

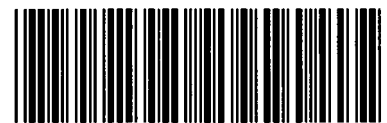
Registration number: 01590333

# Druck Limited

Annual Report and Financial Statements

for the Period from 1 January 2017 to 30 June 2017

THURSDAY



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14/06/2018  
COMPANIES HOUSE

# Druck Limited

## Contents

Strategic Report	1 to 5
Directors' Report	6 to 7
Statement of Directors' Responsibilities	8
Independent Auditor's Report to the Members of Druck Limited	9 to 11
Profit and Loss Account and Other Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14 to 15
Notes to the Financial Statements	16 to 35

# Druck Limited

## Strategic Report

The directors present their strategic report for the period from 1 January 2017 to 30 June 2017.

### **Business review and future outlook**

On 13th March 2018, the company changed its accounting reference date from 31 December 2017 to 30 June 2017. As a result, the current period results are for a 6 month period whereas the prior period comparatives are for a full year.

For the Measurement & Sensing, Pressure product lines, we are forecasting revenue growth in 2 of the 4 Pillars of the Pressure business (Aerospace and Industrial Sensors) during 2017 due to overall market growth, volume ramp up in key aircraft where we supply multiple sensors and orders growth in the 3rd Pillar (Test and Calibration) due to investing in a refreshed ADTS portfolio, but continued challenges in our Subsea product line due to sustained low oil price and reduced Subsea tree count. In 2017 and 2018 all silicon from the clean room will be replenished and re-stocked following the major clean room fire from June 2014.

For 2018, the business will continue to invest in R&D and new product introductions (NPI), with funding being assigned to the T&C Pillar to complete and enhance the ADTS portfolio (with the launch of the ADTS553/4, refreshing the ADTS405 in the form of a ADTS MkII mainly aimed at the military market but with additional communications functionality and improved global service enablement), software calibration manager Ph.1 and Ph.2 launches (4Sight2.0), and preparing feasibility for differentiated technology embedding TERPS into the portfolio.

In our Industrial sensors portfolio, we will be expanding with digital protocols (CAN, SDI12) for automotive and water industry segments, digital sensors using TERPS (USB), sensors aimed at mid-tier segments (UNIK1000) as well as developing automotive sensors (higher pressures) for key clients and continuing the development of custom sensing products.

In our Aerospace pillar, the Avio Advanced Turbo Prop (ATP) development will continue, along with the qualification of the engine sensors for the GE-A LEAP, along with completion of a number of Aero test sensors (some specifically for Chinese clients) and thereafter global customers.

Subsea will continue to remain challenging, with execution of subsea CPO's of smaller value and thus revenues in this Pillar to significantly less than those in 2017. Focus on cost will remain with development work in subsea harnesses and termination capability with the design of junction boxes, and the transfer of capability in subsea terminations and leak detection products (A10) from Norway to Shannon, Ireland.

We continue to drive our training program for our Channel partners with a number of on-site training events which will increase their domain knowledge and Pressure sensors and Instrumentation expertise (Wintensity). Geographically, Europe and North America remain our largest markets while we are enabling significant growth in China and Asia around our Core Products.

Lastly, on-time delivery and providing market expected lead-times will be a core focus, putting in place sustained actions to enable reliable delivery execution across our supply chain, wing to wing from order entry to shipping.

# Druck Limited

## Strategic Report

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to a fall in demand in the market, competition from other companies globally and issues with the supply chain.

In order to mitigate these risks, the company invests in research and development to sustain competitive advantage, and works continually to ensure that the cost base is competitive by engaging in ToW (Transfer of Works) to more cost effective regions where it makes sense, and forming a supplier base with high quality. The diversity of operations also reduces the dependence on any single item or supplier. Purchasing policies take into account and seek to mitigate such risks where practicable.

The Brexit vote in the UK does not appear to have had any impact on our operating activities or commercial relationships at this point. The weakening of the GBP against the USD has had an impact on top line revenue when consolidated into our USD / US GAAP reporting, but as the % of GBP sales within the business are relatively low when compared to our cost position, what we lose on the top line is more or less offset at the bottom line profitability level. Longer term, until we can more clearly understand the structure of the UK's exit from the EU, it is hard to tell what kind of impacts might be felt from changing customs/duty. However, our strength and diversity across a large range of global markets both within and outside the EU should position us well to offset any potential challenges that arise in the future.

### **Research and development**

The Measurement & Sensing product line strategy has continued to invest in technology developments in order to offer premium performance products in 4 main business segments/Pillars; Aerospace, Test and Calibration, Subsea/Oil & Gas and Industrial Sensors, to provide custom and standard instrumentation and Pressure sensor products and enhance our contribution margin by enhanced design for manufacture.

Our investment in New Product Introduction (NPI) during 2017 was consistent with that of 2016 and focused on a number of key products that underwent research and development, while there was considerable work undertaken to complete the fabrication, test and qualification of silicon and recover the business (since the unexpected fire on site in 2014).

# Druck Limited

## Strategic Report

### 1. Test & Calibration Pillar (R&D)

In 2017 our core product range of Test & Calibration, we have invested in developing the next generation of "Elite" portable field calibration equipment with the Genii IS New Product Introduction (NPI) for hazardous areas and intrinsic safe zones. Continued investment in Software to provide the first ever cloud based Digital Software product with the 4Sight2.0 Calibration manager will commence (with launch in 2017), building up a development centre of excellence in Mumbai, India but supported strategically by the Leicester, UK team. Completely refreshing the ADTS (Air Data Test Set) portfolio remains a core part of the strategy, replacing the aging instruments such as the ADST 505 and 206 with modern, more accurate, wireless technology, and robust ADTS552 & ADTS553/4 commercial products with state of the art sensing technology in the form of TERPS (Trench Etched Resonant Pressure Sensor). This offers a tenfold improvements in accuracy and stability over our existing piezoresistive technology. These products serve the larger commercial airline customers with multiple Ps and Pt. These products enable the test and calibration of vital flight instrumentation such as altimeters, airspeed indicators, rate of climb indicators, Mach meters and air data computers to be quickly and accurately tested on the flight line by connection to the aircraft Ps and Pt ports used within aircraft, aircraft hanger or in a laboratory.

### 2. Industrial Sensor Pillar (R&D)

In our Industrial sensor business, the area most impacted by the 2014 fire, we continue to see growth opportunities, with increased the ownership to the China team where we have a R&D team in the CTC in Shanghai, China. Investing in Digital Mud Pulse Telemetry sensors for Baker Hughes (with foundation fieldbus) allowing for more accurate drilling and steering of the drill bit is one such development. Additionally the launch of the DPS5000, a digital sensor aimed at the gas corrector market will be commercialised.

### 3. Oil and Gas Pillar (R&D)

The reduction in the oil price will continue to put pressure on our Subsea portfolio, however, new innovation in the form of a Single Phase Flow Meter (SPFM) having secured all of Petrobras SPFM requirements who ordered all of their manifolds for the next 10 years, and Kaombo, the biggest ever subsea project will ensure that while orders remain challenging for the year, our volume will remain healthy. Price reductions and meeting market expected lead times continue to be a challenge, but scoping out a new product called the Next Generation Wellhead (NGWH) to combat potential margin erosion will commence. We will continue to review our product portfolio and simplify when necessary. ) On the PTX400 product, a high accuracy 0.02% FS CANbus sensor with SIIS 2 compliance for Kaombo will complete the final qualification.

# Druck Limited

## Strategic Report

### 4. Aerospace Pillar

Aerospace sensor applications remain a key focus with major projects specifically for GE-Aviation (GE-A). The success of the PP20 engine sensor (5 new sensors (Oil, Fuel etc) has paved the way for the project win for the GE9x engine, anticipating further growth in the future with the award of the GEA-LEAP engine where we should expect significant volume uplift. The Aerospace business growth curve will continue with the program wins expected on the 777x with hydraulic sensors (Nabtesco and Boeing directly), with FADEC sensors for CDS and also on the new GE-A Avio Advanced TurboProp engine, a GE "Fastworks" program. We continue the build out of our capability in China on the COMAC C919 principally with hydraulic sensors and Oxygen sensors, but other customers such as WAIC and CAIC are providing opportunities for custom products, having built up a commercial, technology and supply chain team in China. We will continue to undertake product modifications and customer specific variations across our Core. In Aerospace we see opportunities in the form of Aero test sensors and developing new products for this test market will be a focus. Discussions with BAE starting feasibility on new TERPS technology (passes TRL5 testing @ GE-A in 2015), for FADEC control (CPXD) sensor and developing TERPS for new GE-A engines (VCAT) at higher temperatures (200 degrees).

#### **Carrying value of investments :**

In December 2016, Druck Limited acquired a 22% share in another GE UK entity, Hydril PCB Limited. The Hydril business operates exclusively within the Oil & Gas segment, and since acquiring this investment the Directors of Druck Limited have observed a significant dip in market conditions, as well as higher than expected operating costs, which is adversely affecting the Hydril PCB Limited operating profit performance. There is therefore a judgement required as to whether this reflects a permanent diminution in value of the Hydril business or a temporary timing impact. At the present time it is the view of the directors that this reduced performance is part of a cycle in the sector and do not believe this reflects a permanent diminution in value. As such, no impairment of value has been booked. However, the Directors will continue to monitor the performance through the remainder of the year, as well as the 2018 & beyond outlook and review this assessment of carrying value should their view on the nature of the downturn change in future periods.

# Druck Limited

## Strategic Report

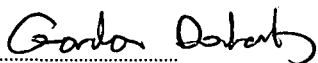
### Key performance indicators

Performance during the period is set out in the table below:

	6 month period ended 30 June 2017	Year ended 31 December 2016	Definition, method of calculation
Change in sales (%)	1%	4%	Period to period change in sales expressed as a percentage. Increase due to fulfillment coming back to normal level after fire and with improved market conditions.
Operating margin (%)	19%	12.2%	Operating margin is the ratio of operating profit, expressed as a percentage. Profitability is up due to improved year on year productivity and tighter controls over variable and fixed costs.

Calculated pro rata to the 6 months

Approved by the Board on 13 June 2018 and signed on its behalf by:



G S Docherty  
Director

# Druck Limited

## Directors' Report

The directors present their report and the financial statements for the period from 1 January 2017 to 30 June 2017.

### **Principal activity**

The company is primarily a manufacturer of pressure transducers and transmitters ("pressure sensors") for a wide range of applications, including the aerospace, automotive and oil & gas industries.

### **Results and dividends**

The profit for the 6 month period ended 30 June 2017, after taxation, amounted to £9,846,000 (year ended 31 December 2016: £11,838,000).

The directors do not recommend the payment of a dividend (year ended 31 December 2016: £nil).

### **Directors of the company**

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

R J Daniels

G Dawber (resigned 16 October 2017)

G S Docherty

G Poggiali (appointed 16 October 2017)

### **Employee involvement**

The company pays close attention to the health and safety of employees, having particular regard to the provisions of the Health and Safety at Work Act 1974.

The company gives sympathetic consideration to applications for employment vacancies from disabled persons. Successful applicants are given appropriate assistance and training and have the same career prospects as other employees. Should employees become disabled during their employment, every assistance will be given to enable them to continue their career.

The company recognises the benefits of keeping employees informed as to the current business performance. Whilst methods of passing information vary from business to business, examples of communication with employees are staff newspapers and review meetings.

### **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.



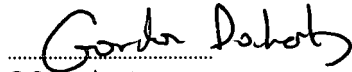
# Druck Limited

## Directors' Report

### **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 13 June 2018 and signed on its behalf by:



G S Docherty  
Director

# Druck 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
- 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 Druck Limited

### Opinion

We have audited the financial statements of Druck Limited (the 'company') for the period from 1 January 2017 to 30 June 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 30 June 2017 and of its profit for the period 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### 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 Druck 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 8, 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**

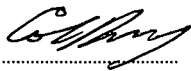
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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](http://www.frc.org.uk/auditorsresponsibilities).

## Independent Auditor's Report to the Members of Druck 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.



Colin Brearley (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

St Nicholas House  
31 Park Row  
Nottingham  
NG1 6FQ

Date: 14 June 2018

# Druck Limited

## Profit and Loss Account and Other Comprehensive Income for the Period from 1 January 2017 to 30 June 2017

		Period from 1 January 2017 to 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
	Note		
<b>Turnover</b>	4	54,787	108,426
Cost of sales		<u>(26,529)</u>	<u>(54,102)</u>
<b>Gross profit</b>		28,258	54,324
Selling and distribution costs		(1,010)	(2,351)
Administrative expenses		(14,974)	(37,557)
Other operating expenses	5	<u>(1,877)</u>	<u>(1,192)</u>
<b>Operating profit</b>	6	10,397	13,224
Interest receivable and similar income	10	69	21
Interest payable and similar expenses	11	<u>(620)</u>	<u>(1,407)</u>
<b>Profit before tax</b>		9,846	11,838
Tax on profit	12	<u>-</u>	<u>-</u>
<b>Profit for the period</b>		9,846	11,838
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u><u>9,846</u></u>	<u><u>11,838</u></u>

The above results were derived from continuing operations.

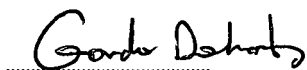
# Druck Limited

Registration number: 01590333

## Balance Sheet as at 30 June 2017

	Note	6 month period ended 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
<b>Fixed assets</b>			
Intangible assets	13	7,118	7,154
Tangible assets	14	23,849	24,480
Investments	15	<u>25,000</u>	<u>25,000</u>
		<u>55,967</u>	<u>56,634</u>
<b>Current assets</b>			
Stocks	16	13,026	13,461
Debtors	17	59,267	54,278
Cash at bank and in hand		<u>96</u>	<u>100</u>
		<u>72,389</u>	<u>67,839</u>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(28,333)</u>	<u>(34,310)</u>
<b>Net current assets</b>		<u>44,056</u>	<u>33,529</u>
<b>Total assets less current liabilities</b>		100,023	90,163
Provisions for liabilities	19	<u>(2,030)</u>	<u>(1,650)</u>
<b>Net assets</b>		<u>97,993</u>	<u>88,513</u>
<b>Capital and reserves</b>			
Called up share capital	20	150	150
Share premium account		1,923	1,923
Employee share based equity reserve		(3,089)	(2,723)
Profit and loss account		<u>99,009</u>	<u>89,163</u>
<b>Shareholders' funds</b>		<u>97,993</u>	<u>88,513</u>

Approved by the Board on 13 June 2018 and signed on its behalf by:



G S Docherty

Director

The notes on pages 16 to 35 form an integral part of these financial statements.

# Druck Limited

## Statement of Changes in Equity for the Period from 1 January 2017 to 30 June 2017

	Called up share capital £ 000	Share premium account £ 000	Employee share based equity reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	150	1,923	(2,723)	89,163	88,513
<b>Comprehensive income for the period</b>					
Profit for the financial period	-	-	-	9,846	9,846
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	9,846	9,846
Equity compensation expense recognised during the period	-	-	27	-	27
Recharge from GE Company in respect of share options exercised during the period	-	-	(14)	-	(14)
Share base payment accruals	-	-	(379)	-	(379)
At 30 June 2017	<u>150</u>	<u>1,923</u>	<u>(3,089)</u>	<u>99,009</u>	<u>97,993</u>

The notes on pages 16 to 35 form an integral part of these financial statements.



# Druck Limited

## Statement of Changes in Equity for the Period from 1 January 2017 to 30 June 2017

	Called up share capital £ 000	Share premium account £ 000	Employee share based equity reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	150	1,923	(1,258)	78,042	78,857
<b>Comprehensive income for the year</b>					
Profit for the financial period	-	-	-	11,838	11,838
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	11,838	11,838
Equity compensation expense recognised during the year	-	-	29	-	29
Recharge from GE Company in respect of share options exercised during the year	-	-	(835)	-	(835)
Share based payment accruals	-	-	(659)	-	(659)
Deficit arising on acquisition of business under common control	-	-	-	(717)	(717)
At 31 December 2016	<u>150</u>	<u>1,923</u>	<u>(2,723)</u>	<u>89,163</u>	<u>88,513</u>

The notes on pages 16 to 35 form an integral part of these financial statements.  
Page 15

# Druck 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:

Fir Tree Lane  
Groby  
Leicestershire  
LE6 0FH

### 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 judgment in applying the company's accounting policies (see note 3).

#### Exemption from preparing group accounts

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.

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

# Druck 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 paragraphs 45(b) and 46-52 of IFRS 2 Share based payment;
- 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;
  - paragraph 118( e) of IAS 38 Intangible Assets,
  - 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;
  - the requirements of paragraphs 134(d)-134(f) and 135(c )-135(e ) of IAS 36 Impairment of Assets.

#### Going concern

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.

#### 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.

# Druck Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### 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 sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. 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.

The Company also generates turnover from construction contracts. Construction contract revenues and profits are recognised as they are earned having regard to the proportion of the construction activities completed at the balance sheet date. The stage of completion is assessed based on the proportion of contract costs incurred for work performed as at the reporting date to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the Profit and Loss Account.

#### 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.

#### 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.

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.

# Druck Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### Intangible fixed assets

##### Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Goodwill is stated at cost less any accumulated impairment loss. As per IFRS 3 Business Combination, goodwill is not amortised but is tested annually for impairment. Although this is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, which requires that all goodwill be amortised, the directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any accumulated losses.

#### Depreciation

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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	10% to 25% straight line
Assets under construction	nil
Land and buildings*	2% to 10% straight line
Assets used in operating leases	in line with the terms of the lease

\* Freehold land is not depreciated.

#### Investments

Investment in group undertakings are shown at cost less provision for impairment.

At each balance sheet date the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If such indication exists, the recoverable amount of the investment estimated based on its fair value less costs of disposal (for which its net asset value may be used as a reasonable proxy) and value in use. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised in Profit and Loss Account in the period.

#### 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. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

# Druck Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

#### 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.

#### Pensions

The company is 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 is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by IAS 19 Employee Benefits, the scheme has been accounted for in these financial statements as if the scheme was a defined contribution scheme.

The company also 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.

#### Share based payments

Share options and restricted stock units over the shares of General Electric Company, the ultimate parent entity are granted to certain employees and executives of the company. The fair value of options and units granted is recognised as an employee expense with a corresponding increase in equity, the 'Employee share based equity reserve'.

The fair value is measured at grant date using the Black-Scholes option pricing model, and is recognised as an expense over the period the employees become unconditionally entitled to the options/units. The amount recognised as an expense is adjusted to reflect the actual number of options/units expected to vest.

Any recharges by the ultimate parent entity are offset against the 'employee share based equity reserve'.

In addition the company has established an employee share ownership scheme, under which employees are able to acquire a number of shares in the ultimate parent company, General Electric Company, with the company matching the employees' purchases. The company's costs of these purchases are charged to the profit and loss account as incurred.

#### Derivative financial instruments and hedging activities

The company has not applied hedge accounting and all derivatives are measured at fair value through profit and loss.

# Druck Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

#### Financial assets

The company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Other than the financial assets in a qualifying hedging relationship, the company's accounting policy for each category is as follows:

#### Fair value through profit or loss

This category comprises only in-the-money derivatives. These are carried in the Balance sheet at fair value with changes in fair value recognised in the Profit and loss account.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Profit and loss account. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

#### Financial liabilities

The company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

#### Fair value through profit or loss

The company comprises only out-of-the-money derivatives. They are carried in the Balance sheet at fair value recognised in the Profit and loss account.

# Druck Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance sheet.

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

The preparation of the financial statements requires the directors to make judgments, 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 judgment and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

#### Goodwill

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. The impairment testing process requires management to make significant judgements and estimates regarding the future cash flows expected to be generated by the use of and, if applicable, the eventual disposal of goodwill as well as other factors to determine the fair value. Management periodically evaluates and updates the estimates based on the conditions which influence these variables.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the goodwill to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Impairment losses arising in respect of goodwill are not reversed once recognised.

#### 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.



# Druck Limited

## Notes to the Financial Statements

### 3 Critical accounting judgments and key sources of estimation uncertainty (continued)

#### **Carrying value of Investments**

In December 2016, Druck Limited has acquired a 22% share in another GE UK entity, Hydril PCB Limited. The Hydril business operates exclusively within the Oil & Gas segment, and since acquiring this investment the Directors of Druck Limited have observed a significant dip in market conditions, as well as higher than expected operating costs, which is adversely affecting the Hydril PCB Limited operating profit performance. There is therefore a judgement required as to whether this reflects a permanent diminution in value of the Hydril business or a temporary timing impact. At the present time it is the view of the directors that this reduced performance is part of a cycle in the sector and do not believe this reflects a permanent diminution in value. As such, no impairment of value has been booked. However, the Directors will continue to monitor the performance through the remainder of the year, as well as the 2018 & beyond outlook and review this assessment of carrying value should their view on the nature of the downturn change in future periods.

#### **Internally generated development costs**

IAS 38 requires that internally generated development costs should only be recognised if strict criteria are met, in particular relating to technical feasibility and generation of future economic benefits. Management consider the criteria carefully and only when it is clear that each criterion is met are developments costs recognised.

#### **Fair value measurements of derivatives**

We use derivatives to manage the risks involved in foreign exchange transactions and the assets and liabilities associated with these derivatives are measured at fair value. A fair value measurement is determined as the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. The determination of fair value often involves significant judgments about assumptions such as determining an appropriate discount rate that factors in both risk and liquidity premiums, identifying the similarities and differences in market transactions, weighting those differences accordingly and then making the appropriate adjustments to those market transactions to reflect the risks specific to our asset being valued.

# Druck Limited

## Notes to the Financial Statements

### 4 Turnover

The analysis of the company's turnover from continuing operations is as follows:

	<b>1 January 2017 to 30 June 2017 £ 000</b>	<b>Year ended 31 December 2016 £ 000</b>
Sale of goods	50,697	99,183
Rendering of services	4,090	9,243
	<u>54,787</u>	<u>108,426</u>

A geographical analysis of turnover is as follows:

	<b>1 January 2017 to 30 June 2017 £ 000</b>	<b>Year ended 31 December 2016 £ 000</b>
United Kingdom	16,501	31,458
Rest of European Union	11,586	23,517
USA	13,918	28,761
Rest of world	12,782	24,690
	<u>54,787</u>	<u>108,426</u>

### 5 Other operating expenses

The analysis of the company's other operating expenses for the period is as follows:

	<b>1 January 2017 to 30 June 2017 £ 000</b>	<b>Year ended 31 December 2016 £ 000</b>
Sundry (expenses)/income	(2)	465
Loss from derivatives	(1,875)	(1,657)
	<u>(1,877)</u>	<u>(1,192)</u>

# Druck Limited

## Notes to the Financial Statements

### 6 Operating profit

Operating profit is stated after charging:

	1 January 2017 to 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
Difference on foreign exchange	(143)	69
Operating lease expense - property	35	124
Operating lease expense- office equipment	471	1,259
Research and development costs	2,085	3,638

### 7 Auditor's remuneration

	1 January 2017 to 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
Audit of the financial statements	97	146

### 8 Staff costs

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

	1 January 2017 to 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
Wages and salaries	12,126	23,885
Social security costs	1,410	2,056
Pension costs, defined contribution scheme	1,297	2,971
Pension costs, defined benefit scheme	200	407
Share-based payment expenses	27	29

# Druck Limited

## Notes to the Financial Statements

### 8 Staff costs (continued)

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

	1 January 2017 to 30 June 2017 No.	Year ended 31 December 2016 No.
Production	460	487
Administration	25	26
Sales and distribution	126	134
	<u>611</u>	<u>647</u>

### 9 Directors' remuneration

The directors' remuneration for the period was as follows:

	1 January 2017 to 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
Remuneration	235	485
Company pension contributions	33	49
	<u>268</u>	<u>534</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	1 January 2017 to 30 June 2017 No.	Year ended 31 December 2016 No.
Accruing benefits under defined benefit pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2017 £ 000	2016 £ 000
Remuneration	108	196
Defined benefit scheme	<u>16</u>	<u>25</u>

# Druck Limited

## Notes to the Financial Statements

### 10 Interest receivable and similar income

	1 January 2017 to 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
Interest receivable from group companies	69	21

### 11 Interest payable and similar expenses

	1 January 2017 to 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
Factoring fee	620	1,407

### 12 Taxation

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

	1 January 2017 to 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
<b>Current taxation</b>		
UK corporation tax	-	-
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	(201)	(510)
Effect of changes to tax rates	26	397
Adjustment in respect of prior year	102	(2,677)
Movement on deferred tax not provided	73	2,790
Total deferred taxation	-	-
Tax expense/(receipt) in the Profit and Loss Account	-	-

# Druck Limited

## Notes to the Financial Statements

### 12 Taxation (continued)

#### Factors affecting current tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 19.5%(2016 - 20%).

The differences are reconciled below:

	1 January 2017 to 30 June 2017 £ 000	Year ended 31 December 2016 £ 000
Profit before tax	9,846	11,838
Corporation tax at standard rate	1,920	2,368
Adjustment to tax charge in respect of prior year	102	(2,677)
Non-taxable income	(9)	(167)
Expenses not deductible for tax purposes	15	29
Movement on deferred tax not provided	73	2,790
Group relief for £nil consideration	(2,127)	(2,740)
Deferred tax expense (credit) relating to changes in tax rates or laws	26	397
Total tax charge/(credit)	-	-

#### 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 18.5%). 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

There are £5,951,581 of deductible temporary differences (2016: £5,878,720) for which no deferred tax asset is recognised in the balance sheet.

# Druck Limited

## Notes to the Financial Statements

### 13 Intangible fixed assets

	Goodwill £ 000	Research and development £ 000	Total £ 000
<b>Cost</b>			
At 1 January 2017	5,417	6,038	11,455
Additions	-	470	470
At 30 June 2017	<u>5,417</u>	<u>6,508</u>	<u>11,925</u>
<b>Amortisation</b>			
At 1 January 2017	2,159	2,142	4,301
Charge for the year	-	506	506
At 30 June 2017	<u>2,159</u>	<u>2,648</u>	<u>4,807</u>
<b>Carrying amount</b>			
At 30 June 2017	<u>3,258</u>	<u>3,860</u>	<u>7,118</u>
At 31 December 2016	<u>3,258</u>	<u>3,896</u>	<u>7,154</u>

Capitalised development costs are not treated as a realised loss for the purpose of determining the company's distributable profits as the costs meet the criteria requiring them to be treated as an asset in accordance with IAS38.

# Druck Limited

## Notes to the Financial Statements

### 14 Tangible fixed assets

	Land and buildings £ 000	Asset under construction £ 000	Plant & machinery £ 000	Assets used in operating leases £ 000	Total £ 000
<b>Cost</b>					
At 1 January 2017	2,025	316	36,043	764	39,148
Additions	-	130	-	-	130
Disposals	-	(17)	(60)	-	(77)
Transfer between classes	-	(32)	32	-	-
At 30 June 2017	<u>2,025</u>	<u>397</u>	<u>36,015</u>	<u>764</u>	<u>39,201</u>
<b>Depreciation</b>					
At 1 January 2017	62	-	13,872	734	14,668
Charge for the year	19	-	833	82	934
On disposals	-	-	(25)	(225)	(250)
At 30 June 2017	<u>81</u>	<u>-</u>	<u>14,680</u>	<u>591</u>	<u>15,352</u>
<b>Carrying amount</b>					
At 30 June 2017	<u>1,944</u>	<u>397</u>	<u>21,335</u>	<u>173</u>	<u>23,849</u>
At 31 December 2016	<u>1,963</u>	<u>316</u>	<u>22,171</u>	<u>30</u>	<u>24,480</u>

Included in land and building is freehold land at a cost of £1,100,000 (Year ended 31 December 2016: £1,100,000) which is not depreciated.



# Druck Limited

## Notes to the Financial Statements

### 15 Fixed assets investments

	Investments in group companies £ 000
<b>Cost</b>	
At 1 January 2017	<u>25,000</u>
At 30 June 2017	<u>25,000</u>
<b>Impairment</b>	
At 1 January 2017	<u>-</u>
At 30 June 2017	<u>-</u>
<b>Net book value</b>	
At 30 June 2017	<u>25,000</u>
At 31 December 2016	<u>25,000</u>

The directors of the company have undertaken a review of the company's investment in group undertakings as at 30 June 2017. There are no indications of impairment and the carrying value of the investment is correct. (Refer to Note 3)

Details of the group undertaking as at 30 June 2017 are as follows:

Name	Registered office	Class of shares held	Proportion of ownership interest
Hydril PCB Limited	The Ark, 201 Talgarth Road, Hammersmith, London, W6 8BJ	Ordinary	22.19%

# Druck Limited

## Notes to the Financial Statements

### 16 Stocks

	<b>30 June 2017</b>	<b>31 December</b>
	<b>£ 000</b>	<b>2016</b>
		<b>£ 000</b>
Raw materials and consumables	5,301	6,476
Work in progress	6,190	6,571
Finished goods and goods for resale	1,535	414
	<u>13,026</u>	<u>13,461</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the 6 month period ended 30 June 2017 amounted to £20,585,973 (year ended 31 December 2016: £39,145,116). The write down of stocks to net realisable value amounted to £nil (year ended 31 December 2016: £593,030). The reversal of write-downs amounted to £492,766 (year ended 31 December 2016: £278,784). The write down and reversal are included in cost of sales.

### 17 Debtors

	<b>30 June 2017</b>	<b>31 December</b>
	<b>£ 000</b>	<b>2016</b>
		<b>£ 000</b>
Trade debtors	7,017	7,588
Amounts owed by group undertakings	50,087	42,982
Derivative assets	203	2,150
Prepayments and accrued income	1,071	400
Other debtors	889	1,158
	<u>59,267</u>	<u>54,278</u>

# Druck Limited

## Notes to the Financial Statements

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

	30 June 2017	31 December 2016
	£ 000	£ 000
Trade creditors	5,550	6,449
Accruals and deferred income	6,941	7,796
Amounts owed to group undertakings	14,426	19,530
Social security and other taxes	245	354
Other creditors	1,060	9
Derivative liabilities	111	172
	<u>28,333</u>	<u>34,310</u>

### 19 Provisions for liabilities

	Warranties £ 000
At 1 January 2017	1,650
Amounts utilised during the year	<u>380</u>
At 30 June 2017	<u>2,030</u>

#### Warranty provision

A warranty provision is maintained for expected claims against warranties on products sold. The provision has not been discounted since the effect of discounting is not material.

### 20 Share capital

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

	No. 000	30 June 2017 £ 000	No. 000	31 December 2016 £ 000
Ordinary shares of £1 each	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>

# Druck Limited

## Notes to the Financial Statements

### 21 Operating lease commitments

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

	30 June 2017 £ 000	31 December 2016 £ 000
Within one year	329	45
In two to five years	433	620
	<u>762</u>	<u>665</u>

### 22 Pension commitments

The company is 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 is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by IAS 19 'Employee Benefits', the scheme had been accounted for in the 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 as at 31 March 2015 by a qualified independent actuary. At this date there was a funding deficit of £164 million and a funding level of 96.2%.

The company also 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 6 month period ending 30 June 2017 was £1,497,000 (year ended 31 December 2016: £3,378,000), including £1,297,000 (year ended 31 December 2016: £2,971,000) in respect of defined contributions pension scheme. There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

# Druck Limited

## Notes to the Financial Statements

### **23 Share-based payments**

Certain employees of the company are selected to participate in share options and restricted stock units of General Electric Company under the terms of the General Electric Company Long Term Incentive Plan. Share options expire 10 years from grant date and vest over service periods ranging from one to five years. The option price is usually set as the closing day share price on grant date. Restricted stock units give the participants the right to receive shares in General Electric Company for no consideration. Restricted stock units vest over various service periods beginning three years from grant date through grantee retirement. All grants of GE options under all plans must be approved by the Management Development and Compensation Committee of General Electric Company, which consist entirely of outside directors. For further details on stock options and restricted stock units please refer to the GE annual report available at [www.ge.com](http://www.ge.com).

The weighted average share price at the date of exercise of share options exercised during the year was \$30.05 (2016: \$31.26).

The options outstanding at the year end have an exercise price in the range of \$11.70 to \$29.62 and a weighted average contractual life of 4.66 years.

### **24 Ultimate parent undertaking and controlling party**

The company's immediate parent is GE Druck Holdings Limited, a company registered at Fir Tree Lane, Groby, Leicester, LE6 0FH.

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