

Registration number: 08462333

GE Oil & Gas Marine & Industrial UK Ltd. (formerly
Alstom Renewable UK Limited)

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

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GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Strategic Report

The directors present their strategic report for the year ended 31 December 2017.

Business review

The results for the company show a pre-tax profit of £9,923,000 (2016 loss: £2,554,000) and sales of £11,403,000 (2016: £13,647,000). See the Profit and Loss Account on page 8 for details of the result analysed between continued and discontinued operations.

As part of a General Electric Company restructuring plan, on 1 June 2017 the trade and the assets of the wind division were sold to GE Renewable UK (Holdings) Ltd (formerly Alstom Renewable UK (Holdings) Limited), for a consideration of £1.

On 5 June 2017, the company's immediate parent undertaking, Alstom Renewable UK (Holdings) Limited, transferred its entire shareholding in the company (comprising 1 ordinary share of £1) to Vetco Gray Holding, for a consideration of £1.

On 26 January 2018, the company's name changed from Alstom Renewable UK Limited to GE Oil & Gas Marine & Industrial UK Ltd.

Outlook

The outlook for the business remains positive with future potential for some growth and expectations of a return to profitability.

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, monetary or regulatory policies; and (iii) changes in interest rates, exchange rates or rates of inflation.

Regulatory risk:

The company is subject to legal and regulatory controls and failure by the company to comply with these could have adverse effects. The company attempts to mitigate regulatory risk through its contract negotiations with customers.

Political risk:

The development of renewable energy depends on the political framework in which market participants operate. The withdrawal or reduction of government initiatives may have a material adverse effect on the size of the renewable energy market.

Competition risk:

With the growth of the renewables sector, competition for the development of new projects or investment in existing projects is likely to increase.

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Strategic Report

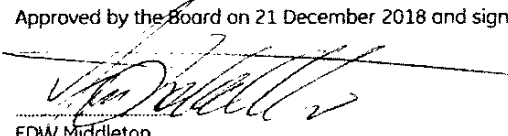
Key Performance Indicators

The principal Key Performance Indicators used in assessing the company's activities are:

	Sales £000	Operating margin
Year ended 31 December 2017	11,403	(47%)
Year ended 31 December 2016	13,647	(19%)

The operating margin has worsened due to tight margins on contracts and late delivery penalties on wind contracts.

Approved by the Board on 21 December 2018 and signed on its behalf by:



FDW Middleton
Director

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2017..

Principal activity

The principal activity of the company during the year was mechanical engineering for the marine and industrial power market.

Results and dividends

The profit for year ended, after taxation, amounted to £9,923,000 (2016 loss: £2,554,000). See the Profit and Loss Account on page 8 for details of the result analysed between continued and discontinued operations.

The directors do not recommend the payment of dividend (2016: £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:

S D Maycock (resigned 3 April 2017)

JP Welch (resigned 28 March 2018)

AJ Woodhouse (resigned 29 March 2018)

FDW Middleton (appointed 31 March 2017)

JA Wright (appointed 19 June 2017)

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.

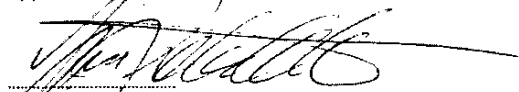
Disclosure of information to the auditor

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

Reappointment of auditors

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

Approved by the Board on 21 December 2018 and signed on its behalf by:



FDW Middleton
Director

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Opinion

We have audited the financial statements of GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited) (the 'company') for the year ended 31 December 2017, 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 2017 and of its profit 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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

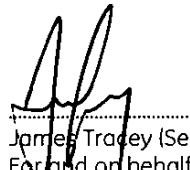
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



James Tracey (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

21 December 2018

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2017

	Note	Continuing operations 2017 £ 000	Discontinued operations 2017 £ 000	Total 2017 £ 000	Continuing operations 2016 £ 000	Discontinued operations 2016 £ 000	Total 2016 £ 000
Turnover	4	12,366	(963)	11,403	5,965	7,682	13,647
Cost of sales		(10,345)	(1,202)	(11,547)	(4,390)	(11,281)	(15,671)
Gross profit/(loss)							
Administrative expenses		2,021	(2,165)	(144)	1,575	(3,599)	(2,024)
Other operating income		(962)	(114)	(1,076)	(654)	119	(535)
		316	-	316	-	-	-
Operating profit/(loss)	5	1,375	(2,279)	(904)	921	(3,480)	(2,559)
Profit on disposal of business	6	-	10,893	10,893	-	-	-
Interest receivable and similar income		-	-	-	5	-	5
Interest payable and similar charges		(66)	-	(66)	-	-	-
Profit/(loss) before tax		1,309	8,614	9,923	926	(3,480)	(2,554)
Tax on Profit/(loss)	12	-	-	-	-	-	-
Profit/(loss) for the year		1,309	8,614	9,923	926	(3,480)	(2,554)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive profit/(loss) for the year		1,309	8,614	9,923	926	(3,480)	(2,554)

The notes on pages 11 to 24 form an integral part of these financial statements.
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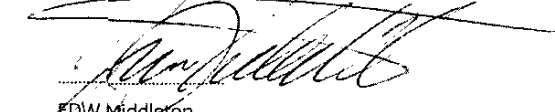
GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Registration number: 08462333

Balance Sheet
as at 31 December 2017

	Note	2017 £ 000	2016 £ 000
Current assets			
Stocks	14	965	4,036
Debtors	15	<u>11,519</u>	<u>7,243</u>
		12,484	11,279
Creditors: Amounts falling due within one year	16	<u>(12,867)</u>	<u>(18,213)</u>
Net current liabilities		<u>(383)</u>	<u>(6,934)</u>
Total assets less current liabilities		(383)	(6,934)
Provisions for liabilities	17	<u>(182)</u>	<u>(3,554)</u>
Net liabilities		<u>(565)</u>	<u>(10,488)</u>
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account		<u>(565)</u>	<u>(10,488)</u>
Shareholders' deficit		<u>(565)</u>	<u>(10,488)</u>

Approved by the Board on 31 December 2018 and signed on its behalf by:


FDW Middleton
Director

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Statement of Changes in Equity for the Year Ended 31 December 2017

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	-	(10,488)	(10,488)
Comprehensive income for the year			
Profit for the year	-	9,923	9,923
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	9,923	9,923
At 31 December 2017	-	(565)	(565)

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	-	(7,934)	(7,934)
Comprehensive income for the year			
Loss for the year	-	(2,554)	(2,554)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(2,554)	(2,554)
At 31 December 2016	-	(10,488)	(10,488)

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

1 General information

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

The address of its registered office is:

The Ark
201, Talgarth Road
London
W6 8BJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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 41 Farnsworth Street, Boston, MA 02210, USA or at www.ge.com.

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

2 Accounting policies (continued)

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net liabilities of £565,000 (2016: £10,488,000).

The directors have prepared a going concern assessment for a period of at least 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds, through funding from its intermediate parent undertaking to meet its liabilities as they fall due for that period.

As part of the process of preparing these financial statements on the going concern basis, the directors of the company obtained a letter of support from its intermediate parent undertaking stating its intention to provide additional funding, if needed, for at least 12 months from the date of approval of these financial statements. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Accordingly they expect that the company will be able to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements.

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

2 Accounting policies (continued)

Turnover

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue: when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company activities.

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.

Discontinued operations

A discontinued operation is a component of the company's business that represents a separate major line of business or geographical area of operations that has been disposed of. The company disposed of the wind division during 2017. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit and loss account is restated as if the operation has been discontinued from the start of the comparative period.

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.

Tax

Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

2 Accounting policies (continued)

Full provision is made for deferred tax liabilities arising from all temporary differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

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

Deferred tax assets and liabilities are not discounted.

Inventories

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Rentals paid under operating leases are charged to the statement of comprehensive income (net of any incentives received from the lessor) on a straight-line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate. Finance leases are those where substantially all the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pensions

The company 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.

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

2 Accounting policies (continued)

Derivative financial instruments and hedging activities

The company has not applied hedge accounting and any derivatives are measured at fair value through profit and loss.

3 Critical accounting judgements and key sources of estimation uncertainty

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

Revenue recognition on long-term contracts

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.

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

4 Turnover

A geographical analysis of turnover is as follows:

	2017	2016
	£ 000	£ 000
United Kingdom	10,766	12,097
Rest of Europe	637	1,497
USA	-	12
Other	-	41
	<u>11,403</u>	<u>13,647</u>

The total above includes £10,960,000 (2016: £10,316,000) of turnover accounted for under IAS 11, Construction contracts. The balance was accounted for under IAS 18, Revenue.

5 Operating loss

Operating loss is stated after charging/(crediting):

	2017	2016
	£ 000	£ 000
Research and development cost recoveries	(1,245)	(537)
Difference on foreign exchange	(31)	(65)
Operating lease expense	<u>69</u>	<u>92</u>

6 Profit on disposal of business

	2017	2016
	£ 000	£ 000
Profit on sale of wind division	<u>10,893</u>	<u>-</u>

The wind division was sold to GE Renewable UK (Holdings) Ltd (formerly Alstom Renewable UK (Holdings) Limited) on 1 June 2017.

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

7 Interest receivable and similar income

	2017 £ 000	2016 £ 000
Interest receivable from group companies	<u>-</u>	<u>5</u>

8 Interest payable and similar expenses

	2017 £ 000	2016 £ 000
On loans from group undertakings	<u>66</u>	<u>-</u>

9 Staff costs

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

	2017 £ 000	2016 £ 000
Wages and salaries	3,013	3,475
Social security costs	305	365
Other pension costs	<u>246</u>	<u>262</u>
	<u>3,564</u>	<u>4,102</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Manufacturing and engineering	46	72
Management and administration	3	2
Sales & marketing	<u>1</u>	<u>1</u>
	<u>50</u>	<u>75</u>

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £ 000	2016 £ 000
Remuneration	69	121
Defined benefit pension costs	9	18
	<u>78</u>	<u>139</u>

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

	2017 No.	2016 No.
Accruing benefits under defined contribution pension scheme	<u>1</u>	<u>1</u>

Not all of the directors are remunerated through the company, these directors did not provide material qualifying services to the company. The remuneration for these directors is borne by other group entities.

11 Auditor's remuneration

	2017 £ 000	2016 £ 000
Audit of the financial statements	<u>22</u>	<u>22</u>

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

12 Taxation

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

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	-	-
Deferred taxation		
Origination and reversal of temporary differences	422	(511)
Effect of changes to tax rates	(49)	163
Adjustment in respect of prior year	500	-
Movement on deferred tax not provided	(873)	348
Total deferred taxation	-	-
Tax expense/(receipt) in the Profit and Loss Account	-	-

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.25%(2016 - 20%).

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Profit/(loss) before tax	9,923	(2,554)
Corporation tax at standard rate	1,910	(511)
Adjustment to tax charge in respect of prior year	500	-
Non-taxable income	(2,097)	-
Movement on deferred tax not provided	(873)	348
Group relief for £nil consideration	186	-
Effect of change in tax rate	(49)	163
Losses no longer available	423	-
Total tax charge/(credit)	-	-

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

12 Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate was reduced from 20% to 19% on 1 April 2017. A further reduction to 17% (effective 1 April 2020) was substantively enacted at the balance sheet date. This will reduce any current tax charges accordingly.

Deferred tax assets and liabilities on all timing differences have been calculated at 17%, including those expected to reverse in the years ending 31 December 2018 to 31 December 2020 (the overall average rate ranging from 19% to 17.5%). The impact of this on the financial statements is not considered material.

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

Deferred tax

There are £Nil of deductible temporary differences (2016- £4,905) and £1,031,359 of unused tax losses (2016 - £1,909,513) for which no deferred tax asset is recognised in the balance sheet.

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

13 Construction contracts in progress

	2017	2016
	£000	£000
Construction contracts in progress - assets	529	-
Construction contracts in progress - Liabilities	(1,532)	(6,930)
Construction contracts in progress	(1,003)	(6,930)

	2017	2016
	£000	£000
Contract costs incurred & recognised profits less recognised losses to date	20,853	18,385
Less: Progress billing	(21,856)	(25,315)
Construction contracts in progress excluding down payments received from customers	(1,003)	(6,930)
Down payments received from customers	-	-
Construction contracts in progress	(1,003)	(6,930)

14 Stock

	2017	2016
	£ 000	£ 000
Work in progress	965	1,885
Finished goods and goods for resale	-	2,151
	965	4,036

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £3,104,000 (2016: £11,843,000). The write down of stocks to net realisable value amounted to £154,280 (2016: £198,000).

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

15 Debtors

	2017 £ 000	2016 £ 000
Trade debtors	831	3,656
Amounts owed by group undertakings	9,251	2,700
Derivative financial instruments - assets	-	16
Prepayments	47	357
Other debtors	861	514
Construction contracts in progress-assets	529	-
	<u>11,519</u>	<u>7,243</u>

Amounts owed by group undertakings are unsecured and repayable on demand. Interest is earned on non-trading balances at a variable rate based on the 3 months LIBOR rate.

16 Creditors: Amounts falling due within one year

	2017 £ 000	2016 £ 000
Trade creditors	408	3,868
Accruals and deferred income	440	2,066
Amounts owed to group undertakings	9,698	4,727
Social security and other taxes	789	615
Derivative financial instruments - liabilities	-	7
Construction contracts in progress - liabilities	1,532	6,930
	<u>12,867</u>	<u>18,213</u>

Amounts owed to group undertakings are repayable on demand and are unsecured. Interest accrues on non-trading balances at a variable rate based on the 3 months LIBOR rate.

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

17 Provision for liabilities

	Warranties £ 000	Other provisions £ 000	Total £ 000
At 1 January 2017	1,470	2,084	3,554
Additions during the year	-	1,529	1,529
Released during the year	(538)	-	(538)
Transfer on sale of wind business	(829)	(3,534)	(4,363)
At 31 December 2017	<u>103</u>	<u>79</u>	<u>182</u>

a) Warranty - The provision is 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.

b) Contract Risks (incl. Penalties & Claims) - These provisions related to risks on contracts including anticipated risks related to non-performance in respect of contractual terms for delivery and performance.

18 Share capital

Allotted, called up and fully paid shares

	No.	2017 £	No.	2016 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

19 Operating lease commitments

The total future value of minimum lease payments is as follows:

	2017 £ 000	2016 £ 000
Within one year	15	80
In two to five years	<u>13</u>	<u>68</u>
	<u>28</u>	<u>148</u>

GE Oil & Gas Marine & Industrial UK Ltd. (formerly Alstom Renewable UK Limited)

Notes to the Financial Statements

20 Pension commitments

The company 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.

The pension charge for the year was £246,000 (2016: £262,000), including £nil (2016: £211,000) in respect of the defined contribution scheme. There was outstanding contributions of £24,000 at the end of the financial year (2016: £nil).

21 Ultimate parent undertaking and controlling party

The company's immediate parent is Vetco Gray Holding, a company registered at The Ark, 201 Talgarth Road, London, W6 8BJ, United Kingdom.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, General Electric Company, a company registered at 41 Farnsworth Street, Boston, Massachusetts, 02210, USA. The consolidated financial statements of this company are available to the public and may be obtained from the registered address or at www.ge.com.