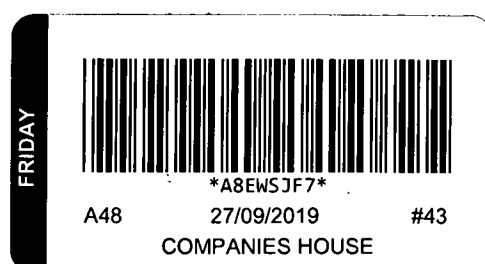


Registration number: 00607012

GE Infrastructure UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



GE Infrastructure UK Limited

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GE Infrastructure UK Limited

Strategic Report

The directors present their strategic report for the year ended 31 December 2018.

Business review

The results for the company show a pre tax profit of £916,000 (2017: £107,240,000) for the year.

The company has net assets of £1,373,354,000 (2017: £1,373,771,000) of which £1,088,335,000 (2017: £1,088,299,000) is due from fellow GE group companies.

On 5 November 2018, the company subscribed for a further 320,000 ordinary shares of £1 each in the share capital of its subsidiary undertaking, Beta Research & Development Limited, for a total consideration of £320,000, payable in cash.

Principal risks and uncertainties

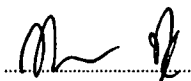
The principal risk of the company is the carrying value of its investments. The performance of the underlying subsidiaries is periodically reviewed in order to mitigate this risk.

Due to the nature of the business, the directors have assessed that there will be little or no impact on the future activities of the company as a result of Brexit.

Key Performance Indicators

The company has not identified any key performance indicators.

Approved by the Board on 23/4/19 and signed on its behalf by:



A T P Budge
Director

GE Infrastructure UK Limited

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The company has two principal activities. It provides computer technology, data management and related services through its London data centre to other GE businesses. The company also operates as an investment holding company.

Results and dividends

The loss for the year, after taxation, amounted to £417,000 (2017 profit: £105,951,000).

During the year, the company paid an interim dividend of £nil (2017: £3,542,000).

The directors do not recommend payment of a final dividend (2017: £nil).

Directors of the company

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

A T P Budge

A P Mathur

W J Brownhill (resigned 31 January 2018)

P J Higgins (resigned 7 March 2018)

Directors' liabilities

One or more of the directors have 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 directors' report.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

GE Infrastructure UK Limited

Directors' Report

Reappointment of auditor

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

Approved by the Board on 23/9/19 and signed on its behalf by:



A T P Budge
Director

GE Infrastructure UK Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 GE Infrastructure UK Limited

Opinion

We have audited the financial statements of GE Infrastructure UK Limited ("the company") for the year ended 31 December 2018, 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 2018 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 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").

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 directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, 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 Infrastructure UK Limited

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 4, 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.

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

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.



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

15 Canada Water
Canary Square
London
E14 5GL

Date: 23 Sep 2019

GE Infrastructure UK Limited

Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Turnover	4	3,109	19,593
Administrative expenses		(8,477)	(14,733)
Other operating (expense)/income		(320)	84
Operating (loss)/profit	5	(5,688)	4,944
Profit on sale of fixed asset investments		-	99,558
Interest receivable and similar income	9	6,604	2,790
Interest payable and similar expenses	10	-	(52)
Profit before taxation		916	107,240
Tax on profit	11	(1,333)	(1,289)
(Loss)/profit for the year		(417)	105,951
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u>(417)</u>	<u>105,951</u>

The above results were derived from continuing operations.

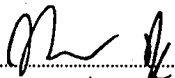
GE Infrastructure UK Limited

Registration number: 00607012

Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	12	285,822	285,822
Tangible assets	13	<u>1,120</u>	<u>1,886</u>
		<u>286,942</u>	<u>287,708</u>
Current assets			
Cash at bank and in hand		-	122
Debtors: Amounts falling due within one year	14	<u>1,089,749</u>	<u>1,093,744</u>
		1,089,749	1,093,866
Creditors: Amounts falling due within one year	15	<u>(3,337)</u>	<u>(7,803)</u>
Net current assets		<u>1,086,412</u>	<u>1,086,063</u>
Net assets		<u>1,373,354</u>	<u>1,373,771</u>
Capital and reserves			
Called up share capital	16	11,027	11,027
Profit and loss account		<u>1,362,327</u>	<u>1,362,744</u>
Shareholders' funds		<u>1,373,354</u>	<u>1,373,771</u>

Approved by the Board on 23/9/19 and signed on its behalf by:


A T P Budge
Director

GE Infrastructure UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	11,027	1,362,744	1,373,771
Comprehensive income for the year			
Loss for the year	-	(417)	(417)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(417)	(417)
At 31 December 2018	<u>11,027</u>	<u>1,362,327</u>	<u>1,373,354</u>

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	11,027	1,260,335	1,271,362
Comprehensive income for the year			
Profit for the year	-	105,951	105,951
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	105,951	105,951
Dividends	-	(3,542)	(3,542)
At 31 December 2017	<u>11,027</u>	<u>1,362,744</u>	<u>1,373,771</u>

GE Infrastructure 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
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, issued in March 2018, have been applied except for the triennial review 2017 amendments issued in December 2017 as these are applicable with effect from 1 January 2019 and have not been early adopted.

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).

Exemption from preparing group accounts

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The results of the company are included in the consolidated financial statements of General Electric Company which are available from 41 Farnsworth Street, Boston, MA 02210, USA or at www.ge.com.

Basis of measurement

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

GE Infrastructure UK Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Changes in accounting policy

In the current year the company has adopted new accounting standards IFRS 9: *Financial Instruments* and IFRS 15: *Revenue from Contracts with Customers*. An explanation of the impact of the adoption of these new standards is included in note 18.

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 requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- 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 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.

Going concern

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Therefore the company's directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Recognition

The company earns revenue from the provision of services relating to the provision of computer technology, data management and related services. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

GE Infrastructure UK Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Revenue recognition (continued)

Contract assets and receivables

Where goods or services are transferred to the customer before the customer pays consideration, or before payment is due, Contract assets are recognised. Contract assets are included in the statement of financial position and represent the right to consideration for products delivered.

Contract receivables (loans and advances) are recognised in the statement of financial position when the company's right to consideration becomes unconditional.

Contract assets & receivables (loans and advances) are classified as current or non- current based on the company's normal operating cycle and are assessed for impairment at each reporting date.

Contract liabilities

Contract liabilities and customer deposits are recognised in the statement of financial position when the company has received consideration but still has an obligation to deliver products and meet performance obligations for that consideration.

Investments

Investment in group undertakings are shown at cost less provision for impairment.

At each balance sheet date the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If such indication exists, the recoverable amount of the investment is estimated based on its fair value less costs of disposal and value in use. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised in Profit and Loss Account in the period.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any accumulated impairment losses.

Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Asset class	Estimated useful life
Plant, fixtures, tools and equipment	3 to 15 years

Operating leases

Rentals paid under operating leases are charged to the profit or loss (net of any incentives received from the lessor) on a straight line basis over the period of the lease.

GE Infrastructure UK Limited

Notes to the Financial Statements

2 Accounting policies (continued)

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.

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.

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.

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.

Income from shares in group undertakings

Investment income arising from dividends is recognised when dividends are appropriately authorised by subsidiary undertakings.

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 Infrastructure 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 FVOCI 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. Trade receivables and contract assets with significant financing component are measured using the general model described above.

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 Infrastructure 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.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the year. Although these estimates are based on the directors' best knowledge of the amounts, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Impairment of investments

The principal activity of the company is to act as a holding company for underlying subsidiaries. As a result the main risk facing the company is the underlying trade of the investments not supporting the carrying value.

Investments are subject to impairment when there are indicators, such as, the net assets of the underlying company being less than the carrying value of the investments, adverse trade conditions in the underlying investments, cessation of trade in the underlying investments, significant losses in the year in the underlying investments and impairment of fixed assets in the underlying investments in the year.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the investments to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Impairment losses arising in respect of investments are not reversed once recognised.

GE Infrastructure UK Limited

Notes to the Financial Statements

4 Turnover

A geographical analysis of turnover is as follows:

	2018 £ 000	2017 £ 000
United Kingdom	1,169	7,594
Rest of European Union	663	1,252
USA and rest of world	1,277	10,747
	<u>3,109</u>	<u>19,593</u>

5 Operating (loss)/profit

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

	2018 £ 000	2017 £ 000
Depreciation expense	784	943
Impairment of fixed asset investments	320	-
Difference on foreign exchange	(25)	145
Operating lease expense - land and buildings	1,233	1,751
Operating lease expense - other	175	2,704
Loss on disposal of tangible fixed assets	-	58

6 Directors' remuneration

No directors received any remuneration in respect of services to the company during the current or preceding financial year.

All of the directors are/were also directors of a group undertaking and do not specifically receive any remuneration in respect of the company. It was not possible to determine an appropriate proportion of their services on behalf of the company.

GE Infrastructure UK Limited

Notes to the Financial Statements

7 Auditor's remuneration

	2018 £ 000	2017 £ 000
Audit of the financial statements	<u>18</u>	<u>22</u>

In addition to the above, remuneration of £139,000 (2017: £144,000) paid/ accrued by the company for the audit related to other fellow group undertakings.

8 Staff costs

The company did not employ any staff during the current or preceding financial year. The company's personnel costs are recharged by other group companies and are included within administrative expenses.

9 Interest receivable and similar income

	2018 £ 000	2017 £ 000
Other interest receivable	-	125
Interest receivable from group companies	<u>6,604</u>	<u>2,665</u>
	<u>6,604</u>	<u>2,790</u>

10 Interest payable and similar expenses

	2018 £ 000	2017 £ 000
On loans from group undertakings	<u>-</u>	<u>52</u>

GE Infrastructure UK Limited

Notes to the Financial Statements

11 Taxation

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

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	-	-
UK corporation tax adjustment to prior years	1,333	(1,396)
Deferred taxation		
Origination and reversal of temporary differences	(149)	(192)
Effect of changes to tax rates	16	23
Movement on deferred tax not provided	133	2,854
Total deferred taxation	-	2,685
Tax expense in the profit and loss account	1,333	1,289

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (2017: lower than the standard rate of corporation tax in the UK) of 19% (2017: 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit before tax	916	107,240
Corporation tax at standard rate	174	20,640
Adjustment to tax charge in respect of prior year	1,333	(1,396)
Non-taxable income	-	(19,161)
Expenses not deductible for tax purposes	61	-
Group relief for £nil consideration	(384)	(1,671)
Movement in deferred tax not provided	133	2,854
Deferred tax expense (credit) relating to changes in tax rates or laws	16	23
Total tax charge	1,333	1,289

GE Infrastructure UK Limited

Notes to the Financial Statements

11 Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate will reduce from 19% to 17% on 1 April 2020. This will reduce any current tax charges accordingly.

Deferred tax assets and liabilities on all timing differences have been calculated at 17%, including those expected to reverse in the years ending 31 December 2019 to 31 December 2021 (the overall average rate ranging from 19% to 17%). The impact of this on the financial statements is not considered material.

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

Deferred tax

Deferred tax movement during the year:

	At 1 January 2018 £ 000	At 31 December 2018 £ 000
Accelerated tax depreciation	-	-

Deferred tax movement during the prior year:

	At 1 January 2017 £ 000	Recognised in income £ 000	At 31 December 2017 £ 000
Accelerated tax depreciation	2,685	(2,685)	-

There are £2,987,000 of deductible temporary differences (2017: £2,854,000) for which no deferred tax asset is recognised in the balance sheet.

GE Infrastructure UK Limited

Notes to the Financial Statements

12 Fixed asset investments

	Investments in group undertakings £ 000
Cost	
At 1 January 2018	756,264
Additions	320
At 31 December 2018	756,584
Impairment	
At 1 January 2018	470,442
Impairment	320
At 31 December 2018	470,762
Net book value	
At 31 December 2018	285,822
At 31 December 2017	285,822

On 5 November 2018, the company subscribed for a further 320,000 ordinary shares of £1 each in the share capital of its subsidiary undertaking, Beta Research & Development Limited, for a total consideration of £320,000, payable in cash.

The directors of the company have undertaken a review of the company's investment in group undertakings as at 31 December 2018. This has resulted in a write-off of £320,000, the investments having been valued based on the net assets at their cost or recoverable value, whichever is lower.

Details of the company's subsidiaries as at 31 December 2018 are as follows:

Name of subsidiary	Registered office	Class of shares held	Proportion of ownership interest
Vetco Group Limited	The Ark 201 Talgarth Road, Hammersmith, London, W6 8BJ	Ordinary	100%
Beta Research & Development Limited	3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT	Ordinary	100%

GE Infrastructure UK Limited

Notes to the Financial Statements

13 Tangible fixed assets

	Plant, fixtures, tools and equipment £ 000
Cost	
At 1 January 2018	8,910
Additions	18
At 31 December 2018	8,928
Depreciation	
At 1 January 2018	7,024
Charge for the year	784
At 31 December 2018	7,808
Carrying amount	
At 31 December 2018	1,120
At 31 December 2017	1,886

14 Debtors

	2018 £ 000	2017 £ 000
Trade debtors	-	3
Amounts owed by group undertakings	1,089,186	1,088,835
Prepayments and accrued income	57	79
Corporation tax asset	145	1,603
Other debtors	361	3,224
	<u>1,089,749</u>	<u>1,093,744</u>

GE Infrastructure UK Limited

Notes to the Financial Statements

15 Creditors: Amounts falling due within one year

	2018 £ 000	2017 £ 000
Trade creditors	2,114	4,246
Accruals and deferred income	330	333
Amounts owed to group undertakings	851	536
Social security and other taxes	42	2,688
	<u>3,337</u>	<u>7,803</u>

16 Share capital

Allotted, called up and fully paid shares

	No. 000	2018 £ 000	No. 000	2017 £ 000
Ordinary shares of £0.01 each	<u>1,102,652</u>	<u>11,027</u>	<u>1,102,652</u>	<u>11,027</u>

17 Ultimate parent undertaking and controlling party

The company's immediate parent is International General Electric (U.S.A.), a company registered at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

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 registered at 41 Farnsworth Street, Boston, Massachusetts, 02210, USA. The consolidated financial statements of this company are available to the public and may be obtained from the registered address or at www.ge.com.

18 Changes resulting from adoption of IFRS 9 and IFRS 15

The company adopted IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* with effect from 1 January 2018. No transition adjustments were required on adoption of IFRS 9 or IFRS 15 and the transition to IFRS 9 and IFRS 15 had no material impact on the financial statements of the company.