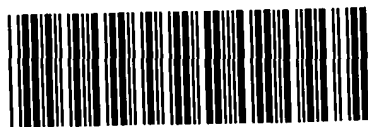


**General Dynamics Global Holdings  
Limited**  
Annual report and financial statements  
Registered number 8778567  
31 December 2023

SATURDAY



\*ADA70DRS\*

A8

24/08/2024

#272

COMPANIES HOUSE

## Contents

Strategic report	1
Directors' report	8
Statement of directors' responsibilities in respect of the Strategic report, the Directors' Report and the financial statements	9
Independent auditor's report to the members of General Dynamics Global Holdings Limited	10
Profit and Loss Account and Other Comprehensive Income	14
Balance sheet	15
Statement of Changes in Equity	16
Notes to the financial statements	17

## Strategic report

The directors present their annual report and the audited financial statements for the year ended 31 December 2023.

### Principal activities

The principal activity of General Dynamics Global Holdings Limited ("GDGH" or the "Company") is to act as intermediate holding company for most of the European and Canadian businesses owned indirectly by General Dynamics Corporation ("General Dynamics"). In this function, the Company facilitates capital deployment among General Dynamics and the Company's businesses.

### Section 172(1) Statement

The Directors have considered the reporting requirements required by The Companies (Miscellaneous Reporting) Regulations 2018 which apply to companies meeting certain criteria for financial years starting on or after 1 January 2019 and considers the company is within scope by virtue of it being the parent company of a large trading group.

The regulations require that the Directors report on specific matters, however, the Directors note that GDGH does not trade in its own right other than to provide the services of employees to related parties and does not hold any trading contracts with third parties. Consequently, the Directors are of the view that there are no relevant matters to be reported in connection with the engagement with customers and suppliers.

GDGH had 3 employees during the year and they are fully incorporated into the same programme of employee engagement and training that exists within General Dynamics United Kingdom Ltd ("GDUK"), a wholly owned subsidiary of GDGH with average employees of 931 in 2023. There is investment in training and development and a comprehensive employee communications programme. Employees have access to the GDUK internal employee engagement platform where they can share news and ideas with colleagues. Participation and involvement in matters which affect their interests as employees is encouraged as well as obtaining feedback using organisation wide questionnaires. All employees have a quarterly meeting with their line manager which includes discussions on objectives and their personal and career development. The adoption of GDUK's implemented policies and processes also provide a means to give employees their views and feedback. Through the implementation of these policies and processes, the Directors and Management have regard to the interests of the Company's employees.

The Directors carry out their duties in a way that they consider to be in good faith, would most likely promote the success of the company for the benefit of its members as a whole and with due regard to other stakeholder interests and in accordance with Corporate Governance.

### Principal Risk & Uncertainties

GDGH and certain of its subsidiaries are parties to structural inter-company balances. For a variety of business and treasury reasons, the Company desires to address these balances and clear them to the extent feasible. The plan(s) the Company develops to address these balances may involve transactions that have an element of risk or uncertainty.

In addition, General Dynamics will continue to develop and execute its global capital deployment plan for its international group companies and, as such, GDGH may be involved in future treasury transactions such as supporting European and Canadian borrowings or cash redeployments that may contain risk or uncertainty in one or more areas.

### Future Developments & Strategies

GDGH will remain a holding company for most of General Dynamics' European and Canadian businesses. GDGH is likely to participate in transactions to resolve inter-company balances within its structure and may also support group company borrowings from affiliates or third parties. Additionally, GDGH will participate in transactions to support General Dynamics' investments in the Company's Canadian and European operating businesses, or participate in acquiring and capitalizing new Canadian or European businesses.

## **Strategic Report (continued)**

### **Streamlined Energy and Carbon Reporting (SECR)**

The Companies (Director' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implement the government's policy on Streamlined Energy and Carbon Reporting (SECR). These regulations were introduced to increase awareness of energy costs and provide data to inform of the adoption of energy efficiency measures being taken and help reduce their impact on climate change while seeking to provide greater transparency for stakeholders. The 2018 Regulations require disclosure where large unquoted UK companies have consumed more than 40,000 kilowatt-hours (kWh) of energy in the reporting period when considering all energy from gas, electricity and transport fuel usage in the UK that they are responsible for. Climate change is a concern to the Directors who are committed to reducing global environmental impact and striving to be a leader in improving environmental quality with Corporate Sustainability rooted in the Company ethos.

With the exception of General Dynamics United Kingdom Ltd (GDUK), GDGH and its UK investments have consumed less than 40,000 kWh and qualify as low energy users and claiming exemption from reporting under these regulations in their individual annual accounts. The following disclosures are therefore specific to GDUK.

Corporate Sustainability is rooted in the Company ethos. In the period covered by the report, GDUK saw a reduction of 594,865 kWh in electricity consumption. This was realised through a reduced operational footprint of two facilities, void managing the infrastructure only. These facilities will be fully surrendered in 2024 ensuring further energy consumption reductions to be realised.

The overall GDUK carbon emissions have reduced due to a combination of the reduced electricity consumption along with a reduction in fuel to tank for production and trials vehicles and minimal fugitive emission from heating, ventilation and cooling systems (HVAC).

#### Quantification and Reporting Methodology

GDUK have followed the 2019 UK Government Environmental Reporting Guidelines and used the 2023 UK Government's Conversion Factors for Company Reporting.

#### Organisational Boundary

GDUK have used the financial control approach.

#### Operational Scopes

GDUK have measured scope 1, 2 and employee business travel by land scope 3 emissions.

#### Intensity Measurement

GDUK have chosen the metric gross scope 1 and 2 emissions in tonnes of CO<sub>2</sub>e per tonne of Full Time Equivalent as the most relevant business metric for their industry sector.

In the reporting year the scope 1 and 2 emissions of CO<sub>2</sub>e per tonne of Full Time Equivalent (FTE) increased marginally despite reductions in overall emissions. This is due to reductions in FTE.

#### Base Year

The baseline year has been restated to 2021 to align with their Carbon Reduction Plan.

The base year recalculation policy is to recalculate base year and the prior year emissions for relevant significant changes which meet the significance threshold of 5% of base year emissions.

## Strategic Report (continued)

### Streamlined Energy and Carbon Reporting (SECR)

#### Targets

GDUK published its updated Carbon Reduction Plan in December 2023, re-communicating their commitment to work towards achieving net zero emissions by 2050 and setting out the decarbonisation road map and targets to achieve this:

## OUR DECARBONISATION ROADMAP



**2022**

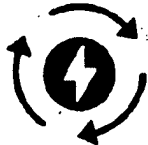
- Footprint appraisal inclusive of full value chain completed
- Target feasibility study completed - net zero targets set and global initiative, Science Based Target Initiative, set to meet the 1.5 degrees Celsius scenario by 2030

**2022 - 2024**



- Seek lower emission-intensive freight alternatives within our freight distribution network
- Focus on creating a more sustainable travel policy aimed at reduction of mileage and flights
- Build on current Social Value working group - continuing to evolve and develop the Sustainability working group

**2025 - 2027**



- Switch to a 100 per cent renewable electricity tariff - contracting 100 per cent green energy in 2025
- Convert to electrical heating at Wales-based sites in 2027 for Scope 1 and 2 emissions

**2045**



- Transition to use of full electric vehicle hire cars
- Become a carbon neutral organisation through carbon offsetting all remaining emissions which the Company cannot reduce further

**2050**

- Achieve net zero carbon emissions

## OUR TARGETS

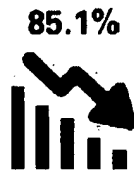
**General Dynamics Corporation** has committed to reducing all Scope 1 and Scope 2 energy / utility use by 40 per cent - to be achieved by 2034.

General Dynamics UK will contribute to this commitment through a two per cent year-on-year reduction of Scope 1 and Scope 2 energy and utility use - working towards achieving net zero carbon emissions by 2050.



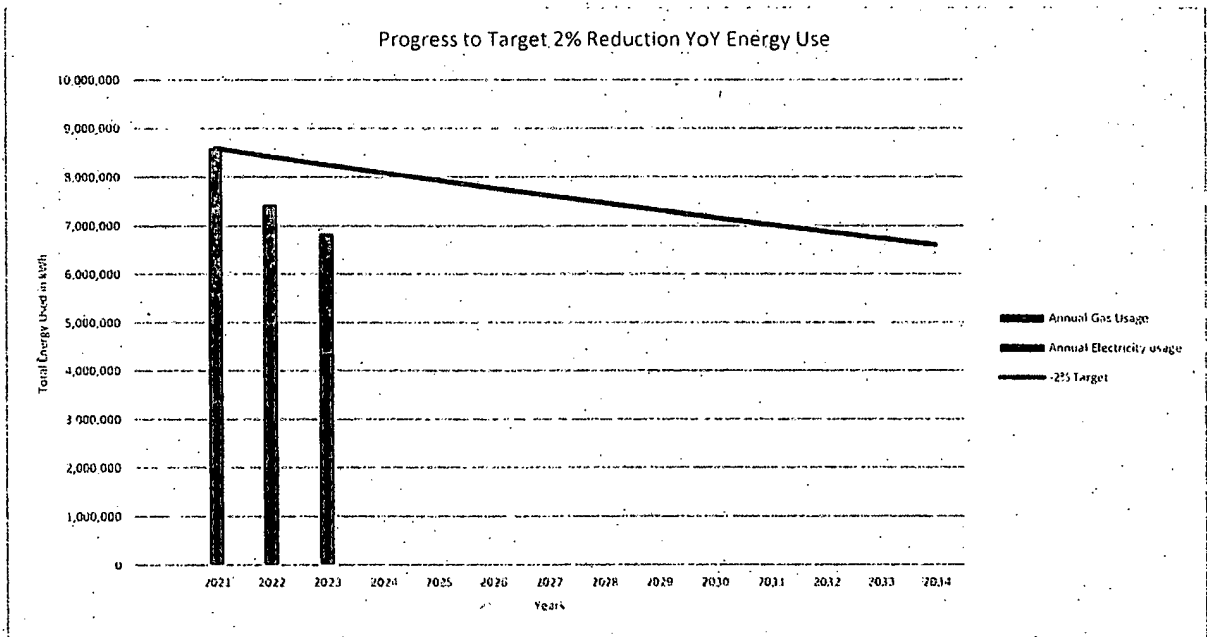
**33.7%**

By 2030: we aim to reduce our (Scope 1, 2, and 3) market-based emissions by 33.7 per cent - meeting the Science Based Target initiative



**85.1%**

By 2050: we aim to reduce our (Scope 1, 2, and 3) market-based emissions by 85.1 per cent



**Strategic Report (continued)**

**Streamlined Energy and Carbon Reporting (SECR)**

Energy consumption used to calculate 2023 emissions: 7,306,639 kWh	Current Reporting Year 2023 UK (no offshore activity)	% of activity data that is estimated	Reporting Year 2022 UK (no offshore activity)	Reporting Year 2021 UK (no offshore activity)	Reporting Year 2020 UK (no offshore activity)
<b>SCOPE 1 tCO<sub>2</sub>e</b> Emissions from activities for which the company own or control including combustion of fuel & operation of facilities		No data estimated			
Gas Consumption	451		448	556	527
Process emissions	160		258	307	3
Fugitive emissions	12		104	81	138
<b>Total Scope 1</b>	<b>623</b>		<b>810</b>	<b>944</b>	<b>668</b>
<b>SCOPE 2 tCO<sub>2</sub>e</b> Emissions from purchase of electricity purchased for own use (location-based factors)	908	No data estimated	962	1,181	1,393
<b>Total gross Scope 1 &amp; Scope 2 emissions tCO<sub>2</sub>e</b>	<b>1,531</b>		<b>1,172</b>	<b>2,125</b>	<b>2,061</b>
<b>Company's chosen intensity ratio (scope 1&amp;2) tCO<sub>2</sub>e per Full Time Equivalent</b>	<b>1.59</b>		<b>1.57</b>	<b>1.50</b>	<b>1.55</b>
<b>SCOPE 3 tCO<sub>2</sub>e</b> Emissions from employee business travel for which the company does not own or control. Business travel activities included: rental, personal and company cars	218	No data estimated	164	213	221
<b>Total Gross Scope 1, Scope 2 (location) &amp; Scope 3 emissions tCO<sub>2</sub>e</b>	<b>1,749</b>		<b>1,336</b>	<b>2,338</b>	<b>2,282</b>

## Strategic Report (continued)

### Business review, results and dividends

Profit after taxation for the year ended 31 December 2023 was USD 1,251k (2022: USD 487m). This increase is caused by a higher volume of dividend receipts from General Dynamics Canadian Holdings Inc, a wholly owned subsidiary. There has also been an increase in net finance income of nearly USD 10m which arises on the cash held in the cash pool by General Dynamics European Finance Ltd, a wholly owned subsidiary following increases in interest rates during the year. Debtors have increased from USD 221m in 2022 to USD 323m in 2023 primarily due to an increase in the cash pool loan with General Dynamics European Finance Ltd ("GDEF").

Deferred tax arises on the unremitted distributable profits of General Dynamics Canadian Holdings Inc which are subject to a 5% withholding tax when a dividend is paid to GDGH. The tax expense in the profit and loss account arises due to the movement in unremitted profits upon which the deferred tax is calculated.

As part of a group wide restructure, GDGH entered into the following transactions during the year:

In Feb-23 General Dynamics Canadian Holdings Inc paid a dividend to GDGH which was fulfilled via the assignment of a loan note receivable between General Dynamics Canadian Holdings Inc (lender) and General Dynamics European Finance Ltd (borrower). GDGH further resolved to pay a dividend of the same value to Eagle Enterprise Inc which was fulfilled via further assignment of the loan note. The Gross distribution was USD 688,979,313.

In April 2023, GDGH received a gross dividend of USD 243,825,370 from General Dynamics Canadian Holdings Inc. This was part settled in cash of USD 209,376,404 with an in kind settlement of USD 34,448,966 loan note payable by GDGH to General Dynamics Canadian Holdings Inc. GDGH further resolved to pay a dividend to Eagle Enterprise Inc of USD 197,185,136.

In April 2023, GDGH received a dividend of USD 83,892,617 (75m CHF) from General Dynamics Swiss Financial Management Ltd.

In July 2023, GDGH received a dividend from General Dynamics Canadian Holdings Inc of USD 258,903,331 and paid a dividend to Eagle Enterprise Inc of USD 245,958,164.

In July 2023, GDGH acquired 99% of the share capital of General Dynamics Land Systems Polska, a company situated in Poland, for USD 1,260. The remaining 1% is held by General Dynamics European Finance Ltd.

The directors do not recommended payment of a final dividend for 2023 (2022: Nil).

### Impairment

During the year ended 31 December 2023, a review for indicators of impairment in the investment entities took place resulting in no impairment for the year (2022: Nil). Further detail surrounding the work performed is included in note 16.

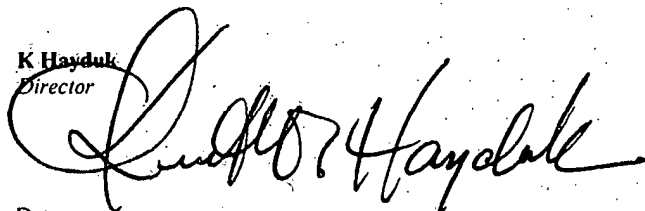
### Business risk

As a holding company which does not trade itself, business risks are limited. Potential risks arise in respect of reductions in the value of investments. A review for indicators of impairment is undertaken annually. If an indicator of impairment is identified, an impairment review is undertaken and, should the valuation be below the recorded investment value, an impairment is recognised.

Many of the investments hold fixed price long term contracts with Governmental organisations so revenue is less affected by external factors such as those arising from social, economic and environmental change. While opportunities to win future work may be less certain / delayed, GDGH is not reliant on dividend income to meet operational needs. Furthermore, any recognition of impairments does not impact going concern since the assets are held as long term investments. Impairments are also a non cash transaction so do not affect liquidity although they will reduce distributable reserves which may be required to support future dividend payments. However, as at 31 December 2023, the Company had distributable reserves of just nearly USD 1.4bn.

**Strategic Report** *(continued)*

The majority of transactions (including 100% of revenue) are with related parties. Knowledge of the creditability of these companies together with wider financial corporate support, guarantees and membership of the European cash pool, means credit risk is extremely low.

K Hayduk  
Director  
  
Date  
20 August 2024

21 Holborn Viaduct  
London  
EC1A 2DY

## Directors' Report

### Directors and directors' interests

The directors who held office during the year and to the date of the approval of this report were as follows:

GS Gallopoulos  
K Hayduk  
S Milne (appointed 1<sup>st</sup> May 2023)

### Directors' indemnities

GDGH has maintained liability insurance for Directors and officers and its subsidiaries. Neither the insurance nor the indemnity provides cover where a Director acts fraudulently or dishonestly. The Company has made qualifying third-party indemnity provisions for the benefit of the Directors which were made during the year and remain in force at the date of this report.

### Financial risk management

Cash balances are held in the cash pool of a connected company General Dynamics European Finance Limited ("GDEF") where banking facilities are guaranteed by General Dynamics Corporation, the ultimate parent undertaking of both GDEF and GDGH. GDGH does not trade so it is not considered that there is significant foreign exchange rate risk, credit risk, liquidity or cash-flow risk. There are no financial instruments to report on.

### Employee policy

The company has a small number of employees and fully adopts the employee policies of General Dynamics United Kingdom Ltd ("GDUK"), a 100% owned subsidiary, which has average employees of 931. This includes a comprehensive employee communications program, commitment to promoting diversity and creating a fully inclusive working environment where every employee can fulfil their potential while encouraging participation and involvement in matters which affect their interests as employees.

### Political and charitable contributions

The Company made no political or charitable contributions during the year (2022: nil).

### Supplier payment policy

Company policy is to agree payment terms with suppliers. Liabilities are settled in accordance with agreed terms.

### Provision of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so 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 the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

K Hayduk  
Director

Date

20 August 2024

21 Holborn Viaduct  
London  
EC1A 2DY

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, 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), including FRS 101 *Reduced Disclosure Framework*.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material related to going concern;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 GENERAL DYNAMICS GLOBAL HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of General Dynamics Global Holdings Limited ("the Company") for the year ended 31 December 2023 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL DYNAMICS GLOBAL HOLDINGS LIMITED (CONTINUED)**

*Identifying and responding to risks of material misstatement due to fraud (continued)*

- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to turnover recognition because the turnover recognised is inconsequential and simple in nature.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of Company-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL DYNAMICS GLOBAL HOLDINGS LIMITED (CONTINUED)**

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**


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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL DYNAMICS GLOBAL HOLDINGS LIMITED (CONTINUED)**

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Alexander Chong (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

22 August 2024

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2023*

	<i>Notes</i>	<b>2023</b>	<b>2022</b>
		<b>USD</b>	<b>USD</b>
		<b>000</b>	<b>000</b>
Turnover		<b>399</b>	<b>335</b>
Income from shares in group undertakings		<b>1,275,601</b>	<b>450,228</b>
Administration expenses		<b>(534)</b>	<b>(455)</b>
<b>Operating profit</b>		<b>1,275,466</b>	<b>450,108</b>
Net finance income	4	<b>12,726</b>	<b>2,840</b>
<b>Profit before taxation</b>	<b>5</b>	<b>1,288,192</b>	<b>452,948</b>
Tax (expense) / income on profit	6	<b>(37,390)</b>	<b>33,950</b>
<b>Profit for the year</b>		<b>1,250,802</b>	<b>486,898</b>

All results arose from continuing operations.

The Company incurred no other comprehensive income in the year.

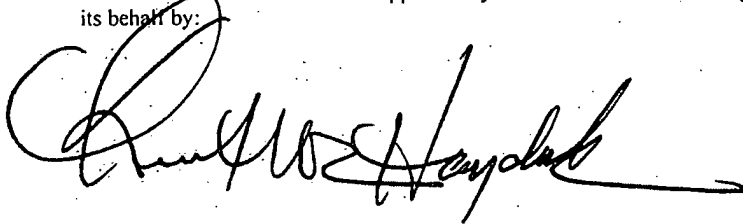
The notes on pages 17 to 29 form part of these financial statements.

**Balance sheet**  
at 31 December 2023

	Note	2023		2022	
		USD 000	USD 000	USD 000	USD 000
<b>Fixed assets</b>					
Investments	7		6,988,690		6,988,689
<b>Current assets</b>					
Debtors	9	323,016		221,394	
Cash at bank and in hand		241		2,563	
<b>Creditors: amounts falling due within one year</b>	10	323,257 (59,923)		223,957 (54,164)	
<b>Net current assets</b>			263,334		169,793
<b>Total assets less current liabilities</b>			7,252,024		7,158,482
<b>Creditors: amounts falling due after more than one year</b>					
Provisions for liabilities	11		(50,742)		(75,879)
<b>Total net assets</b>			7,201,282		7,082,603
<b>Capital and reserves</b>					
Called up share capital	12		787		787
Share premium			5,046,266		5,046,266
Profit and loss account			1,390,193		1,271,514
Revaluation reserve	13		764,036		764,036
<b>Equity shareholders' funds</b>			7,201,282		7,082,603

The notes on pages 17 to 29 form part of these financial statements.

These financial statements were approved by the board of directors on **20 August** 2024 and were signed on its behalf by:



**K Hayduk**  
Director

**20 August 2024**

**Statement of Changes in Equity**

	Called up Share capital USD 000	Share premium USD 000	Revaluation reserve USD 000	Profit & Loss account USD 000	Total USD 000
At 1 January 2023	787	5,046,266	764,036	1,271,514	7,082,603
Profit for the year	-	-	-	1,250,802	1,250,802
Dividends Paid	-	-	-	(1,132,123)	(1,132,123)
<b>At 31 December 2023</b>	<b>787</b>	<b>5,046,266</b>	<b>764,036</b>	<b>1,390,193</b>	<b>7,201,282</b>

	Called up Share capital USD 000	Share premium USD 000	Revaluation reserve USD 000	Profit & Loss account USD 000	Total USD 000
At 1 January 2022	787	5,046,266	764,036	1,294,832	7,105,921
Profit for the year	-	-	-	486,898	486,898
Dividends Paid	-	-	-	(510,216)	(510,216)
<b>At 31 December 2022</b>	<b>787</b>	<b>5,046,266</b>	<b>764,036</b>	<b>1,271,514</b>	<b>7,082,603</b>

## **Notes to the financial statements** *(forming part of the financial statements)*

### **General information**

The Company is incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 7. The nature of the Company's operations and principal activities are set out in the Strategic Report.

### **1 Accounting policies**

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

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

### **Basis of Preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, General Dynamics Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of General Dynamics Corporation are prepared in accordance with US GAAP Standards and are available to the public and may be obtained from 11011 Sunset Hills Road, Reston, VA 20190. The financial statements are prepared on the historic cost basis except for derivatives which are stated at fair value. The financial statements are presented in round thousands.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of capital management; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of General Dynamics Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

## **Notes (continued)**

### ***Functional currency***

General Dynamics Global Holdings Limited holds investments in various holding and governance entities that were established in order to align with the functional currency of the operating companies they hold. The functional currency of General Dynamics Global Holdings Limited is the US Dollar, which is both the currency of its parent company and a major contracting currency for some contracts of its indirectly held operating daughter companies.

### ***Going Concern***

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for the 12 month period from the signing of the accounts which indicate that, taking account of severe but plausible downsides the Company will have sufficient funds to meet its liabilities as they fall due for that period.

In making this assessment the Directors have considered the fact that the Company's activities are principally as a holding company with long-term investments in subsidiaries funded by equity. The company has low levels of operating expenses which are not impacted by external factors such as those arising from social, economic and environmental change meaning they can be forecast reliably. The majority of transactions (including 100% of revenue) are with related parties. Knowledge of the creditability of these companies together with wider financial corporate support, guarantees and cash pool agreement, means credit risk is extremely low. The company also has short-term liabilities with subsidiaries and in assessing the Company's ability to meet these liabilities the Directors have considered the ability of the Company to access its cash balances which are held in the cash pool of another of its subsidiaries General Dynamics European Finance Limited ("GDEF"). The Directors have concluded based on the cash flow forecasts prepared by GDEF, and also based on the fact that GDEF's banking facilities are guaranteed by General Dynamics Corporation, the ultimate parent undertaking of both GDEF and the Company, that the Company will in all reasonably possible scenarios be able to access the cash balances held in the cash pool and hence meet its forecast costs and liabilities throughout the forecast period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### ***Fixed asset investments***

Investments in subsidiaries are carried at cost less provision for impairment (if any). Investments are reviewed annually for indicators of impairment and losses recognised when the book value is greater than the recoverable amount (higher of fair value less costs of disposal and value in use). Value in use is calculated by discounting future cash flows expected from the continued use of the asset.

### ***Impairment of non financial assets***

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable value of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units (CGU's). Impairment charges are included in the profit and loss except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised (other than goodwill) is reversed in a subsequent period if the reasons for the impairment loss have ceased to apply.

## Notes (continued)

### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### Foreign Currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences on translation are recognised in the profit and loss account.

### Classification of financial instruments issued by the Company

Following the adoption of IFRS9, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

#### Classification of financial instruments issued by the Company (continued)

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

### Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents and loans and borrowings.

#### Trade, other debtors and creditors, cash, cash equivalents, loans and borrowings

Trade, other debtors, other creditors, cash, cash equivalents, loans and borrowings are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

**Notes (continued)**

**Non-derivative financial instruments (continued)**

*Investments in debt and equity securities*

Ordinary shares are stated at cost less impairment. Other investments in debt and equity securities held by GDGH are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and, in the case of monetary items such as foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Statement of Income.

**2 Remuneration of directors**

The directors are all employees of other group companies and their staff costs are incurred by those other group companies and not recharged to GDGH. The portion of their remuneration which relates to their roles as directors of this company is inconsequential to their overall remuneration and is estimated to be \$1000.

**3 Staff numbers**

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	2023 Number of employees	2022 Number of employees
Administration	3	3
	<u>3</u>	<u>3</u>

The aggregate payroll costs of these persons were as follows:

	2023 USD 000	2022 USD 000
Wages and salaries	298	248
Social security costs	31	29
	<u>329</u>	<u>277</u>

**Notes (continued)**

**4 Finance income and expense**

	2023 USD 000	2023 USD 000	2022 USD 000	2022 USD 000
<b>Interest receivable</b>				
Intercompany interest income	14,496		3,646	
Interest income - other	15		6	
	<u>14,511</u>		<u>3,652</u>	
<b>Interest payable and similar charges</b>				
Other interest payable	(1)		(1)	
Intercompany interest payable	(2,338)		(747)	
	<u>(2,339)</u>		<u>(748)</u>	
		<u>12,172</u>		<u>2,904</u>
<b>Gain / (Loss) on foreign exchange</b>		554		(64)
		<u>12,726</u>		<u>2,840</u>

**5 Profit before taxation**

The profit before taxation is stated after charging:

	2023 USD 000	2022 USD 000
Audit of these Financial Statements	37	33
Tax Compliance	22	11

**Notes (continued)**

**6 Taxation**

	2023 USD 000	2022 USD 000
UK deferred tax	(25,136)	(37,460)
Withholding tax on dividends received	59,585	3,011
Current tax for the year	2,959	517
Prior year adjustment	(18)	(18)
<b>Profit and loss account</b>	<b>37,390</b>	<b>(33,950)</b>
	<b>2023 USD 000</b>	<b>2022 USD 000</b>
<b>Reconciliation of effective tax rate</b>		
Profit for year	1,250,802	486,898
Total tax expense / (income)	37,390	(33,950)
<b>Profit excluding taxation</b>	<b>1,288,192</b>	<b>452,948</b>
Tax using the UK corporate tax rate of 23.5% (2022: 19%)	302,725	86,060
Tax exempt revenues	(299,766)	(85,543)
Withholding tax on dividends received	59,585	3,011
Canadian withholding tax on dividends not yet distributed	(25,136)	(37,460)
Prior year adjustment	(18)	(18)
<b>Total tax expense / (income)</b>	<b>37,390</b>	<b>(33,950)</b>

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. The deferred tax liability as at 31 December 2023 has been calculated at 25% (2022: 25%) with the exception of withholding tax suffered on the Canadian unremitted dividends which is fixed at 5%.

**Notes (continued)**

**7 Investments**

Investment entity	Country of Incorporation	Proportion held	Class of share	Cost USD 000
General Dynamics Canadian Holdings Inc., 644 Main Street, Suite 400, Moncton, NB E1C 1E2, Canada	Canada	90%	1 Common Stock	4,754,000
General Dynamics Ltd., 21 Holborn Viaduct, London, EC1A 2DY	England	100%	Ordinary	359,794
General Dynamics European Land Systems - Austria GmbH, Bleibtreustrasse 2, 1110 Wien, Austria	Austria	100%	Ordinary	1,807
General Dynamics European Finance Ltd., 21 Holborn Viaduct, London, EC1A 2DY	England	100%	Ordinary	462,286
General Dynamics Land Systems Polska	Poland	99%	Ordinary	1
General Dynamics European Land Systems S.L., Calle Vía de los Poblados, 3, P.E. Cristalía, Edificio 7/8, 28003, Madrid, Spain	Spain	100%	Ordinary	1
ELCS – CZ s.r.o., Praha 1, Klimentská 1216/46, PSČ 110 02, Prague Czech Republic	Czech Republic	100%	Ordinary	1
General Dynamics Swiss Financial Management Ltd., 21 Holborn Viaduct, London, EC1A 2DY	England	100%	Ordinary	1,410,800
				6,988,690
				USD 000
				6,988,689
Cost at 1 January 2023				1
Investment in General Dynamics Land Systems Polska				
Cost at 31 December 2023				6,988,690
				USD 000
Cost at 1 January 2022				6,988,689
Cost at 31 December 2022				6,988,689

**Notes (continued)**

**8 Related party undertakings**

The voting rights of the shares are the same as the percentage held unless indicated otherwise.

Company name and address	Accounting period	Country of Incorporation	GDGH Ownership %	Class of share
GD ELS Austria GmbH, Teinfaltrasse 8 1010 Vienna, Austria	31/12/2023	Austria	100	Ordinary/Common
GD ELS Holding GmbH, Bleibtreustrasse 2 A-1110 Wien, Austria	31/12/2023	Austria	100	Ordinary/Common
GD ELS Steyr GmbH, Bleibtreustrasse 2 A-1110 Wien, Austria	31/12/2023	Austria	100	Ordinary/Common
Jet Aviation Vienna GmbH, Hangar 7, 1300 Wien- Flughafen, Austria	31/12/2023	Austria	40	Ordinary/Common
Jet Aviation (Bermuda) Ltd, Suite 306, The Commerce Building, One Chancery Lane, Hamilton 12, Bermuda	31/12/2023	Bermuda	100	Ordinary/Common
Expro Finance Inc., 5 Montee Des Arsenaux, Repentigny QC J5Z 2P4, Canada	31/12/2023	Canada	90	Ordinary/Common
GD Canadian Finance Inc., 570 Queen Street Suite 600, Fredericton NB, E3B 6Z6	31/12/2023	Canada	90	Ordinary/Common
GD Canadian Holdings Inc., 644 Main Street, Suite 400, Moncton, NB E1C 1E2, Canada	31/12/2023	Canada	90	Ordinary/Common
GD Land Systems Canada Corporation, 1991 Oxford Street East Bldg., 15 London, Ontario, N5V 2Z7, Toronto, Canada	31/12/2023	Canada	90	Ordinary/Common
GDLS Canada Intl. Services Inc., 570 Queen Street Suite 600, Fredericton NB, E3B 6Z6	31/12/2023	Canada	45.9	Voting shares
GDLS Canada Services Inc, 570 Queen Street Suite 600, Fredericton NB, E3B 6Z6	31/12/2023	Canada	90	Ordinary/Common
GDLS Canadian Services Limited, 570 Queen Street Suite 600, Fredericton NB, E3B 6Z6	31/12/2023	Canada	90	Ordinary/Common
GD-OTS Canada Inc., 5 Montee Des Arsenaux, Repentigny QC J5Z 2P4, Canada	31/12/2023	Canada	90	12,000 ordinary shares and 58,768,171 preferred Class A shares
GD-OTS Canada Valleyfield, 55, rue Masson, Valleyfield (Quebec) Canada J6S 4V9	31/12/2023	Canada	90	Ordinary/Common
Beijing BAC Co. Ltd., Nan Fa Xin Zhang Xin Hua Ji Di #01-1, Beijing, CH	31/12/2023	China	43	Ordinary/Common
Jet Aviation (Hong Kong) Ltd, Room 1112-3, AFFC, 2 Chun Wan Road, Chek Lap Kok, Hong Kong	31/12/2023	China (Hong Kong)	100	Ordinary/Common
Jet Aviation Business Jets (Hong Kong) Ltd., 801, Citygate Outlets, 20 Tat Tung Rd, Lantau Island, Hong Kong	31/12/2023	China (Hong Kong)	100	Ordinary/Common
ELCS-CZ s.r.o. Praha 1, Klimentská 1216/46, PSČ 110 02, Prague Czech Republic	31/12/2023	Czech Republic	100	Ordinary/Common
GD ELS Czech s.r.o. Náchodská 469/137, Horní Počernice, 193 00 Praha 9, Czech Republic	31/12/2023	Czech Republic	100	Ordinary/Common
GD ELS Denmark ApS, c/o DELACOUR Advokatpartnerselskab, Langebrogade 4, DK-1411 Copenhagen K	31/12/2023	Denmark	100	Ordinary/Common
Jet Aviation France SAS, 23 Rue Du Roule, 75001 Paris, France	31/12/2023	France	100	Ordinary/Common
Jet Aviation Business Jets Deutschland GmbH, Hangar 3, Cologne- Bonn Airport, Cologne 51147 Germany	31/12/2023	Germany	48.9	Ordinary/Common
Jet Aviation Services GmbH, Flughafenstraße 60, 40474 Düsseldorf, Germany	31/12/2023	Germany	100	Ordinary/Common

**Notes (continued)**

**8 Related party undertakings and transactions (continued)**

Company name and address	Accounting period	Country of Incorporation	GDGH Ownership %	Class of share
FBD Fahrzeug und Bremsendienst GmbH, Pasenow 43, D-17348 Woldegk, Germany	31/12/2023	Germany	100	Ordinary/Common
GD ELS-Deutschland GmbH, Pariser Platz 4a, 1. OG 10117 Berlin, Germany	31/12/2023	Germany	100	Ordinary/Common
GD ELS-FWW GmbH, Oertzenhof, 2 D-17348 Woldegk, Germany	31/12/2023	Germany	100	Ordinary/Common
Eurötrophy GmbH Am Flughafen 12, 60549 Frankfurt am Main, Germany	31/12/2023	Germany	30	Ordinary / Common
General Dynamics Mission Systems Italy SRL, Viale Egeo, 100-106, 00144 Roma, Italy	31/12/2023	Italy	100	Ordinary/Common
Jet Aviation Lebanon S.a.l, Assaf Center, Adnan El Hakim Street, JNAH, Beirut, LEBANON	31/12/2023	Lebanon	51	Ordinary/Common
Jet Aviation ME S.a.l, Ras Beirut, Adnan Hakim Street-Assa, Beirut, Lebanon	31/12/2023	Lebanon	51	Ordinary/Common
Jet Aviation (Malaysia) SDN, Level 22, Quill 7, No 0 Jalan Sentr Sentral 5, Kuala Lumpur, 50470 Malaysia	31/12/2023	Malaysia	100	Ordinary/Common
Jet Aviation Flight Services (Malta) Limited, Vision Exchange Building, Level 2, Territorials Street, Mriehel BKR 3000, Malta	31/12/2023	Malta	49	Ordinary/Common
Jet Aviation Netherlands BV, Amsterdam Airport, Evert van de Beekstraat 202, 1118 CP Schiphol, Netherlands	31/12/2023	Netherlands	100	Ordinary/Common
General Dynamics Land Systems Polska, Prosta 18 (16th Floor), 00-850, Warsaw	31/12/2023	Poland	99	Ordinary / Common
GD ELS Romania S.R.L., 96B Nordului Avenue, 1st Floor, Apt. 2, Office No. 1, District 1, Bucharest	31/12/2023	Romania	100	Ordinary/Common
OOO Jet Aviation Vnukovo, Airport Vnukovo, House3 Building 1 Office 229, 119027 Moscow, Russia	31/12/2023	Russia	100	Ordinary/Common
General Dynamics IS & T Arabia Company, Olaya Street, PO Box 30505, Riyadh 11361, Kingdom of Saudi Arabia	31/12/2023	Saudi Arabia	49	Ordinary/Common
Jet Aviation (Asia Pacific) Private Ltd., Seletar Airport, 1075 West Camp Road, Singapore 797800	31/12/2023	Singapore	100	Ordinary/Common
SATS Seletar Aviation Services Limited, Seletar Airport 21 Seletar Aerospace Road 1, Singapore 797405	31/12/2023	Singapore	24	Ordinary/Common
GD ELS SL, Calle Via de los Poblados, 3, P.E. Cristalia, Edificio 7/8, 28003, Madrid, Spain	31/12/2023	Spain	100	Ordinary/Common
Jet Aviation Malaga SA, Aeropuerto de Malaga, Malaga, Spain	31/12/2023	Spain	100	Ordinary/Common
Execujet Spain SL, Josep Tarradellas Barcelona-El Prat Airport, Terminal Corporativa, 08820 El Prat de Llobregat, Barcelona, Spain	31/12/2023	Spain	1	Ordinary / Common
Jet Aviation Business Jets San Marino SrL, Via Consiglio dei Sessanta 99, 47891 Dogana, San Marino	31/12/2023	Spain	100	Ordinary / Common
GD ELS Mowag GmbH, Unterseestrasse 65, 8280 Kreuzlingen, Switzerland	31/12/2023	Switzerland	100	Ordinary/Common
Jet Aviation AG Basel, Aeschengraben 6, 4051 Basel, Switzerland	31/12/2023	Switzerland	100	Ordinary/Common
Jet Aviation Business Jets AG, Aeschengraben 6, 4051 Basel, Switzerland	31/12/2023	Switzerland	100	Ordinary/Common
Jet Aviation Holding GmbH, Aeschengraben 6, 4051 Basel, Switzerland	31/12/2023	Switzerland	100	Ordinary/Common
Jet Aviation Management AGObstgartenstrasse 27, CH-8302 Kloten, Switzerland	31/12/2023	Switzerland	100	Ordinary/Common
General Dynamics Mission Systems International Middle East LLC, M4 Bin Hilal Building, Al Falah St., P.O. Box 7349, Abu Dhabi, UAE	31/12/2023	UAE	44.1	Ordinary/Common
Jet Aviation Business Jets FZ Co, Dubai Airport Free Zone, Suite No. 3E-109, Dubai, UAE	31/12/2023	UAE - Dubai	100	Ordinary/Common

**Notes (continued)**

**8 Related party undertakings and transactions (continued)**

Company name and address	Accounting period	Country of Incorporation	GDGH Ownership %	Class of share
Jet Aviation Dubai LLC, Behind Dubai Airport Free Zone Authority, Al Quds Street, Dubai, UAE	31/12/2023	UAE - Dubai	49	Ordinary/Common
General Dynamics Limited, 21 Holborn Viaduct, London, EC1A 2DY	31/12/2023	United Kingdom	100	Ordinary/Common
General Dynamics European Finance Limited, 21 Holborn Viaduct, London, EC1A 2DY	31/12/2023	United Kingdom	100	Ordinary/Common
General Dynamics United Kingdom Limited, 21 Holborn Viaduct, London, EC1A 2DY	31/12/2023	United Kingdom	100	Ordinary/Common
General Dynamics Swiss Financial Management Limited, 21 Holborn Viaduct, London, EC1A 2DY	31/12/2023	United Kingdom	100	Ordinary/Common
Steyr Spezial-fahrzeug AG de Venez., C.A., Avendia Pichincha, Sector San Romain, Caracas, 1060 VE	31/12/2023	Venezuela	100	Ordinary/Common
Steyr-Daimler-Puch SSF de Venez., C.A., Pichincha Avenue, La N6ria Tower, Floor 4, Office 4 A. 1060, Miranda Caracas	31/12/2023	Venezuela	100	Ordinary/Common

Related party undertakings include both direct and indirect subsidiary companies owned by General Dynamics Global Holdings Limited.

During the year, GDGH received dividends of USD 1,192m from GD Canadian Holdings (2022: USD 450m), and USD 84m from General Dynamics Swiss Financial Management Ltd (2022: USD 27.4m). GDGH paid dividends totalling USD 1,132m to Eagle Enterprise Inc (2022: USD 510m).

GDGH provides the services of employees to GDUK, GDSFM, GDEF and Gulfstream. The value invoiced during the year (including fee for transfer pricing purposes) was USD 399k (2022: 335k). GDUK and GDEF also provide services to GDGH which, during 2023, amounted to USD 2k and USD 6k respectively (2022: USD 2k and USD 6k). GDGH also operates as a pass through entity for certain costs incurred by related parties for onward distribution which, aside from minimal foreign exchange movements, do not impact the results of GDGH.

GDGH received a loan from Hawker Pacific Air Services Ltd shown in creditors (note 10) for which GDGH paid interest during the year of USD 1.8m (2022: USD 733k).

There were no other transactions with non 100% owned subsidiaries during the year other than transactions associated with cash pooling activities. Total interest received / receivable from cash pool members in the year was USD 14,496k (2022: USD 3,646k) and interest paid / payable by cash pool members was USD 0.6k (2022: USD 14k).

**9 Debtors due within one year**

	2023 USD 000	2022 USD 000
Intercompany cash pool	312,836	215,082
Amounts owed by Group Undertakings	10,173	6,266
Corporation tax	7	46
	323,016	221,394

The intercompany cash pool debtor represents the cash held by General Dynamics European Finance Ltd on behalf of General Dynamics Global Holdings Ltd as a result of a sweeping of the Principal Accounts as part of the management of collective cash needs of the members of the cash pool. As such, this is considered payable on demand. Interest is calculated using the secured overnight financing rate (SOFR) for USD loans.

**Notes (continued)**

**9 Debtors due within one year (continued)**

Amounts owed by Group Undertakings comprises of the following:

	2023	2022
	USD	USD
	000	000
GD ELS SL	3,861	2,568
Jet Aviation Holdings GmbH	2,507	1,270
GD ELS Mowag GmbH	1,788	1,701
General Dynamics United Kingdom Ltd	601	-
GD European Land Systems Bridge Systems	595	500
General Dynamics International Corporation	482	-
General Dynamics European Land Systems – Deutschland GmbH	181	164
General Dynamics European Finance Ltd	41	-
Gulfstream Aerospace Ltd	52	41
General Dynamics Swiss Financial Management	39	-
General Dynamics Mission Systems Italy	26	22
	<u>10,173</u>	<u>6,266</u>

**10 Creditors: amounts falling due within one year**

	2023	2022
	USD	USD
	000	000
Loan to Group Undertakings	43,943	43,864
Amounts owed to Group Undertakings	12,812	9,730
Intercompany cash pool	2,991	457
Accruals	162	95
Taxation and Social Security	15	19
	<u>59,923</u>	<u>54,164</u>

The intercompany cash pool creditor represents the cash owed to General Dynamics European Finance as a result of a sweeping of the Principal Accounts as part of the management of collective cash needs of the members of the cash pool. As such, the balance is considered payable on demand. Interest is calculated using the secured overnight financing rate (SOFR) for USD loans + 80 BPS. The loan to group undertakings is a loan from Hawker Pacific Air Services Limited. The loan is due and payable on demand with interest calculated at 4.06% based on the applicable federal rate for short-term borrowings.

Amounts owed to group undertakings comprises of the following:

	2023	2022
	USD	USD
	000	000
General Dynamics Corporation	6,025	4,116
General Dynamics ELS SL	4,832	2,711
Jet Aviation Holdings GmbH	1,108	938
GD ELS Mowag GmbH	710	1,215
General Dynamics United Kingdom Ltd	131	81
General Dynamics European Finance Ltd	6	-
General Dynamics International Corporation	-	669
	<u>12,812</u>	<u>9,730</u>

**Notes (continued)**

**11 Provisions for liabilities**

	2023 USD 000	2022 USD 000
The elements of deferred taxation are as follows:		
Other timing differences	50,742	75,879
Deferred tax liability	<u>50,742</u>	<u>75,879</u>

Arises on a potential withholding tax liability from unremitted dividends from General Dynamics Canadian Holdings Inc.

**12 Share capital**

The share capital of the Company comprises ordinary shares of £1 each. During the year, 2 shares of £1 each were issued to the sole immediate shareholder.

	2023		2022	
	Number of shares 000	USD 000	Number of shares 000	USD 000
<i>Allotted, called up and fully paid.</i>	483	787	483	787
	<u>483</u>	<u>787</u>	<u>483</u>	<u>787</u>

**13 Revaluation reserve**

The balance held in the revaluation reserve arose following a revaluation of the investments to fair value in 2017 prior to a transfer of investments to other 100% wholly owned subsidiaries of GDGH. The revaluation reserve is not a distributable reserve.

**14 Ultimate parent company**

Eagle Enterprise, Inc. is the sole immediate shareholder of the Company. General Dynamics Corporation remains the ultimate parent company, incorporated in the USA.

The largest and smallest group in which the results of the Company are consolidated is that headed by General Dynamics Corporation, incorporated in the USA. The consolidated accounts of the group are available to the public and may be obtained from 11011 Sunset Hills Road, Reston, VA 20190.

**15 Accounting Estimates and Judgements**

*Accounting estimates and judgements*

The preparation of the consolidated financial statements in conformity with FRS101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The reported amounts and note disclosures reflect management's best estimate of the most probable set of economic conditions and planned course of actions. Actual results may differ from these estimates.

Significant areas of estimation uncertainty applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements include:

**Notes (continued)**

**16 Accounting Estimates and Judgements (continued)**

**Investment Value/Impairment**

The key estimate and judgement exercised by the directors is the investment value in its subsidiaries. Consideration is given to the net asset position and expected future profitability.

There are no critical judgements.

Investments are reviewed annually for indicators of impairment and an impairment review undertaken should indicators of impairment arise.

Where not supported by net assets, the fair value of the investments is measured using discounted cash flow analysis incorporating assumptions on risk and uncertainty and includes a risk premium of 2% reflecting the amount that market participants would demand for compensation for the uncertainty inherent in cash flows. Cash flows are derived from each entity's operating plan developed and reviewed on an annual basis and consider a four year forward-looking period. In addition to contractually-expected earnings, the Earnings before interest tax and amortisation (EBITA) include risks and opportunities with probabilities assigned to these. The period beyond the four year plan is considered as the terminal period and assumes that the forecast stabilises and more uniform assumptions can be used to cover projections such as growth (projected at 2%), capital expenditure and depreciation (assumed to net to nil provided no new major capital investments beyond the plan period) and tax rate based on applicable tax jurisdictions and historical effective tax rates. Other working capital is included as a % of sales with terminal rates provided by business units.

The forecasted cash flows are discounted using the capital asset pricing model (CAPM) to calculate the weighted average cost of capital. This is considered representative of a market participant's view of risk inherent in the projected cash flows and what they would be willing to pay for the asset. Groups of comparable companies were selected to determine the levered beta and leverage ratio inputs for the CAPM. These groups were selected with great consideration given to the accuracy of market conditions and to determine discount rates that would generally be consistent from year to year. The weighted average post tax discount rate of 8.9%, determined using CAPM, has been applied to post tax cash flows. The pre-tax weighted average discount rate is 8.76%.

Management perform impairment indicator testing on an annual basis. As part of the exercise, an indicator was identified for the investment in General Dynamics Canadian Holdings Inc due to the lower than anticipated performance of the underlying investment companies. Management have therefore performed impairment testing on this investment whereby the recoverable amount has been calculated with reference to its value in use (VIU) using discounted cashflow projections for a four-year period plus a terminal value based upon a long-term perpetuity growth rate of 2%. Initial headroom from this DCF was USD 42.4m. A VIU calculation was not required for 2022.

Sensitivities in assumptions were tested to determine the headroom available in the valuation under different plausible scenarios such as changes in growth rate beyond the forecast period and changes in discount rate.

	<b>Change in headroom (\$m)</b>
	<b>2023</b>
Discount rate – WACC increased by 1%	<b>(608m)</b>
Revenue growth beyond forecast period – 2% reduced to 1%	<b>(604m)</b>

The above assumptions are associated with estimation uncertainty as reasonably possible changes could lead to material changes in the level of headroom and / or level of impairment recognised in the next financial year. It is management's view that on the basis of the headroom in the VIU calculation, no impairment should be recognised.

**17 Post balance sheet events**

At the date of signing the financial statements for the year ended 31 December 2023, there are no post balance sheet events requiring disclosure.