

Registration number: 03320928

GE Financial Investments
Annual Report and Financial Statements
for the Year Ended 31 December 2021



GE Financial Investments

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GE Financial Investments

Director's Report

The director presents his report and the financial statements for the year ended 31 December 2021.

Principal Activity and business review

The principal activity of the company is to provide financing to subsidiary undertakings of General Electric Company.

During 2021, \$4,428,000 (£3,199,000) was paid to HMRC, in respect of the final interest on overdue tax for 2009.

In June 2021, the First Tier Tribunal decided against the company in relation to whether the UK or US has primary taxing rights over the company's income for the years 2003 to 2008. The company has appealed, and been granted permission to do so, to the Upper Tier Tribunal. The appeal is scheduled to be heard in 2023. In November 2021, following the First Tier Tribunal decision, the company paid tax of £124,913,000 and interest of £63,717,000 (\$252,864,000 in total) in respect of 2003 to 2008. As management are of the opinion that the company's appeal should succeed, the amount paid has been recorded as an amount receivable.

Results and dividends

The profit for the year, after taxation, amounted to \$330,000 (2020: Loss \$2,745,000).

The director did not recommend the payment of a dividend (2020: \$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:

J L J Gatt (resigned 11 February 2022)

P S Girling

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, also considering events reasonably foreseeable beyond this horizon, which indicates that, taking account of the ongoing negative socio-economic impact of the COVID-19 pandemic, in light of 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, irrespective of the outcome of the tax appeal with HMRC, and will continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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Director's Report

Future developments

The director is not expecting a change in the principal activity of the company in the foreseeable future.

On 9 November 2021, General Electric Company (GE) announced that it would form three global listed companies that are intended to be run independently and focus on the aerospace, healthcare, and energy segments. In this context, GE plans to spin-off 80.1% of its Healthcare business in early 2023 and retain a 19.9% interest in GE HealthCare after the spin-off. In addition, GE Digital, Renewables and Power businesses are planned to be combined into one business and spun-off from GE in early 2024. Following these transactions, GE is expected to be an aviation-focused company shaping the future of flight while retaining certain other assets and liabilities including its runoff insurance operations. At the date of approving the financial statements the potential impact from these transactions, if any, on this entity has not yet been determined.

Financial risk management objectives and policies

Interest rate risk

The company is exposed to interest rate risk arising out of amounts owed to group undertakings. The exposure to interest rate risks have not been hedged as there is no net interest rate risk at a group level on intra-group borrowings.

Foreign currency risk

The company monitors and manages the foreign currency risk in relation to its operations in line with the group's policy and with the help of the global treasury team.

Liquidity risk

The company has the ability to access the group's cash pool facility as and when required which helps in managing liquidity risk.

Other risks

The company is not exposed to significant credit risk other than on amounts owed by group undertakings on which it places reliance on the group's overall financial position.

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.

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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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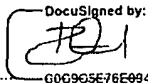
Director's Report

Auditor

In the year the Board determined to appoint Deloitte as external auditor, commencing for the year ended 31 December 2021.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and will therefore continue in office.

Approved by the director on 23 September 2022 and signed on its behalf by:

DocuSigned by:


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P S Girling
Director

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law), 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

In our opinion the financial statements of GE Financial Investments (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account and Other Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Companies Act and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 in preparing the strategic report.

We have nothing to report in respect of these matters.

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

Use of our report

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.



.....
Mark Taylor FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Statutory Auditor
3 Rivergate
Temple Quay
Bristol
BS1 6GD

23 September 2022

GE Financial Investments

Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 \$ 000	2020 \$ 000
Administrative income		<u>486</u>	<u>799</u>
Operating profit	4	486	799
Interest receivable and similar income	5	42	590
Interest payable and similar expenses	6	<u>(198)</u>	<u>(4,134)</u>
Profit/(loss) before tax		330	(2,745)
Tax on profit/(loss)	10	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year		330	(2,745)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive profit/(loss) for the year		<u><u>330</u></u>	<u><u>(2,745)</u></u>

The above results were derived from continuing operations.

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Balance Sheet as at 31 December 2021

	Note	2021 \$ 000	2020 \$ 000
Current assets			
Debtors: amounts falling due after more than one year	11	253,679	-
Debtors: amounts falling due within one year	11	-	79,853
Cash at bank and in hand		-	659
		<u>253,679</u>	<u>80,512</u>
Creditors: Amounts falling due within one year	12	<u>(176,970)</u>	<u>(4,133)</u>
Net current assets		<u>76,709</u>	<u>76,379</u>
Net assets		<u>76,709</u>	<u>76,379</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		<u>76,709</u>	<u>76,379</u>
Shareholders' funds		<u>76,709</u>	<u>76,379</u>

Approved by the director on 23 September 2022 and signed on its behalf by:

DocuSigned by:

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 P S Girling
 Director

GE Financial Investments

Statement of Changes in Equity for the Year Ended 31 December 2021

	Called up share capital \$ 000	Profit and loss account \$ 000	Total equity \$ 000
At 1 January 2021	-	76,379	76,379
Comprehensive income for the year			
Profit for the year	-	330	330
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	330	330
At 31 December 2021	-	76,709	76,709

	Called up share capital \$ 000	Profit and loss account \$ 000	Total equity \$ 000
At 1 January 2020	-	79,124	79,124
Comprehensive loss for the year			
Loss for the year	-	(2,745)	(2,745)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(2,745)	(2,745)
At 31 December 2020	-	76,379	76,379

GE Financial Investments

Notes to the Financial Statements

1 General information

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

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("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, also considering events reasonably foreseeable beyond this horizon, which indicates that, taking account of the ongoing negative socio-economic impact of the COVID-19 pandemic, in light of 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, irrespective of the outcome of the tax appeal with HMRC, and will 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)

Basis of measurement

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

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

Interest receivable and payable

Interest income and expense are recognised in profit or loss using the effective interest rate ("EIR") method. The EIR is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument but not, in the case of financial assets, future credit losses.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

Interest income and expense presented in the Profit and Loss Account and Other Comprehensive Income include interest on financial assets and financial liabilities at amortised cost on an effective interest rate basis.

Foreign currency transactions and balances

The accounts are presented in US dollars 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.

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, 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 Financial Investments

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 Financial Investments

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 director 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

The areas where estimates and assumptions are significant to the financials are disclosed below:

Uncertain tax positions

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining the tax expense and in evaluating the tax positions, including evaluating uncertainties and interpretation of applicable tax legislation. When management assess that it is more likely than not that a liability remains to be agreed with relevant tax authorities and is reasonably estimable, a provision is made in the amount of the best estimate. Management regularly reviews the tax positions and adjust the balances as new information becomes available. See Note 14 for further information.

4 Operating profit

Operating profit is stated after crediting:

	2021	2020
	\$ 000	\$ 000
Difference on foreign exchange	677	799

GE Financial Investments

Notes to the Financial Statements

5 Interest receivable and similar income

	2021 \$ 000	2020 \$ 000
Interest on overpaid tax	42	343
Interest receivable from group undertakings	-	247
	<u>42</u>	<u>590</u>

Interest on overpaid tax relates to the 2009 tax period.

6 Interest payable and similar expenses

	2021 \$ 000	2020 \$ 000
Interest on overdue tax	154	4,134
Interest payable to group undertakings	44	-
	<u>198</u>	<u>4,134</u>

The interest on overdue tax expense represents an adjustment to the additional UK interest payable in respect of 2009 under the terms of the agreement reached with HMRC in 2020.

7 Staff costs

The company had no employees during the year (2020: nil).

8 Director remuneration

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

The director is/was also director 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 significant.

GE Financial Investments

Notes to the Financial Statements

9 Auditor's remuneration

	2021	2020
	\$ '000	\$ '000
Audit of the financial statements	13	13

Remuneration of \$12,500 paid to Deloitte LLP as auditor (2020: \$13,000 paid to KPMG LLP) for their services to the company was borne by a fellow group undertaking.

10 Taxation

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

	2021	2020
	\$ 000	\$ 000
Current taxation		
UK corporation tax	-	-

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (2020: higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021	2020
	£ 000	£ 000
Profit/(loss) before tax	330	(2,745)
Corporation tax at standard rate	63	(522)
Non-taxable income	(155)	-
Expenses not deductible for tax purposes	66	522
Group relief for £nil consideration	26	-
Total tax charge/(credit)	-	-

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Notes to the Financial Statements

10 Taxation (continued)

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. Deferred tax assets and liabilities on all timing differences have been calculated at 25%, including those expected to reverse in the years ending 31 December 2021 to 31 December 2023. The impact of this on the financial statements is not considered material.

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

No deferred tax asset of \$Nil (2020: \$Nil) has been recognised in the balance sheet in respect of deductible temporary differences.

11 Debtors

	2021 \$ 000	2020 \$ 000
Due after more than one year		
Corporation tax receivable	253,679	-
	<u>253,679</u>	<u>-</u>
Due within one year		
Amounts owed by group undertakings	-	79,853
	<u>-</u>	<u>79,853</u>

In June 2021, the First Tier Tribunal decided against the company in relation to whether the UK or US has primary taxing rights over the company's income for the years 2003 to 2008. The company has appealed, and been granted permission to do so, to the Upper Tier Tribunal. The appeal is scheduled to be heard in 2023. In November 2021, following the First Tier Tribunal decision, the company paid tax of £124,913,000 and interest of £63,717,000 (\$252,864,000 in total) in respect of 2003 to 2008. As management are of the opinion that the company's appeal should succeed, the amount paid has been recorded as an amount receivable. See note 14 for further information.

12 Creditors: Amounts falling due within one year

	2021 \$ 000	2020 \$ 000
Amounts owed to group undertakings	176,970	-
Other creditors	-	4,133
	<u>176,970</u>	<u>4,133</u>

GE Financial Investments

Notes to the Financial Statements

12 Creditors: Amounts falling due within one year (continued)

Amounts owed by group undertakings are unsecured and repayable on demand. These cash pool loans in GBP and USD carry interest at variable rates linked to GBP and USD monthly LIBOR on the outstanding loan. From 1 January 2022, GBP monthly LIBOR index rate has ceased and the company has transitioned to SONIA monthly index rate.

13 Share capital

Allotted, called up and fully paid shares

	No.	2021 \$	No.	2020 \$
Ordinary shares of \$1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

14 Contingent liabilities

The company is in dispute with HMRC regarding whether the UK or the US has primary taxing rights over the company's income for the years 2003 to 2008. In June 2021, the First Tier Tribunal decided against the company in relation to whether the UK or US has primary taxing rights over the company's income for the years 2003 to 2008. The company has appealed, and been granted permission to do so, to the Upper Tier Tribunal. The appeal is scheduled to be heard in 2023. Management are of the opinion that it is more likely than not that the company will be successful in its appeal. Due to the uncertainty associated with this dispute, it is possible that the final outcome may differ from the position reflected in these financial statements. The impact on the company of an adverse final outcome will, however, be limited to the net of the amount of interest paid to one jurisdiction and the amount of interest received from the other. This net liability is in the region of \$40 million.

15 Commitments

Capital commitments

The total amount of commitments contracted for but not provided in the financial statements was \$Nil (2020: \$Nil).

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was \$Nil (2020: \$Nil)

GE Financial Investments

Notes to the Financial Statements

16 Ultimate parent undertaking and controlling party

The company's immediate parent is GE Mobile Interim Solutions, LLC Limited, a company registered at 901 Main Avenue Norwalk, Connecticut, USA.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking and controlling party, General Electric Company, a company registered at 1 River Road, Schenectady, New York, 12345, USA, 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.