

Registration number: 00252567

GE Medical Systems Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2023

GE Medical Systems Limited

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GE Medical Systems Limited

Strategic Report

The directors present their strategic report for the year ended 31 December 2023.

Fair review of the business

Turnover increased by £18.8m (5.5%) to £359.3m (2022: £340.5m) driven mainly by an increase in demand from the NHS for Imaging and UltraSound equipment. However, the gross profit margin decreased by 3.4% from 26.2% in 2022 to 22.8% in the current year. This was primarily due to rising supply chain costs, as a result of the general economic environment. The company recorded an increase in its operating profit by £0.7m to £15.3m (2022: £14.6m).

On 13 December 2023, the company paid an interim dividend of £25,000,000 to GE HealthCare UK Holdings, its immediate parent undertaking.

The company did not receive any dividend income during the year (2022 £100,000,000 from its subsidiary GE Healthcare UK Limited). The directors also undertook a review of the company's investments in group undertakings as at 31 December 2023, which resulted in no impairment charge (2022 impairment charge £89,000,000).

The company has net assets of £77,934,000 (2022: £82,836,000) of which £21,399,000 (2022: £3,195,000) is due from fellow GE group companies. This movement in net assets is primarily due to the dividend paid to GE Healthcare UK Holding, its immediate parent company.

The directors are satisfied with both the performance of the company in 2023 and its year end balance sheet position.

Financial risk management objectives and policies

Interest rate risk

The company is exposed to interest rate risk arising out of amounts owed to group undertakings. The exposure to interest rate risks have not been hedged as there is no net interest rate risk at a group level on intra-group borrowings.

Foreign currency risk

The company is exposed to sales/purchases/intercompany transactions that are carried out in foreign currencies and is exposed to potential exchange rate losses. The company monitors and manages the foreign currency risk in relation to its operations in line with the group's policy and with the help of the global treasury team.

Liquidity risk

The company is exposed to short term fluctuations in cashflow to fund working capital requirements. The company has the ability to access the group's cash pool facility as and when required which helps in managing liquidity risk.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. One of the uncertainties affecting the company is the Government's future funding strategy to the NHS, however this also is an opportunity to reinforce GE Healthcare's 'Healthymagination' commitment of focusing on addressing three critical needs: lowering costs, increasing patient access and improving quality of care. Other potential risks are major product innovation by the competition, product quality and the political landscape of the Healthcare market in the UK. Strategies are being continually formulated to minimise the risk in all these scenarios.

GE Medical Systems Limited

Strategic Report

Section 172(1) statement

The directors of GE Medical Systems Limited consider, both individually and together, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (considering stakeholders and matters set out in Section 172 of the Companies Act 2006) in the decisions taken during the year ended 31 December 2023.

A director of a company must act, in good faith, to promote the success of the company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- the likely consequences of any long-term decisions taken and the impact on all stakeholders are considered;
- the interests of the company's employees. Our people play a key role in helping us to achieve our strategic priorities and committed and engaged employees are crucial to our success;
- the need to foster strong working relationships with suppliers, customers and others;
- the impact of the company's operations on our community and the environment, reducing our emissions and improving our carbon footprint in the communities where we operate;
- the need to conduct business to the highest levels of integrity, ensuring that we and our customers and suppliers apply high standards in their social, environmental and ethical conduct;
- the need to treat all our stakeholders fairly building open and constructive relationships.

Further details of how we conduct our business relationships with all stakeholders can be found at <https://www.gehealthcare.com/sustainability/integrity>. At GE HealthCare our commitment to operating business with integrity and ensuring that we engage with all stakeholders is built around our GE HealthCare Code of Conduct and The Spirit & The Letter. These policies apply to all our employees and are upheld by the directors of GE Medical Systems Limited.

Areas of specific focus for the directors during 2023 were ensuring potential delays in the global supply chain were minimised, so customer commitments could be met, as well as managing potential increases in the overall purchase price for the costs of goods sold, due to rising prices in raw materials, as a result of the adverse economic environment.

Key performance indicators (KPIs)

The directors consider that the most appropriate indicators of the company's key financial performance during the year were as follows:

| | 2023 | 2022 | Definition, method of calculation |
|--------------------------------|-------|-------|---|
| Change in turnover (%) | 5.5% | 9.4% | Year on year sales movement expressed as a percentage |
| Operating margin (%) | 4.3% | 4.3% | Ratio of operating profit (before exceptional items) to sales as a percentage |
| Return on invested capital (%) | 19.7% | 17.6% | Operating profit expressed as a percentage of net assets. It is impacted by higher net assets at year end and lower operating profit. |

The company's operating margin of 4.3% remained consistent with the prior year, as the company's cost base increased in line with its increase in sales during the year. The increase in return on capital invested resulted from higher operating profits but lower invested capital, as a result of the interim dividend payment of £25,000,000 during the year.

GE Medical Systems Limited

Strategic Report

Other key performance indicators


Other key performance indicators are on time delivery, productivity, health & safety accidents at work, employee development and overtime levels. These are monitored at divisional level on a variety of systems and different bases, often reported in % terms, which means that aggregation of this data at company level is not meaningful.

Future Developments

The company is in a strong position to take advantage of market growth through continued product innovation and customer requirements and the directors are not expecting a change in the principal activity of the company in the foreseeable future.

3 July 2024

Approved by the Board and signed on its behalf on by:

DocuSigned by:

.....54581C4159D64EE.....
J A Beastall
Director

GE Medical Systems Limited

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2023.

Principal activity

The company is engaged in the following activities:

- (i) the sale and installation of medical diagnostic imaging and information technology solutions and patient monitoring systems.
- (ii) the related services and maintenance of the UK equipment.

Results and dividends

The profit for the year, after taxation, amounted to £20,198,000 (2022: £26,571,000). Net assets have decreased from £82,836,000 in 2022 to £77,934,000 in 2023.

On 13 December 2023, the company paid an interim dividend of £25,000,000 (2022: £115,000,000) to GE HealthCare UK Holdings, its immediate parent undertaking.

Directors' of the company

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

J A Beastall

R S Hautbout (resigned 8 June 2023)

C T Jackson (resigned 8 June 2023)

S J McGuire

D O James (appointed 8 June 2023)

K A Jones (appointed 8 June 2023)

Engagement with employees

The Board encourages the contribution of the company's employees to improve processes and achieve the best results. Top talent is attracted and retained by the company as a result of its innovations and inclusive culture. We share opportunities to encourage individuals to learn and develop their skill set in order to maintain the best people. The Board communicates with employees through the company's social networking platform, as well as through regular employee broadcasts.

The company conforms to current employment laws on the employment of people with disabilities.

At GE Healthcare, we are committed to building a more diverse workforce and a more inclusive workplace by focusing on transparency, accountability and community. We believe in the value of each person's unique identity, background and experiences and are committed to fostering an inclusive culture, where everyone feels empowered to do their best work because they feel accepted, respected and that they belong.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of employees becoming disabled, every effort is made to ensure that their employment with the company continues and that any appropriate training is arranged. It is company policy that the training, career development and promotion of disabled persons should, as much as possible, be the same as that of a person who is fortunate enough not to suffer from a disability.

GE Medical Systems Limited

Directors' Report

Engagement with customers and suppliers

Customers

The board maintains close relationships with both internal and external customers through management structures and distributor account teams. Interactions with customers directly influence the company's decision making and planning.

Suppliers

Board members recognise an obligation to manage our global supplier base to ensure partners meet high social, environmental and ethical standards. In addition they assess compliance with global anti bribery laws and regulations such as the UK Bribery and UK Modern Slavery acts.

Political and charitable contributions

The company did not make any political or charitable donations in the year (2022: £nil).

Future developments

Details of future developments are disclosed in the Strategic Report on page 3.

Going concern

The company has net assets of £77,934,000 as at 31 December 2023 (2022: £82,836,000) and a profit for the year ended of £20,198,000 (2022: £26,571,000). Based on this position the financial statements have been prepared on a going concern basis which the directors consider to be appropriate.

The directors have performed a going concern assessment for a period of 12 months from the date of approval of these financial statements, also considering events reasonably foreseeable beyond this horizon, which indicates that, in light of the company's ability to access the group's cash pool facility if required, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The directors are confident that the company will have sufficient funds to continue in operational existence for at least 12 months from the date of approval of these financial statements and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Branches outside the United Kingdom

The company has no branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK.

Financial risk management objectives and policies

Details of the company's financial risk management, objectives and policies have been included in the Strategic Report on page 1.

Streamlined Energy and Carbon Reporting

GE Medical Systems Limited is required to comply with the Streamlined Energy and Carbon Reporting (SECR) regulations in the United Kingdom to improve transparency and auditability of emissions. The table below represents GE Medical Systems Limited's energy use and associated greenhouse gas (GHG) emissions from electricity and fuel in the UK for the year ended 31 December 2023.

GE Medical Systems Limited

Directors' Report

Methodology

GHG inventory data is reported using the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard Revised Edition as a framework for calculations and disclosure. Carbon conversion factors published by the US Environmental Protection Agency and International Energy Agency are used. This includes emissions from stationary combustion and fleet (Scope 1 - direct) and purchased electricity (Scope 2 - indirect). Emissions from purchased electricity have been calculated using the market-based approach. For our 2023 reporting we have improved the quality of emissions factors used for calculating our market-based emissions by applying the hierarchy for Scope 2 Market-based Emissions Factors indicated in the GHG Protocol. Updated emission factors have been applied to 2022 data retrospectively. GE Healthcare are currently in the process of creating Scope 3 emission metrics and targets in line with the public ambition for net zero by 2050.

Our energy and greenhouse gas emissions

| Scope * | Source | 2022 Energy (MWh) | 2023 Energy (MWh) | YOY% Change | 2022 Emissions (tCO ₂ e) | 2023 Emissions (tCO ₂ e) | YOY% Change |
|--------------|--|----------------------|----------------------|----------------|---|---|----------------|
| Scope 1 | Natural gas | 653 | 555 | -15% | 118 | 100 | -15% |
| | Diesel | 2,618 | 1,845 | -30% | 683 | 480 | -30% |
| | Petrol | 1,446 | 1,585 | 10% | 347 | 380 | 10% |
| Scope 2 | Purchased electricity (Standard Grid) | 1,241 | 2,110 | 70% | 453 | 769 | 70% |
| | Purchased electricity (Renewable Electricity) | 683 | 715 | 5% | - | - | - |
| Total | | 6,641 | 6,810 | 3% | 1,601 | 1,729 | 8% |

*A 50:50 split of energy and associated carbon emissions was calculated for the Pollards Wood site due to dual occupancy with GE Healthcare Limited. This is consistent with 2022 reporting.

Our greenhouse gas emissions intensity over the reporting period was 4.81 tCO₂e/£m turnover (2022: 4.70 tCO₂e/£m turnover). This intensity measurement covers our Scope 1 and 2 emissions as stated above.

Reductions in diesel consumption, alongside increases in purchased electricity consumption, have been attributed to the continued fleet electrification of GE Medical Systems Limited's current operational fleet. All sites are continually evaluating energy efficiency measures for which are highlighted below.

GE Medical Systems Limited

Directors' Report

Energy efficiency measures

GE Healthcare has committed to achieve net zero by 2050 and is part of the UN-backed “Race to Zero”, which commits us to reducing emissions in line with the Paris Agreement, with transparent action plans and robust near-term targets.

Four EV charging points have been installed at one of the GE Medical Systems Limited sites, thereby encouraging employees to transition to electric vehicles. The site has also undertaken internal heating control changes. A reduction in hours of heating outside of normal operating hours at the site is estimated to save 8,394kWh per annum.

Project work involving the replacement of critical equipment at an additional site in the GE Medical Systems Limited portfolio has resulted in large energy efficiency results throughout 2023. The combined replacement of 2x boilers, AC equipment serving the critical IT system and 3x air handling units (AHU) on site has generated an estimated energy savings of 119,635kWh per annum.

Post balance sheet events

There have been no significant post balance sheet events affecting the company since the year end which require disclosure in or amendment to the financial statements.

Directors' liabilities

One or more of the directors have benefited from qualifying third party indemnity provisions in place during the financial year in respect of this entity 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. One or more directors of the immediate parent undertaking and subsidiaries of this entity have benefitted from the same qualifying indemnity provisions.

Disclosure of information to the auditors

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.


This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

The auditor, Deloitte LLP have expressed their willingness to continue in office as auditors and have been re-appointed at the AGM of the ultimate parent company and by this Board of Directors under section 487(2) of the Companies Act 2006 and will continue in office.

3 July 2024

Approved by the Board and signed on its behalf on by:

DocuSigned by:

 54561C4159D64EE:.....
 J A Beastall
 Director

GE Medical Systems 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 Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GE Medical Systems Limited

Independent Auditor's Report to the Members of GE Medical Systems Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of GE Medical Systems Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account and Other Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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Independent Auditor's Report to the Members of GE Medical Systems Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

GE Medical Systems Limited

Independent Auditor's Report to the Members of GE Medical Systems Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

• Equipment Revenue Cut-off:

We evaluated which types of revenue; revenue transactions or assertions give rise to the risk of fraud in revenue recognition. We observed a significant increase in equipment revenue transactions near quarter-end for GE Medical Systems Limited. We noted that there is pressure to meet sales targets. As such, we determined the risk of fraud in equipment revenue is associated with the cut-off assertion for transactions recognized near year-end in 2023.

We tested the cut-off of revenue on sample transactions around year end using test of details. We considered disaggregating the sample population at the appropriate level(s) (e.g., product/service category, product mix, and/or debits to revenue and gross revenue entries).

We also obtained an understanding of the contract terms including the subscription period of each selection and obtained the respective evidence to determine proper timing of revenue recognition. and assessed whether revenue has been recognised in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and

GE Medical Systems Limited

Independent Auditor's Report to the Members of GE Medical Systems Limited

- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 matters.

Use of our report

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.

DocuSigned by:



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Paul Schofield FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

3 July 2024

Date:.....

GE Medical Systems Limited**Profit and Loss Account and Other Comprehensive Income
for the Year Ended 31 December 2023**

| | Note | 2023 £ 000 | 2022 £ 000 |
|--|-------------|-----------------------|-----------------------|
| Turnover | 4 | 359,336 | 340,505 |
| Cost of sales | | <u>(277,331)</u> | <u>(251,128)</u> |
| Gross profit | | 82,005 | 89,377 |
| Distribution costs | | (22,609) | (20,128) |
| Administrative expenses | | (44,111) | (54,553) |
| Other operating (expense)/income | 5 | <u>57</u> | <u>(106)</u> |
| Operating profit | 6 | 15,342 | 14,590 |
| Income from fixed asset investments | 7 | - | 100,000 |
| Impairment of fixed asset investments | 17 | - | (89,000) |
| Interest receivable and similar income | 8 | 3,868 | 1,564 |
| Interest payable and similar expenses | 9 | <u>(744)</u> | <u>(583)</u> |
| Profit before tax | | 18,466 | 26,571 |
| Tax on profit | 13 | <u>1,732</u> | <u>-</u> |
| Profit for the year | | 20,198 | 26,571 |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u><u>20,198</u></u> | <u><u>26,571</u></u> |

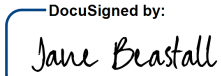
The above results were derived from continuing operations.

GE Medical Systems Limited**Registration number: 00252567****Balance Sheet****as at 31 December 2023**

| | Note | 2023 £ 000 | 2022 £ 000 |
|--|------|----------------------|----------------------|
| Fixed assets | | | |
| Intangible assets | 14 | 30,309 | 30,309 |
| Tangible assets | 15 | 3,462 | 3,018 |
| Right of use assets | 16 | 5,454 | 5,032 |
| Investments | 17 | 25,390 | 25,390 |
| | | <u>64,615</u> | <u>63,749</u> |
| Current assets | | | |
| Stocks | 18 | 25,253 | 28,351 |
| Debtors: amounts falling due within one year | 19 | 140,968 | 99,906 |
| Cash at bank and in hand | | 637 | 572 |
| | | <u>166,858</u> | <u>128,829</u> |
| Creditors: amounts falling due within one year | 20 | <u>(142,420)</u> | <u>(100,152)</u> |
| Net current assets | | <u>24,438</u> | <u>28,677</u> |
| Total assets less current liabilities | | 89,053 | 92,426 |
| Creditors: amounts falling due after more than one year | 21 | (5,205) | (3,706) |
| Provisions for liabilities | 23 | <u>(5,914)</u> | <u>(5,884)</u> |
| Net assets | | <u><u>77,934</u></u> | <u><u>82,836</u></u> |
| Capital and reserves | | | |
| Called up share capital | 24 | 7,823 | 7,823 |
| Capital redemption reserve | | 5,500 | 5,500 |
| Other reserve | | 2,013 | 2,113 |
| Profit and loss account | | <u>62,598</u> | <u>67,400</u> |
| Shareholders' funds | | <u><u>77,934</u></u> | <u><u>82,836</u></u> |

3 July 2024

Approved by the Board and signed on its behalf on by:

DocuSigned by:

54387C47159D64EE.....
 J A Beastall
 Director

The notes on pages 17 to 45 form an integral part of these financial statements.

GE Medical Systems Limited**Statement of Changes in Equity
for the Year Ended 31 December 2023**

| | Note | Called up share capital £ 000 | Capital redemption reserve £ 000 | Other reserve £ 000 | Profit and loss account £ 000 | Total equity £ 000 |
|--|-------------|--|---|--------------------------------|--|-------------------------------|
| At 1 January 2023 | | 7,823 | 5,500 | 2,113 | 67,400 | 82,836 |
| Comprehensive income for the year | | | | | | |
| Profit for the year | | - | - | - | 20,198 | 20,198 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | 20,198 | 20,198 |
| Equity settled share based payment expense | | - | - | 1,736 | - | 1,736 |
| Value of shares issued by GE Company in respect of share options exercised | | - | - | (1,836) | - | (1,836) |
| Dividends paid | 27 | - | - | - | (25,000) | (25,000) |
| At 31 December 2023 | | <u>7,823</u> | <u>5,500</u> | <u>2,013</u> | <u>62,598</u> | <u>77,934</u> |

Other reserve relates to Employee share based equity awards (See Note 26).

The notes on pages 17 to 45 form an integral part of these financial statements.

GE Medical Systems Limited

Statement of Changes in Equity for the Year Ended 31 December 2023

| | Note | Called up share capital £ 000 | Capital redemption reserve £ 000 | Other reserve £ 000 | Profit and loss account £ 000 | Total equity £ 000 |
|---|------|-------------------------------------|---|------------------------|-------------------------------------|-----------------------|
| At 1 January 2022 | | 78,234 | 5,500 | 935 | 85,418 | 170,087 |
| Comprehensive income for the year | | | | | | |
| Profit for the year | | - | - | - | 26,571 | 26,571 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | 26,571 | 26,571 |
| Share capital cancelled during the year/distributable reserves created on cancellation of share capital | | (70,411) | - | - | 70,411 | - |
| Equity settled share based payment expense | | - | - | 1,356 | - | 1,356 |
| Value of shares issued by GE Company in respect of share options exercised | | - | - | (178) | - | (178) |
| Dividends paid | 27 | - | - | - | (115,000) | (115,000) |
| At 31 December 2022 | | <u>7,823</u> | <u>5,500</u> | <u>2,113</u> | <u>67,400</u> | <u>82,836</u> |

The notes on pages 17 to 45 form an integral part of these financial statements.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

1 General information

The company is a private company limited by share capital, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales.

The address of its registered office is:
Pollards Wood, Nightingales Lane
Chalfont St. Giles
Buckinghamshire
HP8 4SP

The nature of the company's operations and its principal activities are set out in the directors' report on page 4.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("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).

Going concern

The company has net assets of £77,934,000 as at 31 December 2023 (2022: £82,836,000) and a profit for the year ended of £20,198,000 (2022: £26,571,000). Based on this position the financial statements have been prepared on a going concern basis which the directors consider to be appropriate.

The directors have performed a going concern assessment for a period of 12 months from the date of approval of these financial statements, also considering events reasonably foreseeable beyond this horizon, which indicates that, in light of the company's ability to access the group's cash pool facility if required, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The directors are confident that the company will have sufficient funds to continue in operational existence for at least 12 months from the date of approval of these financial statements and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

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 GE HealthCare Technologies Inc, a company registered at 500 West Monroe Street, Chicago, Illinois, 60661, USA or at www.gehealthcare.com.

Basis of measurement

The financial statements are prepared on the historical cost basis except for derivative instruments that are measured at fair value through profit or loss.

Adoption of new and revised Standards

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 presentation of financial statements and IFRS Practice Statement 2 making materiality judgements-disclosure of accounting policies

The company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 12 income taxes-international tax reform-Pillar Two model rules

The company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12. So that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

Certain amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the company. These amendments are not expected to have a material impact on the entity in the future reporting periods or the current period as a comparative and on foreseeable future transactions.

Summary of disclosure exemptions

In these financial statements, the company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payments;
- the requirements of IFRS 7 Financial instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair value measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- 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 paragraph 52, 58 and the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- 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 130 (f) (ii) - 130 (f) (iii), 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets.

Functional currency

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

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

Foreign currency transactions and balances

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

Turnover

Recognition

The company earns revenue from the sale of x-ray equipment and medical supplies. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

The company also earns revenue from the provision of services relating to x-ray equipment and medical supplies. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

Performance obligations

The company has separate performance obligations for the sale and servicing of medical equipment. For the sale of equipment, the main performance obligations are satisfied when the supply of equipment has transferred to the customer, and the customer has control of these. For these performance obligations, revenue is recognised at a point in time. For the servicing of equipment, revenue is recognised over time. This is because the customer simultaneously receives and consumes the benefits provided by the entity's performance obligations.

Returns /Refunds

Where the company offers a right of return, it presents an asset for the right to recover products from a customer on settling a refund liability separately from the refund liability itself. The asset recognised is initially measured by reference to the former carrying amount of the product less any expected costs to recover those products (including potential decreases in the value to the company of returned products). At the end of each reporting period, the measurement of the asset is updated to account from changes in expectations about products to be returned.

Warranties

Warranties are offered on sale of products, these are either for a period of 12 to 24 months, or extended warranties to cover certain situations. These are accounted for in line with the company's accounting policy on provisions. To the extent that a warranty provides a service beyond ensuring that the good or service complies with agreed upon specifications, this is accounted for as a performance obligation and consideration is allocated to this obligation and recognised as it is satisfied. Where the customer has the option to purchase the warranty separately, this is accounted for as a separate performance obligation.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

Contract modifications

Due to the company's performance obligations, there are rarely modifications to contracts. The facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes. Contract modifications rarely have a material impact on the amount or timing of revenue recognition.

Contract assets

Where goods or services are transferred to the customer before the customer pays consideration, or before payment is due, contract assets are recognised. Contract assets are included in the balance sheet and represent the right to consideration for products delivered.

Contract assets are classified as current or non-current based on the company's normal operating cycle and are assessed for impairment at each reporting date.

Contract liabilities

Contract liabilities and customer deposits are recognised in the balance sheet when the company has received consideration but still has an obligation to deliver products and meet performance obligations for that consideration.

Dividends

Dividend income from subsidiary undertakings is recognised in the profit and loss account when the right to receive payment is established. This will usually be on receipt of cash settlement.

Dividend distributions to the Company's shareholder is recognised in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Interest receivable and payable

Interest income and expense are recognised in profit or loss using the effective interest rate ("EIR") method. The EIR is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument but not, in the case of financial assets, future credit losses.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

Interest income and expense presented in the Profit and Loss Account and Other Comprehensive Income include interest on financial assets and financial liabilities at amortised cost on an effective interest rate basis.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

Tax

The tax expense for the period comprises deferred 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 is also recognised directly in other comprehensive income.

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income, and any adjustments to tax payable in respect of previous years. Full provision is made for deferred tax liabilities arising from all temporary differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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 assets

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

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful life of each tangible fixed asset as follows:

| Asset class | Estimated useful life |
|---|---|
| Land and buildings | 25 years |
| Plant, machinery, fixtures and fittings | 3 to 6 years |
| ELTO | 3 years |
| Right of use assets | shorter of the life of asset or period of the lease |
| Land is not depreciated | |

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

Intangible 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. Consequently, the company does not amortise goodwill but reviews it for impairment on an annual basis or whenever there are indicators of impairment. To assess potential impairment of the goodwill carrying value at the balance sheet date, the directors consider if there has been any material change in the underlying customer relationships in relation to the acquired business. This is considered by reviewing the ongoing business and attrition rates of the acquired customer relationships.

Other intangible assets

Other intangible assets acquired by the company are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life on a straight line basis as follows:

| Asset class | Estimated useful life |
|---|-----------------------|
| Other intangible assets | 5 years |
| Amortisation is charged to Profit and Loss Account. | |

Impairment of tangible and intangible assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of the reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

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 is estimated based on its fair value less costs of disposal 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

Stocks are stated at the lower of cost and net realisable value. If the net realisable value was determined to be lower than cost, an impairment would be recognised. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Leases

As a lessee

Initial recognition and measurement

The company initially recognises a lease liability for the obligation to make lease payments and a right of use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term discounted using the company's incremental borrowing rate. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right of use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e., non-lease components), the company has made an accounting policy election to account for both components as a single lease component.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

Subsequent measurement

After the commencement date, the company measures the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are [presented separately as non-operating /included in finance cost] in the profit and loss account, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for tangible assets. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the profit and loss account.

Financial instruments

Initial recognition

The company recognises financial assets and financial liabilities in the balance sheet when, and only when, the company becomes party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade debtor without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade debtor without a significant financing component is initially measured at the transaction price.

Financial liabilities are initially recognised at fair value representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

Classification and subsequent measurement

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

2 Accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are contracts, the value of which is derived from one or more underlying financial instruments or indices, and include futures, forwards, swaps and options in the interest rate, foreign exchange, equity and credit markets.

Derivative financial instruments are recognised in the balance sheet at fair value. Fair values are derived from prevailing market prices, discounted cash flow models or option pricing models as appropriate.

In the balance sheet, derivative financial instruments with positive fair values (unrealised gains) are included as assets and derivative financial instruments with negative fair values (unrealised losses) are included as liabilities. The changes in the fair values of derivative financial instruments entered into for trading purposes are included in trading income.

Pensions

The company contributes to a defined contribution scheme which is a group personal pension scheme with Legal & General. The amount charged to the profit and loss account represents the contributions payable to the scheme operated by Legal & General in respect of the accounting year.

Share based payments

Share options and restricted stock units over the shares of GE HealthCare Technologies Inc, 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 'other 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 'other reserve'.

The total cost for the year is disclosed in note 10 Staff costs.

Change in accounting policy

During the year, the company changed its accounting policy in accounting for the recharge liability for share-based payments. Under the previous policy, at each balance sheet date, the company accrued the intrinsic value of outstanding equity-settled share-based payments as the estimated amount of recharge liability related to awards granted by the ultimate parent to the company's employees. Under the new policy, the recharge liability is only recognised upon vesting of the underlying equity-settled share-based payment as invoiced by the ultimate parent. This voluntary change in accounting policies provides reliable and more relevant information, as the contracting parties are different under the share-based payment award and the recharge arrangement, and the previous policy resulted in a liability being recognised prior to there being a present obligation. The effects of this policy change are not material for the prior periods, whereby comparatives have not been restated.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

3 Critical accounting judgements and key sources of estimation uncertainty

In applying the company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Impairment of investments

Investments are subject to impairment when there are indicators, such as, the net assets of the underlying company being less than the carrying value of the investments, adverse trade conditions in the underlying investments, cessation of trade in the underlying investments, significant losses in the year in the underlying investments and impairment of fixed assets in the underlying investments in the year.

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 investments 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 investments are not reversed once recognised.

For details of investment values and impairment charged in the period see note 17.

Revenue recognition on long-term contract services agreement

Revenue recognition on long-term managed service agreements require estimates of profits over the multiple-year terms of such agreements, considering factors such as maintenance, scheduled product replacements, personnel, spare parts and other resources required to perform services; future billing rates, cost changes and customers' utilisation of assets. We routinely review estimates under product services agreements and regularly revise them to adjust for changes in the future outlook.

We also regularly assess customer credit risk inherent in the carrying amounts of receivables and contract costs and estimated earnings, including the risk that contractual penalties may not be sufficient to offset our accumulated investment in the event of customer termination. We gain insight into future utilisation and cost trends, as well as credit risk, through our knowledge of the installed base of equipment and the close interaction with our customers that comes with supplying critical services and parts over extended periods. Revisions may affect a product services agreement's total estimated profitability resulting in an adjustment of earnings.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

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

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.

Fair value measurements of derivatives

The company uses 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 that would be received 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 observable market 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 judgements 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.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed 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.

For details of the carrying value and any impairment charges in the period see note 14.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

4 Turnover

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

| | 2023 | 2022 |
|-----------------------|----------------|----------------|
| | £ 000 | £ 000 |
| Sale of goods | 225,976 | 212,923 |
| Rendering of services | 133,360 | 127,582 |
| | <u>359,336</u> | <u>340,505</u> |

A geographical analysis of turnover is as follows:

| | 2023 | 2022 |
|-------------------|----------------|----------------|
| | £ 000 | £ 000 |
| United Kingdom | 333,953 | 313,523 |
| Rest of Europe | 23,969 | 23,945 |
| USA | 1,067 | 2,289 |
| Rest of the world | 347 | 748 |
| | <u>359,336</u> | <u>340,505</u> |

Contract assets arise where goods or services are transferred to the customer before the customer pays consideration, or before payment is due. Contract receivables (loans and advances) represent our unconditional right to consideration for the goods or services supplied and performance obligations delivered. Contract liabilities (deposits from customers) relate to consideration received when we still have an obligation to deliver goods or services for that consideration.

Contract assets and liabilities

| | 2023 | 2022 |
|----------------------|-----------------|-----------------|
| | £ 000 | £ 000 |
| Contract assets | 15,408 | 21,710 |
| Contract liabilities | <u>(16,381)</u> | <u>(10,376)</u> |

The opening balance of contract assets and liabilities at 1 January 2023 was £21,710,000 and £10,376,000 respectively.

5 Other operating (expense)/income

The analysis of the company's other operating (expense)/income for the year is as follows:

| | 2023 | 2022 |
|--|--------------|--------------|
| | £ 000 | £ 000 |
| Intra-group service charges payable/receivable | <u>57</u> | <u>(106)</u> |

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

6 Operating profit

Operating profit is stated after charging:

| | Note | 2023 £ 000 | 2022 £ 000 |
|--------------------------------------|------|-------------------|-------------------|
| Depreciation - tangible fixed assets | 15 | 858 | 332 |
| Depreciation - right of use assets | 16 | 2,250 | 2,781 |
| Difference on foreign exchange | | 165 | 346 |
| Loss on disposal of assets | | 96 | 210 |
| | | <u> </u> | <u> </u> |

7 Income from fixed asset investments

| | 2023 £ 000 | 2022 £ 000 |
|-----------------|-------------------|-------------------|
| Dividend income | - | 100,000 |
| | <u> </u> | <u> </u> |

8 Interest receivable and similar income

| | 2023 £ 000 | 2022 £ 000 |
|--|-------------------|-------------------|
| Interest receivables from group undertakings | 2,805 | 661 |
| Other interest receivable | 1,063 | 903 |
| | <u> </u> | <u> </u> |
| | <u>3,868</u> | <u>1,564</u> |

9 Interest payable and similar expenses

| | 2023 £ 000 | 2022 £ 000 |
|--|-------------------|-------------------|
| Interest payable to group undertakings | 562 | 522 |
| Interest on lease liabilities | 182 | 61 |
| | <u> </u> | <u> </u> |
| | <u>744</u> | <u>583</u> |

10 Staff costs

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

| | 2023 £ 000 | 2022 £ 000 |
|--|-------------------|-------------------|
| Wages and salaries | 59,523 | 52,861 |
| Social security costs | 5,879 | 6,725 |
| Pension costs, defined contribution scheme | 4,144 | 4,451 |
| Pension costs, defined benefit scheme | 22 | 13 |
| Share-based payment expenses | 1,736 | 1,356 |
| | <u> </u> | <u> </u> |
| | <u>71,304</u> | <u>65,406</u> |

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

10 Staff costs (continued)

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

| | 2023 | 2022 |
|-----------------------------------|-------------|-------------|
| | No. | No. |
| Administration and support | 78 | 68 |
| Sales, marketing and distribution | 254 | 257 |
| Services | 396 | 376 |
| | <u>728</u> | <u>701</u> |

11 Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2023 | 2022 |
|-------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Remuneration | 631 | 537 |
| Company pension contributions | 53 | 33 |
| | <u>684</u> | <u>570</u> |

During the year the number of directors who were receiving benefits was as follows:

| | 2023 | 2022 |
|---|-------------|-------------|
| | No. | No. |
| As members of a defined contribution pension scheme | <u>1</u> | <u>2</u> |

In respect of the highest paid director:

| | 2023 | 2022 |
|--|--------------|--------------|
| | £ 000 | £ 000 |
| Remuneration | 481 | 395 |
| Company contributions to defined contribution pension scheme | <u>24</u> | <u>23</u> |

12 Auditor's remuneration

| | 2023 | 2022 |
|-----------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Audit of the financial statements | <u>131</u> | <u>114</u> |

No fees were paid to Deloitte in the current or previous years for non-audit related assurance services.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

13 Taxation

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

| | 2023 £ 000 | 2022 £ 000 |
|--|---------------|---------------|
| Current taxation | | |
| UK corporation tax | - | - |
| Total current tax | - | - |
| Deferred taxation | | |
| Arising from origination and reversal of temporary differences | (1,732) | - |
| Total deferred tax | (1,732) | - |
| Total tax credit for the year | (1,732) | - |

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 23.5% (2022 - 19%).

The differences are reconciled below:

| | 2023 £ 000 | 2022 £ 000 |
|--|---------------|---------------|
| Profit before tax | 18,466 | 26,571 |
| Corporation tax at standard rate | 4,343 | 5,049 |
| Impairment of investments | - | 16,910 |
| Expenses not deductible for tax purposes | 40 | 271 |
| Movement in deferred tax not provided | (1,846) | 66 |
| Dividend income | - | (19,000) |
| Group relief for £ nil consideration | (4,269) | (3,296) |
| Total tax credit | (1,732) | - |

Deferred tax

The following are the main deferred tax assets recognised by the company and the movement during the year:

| | At 1 January 2023 £ 000 | Recognised in income £ 000 | At 31 December 2023 £ 000 |
|----------------|-------------------------------|----------------------------------|------------------------------------|
| Fixed assets | - | 1,228 | 1,228 |
| Other | - | 504 | 504 |
| Net tax assets | - | 1,732 | 1,732 |

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

13 Taxation (continued)

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. Deferred tax assets and liabilities on all timing differences have been calculated at 25%, including those expected to reverse in the year ending 31 December 2023. The impact of this on the financial statements is not considered material.

The Company as a subsidiary of GE HealthCare Technologies Inc. is within the scope of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules ("Pillar Two"). The Pillar Two legislation was enacted in the United Kingdom, the jurisdiction in which the Company is incorporated. Upon enactment, the Pillar Two taxation regime (specifically the qualifying domestic minimum top-up tax("QDMTT")) will come into effect from 1 January 2024, and the effective date of the income inclusion rule("IIR") is 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Company has no related current tax exposure and applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the Amendments to IAS 12 issued in 2023. Although assessing the full impact of Pillar Two is incomplete, the results of a preliminary analysis indicate that the Company and its subsidiaries will qualify for applying the transitional Country-by-Country Reporting (CbCR) safe harbour in 2024. The Company's ultimate parent entity is domiciled in the United States. Although the United States has not adopted its respective Pillar Two legislation as of 31 December 2023, the exposure to incremental tax payable under any undertaxed profit rule(UTPR) is not estimated to be significant.

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

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

14 Intangible fixed assets

| | Goodwill £ 000 | Computer Software £ 000 | Total £ 000 |
|------------------------------------|-------------------|-------------------------------|----------------|
| Cost | | | |
| At 1 January 2023 | 51,129 | 133 | 51,262 |
| At 31 December 2023 | 51,129 | 133 | 51,262 |
| Amortisation and impairment | | | |
| At 1 January 2023 | 20,820 | 133 | 20,953 |
| At 31 December 2023 | 20,820 | 133 | 20,953 |
| Net book value | | | |
| At 31 December 2023 | 30,309 | - | 30,309 |
| At 31 December 2022 | 30,309 | - | 30,309 |

Goodwill is assessed for impairment on an annual basis and the carrying value is assessed with reference to its value in use. 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. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. The DCF method used in assessing value in use has not been subject to sensitivity analysis, as an impairment charge is unlikely to arise from such analysis.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

15 Tangible fixed assets

| | Freehold land and buildings £ 000 | Plant, machinery, fixtures and fittings £ 000 | ELTO £ 000 | Total £ 000 |
|-----------------------|---|---|---------------|----------------|
| Cost | | | | |
| At 1 January 2023 | 2,325 | 5,439 | - | 7,764 |
| Additions | - | 104 | 303 | 407 |
| Disposals | - | - | (211) | (211) |
| Transfers | 13 | (13) | 1,773 | 1,773 |
| At 31 December 2023 | 2,338 | 5,530 | 1,865 | 9,733 |
| Depreciation | | | | |
| At 1 January 2023 | 154 | 4,592 | - | 4,746 |
| Charge for the year | 33 | 268 | 557 | 858 |
| Disposals | - | - | (115) | (115) |
| Transfers | - | - | 782 | 782 |
| At 31 December 2023 | 187 | 4,860 | 1,224 | 6,271 |
| Net book value | | | | |
| At 31 December 2023 | 2,151 | 670 | 641 | 3,462 |
| At 31 December 2022 | 2,171 | 847 | - | 3,018 |

Included in Freehold land and buildings is freehold land at a cost of £1,110,407 (2022: £1,110,407) which is not depreciated.

GE Medical Systems Limited**Notes to the Financial Statements for the Year Ended 31 December 2023****16 Right of use assets**

| | Motor vehicles £ 000 |
|-----------------------|---------------------------------------|
| Cost | |
| At 1 January 2023 | 13,540 |
| Additions | 3,764 |
| Disposals | (101) |
| Transfer | <u>(1,773)</u> |
| At 31 December 2023 | <u>15,430</u> |
| Depreciation | |
| At 1 January 2023 | 8,508 |
| Charge for the year | 2,250 |
| Transfer | <u>(782)</u> |
| At 31 December 2023 | <u>9,976</u> |
| Net book value | |
| At 31 December 2023 | <u><u>5,454</u></u> |
| At 31 December 2022 | <u><u>5,032</u></u> |

Included in the NBV of £5,032,000, as at 31 December 2022, is an amount of £991,000 relating to ELTO assets. These assets have been transferred to Tangible fixed assets as disclosed in note 15.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

17 Fixed assets investments

| | Investments in subsidiary companies £ 000 |
|-----------------------|--|
| Cost | |
| At 1 January 2023 | 948,694 |
| At 31 December 2023 | 948,694 |
| Impairment | |
| At 1 January 2023 | 923,304 |
| At 31 December 2023 | 923,304 |
| Net book value | |
| At 31 December 2023 | 25,390 |
| At 31 December 2022 | 25,390 |

The directors of the company have undertaken a review of the company's investment in group undertakings as at 31 December 2023. There are no indications of impairment and the carrying values of the investments are correct.

Details of the company's directly held subsidiary undertakings as at 31 December 2023 are as follows:

| Name of subsidiary | Registered office | Class of shares held | Proportion of ownership interest |
|--------------------------------|--|-------------------------------------|---|
| GE Healthcare UK limited | Pollards wood, Nightingales Lane, Chalfont St. Giles, Buckinghamshire, HP8 4SP | Ordinary | 100% |
| GE Healthcare Services Limited | 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT | Ordinary | 100% |

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

17 Fixed assets investments (continued)

Indirect holdings

Details of the company's indirectly held subsidiary undertakings as at 31 December 2023 are as follows:

| Name of subsidiary | Registered office | Class of shares held | Proportion of ownership interest |
|-----------------------------------|---|----------------------|----------------------------------|
| Whatman Limited | Pollards wood, Nightingales Lane, Chalfont St. Giles, United Kingdom, HP8 4SP | Ordinary | 100% |
| Whatman International Limited | Pollards wood, Nightingales Lane, Chalfont St. Giles, United Kingdom, HP8 4SP | Ordinary | 100% |
| Whatman Asia Pacific Private Ltd. | 11 North Buona Vista Drive, Level 9, The Metropolis, Singapore, 138589 | Ordinary | 100% |

18 Stocks

| | 2023 £ 000 | 2022 £ 000 |
|-------------------------------------|---------------|---------------|
| Finished goods and goods for resale | 25,253 | 28,351 |

The amount for finished goods and goods for resale as disclosed above is after charging of £25,676 as an expense in the year 2023 (2022: £35,117). Physical inventory reserve is created for £158,836 (2022:£157,933).

19 Debtors

| | 2023 £ 000 | 2022 £ 000 |
|--|----------------|---------------|
| Due within one year | | |
| Trade debtors | 60,458 | 50,001 |
| Amounts owed by group undertakings (see note 22) | 54,992 | 19,327 |
| Contract assets | 15,408 | 21,710 |
| Accrued income | 7,722 | 8,382 |
| Deferred tax asset (see note 13) | 1,732 | - |
| Prepayments | 550 | 379 |
| Other debtors | 106 | 61 |
| Derivative financial instruments | - | 46 |
| | <u>140,968</u> | <u>99,906</u> |

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

19 Debtors (continued)

The accrued income above of £7.7m (2022: £8.4m) is deferred costs recoverable against long term contracts.

Of the amounts owed by group undertakings, £39.7m (2022: £16.6m) relates to cash pool balance which are repayable on demand. The remaining amounts owned by group undertakings are trade balances which are due on receipt of goods unless cash restrictions apply. Interest is received on cashpool balances at variable rates of interest linked to 1 month SONIA market rates. No interest is payable on intercompany trading balances.

20 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|--|----------------|----------------|
| | £ 000 | £ 000 |
| Trade creditors | 11,257 | 13,391 |
| Accruals | 17,311 | 12,954 |
| Deferred income | 49,298 | 43,430 |
| Payments received on account | 16,381 | 10,376 |
| Amounts owed to group undertakings (see note 22) | 33,593 | 16,132 |
| Social security and other taxes | 12,184 | 842 |
| Other creditors | 2,161 | 2,725 |
| Lease liabilities | 206 | 301 |
| Derivative financial instruments | 29 | 1 |
| | <u>142,420</u> | <u>100,152</u> |

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is paid on intercompany cashpool balances at variable rates of interest linked to 1 month SONIA rate. No interest is payable on intercompany trading balances.

21 Creditors: amounts falling due after more than one year

| | 2023 | 2022 |
|-------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Lease liabilities | <u>5,205</u> | <u>3,706</u> |

The total cash outflow for leases amounted to £2,349,479 (2022: £2,023,315).

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

22 Amounts owed to and from group undertakings

| | Included in debtors | Included in creditors: amounts falling due within one year |
|------------------------|------------------------|---|
| | £ 000 | £ 000 |
| Parent company | - | - |
| Subsidiary undertaking | - | 3,715 |
| Other | 54,992 | 29,878 |
| | <u>54,992</u> | <u>33,593</u> |

GE is considered a related party of the Company due to GE's representation on GE HealthCare Technologies Inc.'s board of directors, and certain transition agreements in place during 2023 under which GE provided significant support to the operations of the GE HealthCare group, including the agreement to use GE's brand name. GE had an approximately 13.5% ownership interest in GE HealthCare Technologies Inc. as of 31 December 2023.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

23 Provisions for liabilities

| | Warranties, installation and field maintenance provision £ 000 | Onerous contracts £ 000 | Guarantees £ 000 | Restructuring £ 000 | Other provisions £ 000 | Total £ 000 |
|---------------------------|---|-------------------------------|---------------------|------------------------|------------------------------|----------------|
| At 1 January 2023 | 1,706 | 2,900 | 44 | - | 1,234 | 5,884 |
| Additions during the year | 3,245 | - | 6 | 428 | 864 | 4,543 |
| Utilised during the year | (2,986) | (300) | - | - | (1,227) | (4,513) |
| At 31 December 2023 | <u>1,965</u> | <u>2,600</u> | <u>50</u> | <u>428</u> | <u>871</u> | <u>5,914</u> |

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

23 Provisions for liabilities (continued)

Warranty installation and field maintenance provision

The warranty installation and field maintenance provision relates to warranties provided on products sold and is held for potential claims and maintenance work required for up to 12 months for general warranties and up to 5 years for extended warranties.

Onerous contract provision

The onerous contract provision relates to the expected future loss on existing contracts, taking into account the latest estimate of costs to satisfactorily fulfill each contract to the end of its term.

Guarantees

This provision relates to third party guarantees where there is an obligation to perform under the terms of the guarantee should a triggering event occur.

Restructuring

The restructuring provision relates to the costs of reorganising the continuing operations of the business. These relate to redundancy and site costs.

Other provisions

Other provisions are made up of modification provisions and relate to the costs for non critical modifications to functionality of installed machines.

24 Share capital

Authorised share capital

| | 2023 | | 2022 | |
|-------------------------------|----------------|--------------|----------------|--------------|
| | No. 000 | £ 000 | No. 000 | £ 000 |
| Ordinary shares of £0.01 each | <u>782,335</u> | <u>7,823</u> | <u>782,335</u> | <u>7,823</u> |

Allotted, called up and fully paid shares

| | 2023 | | 2022 | |
|-------------------------------|----------------|--------------|----------------|--------------|
| | No. 000 | £ 000 | No. 000 | £ 000 |
| Ordinary shares of £0.01 each | <u>782,335</u> | <u>7,823</u> | <u>782,335</u> | <u>7,823</u> |

The company has one class of ordinary shares which carry no right to fixed income.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

25 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 year.

The pension charge for the year for the defined contribution scheme was £4,144,000 (2022: £4,451,000). There were no outstanding or prepaid contributions payable to the scheme at either the beginning or the end of the financial year.

On 3 Jan 2023, the GE HealthCare Pension Plan (GEHPP) split from the old GEPP plan, which was closed to future accrual and no contributions were payable. So, the contributions for the year ending 31 December 2023 were nil (2022 : £nil)

26 Share-based payments

Certain employees of the company are selected to participate in share options and restricted stock units of GE HealthCare Technologies Inc under the terms of the GE HealthCare Technologies Inc 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 GE HealthCare Technologies Inc 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 GE HealthCare Technologies Inc, which consist entirely of outside directors.

For further details on stock options and restricted stock units please refer to the GE HealthCare Technologies Inc annual report available at www.gehealthcare.com.

The weighted average share price at the date of exercise of share options exercised during the year was \$77.18 (2022: \$88.00).

The options outstanding at the year end have an exercise price in the range of \$40.4 to \$161.3 and a weighted average contractual life of 5.91 years.

Restricted stock units outstanding at the year end have a weighted average vesting period of 1.32 years.

27 Dividends

| | 2023 | 2022 |
|---|---------------|----------------|
| | £ 000 | £ 000 |
| Dividend paid of £0.03 (2022: £0.15) per ordinary share | <u>25,000</u> | <u>115,000</u> |

On 13 December 2023, the company paid an interim dividend of £25,000,000 to GE HealthCare UK Holdings, its immediate parent undertaking.

GE Medical Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

28 Ultimate parent undertaking and controlling party

The company's immediate parent is GE Healthcare UK Holdings, a company registered at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

At 31 December 2023, the smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking and controlling party, GE HealthCare Technologies Inc, a company registered at 500 West Monroe Street, Chicago, Illinois, 60661, USA. The consolidated financial statements of this company are available to the public and may be obtained from the address of the principal executive offices or at www.gehealthcare.com.

29 Post balance sheet events

There have been no significant post balance sheet events affecting the company since the year end which require disclosure in or amendment to the financial statements.