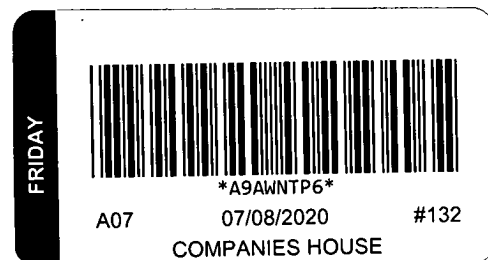


Registration number: 00156810

# IGE Dollar Treasury Services

## Annual Report and Financial Statements

for the Year Ended 31 December 2019



# IGE Dollar Treasury Services

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# IGE Dollar Treasury Services

## Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2019.

### Principal activity

The company operates as the cash sub-pool header for US Dollar denominated funding for certain UK legal entities in the GE group.

### Results and dividends

The profit for the year, after taxation, amounted to \$14,282,000 (2018: \$11,316,000).

The directors do not recommend the payment of a dividend (2018: \$nil).

### Directors of the company

The directors who held office during the year and up to the date of the directors' report were as follows:

A T P Budge

A P Mathur

### Post balance sheet event

The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. These factors could have an adverse impact on the Company's operations during the latter half of 2020. While the effects of these events on the Company's financial position, results of operations and cash flows cannot be estimated at our report release date, management will continue monitoring and evaluating the impacts of COVID-19 during the 2020 financial year.

### 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.

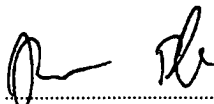
### Disclosure of information to the auditor

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

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

Approved by the Board on 3 August 2020 and signed on its behalf by:



A T P Budge  
Director

# IGE Dollar Treasury Services

## 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 IGE Dollar Treasury Services

## Opinion

We have audited the financial statements of IGE Dollar Treasury Services ("the company") for the year ended 31 December 2019, 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 2019 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

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. 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. We have nothing to report in these respects.

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.

# Independent Auditor's Report to the Members of IGE Dollar Treasury Services

## **Other information**

The directors are responsible for the Directors' Report. 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;
- in our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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.

## **Directors' responsibilities**

As explained more fully in their statement set out on page 2, 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.

# Independent Auditor's Report to the Members of IGE Dollar Treasury Services

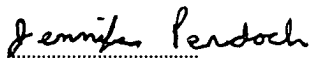
## **Auditor's responsibilities for the audit of the financial statements**

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](http://www.frc.org.uk/auditorsresponsibilities).

## **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.



Jennifer Perdoch (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

15 Canada Square  
Canary Wharf  
London  
United Kingdom  
E14 5GL

Date: 03 August 2020

# IGE Dollar Treasury Services

## Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2019

|  | Note | 2019<br>\$ 000       | 2018<br>\$ 000       |
|--|------|----------------------|----------------------|
| Administrative expenses                        |      | (1)                  | (43)                 |
| Other operating income                         |      | <u>223</u>           | <u>-</u>             |
| <b>Operating profit/(loss)</b>                 | 4    | 222                  | (43)                 |
| Interest receivable and similar income         | 8    | 90,548               | 53,543               |
| Interest payable and similar expenses          | 9    | <u>(76,488)</u>      | <u>(42,184)</u>      |
| <b>Profit before tax</b>                       |      | 14,282               | 11,316               |
| Tax on profit                                  | 10   | <u>-</u>             | <u>-</u>             |
| <b>Profit for the year</b>                     |      | 14,282               | 11,316               |
| Other comprehensive income                     |      | <u>-</u>             | <u>-</u>             |
| <b>Total comprehensive income for the year</b> |      | <u><u>14,282</u></u> | <u><u>11,316</u></u> |

The above results were derived from continuing operations.



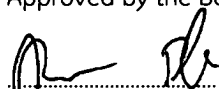
# IGE Dollar Treasury Services

Registration number: 00156810

## Balance Sheet as at 31 December 2019

|   | Note | 2019<br>\$ 000     | 2018<br>\$ 000     |
|---|------|--------------------|--------------------|
| <b>Current assets</b>                                 |      |                    |                    |
| Debtors: amounts falling due within one year          | 11   | 3,298,358          | 3,370,108          |
| <b>Creditors: Amounts falling due within one year</b> | 12   | <u>(3,101,567)</u> | <u>(3,187,599)</u> |
| <b>Net current assets</b>                             |      | <u>196,791</u>     | <u>182,509</u>     |
| <b>Net assets</b>                                     |      | <u>196,791</u>     | <u>182,509</u>     |
| <b>Capital and reserves</b>                           |      |                    |                    |
| Called up share capital                               | 16   | 143,000            | 143,000            |
| Profit and loss account                               |      | <u>53,791</u>      | <u>39,509</u>      |
| <b>Shareholders' funds</b>                            |      | <u>196,791</u>     | <u>182,509</u>     |

Approved by the Board on 3 August 2020 and signed on its behalf by:



A P Budge  
Director

# IGE Dollar Treasury Services

## Statement of Changes in Equity for the Year Ended 31 December 2019

|  | Called up<br>share capital<br>\$ 000 | Profit and loss<br>account<br>\$ 000 | Total equity<br>\$ 000 |
|--|--------------------------------------|--------------------------------------|------------------------|
| At 1 January 2019                        | 143,000                              | 39,509                               | 182,509                |
| <b>Comprehensive income for the year</b> |                                      |                                      |                        |
| Profit for the year                      | -                                    | 14,282                               | 14,282                 |
| Other comprehensive income               | -                                    | -                                    | -                      |
| Total comprehensive income for the year  | -                                    | 14,282                               | 14,282                 |
| At 31 December 2019                      | <u>143,000</u>                       | <u>53,791</u>                        | <u>196,791</u>         |

|  | Called up<br>share capital<br>\$ 000 | Profit and loss<br>account<br>\$ 000 | Total equity<br>\$ 000 |
|--|--------------------------------------|--------------------------------------|------------------------|
| At 1 January 2018                        | 143,000                              | 28,193                               | 171,193                |
| <b>Comprehensive income for the year</b> |                                      |                                      |                        |
| Profit for the year                      | -                                    | 11,316                               | 11,316                 |
| Other comprehensive income               | -                                    | -                                    | -                      |
| Total comprehensive income for the year  | -                                    | 11,316                               | 11,316                 |
| At 31 December 2018                      | <u>143,000</u>                       | <u>39,509</u>                        | <u>182,509</u>         |

# IGE Dollar Treasury Services

## Notes to the Financial Statements

### 1 General information

The company is a private unlimited company, registered in England, incorporated and domiciled in the United Kingdom.

The address of its registered office is:

3rd floor  
1 Ashley Road  
Altrincham  
Cheshire  
WA14 2DT

### 2 Accounting policies

#### 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 in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The amendments to FRS 101 (2018/19 cycle) issued in July 2019 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 5 Necco Street, Boston, Massachusetts, 02210, USA or at [www.ge.com](http://www.ge.com).

# IGE Dollar Treasury Services

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

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 a reasonably possible downside scenario, the anticipated socio-economic impact of the COVID-19 pandemic and 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.

#### 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 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.

#### 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.

# IGE Dollar Treasury Services

## Notes to the Financial Statements

### **2 Accounting policies (continued)**

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.

#### **Functional currency**

The functional currency of the company is the United States dollar. The company is expected to have a significant level of dollar assets and transactions. The financial statements are therefore presented in US dollars.

#### **Foreign currency transactions and balances**

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.

### **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) or financial liability 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 assets are initially recognised at fair value. 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.

# IGE Dollar Treasury Services

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### Financial instruments (continued)

##### Classification and subsequent measurement

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing financial assets and liabilities and the contractual cash flow characteristics of the financial assets. Accordingly, all financial assets and liabilities are subsequently measured at amortised cost.

##### Impairment of financial assets

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

# IGE Dollar Treasury Services

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### Financial instruments (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

### 3 Critical accounting judgements and key sources of estimation uncertainty

The directors consider there are no critical accounting estimates or judgements identified in preparation of the financial statements in compliance with FRS 101.

### 4 Operating profit/(loss)

Operating profit/(loss) is stated after (crediting)/charging:

|                                | 2019<br>\$ 000 | 2018<br>\$ 000 |
|--------------------------------|----------------|----------------|
| Difference on foreign exchange | (3)            | 150            |

### 5 Staff costs

The company had no employees during the year (2018: nil).

### 6 Directors' remuneration

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

All of the directors are/were also directors of a group undertaking and do not specifically receive any remuneration in respect of the company. The appropriate proportion of their services on behalf of the company is considered to be not material.

### 7 Auditor's remuneration

Remuneration of \$13,000 (2018: \$10,000) paid to the auditor for their services to the company was borne by a fellow group undertaking.

# IGE Dollar Treasury Services

## Notes to the Financial Statements

### 8 Interest receivable and similar income

|  | 2019<br>\$ 000 | 2018<br>\$ 000 |
|--|----------------|----------------|
| Interest receivable from group companies | <u>90,548</u>  | <u>53,543</u>  |

### 9 Interest payable and similar expenses

|                                  | 2019<br>\$ 000 | 2018<br>\$ 000 |
|----------------------------------|----------------|----------------|
| On loans from group undertakings | <u>76,488</u>  | <u>42,184</u>  |

### 10 Taxation

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

|                         | 2019<br>\$ 000 | 2018<br>\$ 000 |
|-------------------------|----------------|----------------|
| <b>Current taxation</b> |                |                |
| UK corporation tax      | <u>-</u>       | <u>-</u>       |

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (2018: lower than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

|                                      | 2019<br>\$ 000 | 2017<br>\$ 000 |
|--------------------------------------|----------------|----------------|
| Profit before tax                    | <u>14,282</u>  | <u>11,316</u>  |
| Corporation tax at standard rate     | 2,714          | 2,150          |
| Group relief for \$nil consideration | <u>(2,714)</u> | <u>(2,150)</u> |
| Total tax charge/(credit)            | <u>-</u>       | <u>-</u>       |



# IGE Dollar Treasury Services

## Notes to the Financial Statements

### 10 Taxation (continued)

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. Subsequent to the balance sheet date it was announced that the rate of 19% would continue to apply with effective from 1 April 2020. This change was substantively enacted on 17 March 2020. This will increase the current tax charge accordingly.

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

There were no amounts of provided or unprovided deferred taxation as at 31 December 2019 or 31 December 2018.

### 11 Debtors

|                                    | 2019<br>\$ 000   | 2018<br>\$ 000   |
|------------------------------------|------------------|------------------|
| <b>Due within one year</b>         |                  |                  |
| Amounts owed by group undertakings | <u>3,298,358</u> | <u>3,370,108</u> |

### 12 Creditors: Amounts falling due within one year

|                                    | 2019<br>\$ 000   | 2018<br>\$ 000   |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | <u>3,101,567</u> | <u>3,187,599</u> |

# IGE Dollar Treasury Services

## Notes to the Financial Statements

### 13 Financial assets and liabilities

The following tables summarise the carrying value and fair values of the financial assets and liabilities and the classification of each class of financial asset and liability:

|                                    | Amortised cost     | Fair value<br>through profit<br>or loss (FVTPL) | Fair value<br>through other<br>comprehensive<br>income (FVTOCI) | Total              |
|------------------------------------|--------------------|---|---|--------------------|
|                                    | \$ 000             | \$ 000  | \$ 000  | \$ 000             |
| <b>2019</b>                        |                    |   |   |                    |
| Amounts owed by group undertakings | 3,298,358          | -   | -   | 3,298,358          |
| <b>Total financial assets</b>      | <b>3,298,358</b>   | <b>-</b>  | <b>-</b>  | <b>3,298,358</b>   |
| Amounts owed to group undertakings | (3,101,567)        | -   | -   | (3,101,567)        |
| <b>Total financial liabilities</b> | <b>(3,101,567)</b> | <b>-</b>  | <b>-</b>  | <b>(3,101,567)</b> |
|                                    |                    |   |   |                    |
|                                    | Amortised cost     | Fair value<br>through profit<br>or loss (FVTPL) | Fair value<br>through other<br>comprehensive<br>income (FVTOCI) | Total              |
|                                    | \$ 000             | \$ 000  | \$ 000  | \$ 000             |
| <b>2018</b>                        |                    |   |   |                    |
| Amounts owed by group undertakings | 3,370,108          | -   | -   | 3,370,108          |
| <b>Total financial assets</b>      | <b>3,370,108</b>   | <b>-</b>  | <b>-</b>  | <b>3,370,108</b>   |
| Amounts owed to group undertakings | (3,187,599)        | -   | -   | (3,187,599)        |
| <b>Total financial liabilities</b> | <b>(3,187,599)</b> | <b>-</b>  | <b>-</b>  | <b>(3,187,599)</b> |

# IGE Dollar Treasury Services

## Notes to the Financial Statements

### 13 Financial assets and liabilities (continued)

The table above analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1 (L1): quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 (L2): inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 (L3): inputs for the assets or liability that are not based on observable market data (unobservable inputs).

#### **Maturity analysis of assets and liabilities**

Financial assets of \$3,298,358,000 are all due within one year (2018: \$3,370,108,000). Financial liabilities of \$3,101,566,000 are all due within one year (2018: \$3,187,599,000).

### 14 Financial risk management

The company operates as a cash sub pool header for US denominated funding for fellow General Electric legal entities which manages risk at several different levels through an established governance structure designed to ensure effective and appropriate arrangements for risk management and risk assessment. This structure allows the company to set appropriate risk levels, review and manage existing risk and identify and manage any new material risks.

The company has identified the following areas as its key areas of risk:

- 1) Credit risk: represents the risk of loss if a cash pool participant fails to meet its contractual obligations although this is considered to be low given that all the assets and liabilities are due from and due to fellow GE subsidiaries. It is also implied that the credit quality of financial assets that are neither past due nor impaired is considered to be high.
- 2) Liquidity risk: represents the risk that the company is adversely affected by an inability to meet its contractual obligations. The company's solvency is monitored on a regular basis and has the ability to call on funds from the cash pool header. Based upon these insights, it is most likely that the company has, and will have in the near future, access to funding resources when required.
- 3) Interest rate risk: represents the exposure to interest rate fluctuations. The company's borrowings are all based on floating interest rate plus a spread. No derivative instruments, such as interest rate swaps or forward rate agreements, are currently used.
- 4) Foreign exchange risk: represents the potential for loss from foreign exchange. No specific instrument is entered into to manage the foreign exchange risk for this company. There is no high risk of foreign exchange specifically at the company level and hence there are no sensitivities.

# IGE Dollar Treasury Services

## Notes to the Financial Statements

### 15 Capital management

There are no specific regulatory requirement for managing capital at the company level. Capital management is carried out at the group level and relates to the funds available to lend to cash pool participants.

### 16 Share capital

#### Allotted, called up and fully paid shares

|                             | No. 000        | 2019<br>\$ 000 | No. 000        | 2018<br>\$ 000 |
|-----------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of \$1 each | <u>143,000</u> | <u>143,000</u> | <u>143,000</u> | <u>143,000</u> |

### 17 Ultimate parent undertaking and controlling party

The company's immediate parent is International General Electric (USA), a company registered at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT.

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](http://www.ge.com).

### 18 Post balance sheet event

The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. These factors could have an adverse impact on the Company's operations during the latter half of 2020. While the effects of these events on the Company's financial position, results of operations and cash flows cannot be estimated at our report release date, management will continue monitoring and evaluating the impacts of COVID-19 during the 2020 financial year.