

Registration number: 02227017

GE Industrial Finance UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

FRIDAY



A9EDØFXK

A04

25/09/2020

#126

COMPANIES HOUSE

GE Industrial Finance UK Limited

Contents

Director's Report	1 to 2
Statement of Director's Responsibilities	3
Independent Auditor's Report to the Members of GE Industrial Finance UK Limited	4 to 6
Profit and Loss Account and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 24

GE Industrial Finance UK Limited

Director's Report

The director presents his report and the financial statements for the year ended 31 December 2019.

Principal activity and business review

Throughout 2019 the principal activity of the company was to provide staff origination and enabling support to fellow group companies, acting as a service company. During the year the company discontinued its operations to provide vertical financing for GE's industrial business. Since the principle activity became that of a service company the company has reclassified service charges receivable from other operating income to turnover in the Profit and Loss account.

On 22 March 2019, the company issued 1 ordinary share of £0.10 to GE Capital Corporation (Holdings), its immediate parent undertaking, for a total consideration of £7,500,000.

On 26 March 2019, the company's immediate parent undertaking, GE Capital Corporation (Holdings), transferred its entire shareholding in the company (comprising 11 ordinary shares of £0.10 each) to GE Medical Systems Limited.

Results and dividends

The loss for the year, after taxation, amounted to £32,000 (2018: profit £651,000).

The directors do not recommend payment of a dividend (2018: £nil).

Future outlook

The company will continue to provide staff origination and enabling support to fellow group companies, acting as a service company.

Directors of the company

The directors who held office during the year and up to the date of the director's report were as follows:

M Jessernigg

J Blasco Suarez (appointed 14 February 2019 and resigned 2 April 2019)

J I Wainberg (resigned 5 April 2019)

Post balance sheet event

The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. During the latter part of the first quarter of 2020, these factors began having an adverse impact on our operations. While the effects of these events cannot be estimated at our report release date, we anticipate many of these impacts related to demand, profitability and cash flows will continue in the foreseeable future depending on the severity and duration of the pandemic. Such effects and the required mitigating actions will continue to be monitored and evaluated by management during the 2020 financial year.

Director's liabilities

The director has benefited from qualifying third party indemnity provisions in place during the financial year and subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the director's report.

GE Industrial Finance UK Limited

Director's Report

Disclosure of information to the auditor

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

Reappointment of auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the director on 23 September 2020

DocuSigned by:
Max Jessernigg
68B0907322A446A...
.....
M Jessernigg
Director

GE Industrial Finance UK Limited

Statement of Director's Responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 he either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of GE Industrial Finance UK Limited

Opinion

We have audited the financial statements of GE Industrial Finance UK Limited ("the company") for the year ended 31 December 2019, 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 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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 director has prepared the financial statements on the going concern basis as he does not intend to liquidate the company or to cease its operations, and as he has concluded that the company's financial position means that this is realistic. He has 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the director's 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. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report to the Members of GE Industrial Finance UK Limited

Directors' Report

The director is responsible for the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read 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 Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

Director's responsibilities

As explained more fully in his statement set out on page 3, the director is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as he determines 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 he either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Members of GE Industrial Finance UK Limited

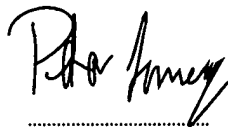
Auditor's responsibilities

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.



.....
Peter Lomax (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

66 Queen Square
Bristol
BS1 4BE

Date: 23/9/20

GE Industrial Finance UK Limited

Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2019

		Continuing operations 2019 £ 000	Discontinued operations 2019 £ 000	Total £ 000	As restated Continuing operations 2018 £ 000	As restated Discontinued operations 2018 £ 000	As restated Total £ 000
Turnover	Note 4	5,116	3,220	8,336	7,096	650	7,746
Cost of sales	4	-	(3,418)	(3,418)	-	(364)	(364)
Gross profit/(loss)		5,116	(198)	4,918	7,096	286	7,382
Administrative expenses		(5,184)	-	(5,184)	(8,301)	(32)	(8,333)
Other operating income/(expense)		188	25	213	1,636	-	1,636
Operating (loss)/profit		120	(173)	(53)	431	254	685
Interest receivable and similar income	6	21	-	21	-	-	-
Interest payable and similar charges	7	-	-	-	(34)	-	(34)
(Loss)/profit before tax		141	(173)	(32)	397	254	651
Tax on (loss)/profit	11	-	-	-	-	-	-
(Loss)/profit for the year		141	(173)	(32)	397	254	651
Other comprehensive income		-	-	-	-	-	-
Total comprehensive (loss)/income for the year		141	(173)	(32)	397	254	651

Refer to note 2 for explanation of the prior period restatement.

GE Industrial Finance UK Limited

Registration number: 02227017

Balance Sheet
as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	12	-	3,419
Current assets			
Debtors: amounts falling due within one year	13	8,587	2,114
Cash at bank and in hand		<u>737</u>	<u>-</u>
		9,324	2,114
Creditors: Amounts falling due within one year	14	<u>(1,105)</u>	<u>(3,886)</u>
Net current assets/(liabilities)		<u>8,219</u>	<u>(1,772)</u>
Total assets less current liabilities		8,219	1,647
Creditors: Amounts falling due after more than one year	15	<u>-</u>	<u>(896)</u>
Net assets		<u>8,219</u>	<u>751</u>
Capital and reserves			
Called up share capital	16	-	-
Share premium reserve		7,500	-
Profit and loss account		<u>719</u>	<u>751</u>
Shareholders' funds		<u>8,219</u>	<u>751</u>

Approved by the director on 23 September 2020

DocuSigned by:

Max Jessernigg

66B0907322A446A...
M Jessernigg
Director

GE Industrial Finance UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Called up share capital £ 000	Share premium account £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2019	-	-	751	751
Comprehensive loss for the year				
Loss for the year	-	-	(32)	(32)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(32)	(32)
Share capital issued during the year/ share premium on share capital issued	-	7,500	-	7,500
At 31 December 2019	-	7,500	719	8,219

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2018	-	100	100
Comprehensive income for the year			
Profit for the year	-	651	651
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	651	651
At 31 December 2018	-	751	751

The notes on pages 10 to 24 form an integral part of these financial statements.

GE Industrial Finance UK Limited

Notes to the Financial Statements

1 General information

The company is a private company limited by share capital, registered in England, incorporated and domiciled in the United Kingdom.

The address of its registered office is:

3rd Floor 1 Ashley Road
Altrincham
Cheshire
United Kingdom
WA14 2DT

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The amendments to FRS 101 (2018/19 cycle) issued in July 2019 have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("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.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

Going concern

The director has performed a going concern assessment for a period of 12 months from the date of approval of these financial statements which indicates that, taking account of a reasonably possible downside scenario, the anticipated socio-economic impact of the COVID-19 pandemic and the company's ability to access the group's cash pool facility if required, the company will have sufficient funds to meet its liabilities as they fall due for that period. The director is confident that the company will have sufficient funds to continue in operational existence for at least 12 months from the date of approval of these financial statements and he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The results of the company are included in the consolidated financial statements of General Electric Company which are available from 5 Necco Street, Boston, Massachusetts, 02210, USA or at www.ge.com.

GE Industrial Finance UK Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Changes in accounting policy

In the current year the company has adopted new accounting standards and amendments including IFRS 16: Leases and IFRIC 23: Uncertainty over Income Tax Treatments. The company transitioned to IFRS 16 using the modified retrospective approach. The impact of the adoption of this new standard is included in note 21. The effect of the adoption of IFRIC 23 is considered not to be material.

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 52, 58 and the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Turnover represents amounts receivable on an accrual basis in respect of lease rentals from operating leases. Income from operating leases is recognised on a straight line basis over the period of the lease.

Cost of sales

Cost of sales represents the depreciation charged on operating leases and any impairment on assets under operating leases.

Interest payable and similar expenses

Interest payable and similar expenses is recognised in the Profit and Loss Account as it accrues, using the effective interest method.

GE Industrial Finance UK Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Foreign currency transactions and balances

The accounts are presented in sterling which is the company's functional and presentational currency.

Transactions in foreign currencies are recorded using a monthly average operating exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date. The gains or losses arising are included in the profit and loss account.

Amounts owed by/to group undertakings

Amounts owed by group undertakings are recognised initially at fair value plus incremental direct transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Amounts owed to group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, these are stated at amortised cost using the effective interest method

Leased assets (the company as a lessor)

If the company is the lessor in a lease agreement (including hire purchase agreements) that transfers substantially all the risks and rewards incidental to ownership of the asset to the lessee, then the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within current assets, debtors. The initial and subsequent measurement is similar to loans and advances to customers.

Leases where the company as a lessor does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases.

Residual values

Residual value exposure occurs due to the uncertain nature of value of an asset at the end of an agreement. Throughout the life of an asset its residual value will fluctuate because of the uncertainty of the future market and technological changes or product enhancements as well as general economic conditions. Residual values are set at the commencement of the lease based upon management's expectation of future values. During the course of the lease, residual values are reviewed on an annual basis so as to identify any impairment provision required. This monitoring takes account of the company's past history for residual values, current values and projections of the likely future market for each group of assets.

Any permanent impairment in the residual value of an asset is identified within such reviews and charged to Profit and Loss Account.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

GE Industrial Finance UK Limited

Notes to the Financial Statements

2 Accounting policies (continued)

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income, and any adjustments to tax payable in respect of previous years. Full provision is made for deferred tax liabilities arising from all temporary differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the temporary differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Financial instruments

Initial recognition

The company recognises financial assets and financial liabilities in the balance sheet when, and only when, the company becomes party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade debtor without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade debtor without a significant financing component is initially measured at the transaction price.

Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

GE Industrial Finance UK Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into one of the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing financial assets and liabilities and the contractual cash flow characteristics of the financial assets. Accordingly, all financial assets and liabilities are subsequently measured at amortised cost.

Impairment of financial assets

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVTOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

GE Industrial Finance UK Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Financial instruments (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Pensions

The company is a member of a group pension plan providing benefits based on final pensionable pay. The group pension plan, GE Pension Plan, covers a number of United Kingdom subsidiary companies of General Electric Company. There is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to participating entities, so the net defined benefit cost is recognised fully in the separate financial statements of the group entity that is legally the principal employer for the plan, which is GEH Holdings. The company recognises a cost equal to their contribution payable for the period. The contribution payable by the participating employers in the GE Pension Plan are based on the latest schedule of contributions agreed between the Trustee of the GE Pension Plan and the principal employer.

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Prior period restatement

During the year the company discontinued its operations to provide vertical financing for GE's industrial business. Since the principle activity became that of a service company the company has reclassified service charges receivable from other operating income to turnover in the Profit and Loss account.

3 Critical accounting judgements and key sources of estimation uncertainty

The director considers that there are no critical accounting estimates or judgements identified in preparation of the financial statements in compliance with FRS 101.

GE Industrial Finance UK Limited

Notes to the Financial Statements

4 Turnover and cost of sales

		As restated
	2019	2018
	£ 000	£ 000
a) Leases		
Operating lease turnover	59	440
b) Commission	25	210
c) Group recharges	5,116	7,096
d) Proceeds on disposal of assets previously leased	3,136	-
Turnover	8,336	7,746
Operating lease depreciation	(74)	(364)
Net book value on disposal of assets previously leased	(3,344)	-
Cost of sales	(3,418)	(364)
Gross earnings	4,918	7,382

Income is generated within Europe.

5 Operating profit/(loss)

Operating (loss)/profit is stated after charging/(crediting):

	Note	2019	2018
		£ 000	£ 000
Depreciation expense	12	74	364
Difference on foreign exchange		-	32
Operating lease expense under IAS 17		-	178

6 Interest receivable and similar income

	2019	2018
	£ 000	£ 000
Interest receivable from group companies	21	-

GE Industrial Finance UK Limited

Notes to the Financial Statements

7 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
On loans from group undertakings	-	34

8 Auditor's remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements	10	10

9 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	2019 £ 000	2018 £ 000
Wages and salaries	2,339	5,388
Social security costs	331	574
Pension costs	187	158
	<u>2,857</u>	<u>6,120</u>

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	<u>15</u>	<u>24</u>

GE Industrial Finance UK Limited

Notes to the Financial Statements

10 Directors' remuneration

The director's remuneration for the year, which was also in respect of the highest paid director was as follows:

	2019	2018
	£ 000	£ 000
Remuneration	<u>480</u>	<u>214</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019	2018
	No.	No.
Accruing benefits under pension scheme	<u>1</u>	<u>1</u>

There are directors who are/were also directors of a group undertaking and do not specifically receive any remuneration in respect of the company. The appropriate proportion of their services on behalf of the company is considered to be not material.

11 Taxation

Tax charged/(credited) in the profit and loss account

	2019	2018
	£ 000	£ 000
Current taxation		
UK corporation tax	-	-
Deferred taxation		
Origination and reversal of temporary differences	-	(69)
Effect of changes to tax rates	-	7
Movement on deferred tax not provided	<u>-</u>	<u>62</u>
Total deferred taxation	<u>-</u>	<u>-</u>
Tax expense/(receipt) in the profit and loss account	<u>-</u>	<u>-</u>

GE Industrial Finance UK Limited

Notes to the Financial Statements

11 Taxation (continued)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (2018: lower than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
(Loss)/profit before tax	(32)	651
Corporation tax at standard rate	(6)	124
Effect of change in tax rate	-	7
Expenses not deductible for tax purposes	-	1
Decrease (increase) from tax losses for which no deferred tax asset was recognised	54	62
Group relief for £nil consideration	(48)	(194)
Total tax charge/(credit)	-	-
Factors that may affect future tax charges		

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. Subsequent to the balance sheet date it was announced that the rate of 19% would continue to apply with effective from 1 April 2020. This change was substantively enacted on 17 March 2020. This will increase the current tax charge accordingly.

Deferred tax assets and liabilities on all timing differences have been calculated at 17% as at 31 December 2019. The impact of this on the financial statements is not considered material.

The U.K. Tax authorities issued assessments to disallow interest deductions claimed by other group companies for years from 2004 to 2015. The proposed disallowance does not affect interest deductions claimed by GE Industrial Finance UK Limited but, if sustained, could impact losses surrendered against the taxable income of GE Industrial Finance UK Limited in prior years. We comply with all applicable tax laws and judicial doctrines of the United Kingdom. We are contesting the disallowance and believe the full benefit of the deductions will be sustained on their technical merits, but the outcome of pending litigation cannot be fully known until resolution of the matter. Given the uncertainty of how much may be ultimately disallowed and availability of other U.K. group tax attributes, GE Industrial Finance UK Limited is unable to quantify the amount, if any, of the tax impact of this item.

There are no other factors that may significantly affect future tax charges.

GE Industrial Finance UK Limited

Notes to the Financial Statements

11 Taxation (continued)

Deferred tax

There are £122,774 of deductible temporary differences (2018: £61,680) for which no deferred tax asset is recognised in the balance sheet.

12 Tangible fixed assets

	Property £ 000
Cost	
At 1 January 2019	3,783
Disposals	<u>(3,783)</u>
At 31 December 2019	<u>-</u>
Depreciation	
At 1 January 2019	364
Depreciation charge	74
On disposals	<u>(438)</u>
At 31 December 2019	<u>-</u>
Net book value	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u><u>3,419</u></u>

13 Debtors

	2019 £ 000	2018 £ 000
Amounts owed by group undertakings	7,528	120
Other debtors	<u>1,059</u>	<u>1,994</u>
	<u><u>8,587</u></u>	<u><u>2,114</u></u>

GE Industrial Finance UK Limited

Notes to the Financial Statements

14 Creditors: Amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	411	270
Accruals and deferred income	698	941
Amounts owed to group undertakings	-	2,183
Other creditors	61	492
Corporation tax payable	(65)	-
	<u>1,105</u>	<u>3,886</u>

Amounts owed to group undertakings incur interest at a monthly LIBOR\EURIBOR rate plus 39 to 66 bps. The principal is repayable on demand.

15 Creditors: Amounts falling due after more than one year

	2019 £ 000	2018 £ 000
Deferred income	<u>-</u>	<u>896</u>

16 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £0.10 each	<u>11</u>	<u>1</u>	<u>10</u>	<u>1</u>

On 22 March 2019, the company issued 1 ordinary share of £0.1 to GE Capital Corporation (Holdings), its immediate parent undertaking, for a total consideration of £7,500,000.

GE Industrial Finance UK Limited

Notes to the Financial Statements

17 Pension commitments

The company is a member of a group pension plan providing benefits based on final pensionable pay. The group pension plan, GE Pension Plan, covers a number of United Kingdom subsidiary companies of General Electric Company. There is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to participating entities, so the net defined benefit cost is recognised fully in the separate financial statements of the group entity that is legally the principal employer for the plan, which is GEH Holdings. The company recognises a cost equal to their contribution payable for the period. The contribution payable by the participating employers in the GE Pension Plan are based on the latest schedule of contributions agreed between the Trustee of the GE Pension Plan and the principal employer.

The last full actuarial valuation was carried out as at 31 March 2018 by a qualified independent actuary. At this date there was a funding surplus of £190 million and a funding level of 103.0%.

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting year.

The pension charge for the year was £187,000 (2018: £158,000), including £187,000 (2018: £158,000) in respect of the defined contribution scheme. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

18 Financial assets and liabilities

The following tables summarise the carrying value and fair values of the financial assets and liabilities and the classification of each class of financial asset and liability:

GE Industrial Finance UK Limited

Notes to the Financial Statements

18 Financial assets and liabilities (continued)

	Amortised cost	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVTOCI)	Total
	£ 000	£ 000	£ 000	£ 000
2019				
Amounts owed by group undertakings (L3)	7,528	-	-	7,528
Other debtors (L3)	1,059	-	-	1,059
Total financial assets	8,587	-	-	8,587
Amounts owed to group undertakings (L3)	-	-	-	-
Other liabilities (L3)	(1,105)	-	-	(1,105)
Total financial liabilities	(1,105)	-	-	(1,105)
	Amortised cost	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVTOCI)	Total
	£ 000	£ 000	£ 000	£ 000
2018				
Amounts owed by group undertakings (L3)	120	-	-	120
Other debtors (L3)	1,994	-	-	1,994
Total financial assets	2,114	-	-	2,114
Amounts owed to group undertakings (L3)	(2,183)	-	-	(2,183)
Other liabilities (L3)	(2,599)	-	-	(2,599)
Total financial liabilities	(4,782)	-	-	(4,782)

GE Industrial Finance UK Limited

Notes to the Financial Statements

18 Financial assets and liabilities (continued)

The table above analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1 (L1): quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 (L2): inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 (L3): inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Maturity analysis of assets and liabilities

Financial assets of £8,587,000 are all due within one year (2018: £2,114,000). Financial liabilities classified as due within one year amount to £1,105,000 at 31 December 2019 (2018: £3,886,000) and due after more than one year of £nil (2018: £896,000).

19 Ultimate parent undertaking and controlling party

The company's immediate parent is GE Medical Systems Limited, a company registered at Pollards Wood, Nightingales Lane, Chalfont St. Giles, Buckinghamshire, United Kingdom HP8 4SP.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, General Electric Company, a company with principal executive offices at 5 Necco Street, Boston, Massachusetts, 02210, USA. The consolidated financial statements of this company are available to the public and may be obtained from the address of the principal executive offices or at www.ge.com.

20 Post balance sheet event

The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. During the latter part of the first quarter of 2020, these factors began having an adverse impact on our operations. While the effects of these events cannot be estimated at our report release date, we anticipate many of these impacts related to demand, profitability and cash flows will continue in the foreseeable future depending on the severity and duration of the pandemic. Such effects and the required mitigating actions will continue to be monitored and evaluated by management during the 2020 financial year.

21 Changes resulting from adoption of IFRS 16

The company adopted IFRS 16 Leases with effect from 1 January 2019. No transition adjustments were required on adoption of IFRS 16 and the transition to IFRS 16 had no material impact on the financial statements of the company.