activity and review of the business

The Company's principal activity continues to be the prime contractor offering design and build capital replacement projects of communications systems and associated projects, plus associated managed services – operations maintenance and customer training. There have not been any significant changes in the Company's principal activities in the year under review.

The Directors are of the opinion that the Company is a going concern. See note 1 to the financial statements.

The Company's branch activities in the Kingdom of Saudi Arabia are regulated by its commercial licence to operate and, as such, has served a single customer since its formation due to its status as prime contractor to its single customer. Therefore, the Company has no intention to seek new contracts with other customers.

The Company's customer, the Ministry of Defence, has the ability to levy financial penalties and/or require remedial action in the event that performance standards are not achieved. The Company monitors actual performance against anticipated performance on a monthly basis.

2015 was another challenging year for GPT, with delays in getting work packages onto contract.

The Company's turnover decreased by 18% when compared to 2014, mainly due to lower order intake than expected and as a result the profit before tax reduced for the year.

The overall equity increased in the year by SAR 9m.

Order intake for the year increased by 9% compared to last year which represents LOA3P3 projects coming on contract in the year.

The Company's key financial and other performance indicators during the year were as follows:

	2015 SAR 000	2014 SAR 000	Change %
Turnover	678,199	822,342	-18%
Profit before tax	10,781	19,287	-44%
Equity	84,487	75,246	+12%
Order intake	719,825	657,626	+9%
Cash at bank and in hand	254,770	233,387	+9%

## **Strategic report (continued)**

### **Future developments**

The margin performance of the Company is well established and the contracts are designed with fairly predictable margin levels in mind. The Company expects to continue to meet its growth expectations and obligations under its customer contracts and attain its financial targets over time accordingly.

### **Principal risks and uncertainties**

The Company remains the sole provider of communication systems and associated projects and services to its customer.

The Company retains its exclusive arrangement with its customer by providing efficient and cost effective services in addition to maintaining a strong relationship with the UK Ministry of Defence both in the Kingdom of Saudi Arabia and the UK.

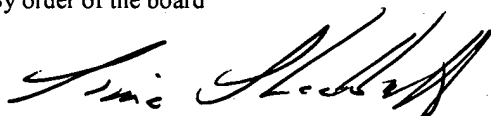
The Company has no loan arrangements and a sufficient working capital for its needs, therefore the Company has no interest rate exposure.

The Company has immaterial exposure to Foreign Exchange risk as its cash inflows and outflows are primarily in Saudi Arabian Riyals.

The Company is not exposed to any other form of financial risk.

Allegations have previously been made regarding a group of subcontractors. These matters are the subject of investigation by the UK authorities and were previously the subject of a claim for damages by the subcontractor group. More details are set out in note 12 to the financial statements.

By order of the board



Simon Shadbolt  
Managing Director

Date: 28 September 2016

21 Holborn Viaduct,  
London,  
EC1A 2FG

## **Directors' report**

The Directors present their annual report and financial statements for the year ended 31 December 2015.

The Company is a wholly owned subsidiary of Paradigm Services Limited and operates exclusively in the Kingdom of Saudi Arabia through its branch and sole trading office.

### **Results and dividends**

The profit for the year amounted to KSAR 8,716 (2014: KSAR 14,836).

No interim dividend was paid (31 December 2014: Nil). The Directors do not recommend the payment of a final dividend (31 December 2014: Nil).

### **Directors and Directors' interests**

The Directors who held office during the year were as follows:

Simon Shadbolt	(appointed 30 September 2015)
Alistair Corbet	(appointed 27 February 2015 and resigned 1 August 2016)
Muhammad Atif Mirza	(appointed 1 August 2016)
Nigel Ede	
Colin Paynter	
Aidan Joy	(resigned 29 October 2015)
Erik Ceuppens	(appointed 27 February 2015 and resigned 3 June 2015)

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

### **Payment Policy to Trade Creditors**

For all trade creditors, it is the Company's policy to:

- agree the terms of payment at the start of business with that supplier;
- ensure that suppliers are aware of the terms of payment; and
- pay in accordance with its contractual and other legal obligations.

### **Political and charitable contributions**

The Company made no political contributions during the year. No donations were made to UK charities (31 December 2014: Nil).

### **Employees**

Considerable importance is placed on communication, involvement and motivation of the employees of the Company. Two way communication ensures that employees are kept informed of the performance of the Company and of any key initiatives or projects, through regular briefings and bulletins.

The Company is committed to the continuing development of its employees and the implementation of policies that enable them to contribute to the performance and long term effectiveness of the organisation. Every opportunity is taken to reinforce our values throughout the business.

### **Disclosure of information to auditor**

The Directors who held office at the date of approval of this annual report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Directors' report (continued)**

**Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



Simon Shadbolt  
*Managing Director*

Date: ..... 2016

*26 September*

21 Holborn Viaduct,  
London,  
EC1A 2FG

## **Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (Financial Reporting Standard 102 'The Financial Reporting Standard' applicable in the UK and Republic of Ireland as issued in August 2014).

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 then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of GPT Special Project Management Limited**

We have audited the financial statements of GPT Special Project Management Limited for the year ended 31 December 2015 set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland

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 Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter –uncertain outcome of investigation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 12, which explains that it is not practicable for the Directors to state the impact on the financial statements, if any, of the investigation by the UK authorities referred to. As the ultimate outcome of this matter cannot presently be determined, no provision for any liability which might result has been made in the financial statements.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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



**Independent auditor's report to the members of GPT Special Project Management Limited (continued)**



**Amanda Moses (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants and Registered Auditor  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

Date: 26 September 2016

**Profit and Loss account and Other Comprehensive Income**  
*for the year ended 31 December 2015*

		Year ended 31 December 2015	Year ended 31 December 2014
	<i>Note</i>	<b>SAR 000</b>	<b>SAR 000</b>
<b>Turnover</b>	2	678,199	822,342
Cost of sales		(627,379)	(755,457)
<b>Gross profit</b>		<b>50,820</b>	<b>66,885</b>
Administrative expenses		(40,039)	(47,598)
<b>Profit on ordinary activities before taxation</b>	2,3	<b>10,781</b>	<b>19,287</b>
Tax on profit on ordinary activities	6	(2,065)	(4,451)
<b>Profit for the year / Total comprehensive income for the year</b>		<b>8,716</b>	<b>14,836</b>

The results above are all derived from continuing operations.

The notes on pages 11 to 18 form part of these financial statements.

**Balance sheet**  
*at 31 December 2015*

	Note	31 December 2015 SAR 000	31 December 2015 SAR 000	31 December 2014 SAR 000	31 December 2014 SAR 000
<b>Fixed assets</b>					
Tangible assets	7		4,969		4,990
<b>Current assets</b>					
Debtors	8	109,949		133,369	
Cash at bank and in hand		254,770		233,387	
		<u>364,719</u>		<u>366,756</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(280,677)</u>		<u>(287,374)</u>	
<b>Net current assets</b>			84,042		79,382
<b>Total assets less current liabilities</b>			<u>89,011</u>		<u>84,372</u>
<b>Provisions for liabilities</b>					
Trade-related provisions	10		<u>(4,524)</u>		<u>(9,126)</u>
<b>Net assets</b>			<u>84,487</u>		<u>75,246</u>
<b>Capital and reserves</b>					
Called up share capital*	11		-		-
Profit and loss account			84,487		75,246
<b>Equity</b>			<u>84,487</u>		<u>75,246</u>

\*The called up share capital of the Company is SAR 14.

The notes on pages 11 to 18 form part of these financial statements.

These financial statements were approved by the board of directors on 26 September 2016 and were signed on its behalf by:



Simon Shadbolt  
Managing Director  
Registered number - 2984211

## Statement of changes in equity

	Called up share capital	Profit and loss account	Total equity
	SAR 000	SAR 000	SAR 000
<b>Balance at 1 January 2015</b>	-	75,246	75,246
<b>Total comprehensive income for the year</b>			
Profit or loss	-	8,716	8,716
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	8,716	8,716
Equity-settled share based payment transactions (note 5)	-	525	525
<b>Total contributions by and distributions to owners</b>	-	525	525
<b>Balance at 31 December 2015</b>	-	84,487	84,487

	Called up share capital	Profit and loss account	Total equity
	SAR 000	SAR 000	SAR 000
<b>Balance at 1 January 2014</b>	-	60,410	60,410
<b>Total comprehensive income for the year</b>			
Profit or loss	-	14,836	14,836
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	14,836	14,836
<b>Balance at 31 December 2014</b>	-	75,246	75,246

The called up share capital of SAR 14 has remained unchanged for the above periods.

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### ***Basis of preparation***

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard' applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is Saudi Arabian Riyal (SAR). All amounts in the financial statements have been rounded to the nearest thousand.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, Airbus Group S.E. (formerly, Airbus Group N.V.) includes the Company in its consolidated financial statements. The consolidated financial statements of Airbus Group S.E. (formerly, Airbus Group N.V.) are prepared in accordance with International Financial Reporting Standards as adopted by the EU. In these financial statements, the company is considered to be a qualifying entity for the purposes of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Airbus Group S.E. (formerly, Airbus Group N.V.) include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt these exemptions under FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition or accounting estimates.

#### ***Going Concern***

The Directors have adopted a going concern basis for preparing the financial statements. In so doing, they have considered the business activities as well as the Company's principal risks and uncertainties.

The Company has served a single customer, UK Ministry of Defence, since its formation and enjoys an exclusive right as prime contractor. The Company has considered the level of work packages in the order backlog and in the pipeline and the commitment of the customer and is confident that the Company is a going concern. The Directors are satisfied that the Company will be able to operate within the level of its resources for the foreseeable future. For this reason the Company continues to adopt the going concern basis in preparing its financial statements.

Note 12 discloses that certain allegations have been made in connection with the Company's dealings with a subcontractor group. The Directors do not believe that these matters will affect the Company's ability to continue as a going concern for the foreseeable future.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Basic financial instruments**

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are recorded at cost less accumulated depreciation. Provision is made for impairment. Depreciation is provided over the estimated useful economic life of each of the assets using the straight line method at the following annual rates:

Motor vehicles	- over 2 to 4 years
IT equipment	- over 3 years
Fixtures and fittings	- over 4 years

#### **Taxation**

The charge for taxation is based upon the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by the applicable provisions of FRS 102.

GPT is tax exempt from Saudi Arabian Government taxes on profits arising from its customer contracts.

#### **Revenue and Profit Recognition**

Revenue represents sales made by the Company under its customer contracts.

The Company's long-term contract arrangements are accounted for under the provisions of FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

Capital replacement project contract revenue is recognised as per the provision of the standard; this is usually when a separately identifiable project milestone has been completed.

Attributable profit is recognised on long-term contracts, including service contracts, as appropriate to their stage of completion. Profit is calculated by reference to estimates of contract revenue and forecast costs after making suitable allowances for risks related to performance milestones yet to be achieved.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

#### **Group Pension Plans**

Certain employees of the Company are participating members of the Airbus Group UK Pension Scheme which provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by the applicable provisions of FRS 102, accounts for the scheme as if it was a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### **Share-based payment transactions**

##### *Equity-settled share-based payment transaction*

During the year, certain employees of the Company participated in the Group's 2015 Employee Share Ownership Plan (ESOP) and qualifying employees were granted shares of the Group's ultimate parent company, Airbus Group

S.E. (formerly, Airbus Group N.V.).

## Notes (continued)

### 1 Accounting policies (continued)

#### Share-based payment transactions (continued)

The fair value of the share-based payments awards at the grant date less total value of the payments made by employees as exercise price (net gain) is recognised as employee expense in the profit and loss account, with a corresponding increase in equity (Statement of changes in equity), over the period in which the employees become unconditionally entitled to the awards. Further details of this scheme are available in the Group's consolidated financial statements.

#### Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### Provisions for Warranties

The Company has an obligation under its customer contracts to provide defects warranties to the UK Ministry of Defence in respect of project works carried out in relation to systems and civils (construction) based work included within the scope of the respective project.

GPT Management regularly monitors the potential exposure under such projects in relation to the warranty provisions within the contracts.

### 2 Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit on ordinary activities before taxation originates in the Kingdom of Saudi Arabia and is derived from the Company's principal activity.

### 3 Expenses and auditor's remuneration

	Year ended 31 December 2015 SAR 000	Year ended 31 December 2014 SAR 000
<i>Including in the profit and loss account are the following:</i>		
Depreciation	3,228	4,527
Profit on sale of tangible fixed assets	(225)	-
Operating lease cost	30,534	31,152
	<u>30,534</u>	<u>31,152</u>

	Year ended 31 December 2015 SAR 000	Year ended 31 December 2014 SAR 000
<i>Auditor's remuneration:</i>		
Audit of these financial statements	900	1,000
	<u>900</u>	<u>1,000</u>

### 4 Remuneration of Directors

	Year ended 31 December 2015 SAR 000	Year ended 31 December 2014 SAR 000
Directors' emoluments	1,883	1,946
Pension contributions	259	317
	<u>2,142</u>	<u>2,263</u>

## Notes (continued)

### 4 Remuneration of Directors (continued)

Directors' emoluments include expense of KSAR 16 (2014: Nil) in respect of equity-settled share-based payment transaction.

The emoluments of the highest paid Director was KSAR 1,000 (2014: KSAR 1,123).

The highest paid director was a member of the Airbus Group UK defined benefit pension scheme and the associated pension costs (employer's pension contributions) were KSAR 259 (2014: KSAR 317).

### 5 Staff numbers and costs

The average number of persons employed by the Company (including directors, but excluding contractors) during the year was as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
Overseas	480	480
UK	-	6
	<u>480</u>	<u>486</u>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
	SAR 000	SAR 000
Wages and salaries	115,102	112,246
Social security costs	3,931	3,982
Other pension costs	427	977
	<u>119,460</u>	<u>117,205</u>

Wages and salaries include expense of KSAR 525 (2014: Nil) in respect of equity-settled share-based payment transaction.

Certain employees of the Company are participating members of the Airbus Group UK Pension Scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company.

Airbus Defence and Space Limited (Formerly, Astrium Limited) account for the scheme in accordance with the applicable provisions of FRS 102. This information, updated by Towers Watson Limited to take account of FRS 102 in order to assess the liabilities of the scheme at 31 December 2015 showed a net pension liability of £61.9 million (2014: £49.9 million).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.



## Notes (continued)

### 6 Taxation

#### Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Year ended 31 December 2015	Year ended 31 December 2014
	SAR 000	SAR 000
<i>UK corporation tax</i>		
Current tax for the year	1,696	4,296
Under provision in prior year	-	269
Total current tax charge	<u>1,696</u>	<u>4,565</u>
<i>Deferred tax</i>		
Current year charge/(credit)	107	(114)
Effects of changes in tax rates	<u>262</u>	<u>-</u>
Total deferred tax charge/(credit) (note 8)	<u>369</u>	<u>(114)</u>
<b>Total tax expense</b>	<u><b>2,065</b></u>	<u><b>4,451</b></u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The Company measures its deferred tax asset (or liability) using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. The deferred tax asset at 31 December 2015 has been calculated based on the rate of 19.0% substantively enacted at the balance sheet date.

#### Reconciliation of effective tax rate

The total tax charge for the period is higher than the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%). The differences are explained below:

	Year ended 31 December 2015	Year ended 31 December 2014
	SAR 000	SAR 000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	10,781	19,287
Tax charge at standard rate of tax of 20.25% (2014: 21.49%)	2,183	4,145
<i>Effects of:</i>		
Expenses not allowable for tax purposes	197	-
Difference in tax rates	262	-
Deferred tax not recognised	(577)	37
Under provision in prior year	-	269
<b>Total tax expense</b>	<u><b>2,065</b></u>	<u><b>4,451</b></u>

## Notes (continued)

### 7 Tangible fixed assets

	<u>Motor Vehicles</u>	<u>IT Equipment</u>	<u>Fixtures &amp; fittings</u>	<u>Total SAR 000</u>
<b>Cost:</b>				
Balance at 1 January	30,398	8,370	1,403	40,171
Additions	2,675	522	10	3,207
Disposals	(3,642)	-	-	(3,642)
Balance at 31 December	29,431	8,892	1,413	39,736
<b>Depreciation:</b>				
Balance at 1 January	26,476	7,404	1,301	35,181
Charge for year	2,573	621	34	3,228
Disposals	(3,642)	-	-	(3,642)
Balance at 31 December	25,407	8,025	1,335	34,767
<b>Net book value:</b>				
At 1 January 2015	3,922	966	102	4,990
At 31 December 2015	4,024	867	78	4,969

### 8 Debtors

	<b>31 December 2015 SAR 000</b>	<b>31 December 2014 SAR 000</b>
Trade debtors	47,882	48,723
Amounts owed by group undertakings	9,670	15,094
Prepayments and accrued income	47,518	64,304
Deferred tax asset (see note below)	4,879	5,248
	<b>109,949</b>	<b>133,369</b>

Debtors include prepayments and accrued income of KSAR 1,752 (2014: KSAR 2,076) due after more than one year.

		Deferred taxation SAR000
At 1 January 2015		5,248
Charge for the year		(369)
		<hr/>
At 31 December 2015		4,879
		<hr/> <hr/>
The elements of deferred taxation are as follows:		
	2015 SAR 000	2014 SAR 000
Difference between accumulated depreciation and amortisation and capital allowances	4,879	5,248
	<hr/>	<hr/>
Deferred tax asset	4,879	5,248

There is an unrecognised deferred tax asset of KSAR 7,309 at 31 December 2015 (2014: KSAR 8,301). This treatment is consistent with prior years and relates to timing differences which are not expected to reverse in the foreseeable future.

## Notes (continued)

### 9 Creditors: amounts falling due within one year

	31 December 2015 SAR 000	31 December 2014 SAR 000
Trade creditors	36,520	20,904
Amounts owed to group undertakings	47,565	12,643
Taxation and social security	496	602
Accruals and Deferred income	196,096	253,225
	<u>280,677</u>	<u>287,374</u>

Included within the accruals and deferred income above, is KSAR 37,921 (2014: KSAR 36,356) of employee end-of-service accrual.

### 10 Trade Provisions

	Total SAR 000
At 1 January 2015	9,126
Provision utilisation	(4,602)
At 31 December 2015	<u>4,524</u>

At the balance sheet date, the Company had total specific provisions of KSAR 4,524 which pertain to the following:

- During the year, the legal dispute (which was unconnected with the subcontractor group to which note 12 refers) was settled in full and there was no provision outstanding as at the end of the year (2014: KSAR 4,602); and
- KSAR 4,524 (2014: KSAR 4,524) in relation to potential exposure under project warranty period obligations. The Company has not made any payments in the prior years in respect of this provision and the level and timing of any potential future payments is uncertain.

### 11 Called up share capital

	31 December 2015 SAR	31 December 2014 SAR
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	14	14

### 12 Contingencies

Certain allegations have been made in connection with the Company's dealings with a subcontractor group. These allegations have been notified to the UK authorities and in August 2012 the UK Serious Fraud Office announced that it had decided to open an investigation into these allegations. The Directors are not in a position to assess the outcome of the investigation, nor are they in a position to assess the financial implications, if any, and it is not practicable for the Directors to state the impact, if any, of this matter on the financial statements.

The SFO investigation is ongoing. The contracts with the subcontractor group were terminated. This termination led to a claim from the subcontractor group for damages, as referred to in the previous years' financial statements. The subcontractor's claims in respect of repudiatory breach and misrepresentation were determined in the year 2013 with no liability to GPT. The Directors believe that any remaining liabilities in respect of this open claim are adequately provided for in the financial statements. The claim is expected to remain open until the SFO investigation is concluded.

## Notes (continued)

### 13 Related party disclosures

As the Company has taken advantage of the exemption in accordance with section 33.1A of FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the Group.

### 14 Operating leases

The value of non-cancellable operating lease property rental commitments is follows:

	2015 SAR 000	2014 SAR 000
Less than one year	13,161	12,569
Between one and five years	12	17
	<u>13,173</u>	<u>12,586</u>

Please note that the above property rental commitments have already been paid.

### 15 Commitments

Capital commitment in relation to IT equipment purchases was KSAR 425 as at 31 December 2015 (2014: Nil).

### 16 Accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Revenue on capital replacement projects is recognised on the completion of individual performance milestones.
- Revenue on long-term service contract is recognised based on the stage of completion. Profit is calculated by reference to estimates of contract revenue and forecast costs after making suitable allowances for risks related to performance milestones yet to be achieved.
- The Company monitors the potential exposure to risks and recognise provisions, where applicable and material to the Company, in accordance with the accounting policy in place. The current level of provision (note 10) as at 31 December 2015 represents the potential exposure under its customer contracts (civil element of the project) to provide defects warranties to the UK Ministry of Defence.

### 17 Transition to FRS 102

The Company adopted FRS 102 for the first time and there are no differences arising as a result of this adoption to the current year figures or to the comparative prior year amounts.

### 18 Ultimate parent undertaking and parent undertaking of larger group of which the Company is a member

The Company's ultimate parent company and controlling party is considered by the Directors to be Airbus Group S.E. (formerly, Airbus Group N.V.) which is registered in The Netherlands. Airbus Group S.E. (formerly, Airbus Group N.V.) is the parent undertaking of the largest group of undertakings of which the Company is a subsidiary undertaking for which group financial statements are prepared. The parent undertaking of the smallest such group of undertakings of which the Company is a subsidiary undertaking is Airbus Defence and Space N.V. which is registered in The Netherlands. Copies of the financial statements of Airbus Group S.E. (formerly, Airbus Group N.V.) and Airbus Defence and Space N.V., are available from The Secretary, Airbus Defence and Space N.V., Mendelweg 30, 2333 CS Leiden, The Netherlands.