

ACCESSESP UK LIMITED

COMPANY INFORMATION

Director	V Baldini	(Appointed 28 February 2024)
Secretary	L A Dunlop	
Company number	04499632	
Registered office	10th Floor 245 Hammersmith Road London W6 8PW	
Auditor	Moore (South) LLP Suite 3, Second Floor Friary Court 13-21 High Street Guildford Surrey GU1 3DG	

ACCESSESP UK LIMITED

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ACCESSESP UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The director presents the strategic report for the year ended 31 December 2023.

Review of the business

Revenue for the year at £10M, representing a decrease compared to prior year as the integration into the Baker Hughes Group progressed and activity shifted to other affiliate entities.

Profit before tax for the year was £22M, higher than the previous year largely due to other income earned from the sale of intellectual property to a Baker Hughes affiliated entity as noted in the Director's report.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to several risks. The principal risks and uncertainties affecting the business include the following:

Interest rate risk

The company is exposed to interest rate risk on its interest bearing assets and liabilities. The company manages the interest rate risk by placing its deposits on a short term basis with banks and the Group's Treasury department manages the interest rate risk on behalf of the company at the Group wide level.

Credit risk

The company's principal financial assets are bank balances, cash, short term investments, trade debtors and other debtors. Credit risk with respect to trade debtors is limited due to the company dealing mainly with major international oil companies, the use of letter of credit arrangements and the active monitoring of outstanding debtors. The credit risk on liquid funds is limited because the counterparties are banks with internationally assigned credit ratings. The company's terms of sale are governed by contracts with customers with terms and conditions appropriate for the industry.

Liquidity risk

Intercompany borrowings are utilised in order to ensure that there are sufficient funds for ongoing operations and future developments.

Price risk

Price risk arises from fluctuations in interest rates, foreign exchange rates, equity prices and oil prices. The company considers that volatility in oil prices is a regular part of its business and enters into third party foreign exchange contracts as appropriate.

Economic risk

During 2022 and into 2023, the UK experienced high inflation as a consequence of the global impact of the situation in Ukraine. At the date of signing this report, inflation has largely stabilized however the director continues to closely monitor and review potential risk to the company from the longer term effects of increased costs.

Climate change

The Company has proactively worked to reduce greenhouse gas emissions over the last decade and continues efforts to reduce its overall environmental footprint by using materials wisely and preserving land, water, and air quality. International, national, and state governments, agencies and bodies continue to evaluate and promulgate regulations and voluntary initiatives that are focused on restricting greenhouse gas emissions. These requirements and initiatives are likely to become more stringent over time and to result in increased costs for the oil and gas industry to curb greenhouse gas emissions. In addition, these developments, and public perception relating to climate change, may curtail production and demand for hydrocarbons such as oil and natural gas by shifting demand towards and investment in relatively lower carbon energy sources such as wind, solar and alternative energy solutions. If renewable energy becomes more competitive than fossil-fuel energy globally, it could have a material effect on the results of operations but it is too early to assess the impact.

ACCESSESP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Key performance indicators

Our Board assess the group's performance according to a wide range of measures and indicators.

The key performance indicators that help us measure performance against our strategic priorities are safety performance, service quality and tool reliability and financial performance particularly revenue compared to the approved plan and overall profitability. We keep these metrics under periodic review and test their relevance to our strategy regularly.

On behalf of the board

.....
V Baldini
Director

Date: 3 April 2025

ACCESSESP UK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The director presents her report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the company continued to be that of research, design, development, manufacture and sale of oilfield equipment and related services.

Change in ownership

Effective November 4, 2022, the entity was acquired by Baker Hughes Oilfield Operations LLC. Combining AccessESP's alternative development technology with Baker Hughes' ESP capabilities expands the Baker Hughes Artificial Lift portfolio and provides a differentiated solution for its customers.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

On 19 September 2023, effective 1 January 2023, the company sold its intellectual property to a Baker Hughes affiliated entity for the value of \$20,100,000, equivalent to £16,547,000.

Director

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A A Cocking	(Resigned 28 February 2024)
V Baldini	(Appointed 28 February 2024)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its director during the year. These provisions remain in force at the reporting date.

Auditor

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

.....
V Baldini
Director

Date: 3 April 2025

ACCESSESP UK LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the director must not approve the financial statements unless she 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 them to ensure that the financial statements comply with the Companies Act 2006. She is 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.

ACCESSESP UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ACCESSESP UK LIMITED

Opinion

We have audited the financial statements of AccessESP UK Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- 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; 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 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 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 director's 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 are authorised for issue.

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

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 director is 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

ACCESSESP UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ACCESSESP UK LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extend the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

ACCESSESP UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ACCESSESP UK LIMITED (CONTINUED)

Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud. Management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted, along with disclosure requirements.
- In addition to the possibility of management override of control, areas considered to be of higher risk relating to the presentation of information in the financial statements included income recognition and related party transactions.
- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation. We considered how the company complies with these requirements by discussions with management and those charged with governance.
- We enquired of management and those charged with responsibility for ensuring compliance is adhered to, as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.

In response to the risk of fraud due to management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made by management in determining accounting estimates were indicative of bias;
- reviewed transactions with related parties in particular with group entities and transactions with directors;
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation;
- tested a sample of transactions that could be influenced by actions of management.

In response to the risk of irregularities with regards to the recognition of revenue we:

- reviewed accounting policies adopted for consistency of application and compliance with acceptable accounting practices;
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of sales, including delivery and despatch information, to confirm sales recorded in the correct accounting period

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ACCESSESP UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ACCESSESP UK LIMITED (CONTINUED)

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Danielle Griffin (Senior Statutory Auditor)

For and on behalf of Moore (South) LLP, Statutory Auditor
Chartered Accountants
Suite 3, Second Floor
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DG
Date: 7 April 2025

ACCESSESP UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	10,094,433	20,361,567
Cost of sales		(3,430,293)	(10,163,714)
Gross profit		6,664,140	10,197,853
Administrative expenses		(1,391,904)	(8,387,345)
Other operating income		16,547,928	-
Operating profit	4	21,820,164	1,810,508
Interest receivable and similar income	7	164,566	-
Profit before taxation		21,984,730	1,810,508
Tax on profit	8	(1,000,000)	-
Profit for the financial year		20,984,730	1,810,508

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

ACCESSESP UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		35,652		151,276
Investments	11		9,955		9,955
			<u>45,607</u>		<u>161,231</u>
Current assets					
Debtors	12	5,954,623		20,932,512	
Cash at bank and in hand		306,072		94,164	
		<u>6,260,695</u>		<u>21,026,676</u>	
Creditors: amounts falling due within one year	13	<u>(778,700)</u>		<u>(36,615,853)</u>	
Net current assets/(liabilities)			<u>5,481,995</u>		<u>(15,589,177)</u>
Total assets less current liabilities			<u>5,527,602</u>		<u>(15,427,946)</u>
Provisions for liabilities					
Provisions	14	1,294,611		1,323,793	
		<u>(1,294,611)</u>		<u>(1,323,793)</u>	
Net assets/(liabilities)			<u>4,232,991</u>		<u>(16,751,739)</u>
Capital and reserves					
Called up share capital	17		7,712		7,712
Share premium account			5,107,354		5,107,354
Profit and loss reserves			<u>(882,075)</u>		<u>(21,866,805)</u>
Total equity			<u>4,232,991</u>		<u>(16,751,739)</u>

The notes on pages 12 to 23 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 3 April 2025 and are signed on its behalf by:

.....
V Baldini
Director

Company registration number 04499632 (England and Wales)

ACCESSESP UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2022	7,712	5,107,354	(23,677,313)	(18,562,247)
Year ended 31 December 2022:				
Profit and total comprehensive income	-	-	1,810,508	1,810,508
Balance at 31 December 2022	7,712	5,107,354	(21,866,805)	(16,751,739)
Year ended 31 December 2023:				
Profit and total comprehensive income	-	-	20,984,730	20,984,730
Balance at 31 December 2023	7,712	5,107,354	(882,075)	4,232,991

The notes on pages 12 to 23 form part of these financial statements.

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

AccessESP UK Limited is a company limited by shares incorporated in England and Wales. The registered office is 10th Floor, 245 Hammersmith Road, London, W6 8PW. The principal place of business was 3656 Westchase Drive, Houston, TX 77042 USA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling. Monetary amounts in these financial statements are rounded to the nearest £. The functional currency of the company is US\$.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

AccessESP UK Limited is a wholly owned subsidiary of Baker Hughes Company and the results of AccessESP UK Limited are included in the consolidated financial statements of Baker Hughes Company which are available on their website <http://www.bakerhughes.com> under investor.

1.2 Going concern

As at December 31, 2023, the Company's net assets were £4,232,991 (2022: (£16,751,739)). The financial statements have been prepared on a going concern basis which the director considers to be appropriate for the following reasons.

The director has performed a going concern assessment for a period of 12 months from the date of signature of the financial statements which indicates that, taking account of reasonably possible downsides on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period. The Company has obtained continuing financial support from an intermediate holding Company, Baker Hughes Holdings LLC to enable it to continue its business as a going concern and meet its obligations as and when they fall due.

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.3 Turnover

Turnover represents a combination of amounts receivable for goods and services net of VAT, and revenues received in connection with contracted development projects.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), and management income which represents royalties payable by AccessESP LLC.

Royalties are receivable based on a percentage of sales of equipment made by that entity. The Intellectual Property was sold to an affiliate on 1 January 2023.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company contributes to money purchase schemes on behalf of certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge represents amounts payable by the company to schemes in respect of the period.

1.14 Leases

Rental payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Deferred tax

The directors consider the significant sources of estimation uncertainty in respect of the current year to be the related valuation of the deferred tax asset. The forecast profits are an estimate and based on judgement.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Turnover		
Sale of goods	10,094,433	19,888,339
Management charge income	-	473,228
	<u>10,094,433</u>	<u>20,361,567</u>

Turnover analysed by geographical market

	2023	2022
	£	£
Rest of world	<u>10,094,433</u>	<u>20,361,567</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(36,093)	2,075,096
Fees payable to the company's auditor for the audit of the company's financial statements	8,592	17,465
Depreciation of owned tangible fixed assets	114,728	147,983
Loss on disposal of tangible fixed assets	896	-
Cost of stocks recognised as an expense	2,696,162	5,174,304
Operating lease charges	5,582	45,128
	<u>2,889,865</u>	<u>7,459,976</u>

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2023 Number	2022 Number
1	5

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	-	892,383
Social security costs	-	38,961
Pension costs	-	3,412
	-	934,756

On 1 January 2023, the employees of AccessESP UK Limited transferred to another affiliate company.

6 Director's remuneration

During the year no directors received any emoluments (2022 - £Nil), or accrued any retirement benefits (2022 - £Nil). During the year the company was recharged costs of £nil (2022 - £868,704) in respect of directors' services from a group company, AccessESP LLC. These amounts are included within the management charge.

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	139,160	-
Other interest income	25,406	-
Total income	164,566	-

8 Taxation

	2023 £	2022 £
Deferred tax		
Origination and reversal of timing differences	25,000	-
Previously unrecognised tax loss, tax credit or timing difference	975,000	-
Total deferred tax	1,000,000	-

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	21,984,730	1,810,508
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	5,496,183	343,997
Tax effect of expenses that are not deductible in determining taxable profit	(247)	(14)
Permanent capital allowances in excess of depreciation	(25,842)	(25,485)
Utilisation of tax losses	-	(318,498)
Gain on sale of IP to group company	(4,136,982)	-
Group relief	(333,112)	-
Taxation charge for the year	1,000,000	-

The company has estimated losses of £19m (2022 - £19m) available for carry forward against future trading profits.

9 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2023	545,272
Disposals	(1,730)
At 31 December 2023	543,542
Depreciation and impairment	
At 1 January 2023	393,996
Depreciation charged in the year	114,728
Eliminated in respect of disposals	(834)
At 31 December 2023	507,890
Carrying amount	
At 31 December 2023	35,652
At 31 December 2022	151,276

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
AccessESP Middle East DMCC	United Arab Emirates	Ordinary	100.00
AccessESP Arabia Co. for maintenance	Saudi Arabia	Ordinary	95.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
AccessESP Middle East DMCC	(71,035)	(18,377)
AccessESP Arabia Co. for maintenance	(1,144,446)	(5,621)

11 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	10	9,955	9,955

12 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	1,414,741	6,611,811
Corporation tax recoverable	-	96,089
Amounts owed by group undertakings	3,534,089	11,362,420
Other debtors	7,510	23,612
Prepayments and accrued income	998,283	1,838,580
	5,954,623	19,932,512
Deferred tax asset (note 15)	-	1,000,000
	5,954,623	20,932,512

Included within amounts owed by group undertakings is £3,049 (2022 - £1,009,028) due from Oil and Gas U.S Treasury Services LLC which is provided under a revolving credit agreement. Additionally £2,430,004 (2022 - £nil) is due from Baker Hughes International Treasury Services Limited, which is provided under a cash pooling agreement.

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	-	19,696
Amounts owed to group undertakings	605,285	32,818,914
Taxation and social security	32,774	8,429
Other creditors	-	10
Accruals and deferred income	140,641	3,768,804
	<u>778,700</u>	<u>36,615,853</u>

Amounts owed to group companies are not subject to interest and are repayable on demand.

14 Provisions for liabilities

	2023	2022
	£	£
Warranty provision	104,000	88,000
Termination of agreement	1,190,611	1,235,793
	<u>1,294,611</u>	<u>1,323,793</u>

Movements on provisions:

	Warranty provision	Termination of agreement	Total
	£	£	£
At 1 January 2023	88,000	1,235,793	1,323,793
Increase/(Utilisation) of provision	16,000	(45,182)	(29,182)
At 31 December 2023	<u>104,000</u>	<u>1,190,611</u>	<u>1,294,611</u>

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2023	Assets 2022
	£	£
Balances:		
ACAs	-	25,000
Tax losses	-	975,000
	<u>-</u>	<u>1,000,000</u>

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Deferred taxation (Continued)

	2023 £
Movements in the year:	
Asset at 1 January 2023	(1,000,000)
Charge to profit or loss	1,000,000
	-
Liability at 31 December 2023	-

A potential deferred tax asset at 31 December 2023 of £5.25m (2022 - £5,25m) in respect of tax losses has not been provided in the financial statements on the basis it is not certain that there will be sufficient profits available in the foreseeable future against which it could be recovered.

16 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	-	3,412
	-	3,412

The company operates a defined contribution pension scheme for all qualifying employees. The amount outstanding at the year end was £nil (2022 - £Nil). The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	645,141	645,141	6,451	6,451
A Ordinary shares of 1p each	119,446	119,446	1,194	1,194
B Ordinary shares of 1p each	6,705	6,705	67	67
	771,292	771,292	7,712	7,712

The Ordinary shares have the right to attend, speak and vote at any general meeting.

The A and B ordinary shares have the right to attend meetings but they do not have any voting rights.

18 Related party transactions

The company has taken advantage of the exemption available within FRS 102, whereby it has not disclosed transactions with its parent company or any subsidiaries that are wholly owned within the group.

ACCESSESP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Controlling Party

The Company is a subsidiary of Baker Hughes Oilfield Operations LLC, incorporated in United States of America and is registered at 330 N Brand Blvd, Suite 700, Glendale, California United States 91203.

The Company's ultimate parent company is Baker Hughes Company, incorporated in Delaware and registered at 1209 Orange Street, c/o Corporation Trust Center, Wilmington, Delaware, United States 19801. Related companies in these financial statements refer to members of the ultimate parent company's group of companies.

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. The company is quoted on NASDAQ.

There is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.