Registration number: 04347573

GE Steam Power Ltd (formerly Alstom Power Ltd)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

GE Steam Power Ltd (formerly Alstom Power Ltd)

Contents

GE Steam Power Ltd (formerly Alstom Power Ltd)

Strategic Report

The directors present their strategic report for the year ended 31 December 2020.

Business review
The results for the company show a pre-tax loss of £355,000 (2019: £nil) and turnover of £39,186,000 (2019: £nil).

The name of the company was changed from Alstom Power Limited to GE Steam Power Ltd on the 22 June 2020. On 17 September 2020 the boards of directors of General Electric Energy UK Limited and GE Steam Power Ltd approved the transfer of the trade and assets of the steam power business from General Electric Energy UK Limited to GE Steam Power Ltd. This transfer occurred on 1 October 2020, at which date the agency agreement between the two companies was severed. General Electric Energy UK Limited will continue to own GE Steam Power Ltd and on 1 October 2020 General Electric Energy UK Limited acquired an additional investment of 1,000 ordinary shares with a nominal value of £1 per share in GE Steam Power Ltd for a cash consideration of £6,080,000. The directors are of the opinion that this will strengthen the steam power business and the relationship with its customers.

The results included in the profit and loss account are for the period 1 October 2020 to 31 December 2020. The results for the nine months to 30 September are included in the financial statements of General Electric Energy UK Limited.

In Q4 of 2020, the company entered into consultation with its employees in respect to a restructuring of the business. The purpose of the restructuring was to align to the market reality of a rapidly declining new build coal power plant business coupled with a decline of installed base coal power plants in certain regions. The company shared its strategy to exit the new build coal power plant business and core services for boilers and to focus on turbine islands for the new nuclear market and deliver best-in-class, profitable services for existing coal and nuclear plants. The proposal included a potential impact to around 10% of the workforce through 2021-2022, which was deemed necessary to right size the business to be sustainable whilst supporting the global and UK's energy transition in the coming years.

The result for the year has been impacted by a restructuring provision of £2,133,000

Our largest contract currently under execution is with NNB for the supply of conventional island equipment for Hinkley Point C Nuclear Power Station in Somerset, UK. During 2020, highlights on the contract included: achievement of Unit 1 Main Feedwater Tank Bulk Manufacturing Completion Milestone, advancement of all Engineering, Manufacturing and Construction activities despite Covid-19 and first major deliveries of equipment to the UK (Condenser steelwork; Condenser water boxes and Condenser modules). Work on this contract will continue into 2021 and beyond.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Strategic Report

Outlook

Current global market conditions, which remain characterised by overcapacity, pricing pressure and fierce competition, continue to provide challenges in the energy sectors in which we operate. Combined with the impacts of the COVID-19 pandemic, with the consequent impact on travel and workforce restrictions, supply and production disruption and reduced demand and spending, this ensured challenging times for 2020 that continue into 2021. Despite that, revised targets for order intake and operating profit were achieved with a robust opportunity pipeline visible for 2021 and beyond. We continue to actively monitor our market segments, both customer and supply chain, and will take necessary actions when appropriate to ensure that the business remains strong and profitable for the future.

The Steam Power market has seen an accelerated decline due to a reduction in coal utility, a renewed interest in nuclear which is keeping nuclear stable, and an increase in renewable energy capacity (IST-ST Renewables stable), whilst balancing the challenge of lowering CO2 footprints is expected to continue impacting various product segments. The total global market for services, is expected to decline by further 12% over the next 5 years. Fossil (Coal and Oil) OEM global installed base is anticipated to decline by 10% in the next 5 years, due to planned retirements of existing units.

The Steam Power market has become more transactional and therefore more competitive (95% in 2020 is transactional compared with only 84% in 2017). Market and customer requirements are focused on:

- open tenders and short-term planning (faster response and quick quotation time)
- reduced outage durations,
- reduced maintenance budgets focused on open clean check and close scope (OCCC),
- high scope variance, shifting from preventive maintenance to correction maintenance,
- customers taking more risk for unplanned events (forced outages with unexpected scope), the number of which have increased.

In order to improve Steam Power competitiveness, it is essential to address the cost structure and current setup whilst aligning to the new market realities and customer requirements. Hence, Steam Power is developing a model determining the need for TFA, craft, staff and enabling functions to develop a qualified and committed on-site competence Field Service Organization for Steam Power OEM and OEM IST, Nuclear, Renewable and Fossil units.

Going concern

The directors have considered the going concern assessment as the basis of preparing these financial statements in the light of the trading position in the period and the net liability position at the 31 December 2020 along with the events occurring in 2021. We conclude that it is appropriate based on our assessment set out on page 17 of these financial statements.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Strategic Report

Section 172 statement - Companies (Miscellaneous Reporting) Regulations 2018:
The Board of Directors of GE Steam Power Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (considering stakeholders and stakeholders and matters and set out in Section 172 of the Companies Act 2006) in the decisions taken during the year ended 31 December 2020.

A director of a company must act, in good faith, to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:
- the likely consequences of any long-term decisions taken and the impact on all stakeholders are considered
- the interests of the company's employees. Our people play a key role in helping us to achieve our strategic priorities and committed and engaged employees are crucial to our success
- the need to foster strong working relationships with suppliers, customers and others
- the impact of the company's operations on our community and the environment, reducing our emissions and improving our carbon footprint in the communities where we operate
- the need to conduct business to the highest levels of integrity, ensuring that we and our customers and suppliers apply high standards in their social, environmental and ethical conduct
- the need to treat all our stakeholders fairly building open and constructive relationships.

During the course of 2020 the directors have had to consider these key issues to ensure the continued success of the business. These are as follows:

• Covid-19. 2020 was a challenging year due to the global pandemic with a number of customer outage events rescheduled from original execution dates or altered in scope. The employees demonstrated a very flexible approach by working closely with customers and suppliers. Customer outages were executed with effective Covid-19 best practice controls to ensure safe delivery and exceeding expectations. During the period our employees adapted to home working where possible and only a relatively small population of employees were furloughed. The Rugby Service Centre remained operational throughout and technical support to our customers remained effective and timely.

• Business transfer and restructuring to realign to the changing global market and customer needs and through engagement in a formal consultation process with employees.

Further details of how we conduct our business relationships with all stakeholders can be found at https://inside.integrity.ge.com/. At GE our commitment to operating business with integrity and ensuring that we engage with all stakeholders is built around our GE Code of Conduct, The Spirit & The Letter. These policies apply to all our employees and are upheld by the directors of GE Steam Power Limited.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Strategic Report

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to several risks. The principal risks and uncertainties are:

General economic risk:

The company is subject to general economic risk including: (i) changes in the economic outlook; (ii) government changes and/or changes in industrial, fiscal or regulatory policies; and (iii) changes in interest rates, exchange rates or rates of inflation. Short-term evolution of the company's markets is also driven by financing constraints.

Competition risk:

The company faces the evolution of customers' demand due to the specificity of their markets, as well as strong competition, both from large historical international competitors and new entrants.

Pension plans:

During 2020 GE Steam Power Ltd became a participating employer in the GEAPS Pension Scheme. The company is a member of this defined benefit group pension plan providing benefits based on pensionable pay.

Through 2020 and into 2021, the company will take a view on whether to close the GEAPS to future accrual on 31 December 2021, following full staff consultation.

Regulatory risk:

The company is subject to extensive legal and regulatory controls and failure by the company to comply with these could have material adverse effects. The directors therefore work with internal and external advisors to ensure awareness and reporting of, and full compliance with, all such requirements and obligations as required.

Contract execution:

The company's business includes major long-term contracts, often executed in consortia. The revenue, cash flow and profitability of a long-term project can vary significantly with the progress of the project and depend on a variety of factors, which may not always be within the company's control. Because of this variability, the profitability of certain contracts may significantly impact income and cash flows in any given period.

The company has established strict risk control procedures which are applied from tendering to contract execution and the reported results take into account the expected outcomes from this risk assessment process.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Strategic Report

Key performance indicators (KPIs)
The principal key performance indicators used in assessing the company's activities are:

	Sales £ m	**Gross margin**
Year ended 31 December 2020	39	10.95%
Year ended 31 December 2019	-	-

The results for the prior year 2019 and the first nine months of 2020 have been disclosed in the accounts of the parent General Electric Energy UK Limited.

Approved by the Board on 30 September 2021 and signed on its behalf by:

DocuSigned by:
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I K Rutherford
Director

GE Steam Power Ltd (formerly Alstom Power Ltd)

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity
The principal activity of the company during the year was electrical and mechanical engineering for the electricity power market.

Results and dividends
The loss for the year, after taxation, amounted to £355,000 (2019: £nil).

The directors do not recommend the payment of a dividend (2019: £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:

D Bell

I K Rutherford

S R Miller (resigned 28 October 2020)

M S Lehal (appointed 28 October 2020)

Corporate Governance Code
The directors of GE Steam Power Limited confirm that Corporate Governance principles have been fully adopted through adherence to the GE Code of Conduct and The Spirit & The Letter.

Engagement with suppliers, customers and other relationships
As noted in the Strategic Report, the directors consider that they have complied with their duties under Section 172. This includes ensuring that the interests of key stakeholders, and the likely consequence of any decisions in the long term, have been taken into account.

At GE our commitment to operating business with integrity and ensuring that we engage with all stakeholders is built around our GE Code of Conduct and The Spirit & The Letter. These policies apply to all our employees and are upheld by the directors of GE Steam Power Limited.

Through our extensive supply chain, we have an opportunity to raise standards of social, environmental and ethical conduct. We engage with our suppliers to promote awareness of our policies and monitor compliance with the GE Code of Conduct. It sets out the high standards of ethical, social and environmental conduct we expect.

Engaging with our customers helps us to understand their changing needs and preferences and allows us to make decisions to improve our service offering. This is done at company level and GE global strategic business levels through a variety of means.

Further details of how we conduct our business relationships with all stakeholders can be found at https://www.ge.com/sustainability/integrity

Employee involvement
The company recognises the benefits of keeping employees informed of current business performance. During the year employees attended review meetings at which the financial results of the business were disclosed.

The employees' involvement in the company's performance is encouraged through the employee share saving scheme.

The company conforms to the current employment laws on the employment of people with disabilities.

Streamlined Energy and Carbon Reporting
GE Steam Power Ltd is required to comply with the Streamlined Energy and Carbon Reporting (SECR) regulations in the United Kingdom. The table below represents GE Steam Power Ltd's energy use and associated greenhouse gas (GHG) emissions from electricity and fuel in the UK for the 2020 reporting period (1 October 2020 to 31 December 2020).

Our energy and greenhouse gas emissions

Scope	**Source**	**Energy (kWh)**	**Emissions (tCO2e)**
	Natural gas	2,454,262	445
Scope 1	Diesel	111,488	29
	Petrol	23,332	6
Scope 2	Purchased electricity	1,050,895	243
Total		3,639,977	723

Our greenhouse gas emissions intensity over the reporting period was 18.45 tCO2e/USDm revenue. This intensity measurement covers our Scope 1 and 2 emissions as stated above.

Methodology
We report our GHG inventory using the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard Revised Edition as our framework for calculations and disclosure. We use carbon conversion factors published by the US Environmental Protection Agency and International Energy Agency. This includes emissions from stationary combustion and fleet (Scope 1) and purchased electricity (Scope 2). We have calculated our emissions from purchased electricity using the market-based approach. GE plans to continue developing Scope 3 emission metrics and targets in line with our published ambition to be a net zero company by 2050.

Energy efficiency measures
In 2020 we have installed LED lighting with improved PIR control and added improved control on the office air conditioning saving 208MWh of electrical power per annum. In addition, we added improved localised control on our gas heating system to reduce gas consumption in this area by 1,825 MWh per annum.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Directors' Report

Post balance sheet events
On 1 July 2021, to align with Steam Power strategy of developing a qualified and committed on-site competence Field Service Organization, the company acquired a portion of the engineering field service business of Fieldcore Service Solutions International LLC, a GE company. As a result, GE Stem Power now has its own capability, employing 100 field service engineers.

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
KPMG LLP will resign as auditor on completion of company's 2020 audit.

Following a global re-tendering exercise by GE, Deloitte LLP will be appointed as the company's auditor for the next audit cycle.

Approved by the Board on 30 September 2021 and signed on its behalf by:

DocuSigned by:

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I K Rutherford
Director

GE Steam Power Ltd (formerly Alstom Power Ltd)

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 Steam Power Ltd (formerly Alstom Power Ltd)

Opinion

We have audited the financial statements of GE Steam Power Ltd (formerly Alstom Power Ltd) ("the company") for the year ended 31 December 2020, 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 2020 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meetings minutes.
- Considering remuneration incentive schemes and performance targets for management/ directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, especially the risk that management may be in a position to make inappropriate accounting entries; the risk of fraudulent revenue recognition, in particular the risk that point in time revenue is recognised in the incorrect period; and, the risk of bias in accounting estimates and judgements relating to long term contract revenue such as determining the cost to complete and profit margin for the long term contracts.

We did not identify any additional fraud risks.

We performed procedures including:

- Test of controls in relation to revenue and journals;
- Assessing when the revenue for point in time contracts was recognized, particularly focusing on revenue recognized in the days before and after the year end, and whether it was recognized on the correct year;
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts; and
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Independent Auditor's Report to the Members of GE Steam Power Ltd (formerly Alstom Power Ltd)

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, GDPR, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

Independent Auditor's Report to the Members of GE Steam Power Ltd (formerly Alstom Power Ltd)

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, 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 Steam Power Ltd (formerly Alstom Power Ltd)

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.

Anna Barrell

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Anna Barrell (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

Date:: 1 October 2021

GE Steam Power Ltd (formerly Alstom Power Ltd)

Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	4	39,186	-
Cost of sales		(34,894)	-
Gross profit		4,292	-
Administrative expenses		(4,562)	-
Operating loss	5	(270)	-
Interest payable and similar expenses	6	(117)	-
Loss before tax		(387)	-
Tax on loss	10	32	-
Loss for the year		(355)	-
Other comprehensive income		-	-
Total comprehensive loss for the year		(355)	-

The above results were derived from continuing operations.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Registration number: 04347573

Balance Sheet
as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	11	9,776	-
Right of use assets	12	628	-
		10,404	-
Current assets			
Stocks	13	13,718	-
Debtors: amounts falling due after more than one year	14	2,720	-
Debtors: amounts falling due within one year	14	100,951	-
Cash at bank and in hand		205	-
		117,594	-
Creditors: Amounts falling due within one year	15	(48,949)	-
Net current assets		68,645	-
Total assets less current liabilities		79,049	-
Creditors: Amounts falling due after more than one year	16	(91,736)	-
Provisions for liabilities	17	(33,255)	-
Net liabilities		(45,942)	-
Capital and reserves			
Called up share capital	18	1	-
Other non-distributable reserve	19	(45,588)	-
Profit and loss account		(355)	-
Shareholders' deficit		(45,942)	-

Approved by the Board on 30 September 2021 and signed on its behalf by:

DocuSigned by:

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I K Rutherford
Director

The notes on pages 18 to 40 form an integral part of these financial statements.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £ 000	Other non-distributable reserve £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2020	-	-	-	-
Comprehensive loss for the year				
Loss for the year	-	-	(355)	(355)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(355)	(355)
Share capital issued during the year	1	-	-	1
Reserve arising on transfer of business (see note 19)	-	(45,588)	-	(45,588)
At 31 December 2020	1	(45,588)	(355)	(45,942)

The non-distributable reserve arises on the transfer of the business assets and liabilities from General Electric Energy UK Limited on 1 October 2020. The debit reserve arises due to the company taking over net liabilities at the time of the transfer (see note 19).

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2019	-	-	-
Comprehensive income for the year			
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2019	-	-	-

The notes on pages 18 to 40 form an integral part of these financial statements.

GE Steam Power Ltd (formerly Alstom Power Ltd)

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:
Newbold Road
Rugby
Warwickshire
CV21 2NH

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).

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

Going concern
The directors have performed a going concern assessment for a period of 12 months from the date of approval of these financial statements which indicates that, taking account of 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 directors are confident that the company will have sufficient funds to continue in operational existence for at least 12 months from the date of approval of these financial statements and they continue to adopt the going concern basis of accounting in preparing the annual 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 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 52, 58 and the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Turnover

Recognition

The company earns revenue from the manufacture and sale of electric motors and generators. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

The company also earns revenue from the provision of services relating to electrical and mechanical engineering for the electricity power market. 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.

2 Accounting policies (continued)

Turnover (continued)

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

The main performance obligations consist of delivery of products for equipment sales and engineering services. For all contracts the stage of completion and delivery of performance obligations are measured at the balance sheet date.

Revenue is recognised when each of the identified performance obligations are satisfied. Depending on how each performance obligation is satisfied, revenue is recognised either over time or at a point in time basis. A contract may include performance obligations that are satisfied at a point in time and over time.

For performance obligations accounted for at a point in time basis, the main performance obligation to customers are satisfied when the supply of goods or services have transferred to the customer and the customer has control of these.

For contracts accounted for over time, revenue is allocated based on costs incurred to the date, in proportion to total projected costs for the contract.

Warranties balances and the nature of those warranties are disclosed in Note 17.

2 Accounting policies (continued)

Turnover (continued)

Contract modifications

The company's contracts are often amended for changes in contract specifications and requirements. Contract modification exists when the amendment either creates new or changes the existing enforceable rights and obligations. The effect of a contract modification on the transaction price and the company's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

a. Prospectively as an additional separate contract:
b. Prospectively as a termination of the existing contract and creation of a new contract;
c. As part of the original contract using a cumulative catch up; or
d. As a combination of b) and c).

The facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes. Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end as management need to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management use their judgement to estimate the change to the total transaction price.

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 are recognised in the balance sheet when the company's right to consideration become unconditional.Contract receivables are only recognised when goods have been delivered or services have been rendered and the company has an enforceable right to receive the payment.

Contract assets and receivables 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.

2 Accounting policies (continued)

Turnover (continued)

Impairment of contract related balances

At each reporting date, the company determines whether or not such assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant contracts or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific KPIs that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

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.

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.

Tangible fixed assets

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

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful life of each tangible fixed asset as follows:

Asset class	Estimated useful life
Plant & machinery	4-20 years
Buildings	5 years
Leased assets	period of the lease
Land is not depreciated	

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow-moving stocks. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of fixed and variable overheads based on normal operating capacity.

2 Accounting policies (continued)

Leases

As a lessee

Initial recognition and measurement

The company initially recognises a lease liability for the obligation to make lease payments and a right of use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term discounted using the company's incremental borrowing rate. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right of use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e., non-lease components), the company has made an accounting policy election to account for both components as a single lease component.

Subsequent measurement

After the commencement date, the company measures the lease liability by:

(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are [presented separately as non-operating /included in finance cost] in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right of use asset is accounted for using the cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for tangible fixed assets. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

2 Accounting policies (continued)

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.

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.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Notes to the Financial Statements

2 Accounting policies (continued)

Financial instruments (continued)

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 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.

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.

Derivative financial instruments
Derivative financial instruments are contracts, the value of which is derived from one or more underlying financial instruments or indices, and include futures, forwards, swaps and options in the interest rate, foreign exchange, equity and credit markets.

Derivative financial instruments are recognised in the balance sheet at fair value. Fair values are derived from prevailing market prices, discounted cash flow models or option pricing models as appropriate.

In balance sheet, derivative financial instruments with positive fair values (unrealised gains) are included as assets and derivative financial instruments with negative fair values (unrealised losses) are included as liabilities. The changes in the fair values of derivative financial instruments entered into for trading purposes are included in trading income.

2 Accounting policies (continued)

Employee costs - short term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pensions
The company is a member of a larger group pension scheme providing benefits based on final pensionable pay. The group pension scheme, GEAPS, covers a number of United Kingdom subsidiary companies of General Electric Company. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by IAS 19 Employee Benefits, the scheme has been accounted for in these financial statements as if the scheme was a defined contribution scheme. The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Provisions
A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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:

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

Revenue recognition on long-term contract service agreements

Revenue recognition on long-term product and contract service agreements requires estimates of profits over the multiple-year terms of such agreements, considering factors such as the frequency and extent of future monitoring, maintenance and overhaul events; the amount of personnel, spare parts and other resources required to perform the services; and future billing rate, cost changes and customers' utilization of assets. We routinely review estimates under product services agreements and regularly revise them to adjust for changes in outlook.

We also regularly assess customer credit risk inherent in the carrying amounts of receivables and contract costs and estimated earnings, including the risk that contractual penalties may not be sufficient to offset our accumulated investment in the event of customer termination. We gain insight into future utilization and cost trends, as well as credit risk, through our knowledge of the installed base of equipment and the close interaction with our customers that comes with supplying critical services and parts over extended periods. Revisions may affect a product services agreement's total estimated profitability resulting in an adjustment of earnings.

Provisions

a. Warranty provisions

The company offers warranties on certain products and provisions for these warranties are recognised considering factors such as the frequency and extent of future monitoring, maintenance and overhaul events, and historical run rates to meet the obligations of these warranties. Management routinely review estimates under product warranties and regularly revise them to adjust for changes in outlook.

b. Environment and health & safety provisions

Our operations, like operations of other companies engaged in similar businesses, involve the use, disposal and clean-up of substances, including asbestos, regulated under environmental protection laws. We are involved in a number of remediation actions to clean up hazardous wastes as required by law. Health and safety issues are taken very seriously and provision is made to ensure that all sites are compliant. Provisions are also made for the health impact on employees arising from exposure to environmental hazards.

c. Dilapidations provisions

The company operates from a number of locations in premises that are rented from landlords. As part of the lease arrangements the company is responsible for the cost of dilapidations. There has been a review of all properties from which the business operates. These reviews have been undertaken by independent experts. At the year end we have based the provisions on the recommended estimates of these experts.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Notes to the Financial Statements

4 Turnover

The analysis of the company's turnover for the period from continuing operations is as follows:

	2020 £ 000	2019 £ 000
Point in time	13,944	-
Over time	25,242	-
	39,186	-

A geographical analysis of turnover is as follows:

	2020 £ 000	2019 £ 000
United Kingdom	24,426	-
Rest of Europe	1,913	-
USA	1,024	-
Other	11,823	-
	39,186	-

Contract assets arise where goods or services are transferred to the customer before the customer pays consideration, or before payment is due. Contract receivables (loans and advances) represent our unconditional right to consideration for the goods or services supplied and performance obligations delivered. Contract liabilities (deposits from customers) relate to consideration received when we still have an obligation to deliver goods or services for that consideration.

Contract assets and liabilities

	2020 £ 000	2019 £ 000
Contract assets (see note 14)	10,732	-
Contract liabilities (see note 15 & 16)	(94,285)	-
Work in progress (see note 13)	12,202	-

GE Steam Power Ltd (formerly Alstom Power Ltd)

Notes to the Financial Statements

5 Operating loss

Operating loss is stated after charging/(crediting):

	Note	2020 £ 000	2019 £ 000
Depreciation expense	11, 12	360	-
Research and development cost		728	-
Difference on foreign exchange		(584)	-

6 Interest payable and similar expenses

	2020 £ 000	2019 £ 000
On loans from group undertakings	62	-
Interest on lease liabilities	55	-
	117	-

7 Staff costs

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

	2020 £ 000	2019 £ 000
Wages and salaries	5,793	-
Social security costs	658	-
Pension costs	945	-
	7,396	-

7 Staff costs (continued)

The average number of persons employed by the company (including directors) during the 3 month period of trading analysed by category was as follows:

	2020 No.	2019 No.
Administration and support	25	-
Sales, marketing and distribution	315	-
Commercial	31	-
Manufacturing and engineering	18	-
	389	-

8 Directors' remuneration

The directors' remuneration for the period was as follows:

	2020 £ 000	2019 £ 000
Remuneration	57	-
Company pension contributions	14	-
	71	-

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

	2020 No.	2019 No.
Accruing benefits under defined benefit pension scheme	1	-
Accruing benefits under defined contribution pension scheme	1	-

GE Steam Power Ltd (formerly Alstom Power Ltd)

Notes to the Financial Statements

8 Directors' remuneration (continued)

In respect of the highest paid director:

	2020 £ 000	2019 £ 000
Remuneration	35	-
Company contributions to defined contribution pension schemes	9	-

9 Auditor's remuneration

	2020 £ 000	2019 £ 000
Audit of the financial statements	115	-

In 2019 remuneration of £3000 paid to the auditor for their services to the company was borne by a fellow group undertaking.

10 Taxation

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

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	-	-
Foreign tax	(32)	-
Total current tax	(32)	-
Deferred taxation		
Origination and reversal of temporary differences	(431)	-
Movement on deferred tax not provided	431	-
Total deferred taxation	-	-
Tax receipt in the profit and loss account	(32)	-

10 Taxation (continued)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (2019: the same as the standard rate of corporation tax in the UK) of 19% (2019: 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Loss before tax	(387)	-
Corporation tax at standard rate	(73)	-
Expenses not deductible for tax purposes	7	-
Group relief for £nil consideration	(365)	-
Increase (decrease) from effect of foreign tax rates	(32)	-
Movement in deferred tax not provided	431	-
Total tax credit	(32)	-

Factors that may affect future tax charges

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 19% as at 31 December 2020. The impact of the announced future rate change on the financial statements is not considered material.

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

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

Deferred tax

There are £431,000 of deductible temporary differences (2019: £Nil) for which no deferred tax asset is recognised in the balance sheet.

10 Taxation (continued)

As a result of the transfer of the Steam business from General Electric Energy UK Limited on 1 October 2020, tax losses historically attributable to that business transfer to GE Steam Power Limited and may be relieved against future tax profits. The amount of loss is expected to be material, but, at the date of approving the financial statements, the company is not in a position to quantify the loss with sufficient certainty. Its tax provision assumes that none of the loss transferred on 1 October 2020 is used in this period.

11 Tangible fixed assets

	Land and buildings £ 000	Plant & machinery £ 000	Total £ 000
Cost			
At 1 January 2020	-	-	-
Transfer from General Electric Energy UK Limited	4,134	1,813	5,947
Additions	4,088	33	4,121
At 31 December 2020	8,222	1,846	10,068
Depreciation			
At 1 January 2020	-	-	-
Charge for the period	211	81	292
At 31 December 2020	211	81	292
Net book value			
At 31 December 2020	8,011	1,765	9,776
At 31 December 2019	-	-	-

GE Steam Power Ltd (formerly Alstom Power Ltd)

Notes to the Financial Statements

12 Right of use assets

	Property and motor vehicles £ 000
Cost	
At 1 January 2020	-
Transfer from General Electric Energy UK Limited	645
Additions	51
At 31 December 2020	696
Depreciation	
At 1 January 2020	-
Charge for the period	68
At 31 December 2020	68
Net book value	
At 31 December 2020	628
At 31 December 2019	-

13 Stocks

	2020 £ 000	2019 £ 000
Raw materials and consumables	775	-
Work in progress	12,202	-
Finished goods and goods for resale	741	-
	13,718	-

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £17,208,429 (2019: £nil). The write down of stocks to net realisable value amounted to £938,329 (2019: £nil). The reversal of write-downs amounted to £nil as discussed below (2019: £nil). The write down and reversal are included in cost of sales.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Notes to the Financial Statements

14 Debtors

	2020 £ 000	2019 £ 000
Due after more than one year		
Derivative financial assets	27	-
Contract assets	2,693	-
	2,720	-
Due within one year		
Trade debtors	721	-
Amounts owed by group undertakings	84,207	-
Prepayments	2,727	-
Other debtors	2,564	-
Contract assets	10,732	-
	100,951	-

Amounts owed by group undertakings are unsecured and repayable on demand. Interest is received on intercompany cashpool balances at variable rate of interest linked to 3 month LIBOR. No interest is received on intercompany trading balances.

15 Creditors: Amounts falling due within one year

	2020 £ 000	2019 £ 000
Trade creditors	10,578	-
Accruals and deferred income	7,980	-
Amounts owed to group undertakings	23,518	-
Social security and other taxes	1,641	-
Other creditors	1,987	-
Derivative financial instruments - liabilities	7	-
Lease liabilities	204	-
Contract liabilities	3,034	-
	48,949	-

GE Steam Power Ltd (formerly Alstom Power Ltd)

Notes to the Financial Statements

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

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is paid on intercompany cashpool balances at variable rate of interest linked to 3 month LIBOR. No interest is paid on intercompany trading balances.

16 Creditors: Amounts falling due after more than one year

	2020 £ 000	2019 £ 000
Lease liabilities	423	-
Contract liabilities	91,251	-
Derivative financial instruments - liabilities	62	-
	91,736	-

17 Provisions for liabilities

	Warranties £ 000	Contract risks £ 000	Restructuring £ 000	Environmental £ 000	Others £ 000	Total £ 000
At 1 January 2020	-	-	-	-	-	-
Transfer on 1 October 2020	3,516	811	-	22,887	-	27,214
Additions in the period	-	-	-	-	4,110	4,110
Profit & loss in the period	403	125	2,133	-	-	2,661
Utilised during the period	(163)	-	-	(567)	-	(730)
At 31 December 2020	3,756	936	2,133	22,320	4,110	33,255

Warranties - These provisions are established to recognise known and expected claims against delivered products or services within the contractual guarantee periods for such sales. The expenditure is expected to be mainly incurred over the next 12 to 30 months, in line with the contractual warranty periods.

Contract risks (incl. penalties and claims) - These provisions relate to risks on contracts including anticipated risks related to non-performance in respect of contractual terms for delivery and performance. The utilisation of these provisions is anticipated to be within 2 years.

Restructuring - These provisions are established to cover the costs of ongoing reorganisation within the company including costs of reducing manpower, relocating premises and onerous property leases. They are expected to be largely utilised within 1 year.

GE Steam Power Ltd (formerly Alstom Power Ltd)

Notes to the Financial Statements

17 Provisions for liabilities (continued)

Other provisions - These are provisions which relate to the local needs of the business, including claims against the company which are non-contract related. This category includes dilapidations provisions and asset retirement obligations. The utilisation of these provisions is anticipated to be within 5 years.

Environmental - The methodology for estimating a company's potential liability due to injury related claims combines product-specific information with labor force data in an epidemiological model to generate a projection of past and future disease incidence. The company-specific claims history is then evaluated relative to past incidence. These relationships are then applied to projected future incidence patterns to analyze the potential for future asbestos related liabilities. These claims are then valued based on recent trends in claim settlement amounts and placed in a cash flow profile.

The following steps briefly describes the input selections that inform the calculation of the liability:

- Determine the number of pending (open) claims by disease;
- Determine how many of the pending claims will be paid and dismissed;
- Compute the relationship between claims history and incidence;
- Forecast the number of future filed claims:
- Determine how many of the future claims will be paid claims by disease and year;
- Apply a per claim average to the expected number of future paid claims;
- Arrange paid claims into a timing profile;
- Adjust the estimate for insurance.

Provisions of this nature are unlikely to be fully utilised within the next 10 years.

18 Share capital

	No.	2020	No.	2019
		£		£
Ordinary shares of £1 each	1,001	1,001	1	1

On 1 October 2020, the company issued 1,000 ordinary shares of £1 each at a price of £6,080 per share. This resulted in a share premium of £6,079,000.

The credit on share premium has been offset against the debit reserve arising on the transfer of assets and liabilities from General Electric Energy UK Limited (see Statement of Changes in Equity).

GE Steam Power Ltd (formerly Alstom Power Ltd)

Notes to the Financial Statements

19 Other non-distributable reserve

On the 1 October 2020, as part of a group re-organisation, the company acquired the assets and liabilities of the steam business from General Electric Energy UK Limited. The details are as follows :

	£000
Assets transferred	79,634
Liabilities transferred	(125,221)
Net liabilities	(45,587)
Consideration	6,080
Amount to reserves	
Net liabilities	(45,587)
Share capital issued	(1)
Total	**(45,588)**

General Electric Energy UK Limited is the parent entity of GE Steam Power Ltd, the assets and liabilities have been transferred at book value, as a transaction under common control, which was less than the fair value. As a result of this transfer this resulted in a loss of £45,588,000. The consideration was determined by a fair market value assessment and settled by the issue of shares (see note 18). The ownership of the company remains the same before and after the transaction.

The company has acquired a business under this capital reorganisation, issuing shares in consideration which were transacted at fair value and the overall business was valued at a positive value of £6,080,000. As a result there is no distribution.The Companies Act 2006 requires that the loss be charged direct to a non-distributable reserve (see page 16, Statement of Changes in Equity).

20 Pension commitments

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

20 Pension commitments (continued)

The last full actuarial valuation was carried out as at 31 March 2018 by a qualified independent actuary. At this date there was a funding deficit of £691 million and a funding level of 73%.

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

The pension charge for the period was £945,000 (2019: £nil), including £463,000 (2019: £nil) in respect of the defined contribution scheme. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year..

21 Ultimate parent undertaking and controlling party

The company's immediate parent is General Energy Electric UK Limited, a company registered at St Leonards Building, Harry Kerr Drive, Stafford, England, United Kingdom, ST16 1WT.

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

22 Post balance sheet events

On 1 July 2021, to align with Steam Power strategy of developing a qualified and committed on-site competence Field Service Organization, the company acquired a portion of the engineering field service business of Fieldcore Service Solutions International LLC, a GE company. As a result, GE Stem Power now has its own capability, employing 100 field service engineers.