

Registration number: 04601199

Wellstream Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017



Wellstream Holdings Limited

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Wellstream Holdings Limited

Strategic Report

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

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" will be a leading equipment, technology and services provider in the oil and gas industry with \$32 billion of combined revenues and operations in more than 120 countries. 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 will provide best-in-class physical and digital technology solutions for customer productivity. Under the terms of the agreement, which has been unanimously approved by the boards of directors of both companies, GE owns 62.5% of the company. The transaction closed on 3 July 2017 and is not expected to have any immediate impact on the operations or financial results of Wellstream Holdings Limited.

On 8 June 2017, the indirect subsidiary undertaking of the company, RWR Systems Limited, was liquidated.

Principal risks and uncertainties

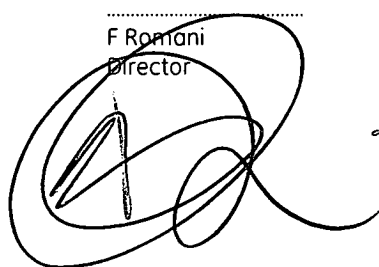
There are no principal risks identified for the company due to the nature of its operations as a holding company and the investments being held at £nil value.

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 Board on 17 September 2018 and signed on its behalf by:

F Romani
Director

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Wellstream Holdings Limited

Directors' Report

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

Principal activity

The company is an intermediate holding company.

Results and dividends

The loss for the year, after taxation, amounted to £67,000 (2016: £31,020,000).

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

Directors of the company

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

D R Justiss

A Matucci (resigned 4 October 2017)

F Romani

Directors' liabilities

One or more of the directors have benefited from qualifying third party indemnity provisions in place during the financial year and subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the directors' report.

Disclosure of information to the auditor

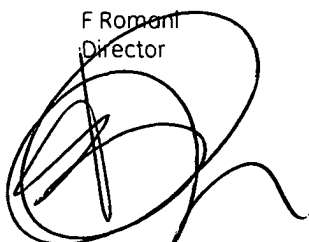
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

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

Approved by the Board on 17 September 2018 and signed on its behalf by:

.....
F Romani
Director

A large, stylized handwritten signature in black ink, appearing to be 'F Romani', written over the printed name and title.

Wellstream Holdings Limited

Statement of Directors' Responsibilities

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic Report and Directors' Report

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

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities for the audit of the financial statements


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

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

Independent Auditor's Report to the Members of 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.



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

37 Albyn Place
Aberdeen
AB10 1JB

Date: 20 September 2018

Wellstream Holdings Limited

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

	Note	2017 £ 000	2016 £ 000
Impairment of fixed asset investments		-	(30,949)
Operating loss		-	(30,949)
Interest payable and similar expenses	4	(67)	(71)
Loss before tax		(67)	(31,020)
Tax on loss	8	-	-
Loss for the year		(67)	(31,020)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(67)	(31,020)

The above results were derived from continuing operations.

Wellstream Holdings Limited

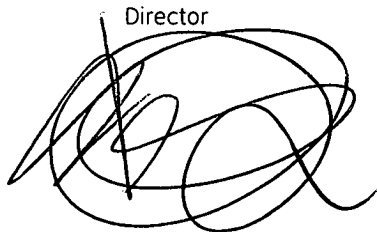
Registration number: 04601199

Balance Sheet
as at 31 December 2017

	Note	2017 £ 000	2016 £ 000
Fixed assets			
Investments	9	-	-
Creditors: Amounts falling due within one year	10	<u>(15,666)</u>	<u>(15,599)</u>
Net current liabilities		<u>(15,666)</u>	<u>(15,599)</u>
Net liabilities		<u>(15,666)</u>	<u>(15,599)</u>
Capital and reserves			
Called up share capital	11	1,195	1,195
Capital redemption account		30	30
Profit and loss account		<u>(16,891)</u>	<u>(16,824)</u>
Shareholders' deficit		<u>(15,666)</u>	<u>(15,599)</u>

Approved by the Board on 17 September 2018 and signed on its behalf by:

.....
F Romani
Director



The notes on pages 10 to 16 form an integral part of these financial statements.
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Wellstream Holdings Limited

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

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

	Called up share capital £ 000	Capital redemption account £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	1,017	30	14,196	15,243
Comprehensive income for the year				
Loss for the year	-	-	(31,020)	(31,020)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(31,020)	(31,020)
Share capital issued during the year	178	-	-	178
At 31 December 2016	<u>1,195</u>	<u>30</u>	<u>(16,824)</u>	<u>(15,599)</u>

The notes on pages 10 to 16 form an integral part of these financial statements.
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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 under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 have been applied.

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

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

Exemption from preparing group accounts

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

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

Wellstream Holdings Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Summary of disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the 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 £15,666,000 (2016: £15,599,000).

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

On the basis of their assessment of the company's financial position and of the enquiries made by the directors, the company's directors have 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 directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Accordingly they expect 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.

Wellstream Holdings Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income 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 more likely than not 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 cost less provision for impairment.

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

3 Critical accounting judgments and key sources of estimation uncertainty

The directors consider 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

	2017 £ 000	2016 £ 000
On loans from group undertakings	67	71

Wellstream Holdings Limited

Notes to the Financial Statements

5 Staff costs

The company had no employees during the year (2016: nil).

6 Directors' remuneration

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

All of the directors are/were also directors of a group undertaking and do not specifically receive any remuneration in respect of the company. It was not possible to determine an appropriate proportion of their services on behalf of the company.

7 Auditor's remuneration

Remuneration of £5,000 (2016: £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

	2017 £ 000	2016 £ 000
Current taxation		
UK corporation tax	-	-
Tax expense/(receipt) in the Profit and Loss Account	-	-

Wellstream Holdings Limited

Notes to the Financial Statements

8 Taxation (continued)

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

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Loss before tax	(67)	(31,020)
Corporation tax at standard rate	(13)	(6,204)
Expenses not deductible for tax purposes	-	6,190
Group relief for £nil consideration	13	14
Total tax charge/(credit)	-	-

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

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 2017 or 31 December 2016.

Wellstream Holdings Limited

Notes to the Financial Statements

9 Fixed asset investments

	Investments in group undertakings £ 000
Cost	
At 1 January 2017	53,732
At 31 December 2017	53,732
Impairment	
At 1 January 2017	53,732
At 31 December 2017	53,732
Net book value	
At 31 December 2017	-
At 31 December 2016	-

On 8 June 2017, the indirect subsidiary undertaking of the company, RWR Systems Limited, was liquidated.

Details of the company's subsidiary undertakings as at 31 December 2017 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%

Wellstream Holdings Limited

Notes to the Financial Statements

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

	2017 £ 000	2016 £ 000
Amounts owed to group undertakings	15,664	15,597
Corporation tax payable	2	2
	<u>15,666</u>	<u>15,599</u>

11 Share capital

Allotted, called up and fully paid shares

	No. 000	2017 £ 000	No. 000	2016 £ 000
Ordinary share of £0.01 each	<u>119,513</u>	<u>1,195</u>	<u>119,513</u>	<u>1,195</u>

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, Hammersmith, 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.