Registration number: SC247081

GE Capital Edinburgh Ltd

Directors' report and
Financial Statements

Year ended 31 December 2018

GE Capital Edinburgh Ltd

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GE Capital Edinburgh Ltd

Directors and other information

Directors	Robert Holmes Shane Pounch
Registered office	4th Floor Saltire Court 20 Castle Terrace Edinburgh, EH1 2EN Scotland
Auditor	KPMG Chartered Accountants and Registered Auditor 1 Harbourmaster Place I.F.S.C. Dublin 1 D01 F6F5 Ireland
Bankers	Barclays Bank Plc 1 Churchill Place Leicester London LE87 2BB United Kingdom BNP Paribas 16, Boulevard des Italiens 75009 Paris France
Solicitor	CMS Cameron McKenna Nabarro Olswang LLP 4th Floor Saltire Court 20 Castle Terrace Edinburgh, EH1 2EN Scotland

GE Capital Edinburgh Ltd

Strategic Report

The Directors present their Strategic Report for GE Capital Edinburgh Ltd (the "Company") for the year ended 31 December 2018.

Principal activities, business review and future developments

The Company is the minority partner in GE Capital UK Funding & Co., GE Capital European Funding & Co. and GE Capital UK Finance (the "Partnerships"). Partnership income in 2018 was USD 3,006 (2017: Partnership expense USD 3,005) and is derived from the automatic division of profits / losses in the Partnerships. The Partnerships lend to General Electric Company ("GEC") affiliates within the General Electric ("GE") Group and are transparent entities from an Irish tax perspective.

The Directors are satisfied with the results of the Company. The results for the year are set out in the Statement of Profit or Loss on page 8 and the related notes.

The Directors will continue to develop and seek opportunities to grow the Company. The future growth of the Company is dependent on the cash needs of the wider GE Group. The Directors of the Company have assessed that the business is a going concern for the foreseeable future.

The Directors have assessed the impact of Britain's exit from the European Union ("Brexit") and determined no material impact on the Company. The Directors will continue to assess and monitor the Impact of Brexit on the Company.

Post balance sheet events

On 11 January 2019, the Company received $200 in a distribution from GE Capital European Funding & Co. On the same date, the Company distributed the same amount to its parent, GE Capital International Holdings Limited (RYS).

On 8 February 2019 the Company received $312 in a distribution from GE Capital UK Finance. On the same date, the Company distributed the same amount to its parent, RYS.

On 31 May 2019, it was resolved that a partnership to which the Company is partner, GE Capital UK Finance, be terminated. A dissolution, termination and transfer agreement relating to the Partnership was entered into among the Partners, being the Company, GE Ireland Financial Funding Unlimited Company and GE Capital Irish GBP Funding Co II.

There were no other significant events affecting the Company which require amendment to the financial statements or inclusion of a note therein.

Risks and uncertainties

As an affiliate of GEC, the Company has access to funds thus reducing any cash flow and liquidity risks.
The main financial risks that the Company is exposed to are the impairment risk on its partnership interests and fluctuations in foreign exchange ("FX").

Financial key performance indicators

The Directors have determined that the main key performance indicators are total assets and profit/ (loss) on ordinary activities before taxation. Loss on ordinary activities before taxation for 2018 was USD 6,447 (2017: Profit USD 5,264). Total assets for 2018 were USD 75,433 (2018: 82,402). The loss on ordinary activities before taxation is mainly attributable to the Partnership income and the unrealised currency loss.

On behalf of the board

Robert Holmes
Director

Shane Pounch
Director

11 September 2019

GE Capital Edinburgh Ltd

Director's Report

The Directors present their annual report and audited Financial Statements (the "Financial Statements") of the Company for the year ended 31 December 2018.

Dividend
The Directors have resolved not to propose a dividend for the current year (2017: USD Nil).

Related Parties
At 31 December 2018, the Directors of the Company are Robert Holmes and Shane Pounch. In accordance with the Articles of Association, the Directors are not required to retire by rotation.

On 13 May 2019 Timothy Lane resigned as Company Director and Shane Pounch was appointed as Company Director.

Future outlook
It is the intention of the Directors to continue to develop the activities of the Company. The future of the Company is dependent on the cash needs of the wider GE Group. The most notable risks faced by the Company continue to be the impairment risk on its partnership interests and fluctuations in FX.

Accounting records
The Directors believe that they have complied with the requirements of the Companies Act, 2006 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained at 86-88 Lesson St Lower, Dublin 2, D02 A668, Ireland.

Disclosure of information to the auditors
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all of the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor
In accordance with Section 487 of the Companies Act 2006, the auditor, KPMG, Chartered Accountants have expressed their willingness to continue in office.

On behalf of the board

Robert Holmes *Director*	**Shane Pounch** *Director*	**11 September 2019**

GE Capital Edinburgh Ltd

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with 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 assets, liabilities and financial position of the Company and of its profit or loss for that year. 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 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 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 which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are responsible for such internal controls 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. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2006.

On behalf of the board

Robert Holmes
Director

Shane Pounch
Director

11 September 2019

KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GE CAPITAL EDINBURGH LTD

Report on the audit of the financial statements

Opinion

We have audited the financial statements of GE Capital Edinburgh Ltd ('the Company') for the year ended 31 December 2018, which comprise the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the company's affair as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- have been properly 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GE CAPITAL EDINBURGH LTD (continued)

We have nothing to report on going concern (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GE CAPITAL EDINBURGH LTD (continued)

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements (continued)

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

Our 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.

Colm Clifford
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Harbourmaster Place
I.F.S.C.
Dublin 1
D01 F6F5
Ireland

11 September 2019

GE Capital Edinburgh Ltd
Statement of Profit or Loss
for the year ended 31 December 2018

	Note	Year ended 31 December 2018 USD	Year ended 31 December 2017 USD
Partnership income/(expense)	*6*	3,006	3,005
Interest income		212	70
Net income/(expense)		3,218	3,075
Unrealised foreign currency gain/(loss)	*2*	(8,512)	2,689
Bank interest and charges	*2*	(160)	-
Management fees	*2*	(1,000)	(500)
Distributions received	*6*	43	-
Impairment losses provision	*10*	(36)	
Operating income/(expense)		(9,665)	2,189
Profit /(Loss) before income tax		(6,447)	5,264
Income tax charge	*5*	-	-
Profit /(Loss) for the year		(6,447)	5,264

The accompanying notes on pages 12 to 25 form an integral part of the Financial Statements.

GE Capital Edinburgh Ltd
Statement of Other Comprehensive Income
for the year ended 31 December 2018

	2018	2017
	USD	USD
Profit/(Loss) for the year	(6,447)	5,264
Total Comprehensive income/(expense)for the year	(6,447)	5,264

GE Capital Edinburgh Ltd
Statement of Financial Position
At 31 December 2018

	Note	2018 USD	2017 USD
Fixed assets: amount falling due greater than one year			
Partnership interests	*6*	29,373	52,502
		29,373	52,502
Current assets: amounts falling due within one year			
Amounts owed by group undertakings	*7*	46,060	28,642
Taxation	*8*	-	1,258
		46,060	29,900
Creditors: amounts falling due within one year			
Amounts owed to group undertakings		-	500
		-	500
Net current assets		46,060	29,400
Net assets		75,433	81,902
Capital and reserves			
Share capital	*9*	2	2
Capital contribution	*9*	43,561	43,561
Profit or loss account		39,569	46,038
Foreign currency translation reserve	*9*	(7,699)	(7,699)
Shareholder's equity		75,433	81,902

The accompanying notes on pages 12 to 25 form an integral part of the Financial Statements.

On behalf of the board

Robert Holmes
Director

Shane Pounch
Director

11 September 2019

GE Capital Edinburgh Ltd

Statement of Changes in Equity

for the year ended 31 December 2018

	Share Capital USD	Capital Contribution Reserve USD	Profit or loss account USD	Foreign exchange reserve USD	Total USD
Balance as at 1 January 2017	2	43,561	40,774	(7,699)	76,638
Total comprehensive income for the year					
Profit for the year	-	-	5,264	-	5,264
Balance at 31 December 2017	**2**	**43,561**	**46,038**	**(7,699)**	**81,902**
Balance at 1 January 2018	2	43,561	46,038	(7,699)	81,902
Restated balance at 1 January 2018	**2**	**43,561**	**46,016**	**(7,699)**	**81,880**
Total comprehensive income for the year					
Loss for the year	-	-	(6,447)	-	(6,447)
Balance at 31 December 2018	**2**	**43,561**	**39,569**	**(7,699)**	**75,433**

The accompanying notes on pages 12 to 25 form an integral part of the Financial Statements.

GE Capital Edinburgh Ltd
Notes forming part of Financial Statements (continued)

1. Accounting policies

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

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

• A Cash Flow Statement and related notes;

• 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;

• The requirements of IFRS 7 Financial Instruments: Disclosures;

• The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;

• The effects of new but not yet effective IFRSs;

• Disclosures in respect of transitions with wholly owned subsidiaries;

• Disclosures in respect of capital management;

• Disclosures in respect of the compensation of Key Management Personnel; and

• Disclosures of transactions with a management entity that provides Key Management Personnel services to the Company.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

Basis of measurement
The Financial Statements are prepared on a historic cost basis.

Going concern
The Financial Statements have been prepared on a going concern basis. Risk factors including: credit, market, liquidity and operational risk impact on the Company's activities. The Directors have reviewed these risk factors and all relevant information to assess the Company's ability to continue as a going concern for at least twelve months from date of approval of the Financial Statements and are satisfied that the Company's Financial Statements continue to be prepared on a going concern basis as the Company has access to sufficient funding and resources for the foreseeable future.

1. Accounting policies (continued)

Currency
The Financial Statements are presented in United States Dollar ("$" or "USD") which is the functional and reporting currency of the Company.

Foreign currencies

Transactions in currencies other than USD are recorded at the rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the relevant foreign exchange rates ruling at the reporting date. Gains and losses on translation are dealt with through the Statement of Profit or Loss.

Use of estimates and judgements
The preparation of Financial Statements requires the use of judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical accounting judgements made in applying the Company's accounting policies include the impairment of financial assets at amortised cost.

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in associates to the extent that it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

GE Capital Edinburgh Ltd

Notes forming part of Financial Statements (continued)

1. Accounting policies (continued)

Taxation (continued)
A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Partnership interests
Investment in partnership undertakings are classified as joint arrangements as joint control is exercised on these entities and are accounted for using the equity method of accounting.

Due to the nature and structure of the Partnerships, Partnership income is not taxed in the Partnership but is instead taxed in the hands of the Partners when earned (i.e. even before it is distributed).

Revaluation of shares in group undertakings on distribution
Where the Company distributes its interest in a group undertaking to a company under common control, it revalues its investment to fair value, recognising any difference between the fair value and the carrying amount in the Statement of Profit or Loss, before making the distribution.

Partnership income / expense
The Company's share of the partnerships' profits / losses are taken to the Statement of Profit or Loss Account as they are earned. Under the Partnership Agreement, profits are automatically divided among the Partners and the Company is entitled to recognise its portion of the profits of the Partnership.

Common control transactions
A common control transaction represents a business combination in which all of the combining entities or businesses are ultimately controlled by the same party before and after the combination. Such transactions completed between entities of common control are done at fair value determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value or other valuation models.

Consolidation
The Financial Statements presented represent the Financial Statements of the Company only. Consolidated Financial Statements of the Company and its associates are not prepared as the Company is a wholly owned indirect subsidiary of GEC, in respect of which consolidated Financial Statements are prepared. The Company is exempt by virtue of [s400/s401/s402 subject to the small companies regime] of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

1. **Accounting policies (continued)**

Adoption of new accounting standards
The Company has initially adopted IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments from 1 January 2018. The adoption of IFRS15 does not have a material impact on the Company's financial statement. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Company's financial statements.

IFRS 9 Financial Instruments
IFRS 9 sets out the requirements for recognising and measuring financial assets and financial liabilities. It replaces IAS 39 Financial Instruments: Recognition and Measurement.

The following table summarises the impact, net of tax, of transition to IFRS 9 on the opening balance of reserves, retained earnings (for a description of the transition method, see (iii) below)

Company	**Impact of adopting IFRS9 on opening balance USD**
Retained earnings	
Impact at 1 January 2018	**21**

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i) Classification and measurement of financial assets and financial liabilities
The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to classification and measurement of financial assets and liabilities and derivative financial instruments.

A Financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL);

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income (FVOCI) if it meets both of the following conditions and is not designated as at FVTPL;

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effect of adopting IFRS 9 on the carrying value of financial assets at 1 January 2018 relates solely to the new impairment requirements, as further described below.

1. Accounting policies (continued)

IFRS 9 Financial Instruments (continued)

i) Classification and measurement of financial assets and financial liabilities (continued)
The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 1 January 2018.

Company In thousands of $	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				
Amounts owed by group undertakings	Amortised cost	Amortised cost	28,642	28,600
Taxation	Amortised cost	Amortised cost	1,258	1,258
Total financial assets			29,900	29,900

Company	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
In thousands of $				
Financial liabilities				
Amounts owed to group undertakings	Amortised cost	Amortised cost	500	500
Total financial liabilities			500	500

ii) Impairment
IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to the Company's financial assets measured at amortised cost.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12 month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are the ECLs that result from all possible default events over the expected life of a financial instrument.

The Company's measures loss allowances for loans and advances to GEC affiliates measured at amortised cost as 12-month ECLs.

When determining whether the credit risk of a financial asset has increased significantly since the initial recognition when estimating ECLs, the Company's 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 expert credit assessment and including forward looking information.

1. Accounting policies (continued)

IFRS 9 Financial Instruments (continued)

ii) Impairment (continued)

The Company considers a debt security to have a low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be BBB- or higher as per Standard and Poor's (S&P) rating scale.

The indicators below are used to identify receivables which have an increase in credit risk and should be individually reviewed for impairment. The triggers which would indicate a significant increase in credit risk are:

1. Are highlighted by the business (i.e., Controllership, Tax or Risk) as potential risks and require further review
2. Has a significant increase in GE Obligor Rating ("OR") rating, being defined as a drop of 4 notches in the original grade (outside of investment grade of BBB-)
3. Where financial assets are 30 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cashflows.

ECLs are discounted at the effective interest rate of the financial asset.

Note 10 provides further detail of how expected credit losses are measured.

Credit impaired financial assets

At each reporting date, the Company assess whether financial assets carried at amortised cost are credit impaired. Loans and advances are 'credit impaired' when the Company determines that there is objective evidence of impairment and it does not expect to collect all principal and interest due according to the contractual terms of the loan agreement(s).

Evidence that a financial asset is credit-impaired include observable data about the following events:

1. Significant financial difficulty of the borrower;
2. Default in the payment of interest or commitment fees which are not rectified within 5 business days on having received notice from the lender;
3. Default in the payment of any other amount due under the terms of the loan agreement and is not rectified within 5 business days on having received notice from the lender;
4. The Lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted a concession that the lender would not otherwise consider;
5. It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
6. Are flagged by the business (i.e., Controllership, Tax or Risk) as potential risks and require further review;
7. Has a significant increase in OR rating. A significant increase being defined as a drop of 4 notches in the original grade (outside of investment grade of BBB-).

GE Capital Edinburgh Ltd

Notes forming part of Financial Statements (continued)

1. Accounting policies (continued)

IFRS 9 Financial Instruments (continued)

ii) Impairment (continued)

Presentation of impairment
Impairment losses on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and presented separately in the statement of profit or loss.

Impact of the new impairment model
The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an impairment allowance as follows:

Company	**$**
Loss allowance at 31 December 2017 under IAS 39	-
Additional impairments recognised at 1 January 2018 on:	21
Loss allowance at 1 January 2018 under IFRS 9	**21**

The loss allowance on initial application of IFRS 9 has been recognised directly in retained earnings in the statement of financial position.

iii) Transition
The Company has taken an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements.

Amounts owed by group undertakings (Policy applicable before 1 January 2018)
Loans and advances including debtors were non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company did not intend to sell immediately or in the near term.

Loans and advances were initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except when the Company chooses to carry the loans and receivables at fair value through profit or loss as described in the accounting policies.

Amounts owed to group undertakings (Policy applicable before 1 January 2018)
Loans and payables including creditors were non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market.

Loans and payables were initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except when the Company chooses to carry the loans and payables at fair value through profit or loss as described in the accounting policies.

2. Operating expenses

	2018 USD	2017 USD
Unrealised foreign exchange gain/(loss)	(8,512)	2,689
Management fees	(1,000)	(500)
Bank interest and charges	(160)	-
Other	7	-
	(9,665)	2,189

3. Statutory disclosures

	2018 USD	2017 USD
Profit/loss before taxation has been arrived at after charging:		
Directors' remuneration		
Emoluments	Nil	Nil
Contributions to pension schemes:		
Defined contribution schemes	Nil	Nil
Auditor's remuneration		
Audit of these Financial Statements	Nil	Nil
Other assurance services	Nil	Nil
Tax advisory services	Nil	Nil
Other non-audit services	Nil	Nil

Auditor's remuneration is USD 6,063 (2017: USD 3,468) and is borne by GE Capital European Funding Unlimited Company ("GECEF"). Directors' remuneration is USD 6,351 and is borne by GECEF.

4. Staff number and costs

The Company had no employees during the year (2017: USD Nil) and incurred no staff costs (2017: USD Nil).

5. Income tax charge

a) Analysis of charge in the year

	2018 USD	2017 USD
Irish corporation tax at 12.5%	-	-
Total current tax	-	-
Tax charge in the Statement of Profit or Loss and Other Comprehensive Income	-	-

b) Factors affecting current tax charge in year

	2018 USD	2017 USD
Profit/(loss) before taxation	(6,447)	5,264
Tax on profit on ordinary activities at the standard rate of 12.5% in the Republic of Ireland	(806)	658
Tax effects of:		
Non-deductible expenditure	-	-
Non-taxable income	-	(20)
Impact of transitional method	1	-
Unutilised losses carried forward	805	(638)
Total tax charge	-	-

c) Factors that may affect future tax charges

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

6. Partnership interests

	2018 USD	2017 USD
Balance at the beginning of the year	52,502	49,497
Partnership income/(expense)	3,006	3,005
Reduction in value in partnership interest	(21,670)	-
Foreign exchange translation	(4,465)	-
Balance at the end of the year	29,373	52,502

The Company received USD 11,467 and USD 10,203 in distributions during 2018 from GE Capital European Funding & Co. and GE Capital UK Funding & Co., respectively (2017: USD Nil), which was reflected as a reduction in value of partnership interest.

Foreign exchange translation on interest in partnership is due to conversion of non-USD distributions.

Financial assets comprise of the following undertakings which are the Partnership interests of the Company at 31 December 2018 and at 31 December 2017. In the opinion of the Board of Directors the market value of the financial fixed assets is not less than this amount.

Partnership interest

	2018 USD	2017 USD
GE Capital European Funding & Co,	15,751	28,123
GE Capital UK Funding & Co.	13,320	24,083
GE Capital UK Finance	302	296
	29,373	52,502

The Company's investments in Partnerships are accounted for using the equity method of accounting.

Company name	Class of share	% Holding 2018	Registered office Place of Business	Nature of business	Place of establishment
GE Capital European Funding & Co.	Ordinary Shares	.00022%	86-88 Lower Leeson Street, Dublin 2, D02 A668, Ireland	Financial Services Activities	Scotland
GE Capital UK Funding & Co.	Ordinary Shares	.00092%	86-88 Lower Leeson Street, Dublin 2, D02 A668, Ireland	Financial Services Activities	Scotland
GE Capital UK Finance	Ordinary Shares	.000096715%	4th Floor, Saltire Court 20, Castle Terrace, Edinburgh, Lothian, EH1 2EN, Scotland	Financial Services Activities	Scotland

6. Partnership interests (continued)

The Company is a minority partner in the above Partnerships. The Company provides capital to these partnerships which in turn makes loans to other GEC affiliates.

The Company holds three Partnership interests. Under the Partnership Agreements profits / (losses) are automatically divided among the Partners. The Company, as a minority Partner, is entitled, per annum, to the first USD 1,500 (2017: EUR 1,500) profit or loss from the Partnership GE Capital European Funding & Co., the first USD 1,500 (2017: GBP 1,500) profit or loss from the Partnership, GE Capital UK Funding & Co and 0.000096715% of the profit or loss from the Partnership, GE Capital UK Finance.

7. Amounts owed by group undertakings

	2018 USD	2017 USD
Amounts falling due within one year	46,060	28,642

8. Taxation

	2018 USD	2017 USD
Corporation tax	-	1,258
Total tax receivable	-	1,258

9. Share capital, capital contribution and foreign currency retranslation reserve

	2018 USD	2017 USD
Authorised		
1,000 Ordinary Shares of GBP1.00 each	1,565	1,565
Allotted, called up and fully paid		
1 Ordinary Share of GBP1.00 each	2	2

The holder of the ordinary share is entitled to receive dividends as declared from time to time. The Company did not pay or declare a dividend on its share capital during the year. The Company does not have any externally imposed capital requirements.

9. Share capital, capital contribution and foreign currency retranslation reserve (continued)

Capital Contribution Reserve

	2018 USD	2017 USD
Capital Contribution Reserve	43,561	43,561

This reserve was contributed by its parent and is a distributable reserve.

Foreign currency retranslation reserve
In December 2015, the functional currency of the Company changed from GBP to USD and this change resulted in the creation of the foreign currency translation reserve.

10. Allowances for impairment

The Company establishes an allowance for impairment losses on assets carried at amortised costs based on the ECL model as required by IFRS 9.

IFRS 9 outlines at 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial asset that is not credit-impaired on initial recognition is classified in 'Stage 1'
- If a significant increase in credit risk since initial recognition is identified, the financial asset is moved to 'Stage 2' but is not yet determined to be credit-impaired. Please refer to Note 1 for how the Company defines a significant increase in credit risk.
- If the financial asset is credit-impaired it is moved to 'Stage 3'. Please refer to Note 1 for a description of how the Company defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECLs measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible in the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

It is considered that all loans and advances are Stage 1, as all loans are to GEC affiliates and interest and principal are paid in a timely manner as per the terms of the loan agreements. No previous impairments have been recognised in respect of the borrowers under IAS 39 and there is no history of default. Additionally, the Company has determined that the credit risk on financial assets has not significantly increased since initial application.

Measuring ECL - explanation of inputs, assumptions and estimation techniques:
The ECL is measured on either a 12-month or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted product of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation either in the next 12 months or the remaining lifetime of the obligation. The PD for the Company is considered low as all loans are to GEC affiliates. S&Ps 'Credit Model' is used to assign a rating to internal GEC entities. This model produces outputs on the S&P rating scale. Reviewing S&P's model documents confirms that the "Credit Model" rating output maps directly to the S&P scale. Since the S&P rating is the industry reference, this is also used to set the GE Obligor Rating (OR) scale which was directly mapped to the S&P scale, which in turn assigns a PD.

10. Allowances for impairment (continued)

- EAD is based on the amounts the Company expects to be owed at the time of default. For revolving credit agreements (RCAs), the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- The discount rate used in the ECL calculation is determined to be the original effective interest rate on the loan (market rate of interest).

Incorporation of forward-looking information:
GE utilise an internally developed Term Structure model, which is built out of a forward-looking process, given actual and future macroeconomic environment. One of the fundamental components of the model resides in the Moody's Expected Default Frequency ("EDF") model, which derives, with a very high accuracy, a 1 year forward looking PD from the current credit cycle conditions. The validity of the EDF model performance, including its strong predictive power, has been evidenced in widely available documentation from Moody's.

As a Merton model, the Moody's EDF is highly sensitive to stock market movements, thus Stock Market Indexes such as S&P500 for US or FTSE for Europe have been identified as the best macroeconomic information to be utilized for economic scenarios beyond 1 year.
In this model, the Upturn/Downturn scenarios could be seen as confidence intervals around the base scenario. More precisely, the model scenarios are constructed based on an EDF-derived credit index and using the quantiles of the residual distribution from an ARIMA model to decrease/increase the current (Base scenario) value of the credit index to achieve upside/downside states.

The forward-looking underlying model provides a point in time estimate at 1 year horizon given current conditions, and forecast beyond this time horizon are calculated from the projection of the macroeconomic indexes described above. As the Company's loans are all deemed to be at Stage 1, it was deemed appropriate to not look at forecasts and scenarios beyond 1 year.

The following table provides information about exposure to credit risk and ECLs for the Company as at 31 December 2018:

Company	**S&P rating**	**Gross carrying amount**	**Impairment loss allowance**	**Credit impaired**
USD				
Low risk				
Amounts owed by group undertakings	BBB	46,117	57	No
Total		**46,117**	**57**	

The movement in the allowance for impairment in respect of loans and advances to group undertakings during the reporting period was as follows:

Company	**$'000**
Balance at 1 January 2018	21
Increase in loss allowance	36
Balance at 31 December 2018	**57**

**The Company has initially applied IFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See Note 1 for further details.*

GE Capital Edinburgh Ltd

Notes forming part of Financial Statements (continued)

10. Allowances for impairment (continued)

The increase in loss allowance is mainly attributable to the change in S&P rating of the borrowers from BBB+ at 31 December 2017 to BBB at 31 December 2018.

The opening balance of loss allowance has been reflected directly in retained earnings. The increase in loss allowance has been reflected in 'impairment losses provision' in the statement of comprehensive income

11. Holding Company

At 31 December 2018, the Company was a wholly owned direct subsidiary of GE Capital International Holdings Limited ("GECIHL"), a company incorporated in the UK.

The smallest and the largest group in which the Company results are included within is that held by GEC, a company incorporated in the USA, copies of which consolidated Financial Statements may be obtained from GEC, Fairfield, 41 Farnsworth Street, Boston, MA 02210, USA.

12. Commitments and contingencies

The Company had no commitments and contingencies at 31 December 2018 (2017: USD Nil).

13. Subsequent events

On 11 January 2019, the Company received $200 in a distribution from GE Capital European Funding & Co. On the same date, the Company distributed the same amount to its parent, GE Capital International Holdings Limited (RYS).

On 8 February 2019 the Company received $312 in a distribution from GE Capital UK Finance. On the same date, the Company distributed the same amount to its parent, RYS.

On 31 May 2019, it was resolved that a partnership to which the Company is partner, GE Capital UK Finance, be terminated. A dissolution, termination and transfer agreement relating to the Partnership was entered into among the Partners, being the Company, GE Ireland Financial Funding Unlimited Company and GE Capital Irish GBP Funding Co II.

There were no other significant events affecting the Company which require amendment to the financial statements or inclusion of a note therein.

14. Approval of Financial Statements

The Board of Directors approved the Financial Statements on 11 September 2019.