

# IGE Sterling Treasury Services Limited

Directors' report and financial statements

for the year ended 31 December 2014

Registered number: 03689771

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# IGE Sterling Treasury Services Limited

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# IGE Sterling Treasury Services Limited

## Directors' report

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

### **Principal activity and business review**

The company operates as a sub-pool header for Sterling denominated funding for certain UK legal entities.

On 5 June 2014, the company reduced its share premium account by £157,842,000, creating distributable reserves of £157,842,000.

### **Results and dividends**

The profit for the year, after taxation, amounted to £4,854,000 (2013: £12,046,000).

On 10 June 2014, the company transferred its entire shareholdings in IGE Dollar Treasury Services (comprising 143,000,000 ordinary shares of \$1 each) and in IGE Euro Treasury Services (comprising 11,100,000 ordinary shares of €1 each) to the company's immediate parent undertaking International General Electric (USA) by way of a dividend in specie of £102,488,000.

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

### **Directors**

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

Z J Citron  
G M Wheeler  
A E Brennan  
M Risinger  
A S Bowman  
A T P Budge

### **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.

# IGE Sterling Treasury Services Limited

## Directors' report

### 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 14 July 2015 and signed on its behalf.



**A T P Budge**  
Director

3rd Floor  
1 Ashley Road  
Altrincham  
Cheshire  
WA14 2DT

# IGE Sterling Treasury Services Limited

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

The directors are responsible for preparing 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.

# IGE Sterling Treasury Services Limited

## Independent auditors' report to the members of IGE Sterling Treasury Services Limited

We have audited the financial statements of IGE Sterling Treasury Services Limited 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 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 profit 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# IGE Sterling Treasury Services Limited

## Independent auditors' report to the members of IGE Sterling Treasury Services Limited

### 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Karen McCulloch (senior statutory auditor)

for and on behalf of  
**KPMG LLP**

Statutory Auditor  
Chartered Accountants

15 Canada Square  
London  
E14 5GL  
United Kingdom

Date: 14 July 2015

# IGE Sterling Treasury Services Limited

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

	Note	2014 £000	2013 £000
Administrative expenses		(50)	(100)
<b>Operating loss</b>	2	(50)	(100)
Income from other fixed asset investments		-	750
Interest receivable and similar income	6	15,440	22,271
Interest payable and similar charges	7	(10,536)	(10,833)
<b>Profit on ordinary activities before taxation</b>		4,854	12,088
Tax on profit on ordinary activities	8	-	(42)
<b>Profit for the financial year</b>	13	4,854	12,046

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 13 form part of these financial statements.

# IGE Sterling Treasury Services Limited

Registered number: 03689771

## Balance sheet as at 31 December 2014

	Note	£000	2014 £000	2013 £000
<b>Fixed assets</b>				
Investments	9		-	102,488
<b>Current assets</b>				
Debtors	10	2,606,200	1,858,901	
Cash at bank		242	279	
		<u>2,606,442</u>	<u>1,859,180</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,488,631)</u>	<u>(1,746,223)</u>	
<b>Net current assets</b>			<u>117,811</u>	<u>112,957</u>
<b>Net assets</b>			<u>117,811</u>	<u>215,445</u>
<b>Capital and reserves</b>				
Called up share capital	12		858	858
Share premium account	13		-	157,842
Profit and loss account	13		<u>116,953</u>	<u>56,745</u>
<b>Shareholders' funds</b>	14		<u>117,811</u>	<u>215,445</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 July 2015.



**A T P Budge**  
Director

The notes on pages 8 to 13 form part of these financial statements.

# IGE Sterling Treasury Services Limited

## 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.

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 Investments

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

#### 1.4 Taxation

Taxation for the year is based on the 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.

#### 1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

# IGE Sterling Treasury Services Limited

## Notes to the financial statements

### 1. Accounting policies (continued)

#### 1.6 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.

### 2. Operating loss

The operating loss is stated after charging:

	2014 £000	2013 £000
Difference on foreign exchange	<u>36</u>	<u>21</u>

### 3. Staff costs

The company had no employees during the year (2013: nil).

### 4. Directors' remuneration

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

### 5. Auditors' remuneration

Remuneration of £8,000 (2013: £7,000) paid to the auditors for their audit services to the company was borne by a fellow group undertaking.

### 6. Interest receivable and similar income

	2014 £000	2013 £000
Interest receivable from group companies	<u>15,440</u>	<u>22,271</u>

### 7. Interest payable and similar charges

	2014 £000	2013 £000
On loans from group undertakings	<u>10,536</u>	<u>10,833</u>

# IGE Sterling Treasury Services Limited

## Notes to the financial statements

### 8. Taxation

	2014 £000	2013 £000
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	-	-
Adjustments in respect of prior periods	-	42
	<u>-</u>	<u>42</u>
<b>Tax on profit on ordinary activities</b>	<u>-</u>	<u>42</u>

#### **Factors affecting current tax charge for the year**

The current tax assessed for the year is lower 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
Profit on ordinary activities before tax	<u>4,854</u>	<u>12,088</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	<b>1,044</b>	2,810
<b>Effects of:</b>		
Group relief for £nil consideration	<b>(1,044)</b>	(2,810)
Adjustments to tax charge in respect of prior periods	-	42
	<u>-</u>	<u>42</u>
<b>Current tax charge for the year (see note above)</b>	<u>-</u>	<u>42</u>

#### **Factors that may affect future tax charges**

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.

There were no amounts of provided or unprovided deferred taxation as at 31 December 2014 or 31 December 2013.

# IGE Sterling Treasury Services Limited

## Notes to the financial statements

### 9. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2014	102,488
Disposals	(102,488)
At 31 December 2014	-
<b>Net book value</b>	
At 31 December 2014	-
At 31 December 2013	102,488

On 10 June 2014, the company transferred its entire shareholdings in IGE Dollar Treasury Services (comprising 143,000,000 ordinary shares of \$1 each) and in IGE Euro Treasury Services (comprising 11,100,000 ordinary shares of €1 each) to the company's immediate parent undertaking International General Electric (USA) by way of a dividend in specie of £102,488,000.

### 10. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	2,583,856	1,847,537
Tax recoverable	22,344	11,364
	<u>2,606,200</u>	<u>1,858,901</u>

# IGE Sterling Treasury Services Limited

## Notes to the financial statements

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

	2014 £000	2013 £000
Amounts owed to group undertakings	2,488,389	1,745,914
Other creditors	242	309
	<u>2,488,631</u>	<u>1,746,223</u>

### 12. Share capital

	2014 £000	2013 £000
<i>Allotted, called up and fully paid</i>		
858,003 ordinary shares of £1 each	<u>858</u>	<u>858</u>

### 13. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2014	157,842	56,745
Profit for the financial year	-	4,854
Dividends: Equity capital	-	(102,488)
Transfer between share premium account and P/L account	(157,842)	157,842
At 31 December 2014	<u>-</u>	<u>116,953</u>

On 5 June 2014, the company reduced its share premium account by £157,842,000, creating distributable reserves of £157,842,000.

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

	2014 £000	2013 £000
Opening shareholders' funds	215,445	202,699
Profit for the financial year	4,854	12,046
Dividends (note 15)	(102,488)	-
Shares issued during the year	-	700
Reduction of share premium account	(157,842)	-
Distributable reserves created on reduction of share premium account	157,842	-
Closing shareholders' funds	<u>117,811</u>	<u>215,445</u>

# IGE Sterling Treasury Services Limited

## Notes to the financial statements

### 15. Dividends

	2014 £000	2013 £000
Dividends paid on equity capital	<u>102,488</u>	<u>-</u>

On 10 June 2014, the company transferred its entire shareholdings in IGE Dollar Treasury Services (comprising 143,000,000 ordinary shares of \$1 each) and in IGE Euro Treasury Services (comprising 11,100,000 ordinary shares of €1 each) to the company's immediate parent undertaking International General Electric (USA) by way of a dividend in specie of £102,488,000.

### 16. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is International General Electric (USA), 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).