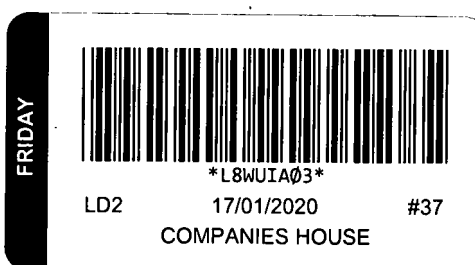


Registration number: 02133622

# GE Capital Group Services Limited

## Annual Report and Financial Statements

for the Year Ended 31 December 2018



# GE Capital Group Services Limited

## Contents

Directors' Report	1
Statement of Directors' Responsibilities	2
Independent Auditor's Report to the Members of GE Capital Group Services Limited	3 to 5
Profit and Loss Account and Other Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 16

# GE Capital Group Services Limited

## Directors' Report

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

### Principal activity

The principal activity of the company is the processing of employee expense claims and associated cash balances on behalf of other group companies.

### Results and dividends

The loss for the year, after taxation, amounted to £896,000 (2017 loss: £169,000).

The directors do not recommend payment of a 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:

M S McClellan

A J Brown

### 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.

### 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 16/1/20 and signed on its behalf by:



A J Brown  
Director

# GE Capital Group Services 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 Capital Group Services Limited

## Opinion

We have audited the financial statements of GE Capital Group Services 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.

## The impact of uncertainties due to UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the carrying value of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

## Independent Auditor's Report to the Members of GE Capital Group Services Limited

### 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.

### Directors' Report

The directors are 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were 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.

## Independent Auditor's Report to the Members of GE Capital Group Services Limited

### Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

### 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 Square  
London  
E14 5GL

Date: 17 January 2020

# GE Capital Group Services Limited

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

	Note	2018 £ 000	2017 £ 000
Administrative income/(expenses)		(936)	(168)
Other operating expenses		<u>-</u>	<u>(9)</u>
Operating loss	4	(936)	(177)
Interest receivable and similar income	8	<u>40</u>	<u>8</u>
Loss before tax		(896)	(169)
Tax on loss	9	<u>-</u>	<u>-</u>
Loss for the year		(896)	(169)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>(896)</u>	<u>(169)</u>

The above results were derived from continuing operations.



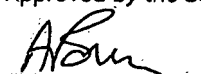
# GE Capital Group Services Limited

Registration number: 02133622

## Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	25,086	27,937
Cash at bank and in hand		2,210	-
		<u>27,296</u>	<u>27,937</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(28,311)</u>	<u>(28,056)</u>
<b>Net current liabilities</b>		<u>(1,015)</u>	<u>(119)</u>
<b>Net liabilities</b>		<u>(1,015)</u>	<u>(119)</u>
<b>Capital and reserves</b>			
Called up share capital	12	50	50
Profit and loss account		<u>(1,065)</u>	<u>(169)</u>
<b>Shareholders' deficit</b>		<u>(1,015)</u>	<u>(119)</u>

Approved by the Board on 16/1/20 and signed on its behalf by:



A J Brown  
Director

# GE Capital Group Services 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	50	(169)	(119)
Comprehensive income for the year			
Loss for the year	-	(896)	(896)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(896)	(896)
At 31 December 2018	50	(1,065)	(1,015)

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	50	-	50
Comprehensive loss for the year			
Loss for the year	-	(169)	(169)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(169)	(169)
At 31 December 2017	50	(169)	(119)

# GE Capital Group Services 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 judgment in applying the company's accounting policies (see note 3).

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](http://www.ge.com).

#### 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 standard IFRS 9: *Financial Instruments*. An explanation of the impact of the adoption of this new standard is included in note 14.

# GE Capital Group Services Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 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;
- 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

The financial statements have been prepared on a going concern basis, notwithstanding net liabilities of £1,015,000 (2017: £119,000).

The directors have reviewed the financial position of the company, including the arrangements with group undertakings.

On 16 January 2020, the company's parent company GE Capital Corporation (Holdings) has resolved through a board resolution to contribute £300,000 as capital to the company. Subsequent to this, the directors have considered the financial position of the company and of the enquiries made by them, they have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a 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 risks. Accordingly they expect that the company will be able to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Taxation

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.

# GE Capital Group Services Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

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 currencies

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.

#### 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 Capital Group Services 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 Capital Group Services 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 directors consider there are no critical accounting estimates or judgments identified in preparation of the financial statements in compliance with FRS 101.

### 4 Operating profit/(loss)

Operating loss is stated after charging:

	2018 £ 000	2017 £ 000
Difference on foreign exchange	<u>1,123</u>	<u>79</u>

### 5 Auditor's remuneration

	2018 £ 000	2017 £ 000
Audit of the financial statements	<u>9</u>	<u>8</u>

### 6 Staff costs

The company had no employees during the year (2017: nil).

# GE Capital Group Services Limited

## Notes to the Financial Statements

### 7 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.

### 8 Interest receivable and similar income

	2018 £ 000	2017 £ 000
Interest income on bank deposits	-	6
Interest receivable from group companies	40	2
	<u>40</u>	<u>8</u>

### 9 Taxation

Tax charged/(credited) in the Profit and Loss Account

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	<u>-</u>	<u>-</u>

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

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Loss before tax	<u>(896)</u>	<u>(169)</u>
Corporation tax at standard rate	(170)	(32)
Group relief for £nil consideration	<u>170</u>	<u>32</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>



# GE Capital Group Services Limited

## Notes to the Financial Statements

### 9 Taxation (continued)

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

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

There were no amounts of provided or unprovided deferred taxation as at 31 December 2018 or 31 December 2017.

### 10 Debtors

	2018 £ 000	2017 £ 000
Amounts owed by group undertakings	23,003	27,184
Other debtors	2,083	753
	<u>25,086</u>	<u>27,937</u>

### 11 Creditors: Amounts falling due within one year

	2018 £ 000	2017 £ 000
Trade creditors	25,246	17
Accruals and deferred income	16	-
Amounts owed to group undertakings	95	9,713
Other creditors	2,954	18,326
	<u>28,311</u>	<u>28,056</u>

# GE Capital Group Services Limited

## Notes to the Financial Statements

### 12 Share capital

Allotted, called up and fully paid shares

	No. 000	2018 £ 000	No. 000	2017 £ 000
Ordinary shares of £1 each	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

### 13 Ultimate parent undertaking and controlling party

The company's immediate parent is GE Capital Corporation (Holdings), a company registered at 1 Ashley Road, 3rd Floor, 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](http://www.ge.com).

### 14 Changes resulting from adoption of IFRS 9

The company adopted IFRS 9 Financial Instruments with effect from 1 January 2018. No transition adjustments was required on adoption of IFRS 9 and the transition to IFRS 9 had no material impact on the financial statements of the company.