Registration number: 04601199

Wellstream Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Wellstream Holdings Limited

Contents

Wellstream Holdings Limited

Strategic Report

The director presents his strategic report for the year ended 31 December 2018.

Business review

The company is an intermediate holding company.

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

By drawing from GE's technology expertise and Baker Hughes capabilities in oilfield services, the new company has provided best-in-class physical and digital technology solutions for customer productivity. Under the terms of the agreement, which had been unanimously approved by the boards of directors of both companies, GE owned 62.5% of the company.

In June 2018, General Electric ('GE'), the ultimate holding company, announced its intention for a full separation from Baker Hudges, a GE company ('BHGE') in an orderly fashion over the next time to three years.

In November 2018, BHGE completed an underwritten secondary public offering in which GE and its affiliates (together, the selling stockholders) sold 101.2 million shares of BHGE Class A common stock. BHGE also purchased 65 million BHGE LLC Units (together with the corresponding shares of our class B common stock) from GE and its affiliates. As a result of the secondary offering and the repurchase, GE's economic interest in BHGE LLC was reduced from approximately 62.5% to approximately 50.4%.

Principal risks and uncertainties

Due to the nature of the business, the director has assessed that there will be little or no impact on the future activities of the company as a result of Brexit.

There are no principal risks identified for the company due to the nature of its operations as a holding company and the investments being held at £nil value.

Key performance indicators (KPIs)

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

Approved by the director on 5 September 2019

AMC Sloan
Director

Wellstream Holdings Limited

Director's Report

The director presents his report and the financial statements for the year ended 31 December 2018.

Principal activity
The company is an intermediate holding company.

Results and dividends

The loss for the year, after taxation, amounted to £70,000 (2017: £67,000).

The director did not recommend the payment of a dividend (2017: £nil).

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

D R Justiss (resigned 30 April 2019)

F Romani (resigned 10 January 2019)

AMC Sloan (appointed 10 January 2019)

Post balance sheet events
There have been no significant events affecting the company since year end which require adjustment of or disclosure in the financial statements.

Director's liabilities
The director has benefited from qualifying third party indemnity provisions in place during the financial year and subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the director's report.

Disclosure of information to the auditor
The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

Reappointment of auditor
The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the director on 5 September 2019

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AMC Sloan
Director

Wellstream Holdings Limited

Statement of Director's Responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless he either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Wellstream Holdings Limited

Opinion
We have audited the financial statements of Wellstream Holdings Limited ("the company") for the year ended 31 December 2018, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The director has prepared the financial statements on the going concern basis as he does not intend to liquidate the company or to cease its operations, and as he has concluded that the company's financial position means that this is realistic. He has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the director's conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report to the Members of Wellstream Holdings Limited

Strategic Report and Director's Report
The director is responsible for the Strategic Report and the Director's Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

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

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

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Director's responsibilities
As explained more fully in his statement set out on page 3, the director is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless he either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

Independent Auditor's Report to the Members of Wellstream Holdings Limited

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

S. Gueddana

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Slim Gueddana (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

37 Albyn Place
Aberdeen
United Kingdom
AB10 1JB

Date: 6 September 2019

Wellstream Holdings Limited

Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Interest payable and similar expenses	4	(72)	(67)
Loss before tax		(72)	(67)
Tax on loss	8	2	-
Loss for the year		(70)	(67)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(70)**	**(67)**

The above results were derived from continuing operations.

Wellstream Holdings Limited

Registration number: 04601199

Balance Sheet
as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	9	-	-
Creditors: Amounts falling due within one year	10	(15,736)	(15,666)
Net current liabilities		(15,736)	(15,666)
Net liabilities		(15,736)	(15,666)
Capital and reserves			
Called up share capital	11	1,195	1,195
Capital redemption account		30	30
Profit and loss account		(16,961)	(16,891)
Shareholders' deficit		(15,736)	(15,666)

Approved by the director on 5 September 2019

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AMC Sloan
Director

The notes on pages 10 to 18 form an integral part of these financial statements.

Wellstream Holdings Limited

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	1,195	30	(16,891)	(15,666)
Comprehensive loss for the year				
Loss for the year	-	-	(70)	(70)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(70)	(70)
At 31 December 2018	1,195	30	(16,961)	(15,736)

	Called up share capital £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	1,195	30	(16,824)	(15,599)
Comprehensive loss for the year				
Loss for the year	-	-	(67)	(67)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(67)	(67)
At 31 December 2017	1,195	30	(16,891)	(15,666)

The notes on pages 10 to 18 form an integral part of these financial statements.

Wellstream Holdings Limited

Notes to the Financial Statements

1 General information

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

The address of its registered office is:
3rd Floor
1 Ashley Road
Altrincham
Cheshire
WA14 2DT

2 Accounting policies

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

Basis of preparation
The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The amendments to FRS 101, issued in March 2018, have been applied except for the triennial review 2017 amendments issued in December 2017 as these are applicable with effect from 1 January 2019 and have not been early adopted.

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

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

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

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

Basis of measurement
The financial statements have been prepared on the historical cost basis.

2 Accounting policies (continued)

Changes in accounting policy
In the current year the company has adopted new accounting standard IFRS 9: *Financial Instruments*. An explanation of the impact of the adoption of this new standard is included in note 14.

Summary of disclosure exemptions
The company has taken advantage of the following disclosure exemptions under FRS 101:
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
• paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern
The financial statements have been prepared on a going concern basis, notwithstanding net liabilities of £15,736,000 (2017: £15,666,000).

The director has reviewed the financial position of the company, including the arrangements with group undertakings. The director has considered the financial position of the company's immediate group and ultimate parent.

On the basis of his assessment of the company's financial position and of the enquiries made by the director, the company's director has no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the immediate group to continue as a going concern. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, he has no reason to believe that it will not do so. Accordingly he expects that the company will be able to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

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

2 Accounting policies (continued)

Tax

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

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

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

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

Deferred tax assets and liabilities are not discounted.

Investments

Investment in group undertakings are shown at 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.

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.

2 Accounting policies (continued)

Financial instruments (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 FVOCI 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 [Trade receivables and contract assets with significant financing component are measured using the general model described above].

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.

2 Accounting policies (continued)

Financial instruments (continued)

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.

3 Critical accounting judgements and key sources of estimation uncertainty

The director considers there are no critical accounting estimates or judgments identified in preparation of the financial statements in compliance with FRS 101.

4 Interest payable and similar expenses

	2018 £ 000	2017 £ 000
On loans from group undertakings	72	67

5 Staff costs

The company had no employees during the year (2017: nil).

6 Director remuneration

The director did not receive any remuneration in respect of services to the company during the current or preceding financial year.

The director is/was also director of a group undertaking and does not specifically receive any remuneration in respect of the company. It was not possible to determine an appropriate proportion of his service on behalf of the company.

7 Auditor's remuneration

Remuneration of £5,000 (2017: £5,000) paid to the auditor for their services to the company was borne by a fellow group undertaking.

8 Taxation

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

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	-	-
UK corporation tax adjustment to prior periods	(2)	-
	(2)	-
Tax credit in the Profit and Loss Account	(2)	-

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (2017: higher than the standard rate of corporation tax in the UK) of 19% (2017: 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Loss before tax	(72)	(67)
Corporation tax at standard rate	(14)	(13)
Adjustment to tax charge in respect of prior year	(2)	-
Group relief for £nil consideration	14	13
Total tax credit	(2)	-

The UK corporation tax rate will reduce from 19% to 17% on 1 April 2020. This will reduce any current tax charges accordingly.

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

There were no amounts of provided or unprovided deferred taxation as at 31 December 2018 or 31 December 2017.

Wellstream Holdings Limited

Notes to the Financial Statements

9 Fixed asset investments

	Investments in group undertakings £ 000
Cost	
At 1 January 2018	53,732
At 31 December 2018	53,732
Impairment	
At 1 January 2018	53,732
At 31 December 2018	53,732
Net book value	
At 31 December 2018	-
At 31 December 2017	-

Details of the company's subsidiary undertakings as at 31 December 2018 are as follows:

Name of subsidiary	Registered office	Class of shares held	Proportion of ownership interest
Wellstream Finance Limited	Wellstream House, Wincomblee Road, Walker Riverside, Newcastle upon Tyne, United Kingdom, NE6 3PF	Ordinary	100%
Wellstream International Limited*	Wellstream House, Wincomblee Road, Walker Riverside, Newcastle upon Tyne, United Kingdom, NE6 3PF	Ordinary	100%

9 Fixed asset investments (continued)

Name of subsidiary	Registered office	Class of shares held	Proportion of ownership interest
MAPS Technology Limited*	Wellstream House Wincomblee Road, Walker Riverside, Newcastle Upon Tyne, United Kingdom, NE6 3PF	Ordinary	100%

*Indirect holdings

10 Creditors: Amounts falling due within one year

	2018 £ 000	2017 £ 000
Amounts owed to group undertakings	15,736	15,664
Corporation tax payable	-	2
	15,736	15,666

Wellstream Holdings Limited

Notes to the Financial Statements

11 Share capital

Allotted, called up and fully paid shares

		2018		2017
	No. 000	£ 000	No. 000	£ 000
Ordinary share of £0.0100 each	119,513	1,195	119,513	1,195

12 Ultimate parent undertaking and controlling party

The company's immediate parent is Vetco Gray Holding, a company registered at The Ark, 201 Talgarth Road, London, W6 8BJ, United Kingdom.

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

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

13 Post balance sheet events

There have been no significant events affecting the company since year end which require adjustment of or disclosure in the financial statements.

14 Changes resulting from adoption of IFRS 9

The application of IFRS 9 *Financial Instruments* has not had a significant impact on equity or profit or loss.