

Registration number: 06495417

Allen Gearing Solutions Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017



Allen Gearing Solutions Limited

Contents

Directors' Report	1
Strategic Report	2 to 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report to the Members of Allen Gearing Solutions Limited	5 to 7
Profit and Loss Account and Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 23

Allen Gearing Solutions Limited

Directors' Report

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

Principal activity

The principal activity of the company is that of the design, manufacture and servicing of high performance gearboxes for a range of power generation, oil and gas, industrial and marine propulsion applications.

Results and dividends

The loss for the year, after taxation, amounted to £3,968,000 (2016: £4,250,000).

The directors do not recommend the payment of a dividend (2016: £nil).

Directors of the company

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

S A Buckley

F Moss (resigned 2 February 2017)

V F Piquet

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 22 November 2018 and signed on its behalf by:


V F Piquet
Director

Allen Gearing Solutions Limited

Strategic Report

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

Fair review of the business

On 31 October 2016, GE and Baker Hughes announced that they had entered into an agreement to combine GE's oil and gas business and Baker Hughes to create a world-leading oilfield technology provider with a unique mix of service and equipment capabilities. The new company, entitled "Baker Hughes, a GE Company" will be a leading equipment, technology and services provider in the oil and gas industry with \$32 billion of combined revenues and operations in more than 120 countries. Allen Gearing Solutions Limited is part of this new group.

By drawing from GE's technology expertise and Baker Hughes capabilities in oilfield services, the new company will provide best-in-class physical and digital technology solutions for customer productivity. Under the terms of the agreement, which has been unanimously approved by the boards of directors of both companies, GE owns 62.5% of the company. The transaction closed on 3 July 2017 and is not expected to have any immediate impact on the operations or financial results of Allen Gearing Solutions Limited.

Principal risks and uncertainties

The management of the company and the execution of the company's strategy are subject to a normal business risk. The business is fortunate to operate across a wide portfolio of market sectors but acknowledges the need for it to monitor and be reactive to the changing general economic climate and any potential slippage of customer orders.

Future developments

At the end of 2016, management of the company announced that, in the current context of the Oil & Gas market, they were proposing a rationalisation of the power transmission footprint by transferring the manufacturing and services of the company to the centre of excellence in France. Certain accruals and provisions have been accounted for in the financial statements during the year ended 31st December 2017. This plan will be executed throughout 2017 and 2018. As a result the annual report and financial statements will be prepared on a wind up basis and the directors intend to cease trading in 2019.

The directors continue to review the optimal efficiency of the business.

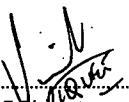
	2017	2016	Comments
Sales growth (%)	(6.76)%	(24.99)%	Year on year sales growth expressed as a percentage
Gross margin (%)	16.25%	29.53%	Ratio of gross profit to sales expressed as a percentage

Allen Gearing Solutions Limited

Strategic Report

Turnover and margin have decreased as a result of the effect of the rationalisation of the power transmission footprint.

Approved by the Board on 22 November 2018 and signed on its behalf by:


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V F Piquet
Director

Allen Gearing Solutions Limited

Statement of Directors' Responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent ;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 Allen Gearing Solutions Limited

Opinion

We have audited the financial statements of Allen Gearing Solutions Limited (the 'company') for the year ended 31 December 2017, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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.

Emphasis of matter- non going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements which explains that the financial statements have not been prepared on going concern basis for the reason set out in that note.

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of Allen Gearing Solutions Limited

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Independent Auditor's Report to the Members of Allen Gearing Solutions Limited

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

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

KPMG LLP

.....
Nigel Harker (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

8th Floor
15 Canada square
London
E14 5 GL

Date: 23 November 2018

Allen Gearing Solutions Limited

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

	Note	2017 £ 000	2016 £ 000
Turnover	4	8,779	9,416
Cost of sales		<u>(7,352)</u>	<u>(6,635)</u>
Gross profit		1,427	2,781
Distribution income/(costs)		22	(63)
Administrative expenses		<u>(5,630)</u>	<u>(7,019)</u>
Operating loss	5	(4,181)	(4,301)
Net fair value gains on financial instruments		468	-
Loss on disposal of fixed assets		(262)	-
Interest receivable and similar income	6	8	-
Interest payable and similar expenses	7	<u>-</u>	<u>(3)</u>
Loss before tax		(3,967)	(4,304)
Tax on loss	11	<u>(1)</u>	<u>54</u>
Loss for the year		(3,968)	(4,250)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(3,968)</u></u>	<u><u>(4,250)</u></u>

The above results were derived from discontinuing operations.

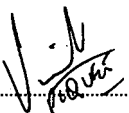
Allen Gearing Solutions Limited

Registration number: 06495417

Balance Sheet as at 31 December 2017

	Note	2017 £ 000	2016 £ 000
Fixed assets			
Tangible assets	12	-	2,247
Current assets			
Stocks	13	1,486	3,216
Assets held for sale	14	369	-
Debtors: amounts falling due within one year	15	8,856	9,459
Cash at bank and in hand		816	414
		<u>11,527</u>	<u>13,089</u>
Creditors: amounts falling due within one year	16	<u>(7,139)</u>	<u>(4,858)</u>
Net current assets		<u>4,388</u>	<u>8,231</u>
Total assets less current liabilities		<u>4,388</u>	<u>10,478</u>
Provisions for liabilities	17	-	(2,122)
Net assets		<u>4,388</u>	<u>8,356</u>
Capital and reserves			
Called-up share capital	18	10	10
Profit and loss account		<u>4,378</u>	<u>8,346</u>
Shareholders' funds		<u>4,388</u>	<u>8,356</u>

Approved by the Board on 22 November 2018 and signed on its behalf by:


 V F Piquet
 Director

The notes on pages 11 to 23 form an integral part of these financial statements.

Allen Gearing Solutions Limited

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

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	10	8,346	8,356
Comprehensive income for the year			
Loss for the year	-	(3,968)	(3,968)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(3,968)	(3,968)
At 31 December 2017	10	4,378	4,388

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	10	12,596	12,606
Comprehensive income for the year			
Loss for the year	-	(4,250)	(4,250)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(4,250)	(4,250)
At 31 December 2016	10	8,346	8,356

The notes on pages 11 to 23 form an integral part of these financial statements.

Allen Gearing Solutions Limited

Notes to the Financial Statements

1 General information

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

The address of its registered office is:

Atlas Works
Station Road
Persnore
Worcestershire
WR10 2BZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

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

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

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The results of the company are included in the consolidated financial statements of General Electric Company which are available from 41 Farnsworth Street, Boston, MA 02210, USA or at www.ge.com.

Allen Gearing Solutions Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Summary of disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern

As the company has ceased trading the directors have not prepared the financial statements on a going concern basis. As a result of this change of basis all assets and liabilities have been reviewed and stated at their net realisable value and have been recategorised to show them as current assets and liabilities during the year (refer to note 12 and 17).

Turnover

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

Foreign currency transactions and balances

The accounts are presented in sterling which is the company's functional and presentational currency.

Transactions in foreign currencies are recorded using a monthly average operating exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date. The gains or losses arising are included in the Profit and Loss Account.

Allen Gearing Solutions Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income and 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.

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

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

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

Deferred tax assets and liabilities are not discounted.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any accumulated losses. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Asset class	Depreciation method and rate
Plant & machinery	5% - 15% of cost
Fixtures & fixtures	20% of cost

Operating leases

Rentals paid under operating leases are charged to the profit or loss (net of any incentives received from the lessor) on a straight line basis over the period of the lease.

Stocks and work in progress

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

Pensions

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

Allen Gearing Solutions Limited

Notes to the Financial Statements

3 Critical accounting judgements and key sources of estimation uncertainty

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

Warranty provisions

The company offers warranties on certain products and provisions for these warranties are recognised considering factors such as the frequency and extent of future monitoring, maintenance and overhaul events, and historical run rates to meet the obligations of these warranties. Management routinely review estimates under product warranties and regularly revise them to adjust for changes in outlook.

4 Turnover

A geographical analysis of turnover is as follows:

	2017 £ 000	2016 £ 000
United Kingdom	2,720	4,679
Europe	3,264	1,995
USA	1,618	692
Rest of world	1,177	2,050
	<u>8,779</u>	<u>9,416</u>

Allen Gearing Solutions Limited

Notes to the Financial Statements

5 Operating loss

Operating loss is stated after charging

	2017 £ 000	2016 £ 000
Difference on foreign exchange	11	77
Operating lease rentals: - other operating leases	<u>301</u>	<u>214</u>

6 Interest receivable and similar income

	2017 £ 000	2016 £ 000
Interest receivable from group companies	<u>8</u>	<u>-</u>

7 Interest payable and similar expenses

	2017 £ 000	2016 £ 000
On loans from group undertakings	<u>-</u>	<u>3</u>

8 Staff costs

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

	2017 £ 000	2016 £ 000
Wages and salaries	2,021	2,747
Social security costs	474	548
Pension costs, defined contribution scheme	<u>187</u>	<u>280</u>
	<u>2,682</u>	<u>3,575</u>

Allen Gearing Solutions Limited

Notes to the Financial Statements

8 Staff costs (continued)

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

	2017 No.	2016 No.
Production	16	53
Administration	20	20
Servicing	10	16
	<u>46</u>	<u>89</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £ 000	2016 £ 000
Remuneration	60	179
Company pension contributions to defined contribution pension schemes	6	17
	<u>66</u>	<u>196</u>

10 Auditor's remuneration

	2017 £ 000	2016 £ 000
Audit of the financial statements	<u>28</u>	<u>22</u>

Allen Gearing Solutions Limited

Notes to the Financial Statements

11 Taxation

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

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	-	-
UK corporation tax adjustment to prior periods	1	(4)
	<u>1</u>	<u>(4)</u>
Deferred taxation		
Origination and reversal of temporary differences	(37)	(167)
Effect of changes to tax rates	5	22
Movement on deferred tax not provided	32	95
Total deferred taxation	<u>-</u>	<u>(50)</u>
Tax expense/(receipt) in the Profit and Loss Account	<u>1</u>	<u>(54)</u>

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

The differences are reconciled below:

	2017 £ 000	2016 £ 000
(Loss) on ordinary activities before tax	<u>(3,967)</u>	<u>(4,304)</u>
Corporation tax at standard rate	(764)	(861)
Adjustment to tax charge in respect of prior year/periods	1	(4)
Effect of changes to tax rates	5	22
Expenses not deductible for tax purposes	10	-
Group relief for £nil consideration	717	694
Movement on deferred tax not provided	32	95
Total tax credit	<u>1</u>	<u>(54)</u>

Allen Gearing Solutions Limited

Notes to the Financial Statements

11 Taxation (continued)

Factors that may affect future tax charges

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

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

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

Deferred tax

Deferred tax movement during the year:

	At 1 January 2017 £ 000	At 31 December 2017 £ 000
Accelerated tax depreciation	-	-
Other items	-	-
Net tax assets/(liabilities)	-	-

Deferred tax movement during the prior year:

	At 1 January 2016 £ 000	Recognised in income £ 000	At 31 December 2016 £ 000
Accelerated tax depreciation	54	(54)	-
Other items	(4)	4	-
Net tax assets/(liabilities)	50	(50)	-

There are £127,407 of deductible temporary differences (2016: £95,340) for which no deferred tax asset is recognised in the balance sheet.

Allen Gearing Solutions Limited

Notes to the Financial Statements

12 Tangible fixed assets

	Furniture & fittings £ 000	Plant & machinery £ 000	Total £ 000
Cost			
At 1 January 2017	314	5,732	6,046
Disposals	(289)	(3,791)	(4,080)
Transfer to current assets	(25)	(1,941)	(1,966)
At 31 December 2017	-	-	-
Depreciation			
At 1 January 2017	239	3,560	3,799
Charge for the year	-	105	105
On disposals	(214)	(2,093)	(2,307)
Transfer to current assets	(25)	(1,572)	(1,597)
At 31 December 2017	-	-	-
Net book value			
At 31 December 2017	-	-	-
At 31 December 2016	75	2,172	2,247

During the year, all assets have been reviewed and stated at their net realisable value and have been recategorised to show them as current assets during the year (refer to note 14).

13 Stock

	2017 £ 000	2016 £ 000
Raw materials and consumables	31	33
Work in progress	1,263	3,183
Finished goods and goods for resale	192	-
	<u>1,486</u>	<u>3,216</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £5,654,010 (2016: £4,697,000).

Allen Gearing Solutions Limited

Notes to the Financial Statements

14 Assets held for sale

Movement in assets held for sale

	2017 £ 000
Cost	
At 1 January 2017	-
Transfer from tangible fixed assets	1,966
At 31 December 2017	1,966
Depreciation	
At 1 January 2017	-
Transfer from tangible fixed assets	(1,597)
At 31 December 2017	(1,597)
Carrying amount	
At 31 December 2017	369

15 Debtors

	2017 £ 000	2016 £ 000
Trade debtors	2,033	2,290
Amounts owed by group undertakings	6,634	6,515
Prepayments and accrued income	88	-
Corporation tax	-	33
Other debtors	101	621
	8,856	9,459

Allen Gearing Solutions Limited

Notes to the Financial Statements

16 Creditors: Amounts falling due within one year

	2017 £ 000	2016 £ 000
Trade creditors	455	1,201
Accruals and deferred income	680	1,558
Amounts owed to group undertakings	54	111
Other taxation and social security	-	3
Other creditors	-	15
Provision for liabilities	1,849	-
Corporation tax	-	33
Payments received on account	4,101	1,937
	<u>7,139</u>	<u>4,858</u>

17 Provisions for liabilities

	Warranties £ 000	Onerous contracts £ 000	Restructuring £ 000	EHS provision £ 000	Total £ 000
At 1 January 2017	64	643	1,415	-	2,122
Additions during the year	-	-	245	631	876
Utilised during the year	-	-	(1,100)	-	(1,100)
Released during the year	(49)	-	-	-	(49)
Transferred to current liabilities	<u>(15)</u>	<u>(643)</u>	<u>(560)</u>	<u>(631)</u>	<u>(1,849)</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the year, all liabilities have been reviewed and stated at their net realisable value and have been recategorised to show them as current liabilities during the year (refer to note 16).

Warranty provision

The provision for product warranties relates to expected warranty claims on products sold to customers under 1 year warranty commitments.

Onerous contracts

The provision for onerous contracts relates to loss making contracts on property leases as per IAS 37. It is expected to be utilised over the next 12 months, in line with the remainder of the lease period.

Allen Gearing Solutions Limited

Notes to the Financial Statements

17 Provisions for liabilities (continued)

Restructuring and EHS

This provision relates to restructuring costs associated with the implementation of a detailed form plan on the scaling back of operations at the Pershore site. It is expected to be utilised over the next 12 months, in line with timeline for final contracts to be closed out.

18 Share capital

Authorised, allotted, called up and fully paid

	No. 000	2017 £ 000	No. 000	2016 £ 000
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

19 Operating lease commitments

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

	2017 £ 000	2016 £ 000
Within one year	214	214
In two to five years	642	642
In over five years	<u>-</u>	<u>214</u>
	<u>856</u>	<u>1,070</u>

This lease has been fully provided for as per IAS37 and details can be seen in note 16.

20 Pension commitments

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

The pension charge for the year was £187,000 (2016: £280,000).

Allen Gearing Solutions Limited

Notes to the Financial Statements

21 Ultimate parent undertaking and controlling party

The company's immediate parent is GE Oil & Gas UK Limited, a company registered at 2 High Street Nailsea, Bristol, United Kingdom, BS48 1BS.

The smallest group in which the results are consolidated is that headed by Baker Hughes, a GE company, LLC, a company registered at 17021 Aldine Westfield Road, Houston, Texas, 77073, USA.

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