GPT Special Project Management Limited

Directors' report and financial statements

Registered number 2984211

Year ended 31 December 2012

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2012

Principal activities and business review

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

The Company's principal activity continues to be the prime contractor offering design and build capital replacement projects of communications systems 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

Trading

As shown in the Company's profit and loss account on page 6, the Company's sales have increased by 60 6% compared to the prior year The Company's profitability levels continue to be in line with management expectations

No interim dividend was paid (31 December 2011 Nil) The Directors do not recommend the payment of a final dividend (31 December 2011 Nil)

The Company has forecast the anticipated financial performance of its customer contracts over their respective terms The Company monitors its actual performance against anticipated performance monthly At 31 December 2012 the Company's performance against this measure was satisfactory The Company expects this level of performance to continue into the future

Outlook

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

Organisational and business ramp-up continues as progress under the Company's customer contracts gains momentum, with this trend expected to continue over the following financial periods

Key Performance Indicators

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 In respect of the year ended 31 December 2012, the performance against these measures was satisfactory The Company does not expect this to alter significantly in the future

Principal risks and uncertainties

The Company remains the sole provider of 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 its customer 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 it cash inflows and outflows are primarily in Saudi Arabia Riyals

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

Directors' report (continued)

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 14 to the financial statements

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

Directors and directors' interests

The directors who held office during the year were as follows

Laurence Bryant

Jeff Cook

Keith Norton (resigned 16 May 2012)

Caroline Masters

Simon Kershaw

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

Political and charitable contributions

The Company made no political contributions during the year No donations were made to UK charities (31 December 2011 Nil)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' 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

Auditor

In accordance with the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the board

Laurence Bryant
Director
Date 30 September 2013

21 Holborn Viaduct,
London,
EC1A 2FG

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 (UK Generally Accepted Accounting Practice)

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

KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

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 2012 set out on pages 6 to 16

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 3, 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 web-site at 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 2012 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 Companies Act 2006

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

Emphasis of matter – uncertain outcome of investigation

In forming our opinion on the financial statements, which is not modified, we have considered the disclosure made in note 14, which explains that it is not practicable for the directors to state the impact on the financial statements, if any, of the investigation 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 Directors' Report for the financial year 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,
- we have not received all the information and explanations we require for our audit

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 1 October 2013

Profit and loss account
for the year ended 31 December 2012

	Note	Year ended 31 December 2012	Year ended 31 December 2011
		SAR 000	SAR 000
Turnover	2	**682,151**	424 698
Cost of sales		**(622,407)**	(392,691)
Gross profit		**59,744**	32,007
Administrative expenses		**(40,344)**	(28,087)
Operating profit		**19,400**	3 920
Other interest receivable and similar income	6	**73**	66
Profit on ordinary activities before taxation	2 3	**19,473**	3,986
Tax on profit on ordinary activities	7	**(7,056)**	(1,607)
Profit for the financial year		**12,417**	2 379

The results above are all derived from continuing operations

There are no recognised gains and losses for the year other than those recorded in the profit and loss account

The notes on pages 9 to 16 form part of these financial statements

Balance sheet
at 31 December 2012

	Note	**31 December 2012 SAR 000**	**31 December 2012 SAR 000**	31 December 2011 SAR 000	31 December 2011 SAR 000
Fixed assets					
Tangible assets	*8*		**13,894**		14,296
Current assets					
Debtors	*9*	**137,600**		157,535	
Cash at bank and in hand		**260,001**		200,400	
		397,601		357,935	
Creditors amounts falling due within one year	*10*	**(303,070)**		(281,834)	
Net current assets			**94,531**		76,101
Total assets less current liabilities			**108,425**		90,397
Provisions for liabilities and charges	*11*		**(15,792)**		(10,181)
Net assets			**92,633**		80,216
Capital and reserves					
Called up share capital*	*12*		-		-
Profit and loss account	*13*		**92,633**		80,216
Shareholders' funds			**92,633**		80,216

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

The notes on pages 9 to 16 form part of these financial statements

These financial statements were approved by the board of directors on 30 September 2013 and were signed on its behalf by

Laurence Bryant
Director
Registered number - 2984211

Reconciliation of movements in shareholders' funds
for the Year ended 31 December 2012

	Year ended 31 December 2012	Year ended 31 December 2011
	SAR 000	SAR 000
Profit for the financial year	**12,417**	2 379
Net increase in shareholders' funds	**12,417**	2,379
Opening shareholders funds	**80,216**	77,837
Closing shareholders' funds	92,633	80 216

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

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised) not to prepare a cashflow statement on the grounds that a parent undertaking includes the Company in its own published financial statements

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 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 14 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

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 FRS 19

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 SSAP9, Stocks and Long-term Contracts Capital replacement project contract revenue is recognised when the Company has obtained the right to consideration in exchange for its performance This is usually when a separately identifiable project milestone has been completed and accepted by the customer

Attributable profit is recognised on such 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 Service contract revenue is measured at the fair value of the consideration received or receivable

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

Notes *(continued)*

1 Accounting policies *(continued)*

Post-retirement benefits

The Company is a participating member of the EADS Astrium 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 FRS 17 'Retirement Benefits', 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

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 has carried out an assessment of potential exposure under such projects in relation to the warranty provisions within the contracts and have made a specific provision during the year of SAR 5,611k (2011 SAR 1,581k)

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 Notes to the profit and loss account

	Year ended 31 December 2012	Year ended 31 December 2011
	SAR 000	SAR 000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Auditors' remuneration		
Audit of these financial statements	**612**	504
Depreciation	**8,144**	5,192
Profit on sale of tangible fixed assets	**(1,158)**	(524)

4 Remuneration of directors

	Year ended 31December 2012	Year ended 31 December 2011
	SAR 000	SAR 000
Directors emoluments	**2,533**	2,444
Pension contributions	**-**	-
	2,533	2,444

The emoluments of the highest paid director was KSAR 1,664 0 (2011 KSAR 1,588 0)

The highest paid director is not a member of the EADS Astrium UK defined benefit pension scheme and, as such, no pension costs have been incurred Benefits are accruing for two directors at the Balance Sheet date

Notes *(continued)*

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 2012	Year ended 31 December 2011
Overseas	**419**	379
UK	**10**	6
	429	385

The aggregate payroll costs of these persons were as follows

	Year ended 31 December 2012	Year ended 31 December 2011
	SAR 000	SAR 000
Wages and salaries	**88,680**	71,414
Social security costs	**3,195**	2,313
Other pension costs	**866**	898
	92,741	74,625

The Company is a member of the EADS Astrium Pension Scheme providing benefits based on final pensionable pay The Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by the multi employer exemptions in FRS 17 'Retirement Benefits' the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme

EADS Astrium Limited account for the scheme in accordance with FRS 17 This information, updated by Towers Watson Limited to take account of FRS 17 in order to assess the liabilities of the scheme at 31 December 2012 showed a net pension liability of £ 42 6 million (2011 £44 7 million)

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

Notes *(continued)*

6 Other interest receivable and similar income

	Year ended 31 December 2012	Year ended 31 December 2011
	SAR 000	SAR 000
Bank interest receivable	**73**	66

7 Taxation

	Year ended 31 December 2012	Year ended 31 December 2011
	SAR 000	SAR 000
UK corporation tax		
Current tax for the year (surrendered for Group Relief)	**8,864**	4,055
(Over) provision in prior year	**(1,012)**	(948)
Total current tax	**7,852**	3,107
Deferred tax		
Current year (credit)	**(1,124)**	(1,693)
Effects of changes in tax rates	**328**	193
Total Deferred Tax (note 9)	**(796)**	(1,500)
Tax on profit on ordinary activities	**7,056**	1,607

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015 A reduction in the rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012 and further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013

This will reduce the company's future current tax charge accordingly The deferred tax asset at 31 December 2012 has been calculated based on the rate of 24 5% substantively enacted at the balance sheet date It has not yet been possible to quantify the full anticipated effect of the announced further rate reduction although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly

Notes *(continued)*

7 Taxation (continued)

FRS19 Reconciliation of current tax charge

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 24 5%, (2011 26 5%) The differences are explained below

	Year ended 31 December 2012	Year ended 31 December 2011
	SAR 000	SAR 000
Current tax reconciliation		
Profit on ordinary activities before tax	**19,473**	3,986
Current tax at 24 5%	**4,770**	1,056
Effects of		
Expenses not allowable for tax purposes	**1,345**	524
Depreciation in excess of capital allowances	**1,711**	1,237
Other short term timing differences	**1,038**	1,238
(Over) provision in prior year	**(1,012)**	(948)
Total current tax charge (see above)	**7,852**	3,107

Notes *(continued)*

8 Tangible fixed assets

	Motor Vehicles	IT Equipment	Fixtures & fittings	Total SAR 000
Cost				
At beginning of year	25,338	6,351	1,310	32,999
Additions	7,006	736	--	7,742
Disposals	(4,153)	--	--	(4,153)
At end of the year	28,191	7,087	1,310	36,588
Depreciation				
At beginning of year	14,955	3,271	477	18,703
Charge for year	6,288	1,529	327	8,144
Eliminated on disposal	(4,153)	--	--	(4,153)
At end of year	17,090	4,800	804	22,694
Net book value				
At 31 December 2012	11,101	2,287	506	13,894
At 31 December 2011	*10,383*	*3,080*	*833*	*14,296*

Notes *(continued)*

9 Debtors

	31 December 2012 SAR 000	31 December 2011 SAR 000
Trade Debtors	-	1,182
Prepayments and Accrued Income	132,702	152 251
Deferred tax	4,898	4,102
	137,600	157 535

	Deferred taxation SAR000
At beginning of year	4,102
Credit to the profit and loss for the year	796
At end of year	4,898

The elements of deferred taxation are as follows	2012 SAR 000	2011 SAR 000
Difference between accumulated depreciation and amortisation and capital allowances	4,701	3,577
Other short term timing differences	197	525
Deferred tax asset	4,898	4,102

10 Creditors: amounts falling due within one year

	31December 2012 SAR 000	31 December 2011 SAR 000
Trade creditors	54,860	82,901
Amounts owed to group undertakings	44,518	27,544
Taxation and social security	346	291
Accruals and Deferred income	203,346	171,098
	303,070	281,834

11 Provisions for liabilities and charges

	Total SAR 000
At beginning of year	10,181
Additional provision created	5,611
At end of year	15,792

At the balance sheet date, specific provisions of KSAR 8 157 in relation to potential exposure under project warranty period obligations and KSAR 7,635 in relation to an ongoing legal dispute which is unconnected with the subcontractor group to which note 14 refers were held

Notes (continued)

12 Called up share capital

	31 December 2012 SAR	31 December 2011 SAR
Authorised		
1 000 Ordinary shares of £1 each	**7,000**	7,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**14**	14

13 Reserves

	Profit and loss account SAR 000
At beginning of year	**80,216**
Profit for the year	**12,417**
At end of year	**92,633**

14 Contingent Liabilities

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 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 year's accounts Since the year end, the subcontractor's claims in respect of repudiatory breach and misrepresentation have been determined with no liability to GPT The Directors believe that any remaining liabilities to the subcontractor group are adequately provided for in the accounts and no contingent liability remains

15 Related party disclosures

As the Company is a wholly owned subsidiary of EADS N V , it has taken advantage of the exemption in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

16 Commitments

There are no commitments as at 31 December 2012 (2011 zero)

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

The Company's immediate parent undertaking is Paradigm Services Limited The smallest and largest group in which the results of the company are consolidated is EADS N V , its ultimate parent undertaking The financial statements of EADS N V can be obtained from Investor Relations, 37 Boulevard Montmorency, 75781 Paris Cedex 16, France