

Registration number: 03320928

GE Financial Investments

Annual Report and Financial Statements

for the Year Ended 31 December 2015

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GE Financial Investments

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GE Financial Investments

Strategic Report

The directors present their strategic report for the year ended 31 December 2015.

Business review

The principal activity of the company is that of an investment company.

The company's transactions are principally US dollar denominated, so the accounts have been prepared in US dollars.

The results for the company show a pre-tax profit of \$17,783,000 (2014: pre-tax loss \$217,000) for the year.

The company has net assets of \$54,738,000 (2014: net assets \$31,658,000) of which \$58,926,000 (2014: \$32,573,000) is due from fellow GE group companies.

On 11 September 2015, the company transferred its entire shareholding in GE Leveraged Loans Holdings Limited, (comprising 100 shares of £1 each) to GE Capital Investments, for a total consideration of \$20,486,798, payable in cash.

Principal risks and uncertainties

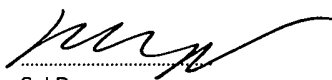
The principal risk to the company is that of the carrying value of its investments being impaired. The performance of the underlying subsidiaries is reviewed annually in order to mitigate this risk.

Other key performance indicators

The company has not identified any other key performance indicators due to the nature of its operations as a holding company.

The directors are satisfied with both the performance for the year and the balance sheet position at the year-end.

Approved by the Board on 18 August 2016 and signed on its behalf by:



S J Dwyer
Director

GE Financial Investments

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity and business review

The principal activity of the company is that of an investment company.

On 11 September 2015, the company transferred its entire shareholding in GE Leveraged Loans Holdings Limited, (comprising 100 shares of £1 each) to GE Capital Investments, for a total consideration of \$20,486,798, payable in cash.

Results and dividends

The profit for the year, after taxation, amounted to \$23,080,000 (2014: loss \$217,000).

The directors do not recommend the payment of a dividend (2014: \$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 E Brennan

Z J Citron

S J Dwyer

G M Wheeler

Disclosure of information to the auditors

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 auditors

The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 18 August 2016 and signed on its behalf by:



S J Dwyer
Director

GE Financial Investments

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 United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

GE Financial Investments

Independent Auditor's Report to the members of GE Financial Investments

We have audited the financial statements of GE Financial Investments for the year ended 31 December 2015, set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GE Financial Investments

Independent Auditor's Report to the members of GE Financial Investments
(continued)



.....
Anna Barrell (Senior Statutory Auditor)

For and on behalf of KPMG LLP

Statutory Auditor
Chartered Accountants

One Snowhill
Birmingham
United Kingdom
B4 6GH

18 August 2016

GE Financial Investments

Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 \$ 000	2014 \$ 000
Administrative expenses		(744)	(242)
Other operating income		12	-
Operating loss		(732)	(242)
Profit on sale of fixed asset investments		20,487	-
Profit/(loss) on ordinary activities before interest		19,755	(242)
Interest receivable and similar income	7	1,032	25
Interest payable and similar charges	8	(3,004)	-
Profit/(loss) on ordinary activities before taxation		17,783	(217)
Tax on profit/(loss) on ordinary activities	9	5,297	-
Profit/(loss) for the financial year		23,080	(217)
Other comprehensive Income		-	-
Total comprehensive income/(loss) for the year		23,080	(217)

The above results were derived from continuing operations.

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Balance Sheet
as at 31 December 2015

	Note	2015 \$ 000	2014 \$ 000
Fixed assets			
Investments	10	-	-
Current assets			
Debtors: amounts falling due within one year	11	58,926	32,573
Creditors: Amounts falling due within one year	12	<u>(4,188)</u>	<u>(915)</u>
Net current assets		<u>54,738</u>	<u>31,658</u>
Net assets		<u>54,738</u>	<u>31,658</u>
Capital and reserves			
Called up share capital		-	-
Profit and loss account		<u>54,738</u>	<u>31,658</u>
Shareholders' funds		<u>54,738</u>	<u>31,658</u>

Approved by the Board on 18 August 2016 and signed on its behalf by:



S J Dwyer
Director

GE Financial Investments

Statement of Changes in Equity for the Year Ended 31 December 2015

	Called up share capital \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2015	-	31,658	31,658
Comprehensive income for the year			
Profit for the year	-	23,080	23,080
Other comprehensive income	-	-	-
Total comprehensive income	-	23,080	23,080
At 31 December 2015	-	54,738	54,738
	Called up share capital \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2014	-	31,875	31,875
Comprehensive income for the year			
Loss for the year	-	(217)	(217)
Other comprehensive income	-	-	-
Total comprehensive income	-	(217)	(217)
At 31 December 2014	-	31,658	31,658

GE Financial Investments

Notes to the Financial Statements

1 General information

The company is a private company limited by share capital 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

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately 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.

In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the company is provided in note 15.

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 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at www.ge.com.

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.

GE Financial Investments

Notes to the Financial Statements

2 Accounting policies (continued)

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 January 2015 and have had an effect on the financial statements:

FRS 100 and FRS 101

In the current year the company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the company to take advantage of some of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below.

None of the other standards, interpretations and amendments effective for the first time from 1 January 2015 have had a material effect on the financial statements.

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 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

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.

GE Financial Investments

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 timing 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 more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Investments

Investments in subsidiaries are valued 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 net asset value and value in use. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised in profit or loss in the period.

Functional currency

The company's transactions are principally US dollar denominated. Since this is the operational currency, the accounts have been prepared in US dollars.

3 Critical accounting judgments and key sources of estimation uncertainty

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

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Notes to the Financial Statements

3 Critical accounting judgments and key sources of estimation uncertainty (continued)

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.

4 Auditor's remuneration

	2015 \$ 000	2014 \$ 000
Audit of the financial statements	-	12

Remuneration of \$12,000 (2014: \$nil) paid to the auditor for their services to the company was borne by a fellow group undertaking.

5 Staff costs

The company had no employees during the year (2014: nil).

6 Directors' remuneration

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

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Notes to the Financial Statements

7 Interest receivable and similar income

	2015 \$ 000	2014 \$ 000
Interest on overpaid tax	984	-
Interest receivable from group companies	48	25
	<u>1,032</u>	<u>25</u>

Interest on overpaid tax of \$984,000 relates to the 2009 tax period.

8 Interest payable and similar charges

	2015 \$ 000	2014 \$ 000
Interest on overdue tax	<u>3,004</u>	<u>-</u>

Interest on overdue tax of \$3,004,000 relates to the 2009 tax period.

9 Taxation

	2015 \$ 000	2014 \$ 000
UK Corporation tax		
Adjustment in respect of prior years	19,799	-
Foreign tax		
Adjustment in respect of prior years	<u>(25,096)</u>	<u>-</u>
Total current income tax	<u>(5,297)</u>	<u>-</u>

The tax assessed for the year is lower than (2014: higher than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)

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Notes to the Financial Statements

9 Taxation (continued)

	2015 \$ 000	2014 \$ 000
Profit/(loss) before tax	17,783	(217)
Corporation tax at standard rate	3,600	(47)
Decrease in current tax from adjustment for prior periods	(5,297)	-
Decrease from effect of revenues exempt from taxation	(4,147)	-
Increase arising from group relief tax reconciliation	547	47
Total tax credit	(5,297)	-

Factors that may affect future tax charges

The UK corporation tax rate was reduced from 21% to 20% on 1 April 2015. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted at the balance sheet date. This will reduce any current tax charges accordingly. Subsequently, the UK government announced that the UK corporation tax rate will reduce further to 17% from 1 April 2020. 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 2015 or 31 December 2014.

10 Investments

	Shares in subsidiary undertaking \$
Cost or valuation	
At 1 January 2015	163
Disposals	(163)
At 31 December 2015	-
At 31 December 2014	163

On 11 September 2015, the company transferred its entire shareholding in GE Leveraged Loans Holdings Limited, (comprising 100 shares of £1 each) to GE Capital Investments, for a total consideration of \$20,486,798, payable in cash.

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Notes to the Financial Statements

11 Debtors

	2015 \$ 000	2014 \$ 000
Amounts owed by group undertakings	58,926	32,573
	<u>58,926</u>	<u>32,573</u>

12 Creditors: Amounts falling due within one year

	2015 \$ 000	2014 \$ 000
Accruals and deferred income	632	-
Amounts owed to group undertakings	552	552
Other creditors	3,004	363
	<u>4,188</u>	<u>915</u>

13 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	\$	No.	\$
Ordinary shares of £1 each	2	3	2	3
Ordinary shares of \$1 each	100	100	100	100
	<u>102</u>	<u>103</u>	<u>102</u>	<u>103</u>

14 Ultimate parent undertaking and controlling party

The company's immediate parent is GE Financial Investments Inc., a company registered in the United States of America.

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 incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at www.ge.com.

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Notes to the Financial Statements

15 Transition to FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.