

# Altair Filter Technology Ltd

## Directors' report and financial statements

for the year ended 31 December 2014

Registered number: 00880172

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# Altair Filter Technology Ltd

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# Altair Filter Technology Ltd

## Directors' report

The directors present their report and the financial statements for the year ended 31 December 2014.

### Principal activity

Following the sale of the trade, assets and certain liabilities in December 2013, the company now acts as a holding company and this is expected to continue for the foreseeable future.

### Results and dividends

The loss for the year, after taxation, amounted to £9,072,000 (2013: profit £88,743,000).

The directors do not recommend the payment of a dividend (2013: £nil).

### Directors

The directors who served during the year and up to the date of the directors' report were:

T R Hill  
P D Everett

### Disclosure of information to auditors

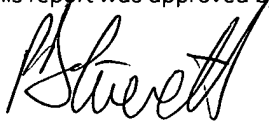
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

Under section 487 of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 3 July 2015 and signed on its behalf.



Director P.D. EVERETT

The Arena  
Downshire Way  
Bracknell  
Berkshire  
United Kingdom

# Altair Filter Technology Ltd

## Strategic report for the year ended 31 December 2014

### **Business review**

The results for the company show a pre-tax loss of £9.07 million (2013: profit: £89.07 million) for the year and sales of £nil (2013: £38.40 million).

The company has net assets of £135.06 million (2013: £144.13 million) of which £115.56 million (2013: £134.31 million) is due from fellow GE group companies.

On 27 June 2014, the company acquired 75 ordinary shares of £1 each of GE Betz from GE Betz (Holdings) Limited, for a total consideration of £4,804,000 payable in cash. This initial consideration was subject to an adjustment by an amount determined by a valuation of GE Betz on 3 October 2014.

On the same date, the company subscribed for a further 75 ordinary shares of £1 each in the share capital of GE Betz, for a total consideration of £4,804,000 payable in cash.

On 3 October 2014, following the completion of a valuation of GE Betz, the company made an additional payment of £541,000 to GE Betz (Holdings) Limited for the initial purchase of shares of GE Betz.

### **Principal risks and uncertainties**


The principal risk of the company is the carrying value of its investment. The performance of the underlying subsidiary is periodically reviewed in order to mitigate this risk.

### **Key performance indicators**

The company has not identified any key performance indicators due to the nature of its operations as a holding company.

There were no significant transactions in the year and the directors are satisfied with both the performance for the year and balance sheet position at the year-end.

This report was approved by the board on 3 July 2015 and signed on its behalf.



P.D. EVERETT

Director

# Altair Filter Technology Ltd

## Directors' responsibilities statement for the year ended 31 December 2014

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# Altair Filter Technology Ltd

## Independent auditors' report to the members of Altair Filter Technology Ltd

We have audited the financial statements of Altair Filter Technology Ltd for the year ended 31 December 2014, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Altair Filter Technology Ltd

## Independent auditors' report to the members of Altair Filter Technology Ltd

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



Andrew Stevenson (senior statutory auditor)

for and on behalf of

**KPMG LLP**

Statutory Auditor

Chartered Accountants

Arlington Business Park

Theale

Reading

RG7 4SD

United Kingdom

Date: 7/7/2015

# Altair Filter Technology Ltd

## Profit and loss account for the year ended 31 December 2014

	<b>Note</b>	<b>2014 £000</b>	<b>2013 £000</b>
<b>Turnover</b>	2	-	38,399
Cost of sales		-	(22,854)
		<hr/>	<hr/>
<b>Gross profit</b>		-	15,545
Selling and distribution costs		-	(787)
Administrative expenses		(9,522)	(6,433)
Other operating income		-	442
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>	3	(9,522)	8,767
Profit on sale of trade and assets	4	-	80,504
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before interest</b>		(9,522)	89,271
Interest receivable and similar income	8	450	235
Interest payable and similar charges	9	-	(441)
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>		(9,072)	89,065
Tax on (loss)/profit on ordinary activities	10	-	(322)
		<hr/>	<hr/>
<b>(Loss)/profit for the financial year</b>	15	(9,072)	88,743
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.



# Altair Filter Technology Ltd


Registered number: 00880172

## Balance sheet

as at 31 December 2014

	Note	£000	2014 £000	£000	2013 £000
<b>Fixed assets</b>					
Investments	11		19,555		9,406
<b>Current assets</b>					
Debtors	12	115,560		135,013	
<b>Creditors:</b> amounts falling due within one year	13	(53)		(285)	
<b>Net current assets</b>			115,507		134,728
<b>Net assets</b>			135,062		144,134
<b>Capital and reserves</b>					
Called up share capital	14		3		3
Profit and loss account	15		135,059		144,131
<b>Shareholders' funds</b>	16		135,062		144,134

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 July 2015.

  
P.D. EVERETT  
Director

The notes on pages 8 to 16 form part of these financial statements.

# Altair Filter Technology Ltd

## Notes to the financial statements

### 1. Accounting policies

#### 1.1 *Basis of preparation of financial statements*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Therefore the company's directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### 1.2 *Cash flow*

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

#### 1.3 *Turnover*

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

#### 1.4 *Interest receivable and payable*

Interest receivable and payable are recognised in the profit and loss account on an accruals basis.

#### 1.5 *Investments*

Investments held as fixed assets are shown at cost less provision for impairment.

#### 1.6 *Operating leases*

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

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.

# Altair Filter Technology Ltd

## Notes to the financial statements

### 1. Accounting policies (continued)

#### 1.7 Taxation

Taxation for the year is based on the (loss)/profit for the year.

Full provision is made for deferred tax liabilities arising from all timing 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 more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Deferred tax assets and liabilities are not discounted.

#### 1.8 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

#### 1.9 Pensions

The company was a member of a larger group pension scheme providing benefits based on final pensionable pay. The group pension scheme, GE Pension Plan, covers a number of United Kingdom subsidiary companies of General Electric Company. Because the company was unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme was accounted for in these financial statements as if the scheme was a defined contribution scheme.

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

#### 1.10 Transactions with related parties

The company, as a wholly owned subsidiary undertaking of General Electric Company, has taken advantage of an exemption contained in FRS 8, "Related Party Disclosures", in preparing its financial statements. This exemption allows the company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated financial statements of General Electric Company, in which the company is included, are publicly available.

# Altair Filter Technology Ltd

## Notes to the financial statements

### 1. Accounting policies (continued)

#### 1.11 Classification of financial instruments issued by the company

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

### 2. Turnover

A geographical analysis of turnover is as follows:

	2014 £000	2013 £000
United Kingdom	-	2,194
Rest of European Union	-	18,768
USA	-	10,050
Rest of world	-	7,387
	<hr/>	<hr/>
	-	38,399
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# Altair Filter Technology Ltd

## Notes to the financial statements

### 3. Operating (loss)/profit

The operating profit is stated after charging/(crediting):

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	-	573
Operating lease rentals:		
- plant and machinery	-	17
- land and building	-	357
Difference on foreign exchange	(112)	(442)
Research and development expenditure	-	182
Loss on disposal of fixed assets	-	21
Section 75 pension charge	7,270	-
	<u>7,270</u>	<u>-</u>

### 4. Profit on sale of trade and assets

On 16 December 2013, the company sold its trade, assets and certain liabilities for a consideration of £85,018,000 resulting in a profit on sale of £80,504,000.

### 5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £000	2013 £000
Wages and salaries	-	4,788
Social security costs	-	429
Other pension costs	7,270	1,218
	<u>7,270</u>	<u>6,435</u>

As all the employees have now transferred out of the business, the company has exited the group pension scheme. The amount of £7,270,000, as recognition of the final settlement to exit the GE Pension Plan payable under section 75 of the Pensions Act 1995, has been settled in the current year.

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Engineering	-	35
Production	-	41
Sales and distribution	-	13
Administration	-	4
Operations	-	21
	<u>-</u>	<u>114</u>

All employees were transferred as part of the sale of trade, assets and certain liabilities.

# Altair Filter Technology Ltd

## Notes to the financial statements

### 6. Auditors' remuneration

	2014 £000	2013 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	8	41
Fees payable to the company's auditor and its associates in respect of: The auditing of accounts of subsidiary of the company	-	5
	<u>8</u>	<u>46</u>

### 7. Directors' remuneration

	2014 £000	2013 £000
Remuneration	-	324
Company pension contributions to defined contribution pension schemes	-	60
	<u>-</u>	<u>384</u>

During the year retirement benefits were accruing to no directors (2013: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £nil (2013: £113,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2013: £23,000).

### 8. Interest receivable and similar income

	2014 £000	2013 £000
Interest receivable from group companies	450	235
	<u>450</u>	<u>235</u>

### 9. Interest payable and similar charges

	2014 £000	2013 £000
On loans from group undertakings	-	441
	<u>-</u>	<u>441</u>

# Altair Filter Technology Ltd

## Notes to the financial statements

### 10. Taxation

	2014 £000	2013 £000
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	325
Effect of decreased tax rate	-	(3)
<b>Total deferred tax</b>	-	322
<b>Tax on (loss)/profit on ordinary activities</b>	-	322

#### Factors affecting current tax (credit)/charge for the year

The current tax assessed for the year is higher than (2013: lower than) the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £000	2013 £000
(Loss)/profit on ordinary activities before tax	(9,072)	89,065
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	(1,950)	20,704
<b>Effects of:</b>		
Depreciation in excess of capital allowances	-	(325)
Other non deductible expenses	482	110
Group relief for £nil consideration	(95)	(1,770)
Short term timing difference	1,563	-
Non-taxable income	-	(18,719)
<b>Current tax charge for the year</b> (see note above)	-	-

#### Factors that may affect future tax charges

Deferred tax assets and liabilities on all timing differences have been calculated at 20%, being the rate of UK corporation tax that was enacted at the balance sheet date, including those expected to reverse in the year ended 31 December 2015 (the overall average rate for which would otherwise be 20.25%). The impact of this, and that of the below changes in the corporation tax rate, on the financial statements is not considered to be material.

The UK corporation tax rate was reduced from 23% to 21% on 1 April 2014. It was announced that this rate would be reduced to 20% with effect from 1 April 2015. This rate was enacted at the balance sheet date. There are no other factors that may significantly affect future tax charges.

# Altair Filter Technology Ltd

## Notes to the financial statements

### 11. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2014	9,406
Additions	10,149
At 31 December 2014	19,555
<b>Net book value</b>	
At 31 December 2014	19,555
At 31 December 2013	9,406

On 27 June 2014, the company acquired 75 ordinary shares of £1 each of GE Betz from GE Betz (Holdings) Limited, for a total consideration of £4,804,000 payable in cash. This initial consideration was subject to an adjustment by an amount determined by a valuation of GE Betz on 3 October 2014.

On the same date, the company subscribed for a further 75 ordinary shares of £1 each in the share capital of GE Betz, for a total consideration of £4,804,000 payable in cash.

On 3 October 2014, following the completion of a valuation of GE Betz, the company made an additional payment of £541,000 to GE Betz (Holdings) Limited for the initial purchase of shares of GE Betz.

Details of the company's subsidiary undertakings are listed below, all of which are registered in England and Wales:

Name and nature of business	Class of shares held	Percentage of shares held
GE Inspection Technologies Limited - <i>manufacture, sales, marketing and distribution of non-destructive testing equipment</i>	Ordinary	100
GE Betz - <i>manufacture of other chemical products</i>	Ordinary	50

### 12. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	115,560	134,315
Other debtors	-	698
	115,560	135,013



# Altair Filter Technology Ltd

## Notes to the financial statements

### 13. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Other creditors	-	240
Accruals and deferred income	53	45
	<u>53</u>	<u>285</u>

### 14. Share capital

	2014 £000	2013 £000
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1	1
2,000 deferred ordinary shares of £1 each	2	2
	<u>3</u>	<u>3</u>

### 15. Reserves

	Profit and loss account £000
At 1 January 2014	144,131
Loss for the financial year	(9,072)
At 31 December 2014	<u>135,059</u>

### 16. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	144,134	55,391
(Loss)/profit for the financial year	(9,072)	88,743
Closing shareholders' funds	<u>135,062</u>	<u>144,134</u>

# Altair Filter Technology Ltd

## Notes to the financial statements

### **17. Pension commitments**

The company was a member of a larger group pension scheme providing benefits based on final pensionable pay. The group pension scheme, GE Pension Plan, covers a number of United Kingdom subsidiary companies of General Electric Company. Because the company was unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme was accounted for, in these financial statements as if the scheme was a defined contribution scheme. The funding surplus/deficit in respect of this scheme is disclosed in the financial statements of IGE USA Investments, a company registered in England and Wales.

The last full actuarial valuation was carried out at 5 April 2012 by a qualified independent actuary. At this date there was a funding deficit of £599 million and a funding level of 81.1%.

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

The pension charge for the year was £nil (2013: £1,218,000), including £nil (2013: £45,000) in respect of the defined contribution scheme.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

As all the employees have now transferred out of the business, the company has exited the group pension scheme. The amount of £7,270,000, as recognition of the final settlement to exit the GE Pension Plan payable under section 75 of the Pensions Act 1995, has been settled in the current year (see note 5).

### **18. Ultimate parent undertaking and controlling party**

The company's immediate parent undertaking is GE Energy Services (UK) Limited, a company registered in England and Wales.

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 incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at [www.ge.com](http://www.ge.com).