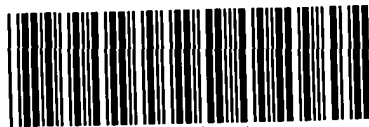


**General Dynamics Mission
Systems International Limited**

Annual report and financial statements
Registered number 4218312
31 December 2023

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Contents

Strategic report	1
Directors' report	3
Statement of directors' responsibilities in respect of the annual report and financial statements	5
Independent auditor's report to the members of General Dynamics Mission Systems International Limited	6
Profit and Loss Account and Other Comprehensive Income	10
Balance sheet	11
Statement of Changes in Equity	12
Notes to the financial statements	13

Strategic Report

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

Principal activities

The principal activities of General Dynamics Mission Systems International Limited ("GDMSI" or the "company") are to pursue and undertake international business opportunities and conduct business activities, and also to act as an intermediate holding company for non-US investments by the Mission Systems business unit of General Dynamics Corporation ("General Dynamics"). The company will also be used to facilitate capital deployment and cash management for investments where the United Kingdom is an efficient holding company jurisdiction from a legal, treasury and tax perspective.

Section 172(1) Statement

The Directors have considered the reporting requirements as 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 that the company is within the scope of the criteria 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 the company does not trade in its own right and does not hold any trading contracts with third parties nor has any employees. Consequently, the Directors are of the view that there are no relevant matters to be reported in connection with the engagement with customers, suppliers or 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 the Corporate Governance arrangements detailed by General Dynamics United Kingdom Limited.

Streamlined Energy Carbon Reporting (SECR) regulations

The company is exempt from the SECR regulations as it has consumed less than 40MWh of energy during the reporting period.

Business results

The company made a profit of USD 204k for the year ended 31 December 2023 compared to a profit of USD 1,002k in the year ended 31 December 2022. The decrease is due to the receipt of a dividend in the year ended 31 December 2022 of USD 964k from General Dynamics Mission Systems Gulf LLC (an entity in which GDMSI owns 60%) compared with a dividend receipt in 2023 of USD 98.2k.

During the year, GDMSI acquired the remaining share from the joint venture partner in its investment in PageTel Sistem Muhendisligi Sanayi ve Ticaret Limited-Sirketi for USD 88,000.

Principal risks and uncertainties

As General Dynamics and its Mission Systems business unit continue to develop and execute on global business opportunities, General Dynamics Mission Systems International Limited may be involved in future cross-border business activities, loans, equity investments and acquisitions that may contain risk or uncertainty in one or more areas.

Future developments and strategies

General Dynamics Mission Systems International Limited will pursue and invest in new opportunities, and acquire existing non-US investments within the Mission Systems business unit of General Dynamics, in each case General Dynamics Mission Systems International Limited will look to maximize the investment opportunity for the Mission Systems business unit from a legal, treasury and tax perspective. These opportunities may involve investments in new business or acquisitions of mature businesses.

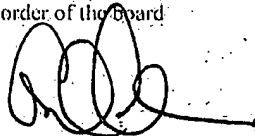
Strategic Report *(continued)*

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. The carrying value is reviewed annually. The value of subsidiaries is supported by net assets where there is headroom between the net asset value and carrying value in the financial statements of the company. In addition, the investment entities hold long term contracts so revenue is less affected by environmental conditions. While opportunities to win future work may be less certain / delayed, the company 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. 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 over USD2.9m and a further USD 3.3m in a share premium account which could be converted to a distributable reserve subject to compliance with the necessary legal process.

The majority of transactions 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.

By order of the Board



Gregory Elam
Director

21 Holborn Viaduct
London
EC1A 2DY

Date 8/20/2024

Directors' Report

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

Supplier payment policy

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

Directors

The directors who held office during the period and to the date of the approval of these financial statements were as follows:

Joel Houde
Gregory Elam

Directors' indemnities

GDMSI 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.

Disclosure 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.

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 GDMSI. GDMSI does not trade so it is not considered that there is foreign exchange rate risk, credit risk, liquidity or cash-flow risk. There are no financial instruments to report on.

Employee policy

The company does not have employees but there are policies within the subsidiary entities who employ staff. These include 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 contributions

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

Dividends received and paid

During the year, GDMSI received a dividend of USD 98.2k from General Dynamics Mission Systems Gulf LLC (an entity in which GDMSI owns 60%). The dividend received in 2022 was USD 964k.


The directors do not recommend payment of a dividend for the year ended 31 December 2023 (2022:£nil).

Directors' Report (continued)

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



Gregory Elam
Director

21 Holborn Viaduct
London
EC1A 2DY

Date 9/20/ 2024

**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 departures disclosed and explained in the financial statements;
- 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 MISSION SYSTEMS INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of General Dynamics Mission Systems International 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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL DYNAMICS MISSION SYSTEMS INTERNATIONAL LIMITED (CONTINUED)

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

- 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.
- 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 Company has no turnover.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL DYNAMICS MISSION SYSTEMS INTERNATIONAL LIMITED (CONTINUED)

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.

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 5, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL DYNAMICS MISSION SYSTEMS INTERNATIONAL LIMITED (CONTINUED)

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.

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 Statement of Comprehensive Income
for the years ended 31 December 2023

	<i>Note</i>	2023 \$000	2022 \$000
Income from shares in group undertakings		98	964
Administrative expenses		(25)	(25)
Operating Profit	2	73	939
Other interest receivable and similar income	4	163	51
Profit before taxation		236	990
Tax (expense) / income on profit	5	(32)	12
Profit for the financial year		204	1,002

The results stated above are all derived from continuing operations.

The company incurred no other comprehensive income in the year.

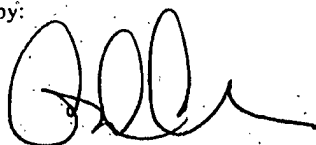
The notes on pages 13 to 17 form part of these financial statements.

Balance sheet
as at 31 December 2023

	Note	2023 \$000	2022 \$000
Fixed assets			
Investments	6	2,878	2,790
		<u>2,878</u>	<u>2,790</u>
Current assets			
Debtors	7	3,375	3,319
		<u>3,375</u>	<u>3,319</u>
Creditors: amounts falling due within one year	8	(31)	(91)
Net current assets		<u>3,344</u>	<u>3,228</u>
Net Assets		<u>6,222</u>	<u>6,018</u>
Capital and reserves			
Called up share capital	9	3	3
Share premium		3,302	3,302
Profit and loss account		2,917	2,713
		<u>6,222</u>	<u>6,018</u>
Shareholders' funds		<u>6,222</u>	<u>6,018</u>

The notes on pages 13 to 17 form part of these financial statements.

These financial statements were approved by the board of directors on 20/08/2024 and were signed on its behalf by:



Gregory Elam
Director

Statement of Changes in Equity

	Called up Share Capital \$000	Share Premium \$000	Profit and loss account \$000	Total \$000
Balance at 1 January 2023	3	3,302	2,713	6,018
Profit for the year	-	-	204	204
At 31 December 2023	<u>3</u>	<u>3,302</u>	<u>2,917</u>	<u>6,222</u>

	Called up Share Capital \$000	Share Premium \$000	Profit and loss account \$000	Total \$000
Balance at 1 January 2022	3	3,302	1,711	5,016
Profit for the year	-	-	1,002	1,002
At 31 December 2022	<u>3</u>	<u>3,302</u>	<u>2,713</u>	<u>6,018</u>

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

1 Accounting policies

General Dynamics Mission Systems International Limited (the "Company") is incorporated, registered and domiciled in England and Wales. The address of the registered office is given on page 2. The nature of the Company's operations and principal activities are set out in the Strategic Report.

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 IFRSs"), 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.

As the Company's ultimate parent undertaking, General Dynamics Corporation, includes the Company in its consolidated financial statements, the Company qualifies for the preparation of accounts using FRS101 with reduced disclosures. The consolidated financial statements of General Dynamics Corporation are prepared in accordance with U.S. Generally Accepted Accounting Practice and are available to the public and may be obtained from 11011 Sunset Hills Road, Reston, VA20190.

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.

The Company is exempt by virtue of s.401 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.

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

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 11. The financial statements are prepared on the historic cost basis and presented in round thousands.

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 a period exceeding 12 months from the date of signing of the accounts which indicate that, taking account of severe but plausible downsides and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Notes (continued)

Going Concern (continued)

In making this assessment the Directors have considered that the Company's activities are principally as a holding company with long-term investments in subsidiaries. The company has low levels of operating expenses and these are not materially affected by external events such as changes in the political, economic and environmental landscape meaning that they can be forecast reliably. The company is funded by cash balances which are held in a cash pooling arrangement operated by General Dynamics European Finance Limited ("GDEF") which is a fellow subsidiary of the Company's ultimate parent undertaking, General Dynamics Corporation. In assessing the Company's ability to meet its liabilities as they fall due for the forecast period, the Directors have considered the ability of the Company to access the amounts it has deposited in the cash pool. The Directors have concluded that, based on the fact that GDEF's banking facilities are guaranteed by General Dynamics Corporation and that under the terms of the cash pooling arrangement GDEF is not obliged to enter into cash pooling obligations in excess of the guaranteed banking facilities, 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.

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.

Interest income / expense

Interest income / (expense) is recognised using the effective interest rate method. In calculating interest income / (expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired or to the amortised cost of the liability for interest expense. If a financial asset is impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

Notes (continued)

Foreign currency translation

i. Functional currency

The functional currency of the company is the US Dollar, which is both the currency of its parent company and a major contracting currency within the corporation.

ii. Transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2 Profit before tax

Fees paid to GDMSI's auditor, KPMG LLP, and its associates for services other than the statutory audit of GDMSI are not disclosed in GDMSI's accounts since the consolidated accounts of GDMSI's ultimate parent, General Dynamics Corporation, are required to disclose other services on a consolidated basis.

Profit before tax is stated after charging Auditor's remuneration of USD 8.6k in respect of the audit of these financial statements for the year ended 31 December 2023 (2022: USD 9.6k).

3 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 the Company. 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. The Company had no employees in the year.

4 Other interest receivable and similar income

	2023 \$000	2022 \$000
Intercompany interest receivable	163	51
	163	51

5 Taxation

	2023 \$000	2022 \$000
<i>UK Corporation tax</i>		
Current tax	32	5
Prior year adjustments	-	(17)
	32	(12)
Reconciliation of effective tax rate		
Profit for the year	204	1,002
Total tax expense / (income)	32	(12)
	236	990
Tax using UK CT rate 23.5% (2022: 19%)	55	188
Tax exempt revenues	(23)	(183)
Prior year adjustments	-	(17)
	32	(12)

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. With the effective date being 1 April 2023, a blended rate of 23.5% has been applied for the year ended 31 December 2023.

Notes (continued)

6 Investments in subsidiaries

	2023	2022
	\$000	\$000
PageTel Sistem Muhendisligi Sanayi ve Ticaret Limited Sirketi	2,488	2,400
General Dynamics Mission Systems Gulf LLC (Formerly Page Middle East LLC)	390	390
General Dynamics Mission Systems Asia-Pacific SDN BHD		
	2,878	2,790

During the year, the company acquired the remaining 0.04% of the ordinary share capital of PageTel Sistem Muhendisligi Sanayi ve Ticaret Limited Sirketi (PageTel), Registered Office at, Sarnik Beldesi 44 Camlik Caddesi, Izmir, Turkey bringing the total holding to 100%. The main business of PageTel is to build defence equipment Shelters for the Turkish government. PageTel is incorporated in Turkey.

The company holds 60% of the ordinary Share Capital of General Dynamics Mission Systems Gulf LLC (GDMSG), PO Box, Qurum, Postal Code 137, Sultanate of Oman. GDMSG supplies telecommunications, information technology and security systems to support oil and gas fields in Oman. GDMSG is incorporated in Sultanate of Oman.

GDMSI owns 50% of the ordinary issued share capital of 2 shares of B\$\$1 each in General Dynamics Mission Systems Asia-Pacific SDN BHD. The registered office is Bandar Seri, Begawan BE1518, Brunei, Darussalam. The business of General Dynamics Mission Systems Asia-Pacific SDN BHD is to provide and supply technology products and services including cyber security and communications networks, systems and data centres.

7 Debtors

	2023	2022
	\$000	\$000
Amounts owed by group undertakings	3,375	3,319
	3,375	3,319

The amount owed by group undertaking represents the balances held by the Company in the cash pool operated by General Dynamics European Finance Ltd. Under the terms of the cash pooling agreement, this balance is repayable to the Company on demand. Interest on the cash pool is calculated using Euribor on Euro denominated loans, SONIA for GBP loans, SARON for CHF loans and SOFR for USD loans.

8 Creditors: amounts falling due within one year

	2023	2022
	\$000	\$000
Accruals and deferred income	25	86
Taxation	6	5
	31	91

9 Called up share capital

	2023	2022
	\$000	\$000
<i>Allotted, called up and fully paid</i>		
200 Ordinary shares of £0.01 each	-	-
930 Ordinary shares of £2.00 each	3	3
	3	3

Notes (continued)

10. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of General Dynamics Mission Systems Inc, a company incorporated in Delaware, USA. Its ultimate parent company at the balance sheet date was General Dynamics Corporation, a company incorporated in Delaware, USA.

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

11 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.

There are no critical judgements or key accounting estimates.

12 Related party transactions

During the year GDMSI received a dividend of USD 98.2k (2022: USD 964k) from General Dynamics Mission Systems Gulf LLC (GDMSG). There were no other transactions with GDMSG nor with any other of GDMSI's investments and no amounts owing between GDMSI and the investment entities at 31 December 2023. At 31 December 2023, GDMSI had an intercompany debtor owed from GDEF of USD 3.4m (2022: USD 3.3m) representing its balance held in the cash pool upon which it received net interest of USD 163k (2022: USD 55k) in the year.

13 Capital commitments

There are no financial commitments, guarantees or contingencies at 31 December 2023.

14 Post balance sheet events

In 2024, GDMSI sold its investments in PageTel Sistem Muhendislig Sanaya ve Ticaret Limited, General Dynamics Mission Systems Gulf LLC and General Dynamics Mission Systems Asia-Pacific SDN BHD and no longer holds any investments.