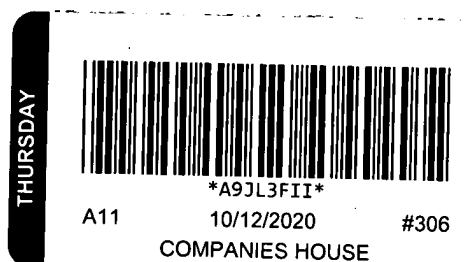


Registration number: 04582101

Wellstream International Limited
Annual Report and Financial Statements
For the Year Ended 31 December 2019



Wellstream International Limited

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Wellstream International Limited

Director's Report

The director presents his report and the financial statements for the year ended 31 December 2019.

The Director's Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. No strategic report is presented as the director has taken exemption under section 414B of the Companies Act 2006.

Principal activity

The company acts as a holding company.

Results and dividends

The loss for the year, after taxation, amounted to £17,000 (2018: £5,000).

The director did not recommend the payment of a dividend (2018: £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:

A M C Sloan	(appointed on 10 January 2019)
D R Justiss	(resigned 30 April 2019)
F Romani	(resigned 10 January 2019)

Post balance sheet event

The emergence and spread of the coronavirus (COVID-19) in early 2020 has affected business and economic activity globally. The director continues to assess and monitor the potential impact of the virus and review the potential risks to the company.

There are no significant impacts expected as the principal activity of the company continues to be that of a holding company.

Going Concern

As the director does not intend to conduct a replacement trade, the financial statements have been prepared on a basis other than going concern. The effects of this are explained in note 2 to the financial statements.

Director's indemnities

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 date of approving in the Director's Report.

Disclosure of information to the auditor

The director has taken the 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 is aware of and of which he knows the auditor is unaware.

Wellstream International Limited

Director's Report (continued)

Reappointment of auditor

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

This report has been prepared in accordance with the special provisions relating to small sized companies under section 415A of the Companies Act 2006.

Approved by the director on 30 November 2020:

A handwritten signature in black ink, appearing to read 'A M C Sloan', is enclosed within a rectangular dotted-line box.

A M C Sloan
Director

Wellstream International Limited

Statement of Director's Responsibilities

The director is responsible for preparing the Director's 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 United Kingdom Accounting Standards and applicable law (United Kingdom 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 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;
- 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 (as explained in note 2, the director does not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 have 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 International Limited

Opinion

We have audited the financial statements of Wellstream International Limited (the "company") for the year ended 31 December 2019 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 2019 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, and the provisions available for small entities, in the circumstances set out in the Director's Report and note 2 of the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Director's Report

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

Our responsibility is to read 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 Director's Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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.
- the director was not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the Director's Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of Wellstream International Limited (continued)

Director's responsibilities

As explained more fully in their 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 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

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 ISA's (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.

The purpose of our audit 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.



.....
Andrew Williamson (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Marischal Square
Broad Street
Aberdeen
AB10 1DD
Date: 4 December 2020

Wellstream International Limited
Profit and Loss Account and Other Comprehensive Income
For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Administrative expense		-	(1)
Impairment - available for sale investment	9	(17)	(4)
Operating loss		<u>(17)</u>	<u>(5)</u>
Loss before taxation		(17)	(5)
Tax on loss	7	-	-
Loss for the year		<u>(17)</u>	<u>(5)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u><u>(17)</u></u>	<u><u>(5)</u></u>

The above results were derived from continuing operations.

The notes on pages 9 to 17 form an integral part of these financial statements.

Wellstream International Limited
Balance Sheet
As at 31 December 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Investments	8	-	-
Current assets			
Available for sale financial assets	9	6	23
		6	23
Creditors: amounts falling due within one year	10	(2)	(2)
Net current assets		4	21
Net assets		4	21
Capital and reserves			
Called up share capital	11	178	178
Profit and loss account		(174)	(157)
Shareholders' funds		4	21

The financial statements of Wellstream International Limited which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the *Companies Act 2006*, Part 15, were approved by the Board and signed on its behalf on 30 November 2020 by:



A M C Sloan
Director

The notes on pages 9 to 17 form an integral part of these financial statements.

Wellstream International Limited
Statement of Changes in Equity
For the year ended 31 December 2019

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 1 January 2019	178	(157)	21
Comprehensive loss for the year			
Loss for the year	-	(17)	(17)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	-	(17)	(17)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	178	(174)	4
	<hr/>	<hr/>	<hr/>

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 1 January 2018	178	(152)	26
Comprehensive loss for the year			
Loss for the year	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	178	(157)	21
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 17 form an integral part of these financial statements.

Wellstream International Limited

Notes to the financial statements

For the year ended 31 December 2019

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:

Wellstream House
Wincomblee Road
Walker Riverside
Newcastle upon Tyne
NE6 3PF

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.

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 has made amendments where necessary in order to comply with Companies Act 2006 and the accounts having been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the *Companies Act 2006, Part 15* and has set out below where advantages of the FRS 101 disclosure exemptions have 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).

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exceptions 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; and
- 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 transactions wholly owned by such a member.

Wellstream International Limited

Notes to the financial statements

For the year ended 31 December 2019

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 Baker Hughes Company which are available from 17021 Aldine Road, Houston, Texas 77073, USA, or at www.bakerhughes.com

Basis of measurement

Wellstream International Limited prepares its financial statements on an other than going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

Going concern

As described in the Director's Report, the company acts as a holding company and did not trade during the year ended 31 December 2019. As the director does not intend to acquire a replacement trade, the director has not prepared the financial statements on a going concern basis. As the company is now prepared on an other than going concern basis, all assets are current and no other adjustments to the company's assets or liabilities required to be made.

Foreign currency transactions and balances

The accounts are presented in pounds sterling which is the company's functional and presentational currency. All financial information presented in pounds sterling has been rounded to the nearest thousand.

Transactions denominated 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.

Wellstream International Limited

Notes to the financial statements

For the year ended 31 December 2019

2. Accounting policies (continued)

Taxation

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

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

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

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

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

Deferred tax assets and liabilities are not discounted.

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.

Available for sale financial assets

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

Immediately before classification as held for sale, the assets are remeasured in accordance with the company accounting policies. Thereafter the assets are remeasured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale and subsequently gains or losses on remeasurement are recognised in the profit and loss account. Gains are not recognised in excess of any cumulative impairment loss.

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) or financial liability 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.

Wellstream International Limited

Notes to the financial statements

For the year ended 31 December 2019

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 the financial assets 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.

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.

Wellstream International Limited **Notes to the financial statements** **For the year ended 31 December 2019**

3. Critical accounting judgements and key sources of estimated uncertainty

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

4. Staff costs

The company had no employees during the year (2018: nil).

5. Director's remuneration

Disclosures of director's remuneration are not required under the small companies reporting regulations.

6. Auditor's remuneration

Remuneration of £5,000 (2018:£5,000) paid to the auditors for their services to the company was borne by a fellow group undertaking.

7. Taxation

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

	2019 £'000	2018 £'000
Current taxation		
UK corporation tax	-	-

Wellstream International Limited **Notes to the financial statements** **For the year ended 31 December 2019**

7. Taxation (continued)

The standard rate of tax for the year, based on the average UK standard rate of corporation tax, is 19% (2018: 19%). The actual current tax charge for the preceding year differs for the reasons set out in the following reconciliation.

The differences between the tax charge shown above and the amount calculated by applying the average standard rate of UK corporation tax to the loss before tax are as follows:

	2019 £'000	2018 £'000
Loss before tax	(17)	(5)
Corporation tax at standard rate	(3)	(1)
Expenses not deductible for tax purposes	3	1
Total tax charge	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantive enacted on 6 September 2016, and the deferred tax liability as at 31 December 2019 has been calculated base on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge 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 2019 or 31 December 2018.

The U.K Tax authorities issued closure notices to disallow interest deductions claimed by other group companies for years from 2007 to 2015. The proposed disallowance does not affect interest deductions claimed by Wellstream International Limited but, if sustained, could impact losses surrendered against the taxable income of Wellstream International Limited in prior years. We comply with all applicable tax laws and judicial doctrines of the United Kingdom. We are contesting the disallowance and believe the full benefit of the deductions will be sustained on their technical merits, but the outcome of pending litigation cannot be fully known until resolution of the matter. Given the uncertainty of how much may be ultimately disallowed and availability of other U.K group tax attributes, Wellstream International Limited is unable to quantify the amount, if any, of the tax impact of this item.

Wellstream International Limited
Notes to the financial statements
For the year ended 31 December 2019

8. Fixed asset investments

	Investments in group undertakings £'000
Cost	
At 1 January 2019	5,545
At 31 December 2019	5,545
Impairment	
At 1 January 2019	5,545
At 31 December 2019	5,545
Net book value	
At 31 December 2019	-
At 31 December 2018	-

Details of the group undertakings as at 31 December 2019 are as follows:

Name	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	Original	100%

Wellstream International Limited
Notes to the financial statements
For the year ended 31 December 2019

9. Available for sale financial assets

	Available for sale financial assets £'000
Cost	
At 1 January 2019	62
	<hr/>
At 31 December 2019	62
	<hr/>
Impairment	
At 1 January 2019	39
Charge for the year	17
	<hr/>
At 31 December 2019	56
	<hr/>
Net book value	
At 31 December 2019	6
	<hr/>
At 31 December 2018	23
	<hr/>

10. Creditors: Amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to group undertakings	2	2
	<hr/>	<hr/>

Wellstream International Limited
Notes to the financial statements
For the year ended 31 December 2019

11. Share capital

Allotted called up and fully paid shares

	2019		2018	
	No.000	£'000	No.000	£'000
Ordinary shares of £1 each	<u>178</u>	<u>178</u>	<u>178</u>	<u>178</u>

12. Ultimate parent undertaking and controlling party

The Company is a subsidiary of Wellstream Finance Limited, a company registered at Wellstream House, Wincomblee Road, Walker Riverside, Newcastle upon Tyne, NE6 3PF, United Kingdom.

The company's ultimate parent company is Baker Hughes Company, incorporated in Delaware. Related companies in these financial statements refer to members of the ultimate parent company's group of companies.

As of 16 September 2019, General Electric Company (GE) ceased to hold more than 50% of the voting power of all classes of the outstanding voting stock of Baker Hughes Company. Subsequently, on October 17, 2019, Baker Hughes Company changed its name from Baker Hughes, a GE company to Baker Hughes Company. The financial information of the Company has been recorded in the consolidated financial statements of Baker Hughes Company. The financial statements of Baker Hughes Company can be found on the website <http://www.bakerhughes.com> under Investor.