

Registration number: 05747539

Spirit Norway Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



Spirit Norway Limited

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Spirit Norway Limited

Strategic Report for the Year Ended 31 December 2021

The Directors present their Strategic Report for Spirit Norway Limited (the 'Company') for the year ended 31 December 2021.

Principal activities

The principal activity of the Company is an investment holding company.

Review of the business

During the year, a provision of NOK 4,937,000 was made against the Company's investment in Spirit Energy Norway AS.

Financial position

The financial position of the Company is presented in the Balance Sheet on page 9. Total equity at 31 December 2021 was NOK 8,095,919,000 (2020: NOK 8,100,856,000).

During the year the Company reduced its share capital account by NOK 9,444,999.999 and transferred the resulting distributable reserves to retained losses.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties, including COVID-19, are integrated with those of Spirit Energy Limited group and its subsidiaries (the 'Group') and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are disclosed on page 7 of the Group's Annual Report and financial statements for the year ended 31 December 2021, which does not form part of this report and are available at the address detailed in note 10 of these financial statements.

Key performance indicators ('KPIs')

The performance of the Company is included in the consolidated results of the Group. The Directors of Spirit Energy Limited manage the Group on a divisional basis and use a number of KPI's to monitor progress against the Group's strategy. For this reason, the Company's Directors believe that analysis using KPI's for the Company is not necessary or appropriate for an understanding of the development, performance and position of the business of the Company. A discussion of the Group KPI's is on page 4 of the Group's Annual Report and financial statements for the year ended 31 December 2021, which does not form part of this report and are available at the address detailed in note 10 of these financial statements.

Future developments

From the perspective of the Company, the future developments are integrated within those of the Group and are not managed separately. The future developments of the Group are disclosed on page 5 of the Group's consolidated financial statements for the year ended 31 December 2021, which does not form part of this report.

It is expected that the Company will continue with its principal activity as an investment holding company. The trading assets of the subsidiary were sold subsequent to the year end, please refer to note 11 of these financial statements for further details.

Approved by the Board on 14 June 2022 and signed on its behalf by:



NJ MacLeod

Director

Spirit Norway Limited

Directors' Report for the Year Ended 31 December 2021

The Directors present their report and the audited financial statements for the year ended 31 December 2021. The financial statements were exempt from audit in the prior year under section 480 of the Companies Act 2006 and therefore the corresponding amounts have not been audited for that year.

Directors of the Company

The Directors of the Company who were in office during the year, unless otherwise indicated, and up to the date of signing the financial statements were as follows:

DG Jones
G Kyllingstad (resigned 1 June 2022)
NJ MacLeod

Results and dividends

The results of the Company are set out on page 8. The loss for the financial year ended 31 December 2021 is NOK 4,937,000 (2020: nil). No dividends were paid in 2021 (2020: nil). The final dividend of NOK 3,300,000,000, for the year ended 31 December 2021 was submitted for approval by the Board on 14 June 2022 and the dividends are to be paid in June 2022.

Future developments

Future developments are discussed in the Strategic Report on page 1.

Financial risk management

From the perspective of the Company, the financial risks are integrated within those of the Group and are not managed separately. The financial risk management of the Group are disclosed on pages 70 to 73 of the Group's Annual Report and financial statements for the year ended 31 December 2021, which does not form part of this report.

Going concern

Accounting standards require that Directors satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare the financial statements on a going concern basis. The immediate parent company, Spirit Energy Limited confirms its present intention to continue to provide financial support to the Company to ensure it can meet its obligations as they fall due, for at least 17 months following from 31st May 2022, provided the Company remains a member of the Group. The amounts owed to group undertakings will not be required to be repaid to Spirit Energy Limited for at least 12 months following the signing of the financial statements. Therefore, the Directors continue supporting the use of the going concern basis in preparing these financial statements.

The Group's principal risks and uncertainties are detailed in the Group's Strategic Report on page 7 and specifically explains the increased challenges the Group faces with COVID-19. The Directors of the Company are satisfied that the actions and sensitivities included in the cash-flow forecasts prepared by Group adequately address the current risks and are therefore satisfied that the Group will be able to support the Company if required under all reasonably foreseeable circumstances.

Directors' insurance and indemnities

Spirit Energy Limited, the immediate parent undertaking of the Company, maintains directors' and officers' liability insurance in respect of its Directors and those Directors of its subsidiary companies. Qualifying third-party indemnity provisions, as defined in S234 of the Companies Act 2006, were in force for the benefit of the Directors of the Company during the year and up to and including the date of the Directors' Report.

Spirit Norway Limited

Directors' Report for the Year Ended 31 December 2021

Disclosure of information to auditor

Each of the Directors who held office at the date of approval of this Directors' Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that they have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

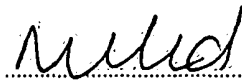
Non-adjusting events after the balance sheet date

Significant events since the balance sheet date are contained in note 11 of these financial statements on page 16.

Auditor

The auditor, Deloitte LLP, will be proposed to reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 14 June 2022 and signed on its behalf by:



NJ MacLeod

Director

1st Floor
20 Kingston Road
Staines-Upon Thames
TW18 4LG

Spirit Norway Limited

Statement of Directors' Responsibilities for the Year Ended 31 December 2021

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 audited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Spirit Norway Limited

Independent Auditor's Report to the Members of Spirit Norway Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Spirit Norway Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

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

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Spirit Norway Limited

Independent Auditor's Report to the Members of Spirit Norway Limited (continued)

Responsibilities of directors

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

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the Company's industry and its control environment, and reviewed the documentation of the policies and procedures relating to fraud and compliance with laws and regulations that has been established by the Company's ultimate parent. We also enquired of management about their own identification and assessment of the risks of irregularities.

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

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

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

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

Spirit Norway Limited

Independent Auditor's Report to the Members of Spirit Norway Limited (continued)

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Other matter

As the Company was exempt from audit under section 480 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

Use of our report

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.



Graham Hollis ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Aberdeen, United Kingdom

Date: 21 June 2022

Spirit Norway Limited

Income Statement for the Year Ended 31 December 2021

		2021	2020
	Note	NOK 000	(unaudited) NOK 000
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Exceptional items - impairment charges	5	(4,937)	-
Operating loss		(4,937)	-
Loss before taxation		(4,937)	-
Tax on loss	6	-	-
Loss for the year		(4,937)	-

The results in the above income statement relate to continuing operations.

The Company has no recognised gains or losses other than the loss for the current year and therefore no separate statement of comprehensive income has been presented.

The notes on pages 11 to 16 form an integral part of these financial statements.

Spirit Norway Limited

Balance Sheet as at 31 December 2021

		2021	2020
	Notes	NOK 000	(unaudited) NOK 000
Non-current assets			
Investment in subsidiary	7	<u>8,095,919</u>	<u>8,100,856</u>
		<u>8,095,919</u>	<u>8,100,856</u>
Total assets		<u>8,095,919</u>	<u>8,100,856</u>
Net assets		<u>8,095,919</u>	<u>8,100,856</u>
Equity			
Share capital	8	-	9,445,000
Retained earnings/(losses)		3,307,866	(6,132,197)
Other reserve	9	<u>4,788,053</u>	<u>4,788,053</u>
Total equity		<u>8,095,919</u>	<u>8,100,856</u>

The financial statements on pages 8 to 16 were approved and authorised for issue by the Board of Directors on 14 June 2022 and signed on its behalf by:



NJ MacLeod

Director

Company number 05747539

The notes on pages 11 to 16 form an integral part of these financial statements.

Spirit Norway Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital NOK 000	Other reserve NOK 000	Retained losses NOK 000	Total equity NOK 000
At 1 January 2020 and 2021	9,445,000	4,788,053	(6,132,197)	8,100,856
Loss for the year	-	-	(4,937)	(4,937)
Share capital reduction (note 8)	(9,445,000)	-	9,445,000	-
At 31 December 2021	-	4,788,053	3,307,866	8,095,919

The notes on pages 11 to 16 form an integral part of these financial statements.

Spirit Norway Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1. General information

Spirit Norway Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales.

The principal place of business is:

1st Floor
20 Kingston Road
Staines-upon-Thames
United Kingdom
TW18 4LG

The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

2. Accounting policies

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 issued by the Financial Reporting Council. The financial statements therefore have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as issued by the IASB and in conformity with the requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements for the prior period were prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). This transition had no impact on these financial statements.

The comparatives for the year ended 31 December 2021 are unaudited as the Company was exempt from audit under section 480 of the Companies Act 2006 in the prior year.

Changes in accounting policies

There have been no new standards or amendments effective for the period beginning 1 January 2021.

As the Annual Report and financial statements of Spirit Energy Limited (the 'Group', which are available from its registered office, include the equivalent disclosures, the Company, as a qualifying entity, has taken the exceptions under FRS 101 available in respect of the following disclosures:

- the requirements of IFRS 7 'Financial Instruments: Disclosures';
- the requirements of IAS 7 'Statement of Cash Flows';
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Movement;
- the statement of compliance with Adopted IFRSs;
- the effects of new but not yet effective IFRSs;
- prior year reconciliations for property, plant and equipment;
- the prior year reconciliations in the number of shares outstanding at the beginning and at the end of the year for share capital;
- disclosures in respect of related-party transactions with wholly-owned subsidiaries in a group; and
- disclosures in respect of capital management.

Measurement convention

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

Going concern

The immediate parent company, Spirit Energy Limited confirms its present intention to continue to provide financial support to the Company to ensure it can meet its obligations as they fall due, for at least 17 months following from 31st May 2022, provided the Company remains a member of the Group.

Spirit Norway Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2. Accounting policies (continued)

The amounts owed to group undertakings will not be required to be repaid to Spirit Energy Limited for at least 12 months following the signing of the financial statements. Therefore, the Directors continue supporting the use of the going concern basis in preparing these financial statements.

The Group's principal risks and uncertainties are detailed in the Group's Strategic Report on page 7 and specifically explains the increased challenges the Group faces with COVID-19. The Directors of the Company are satisfied that the actions and sensitivities included in the cash-flow forecasts prepared by Group adequately address the current risks and are therefore satisfied that the Group will be able to support the Company if required under all reasonably foreseeable circumstances

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.

Foreign currencies

These financial statements are presented in Norwegian Krone (with all values rounded to the nearest thousand Norwegian Krone (NOK 000) except when otherwise indicated), which is also the functional currency of the Company. Operations and transactions conducted in currencies other than the functional currency are translated in accordance with the foreign currencies accounting policy set out below.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences identified at the reporting date, except to the extent that the deferred tax arises from the initial recognition of goodwill (if impairment of goodwill is not deductible for tax purposes) or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity or qualifying local tax group. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same tax jurisdiction, in the foreseeable future, against which the deductible temporary difference can be utilised.

Deferred tax is provided on temporary differences except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date. Measurement of deferred tax liabilities and assets reflects the tax consequences expected from the manner in which the asset or liability is recovered or settled.

Investments in subsidiaries

Investments in subsidiaries held as fixed assets are stated at cost less any provision for impairment. The carrying value of investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an investment in a subsidiary undertaking is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Receivables from related parties are compared to their recoverable amount, which is also assessed using the same estimated discounted future cash flow for each undertaking as described above. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

Spirit Norway Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

Exceptional items

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. To ensure the business performance reflects the underlying results of the Company, these exceptional items are disclosed separately in the *Income Statement*. Items which may be considered exceptional in nature include disposals of businesses, business restructurings, significant onerous contract charges and asset write-downs/impairments.

Impairment

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The Company provides for impairments of financial assets when there is objective evidence of impairment as a result of events that impact the estimated future cash flows of the financial assets.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are re-acquired (treasury or own shares) are deducted from equity. No gain or loss is recognised in the Company's *Income Statement* on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. Judgements in applying accounting policies and key sources of estimate uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

There are no critical accounting judgements or key sources of estimate uncertainty in Spirit Norway Limited.

Spirit Norway Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4. Directors' emoluments and employees

No Director received emoluments in respect of his or her services to the Company during the year. The Company had no employees during the year (2020: nil).

5. Exceptional items

The following exceptional items were recognised in arriving at operating loss for the year:

	2021	2020
	NOK 000	(unaudited) NOK 000
Impairment charges	(4,937)	-
	<u>(4,937)</u>	<u>-</u>

On 8 December 2021, the Group announced that it had agreed to sell its interests in its portfolio of Norwegian oil and gas assets, which were held in Spirit Energy Norway AS, to Sval Energi. Consequently, the Company has recognised an impairment charge of NOK 4,937,000 on the investment in Spirit Energy Norway AS based on the latest forecasts.

6. Taxation

Tax credited in the Income Statement

	2021	2020
	NOK 000	(unaudited) NOK 000
UK corporation tax at 19%	-	-
Total current tax	<u>-</u>	<u>-</u>

The differences between the taxes shown above and the amounts calculated by applying the standard rate of UK corporation tax to the loss before tax are reconciled below:

	2021	2020
	NOK 000	(unaudited) NOK 000
Loss before tax	(4,937)	-
Tax on loss at standard UK corporation tax rate of 19%	938	-
Non-deductible expenditure	<u>(938)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

On 3 March 2021, the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023, this increase has now been enacted. This had the potential to impact the value of our deferred tax balances on non ring fence activities, and the tax charge on UK profits from non ring fence activities generated in 2023 and subsequently. Spirit Energy has reviewed the impact of this change, and as we have no deferred tax balances on our balance sheet from non ring fence activities, we expect the impact of this change to be nil.

Spirit Norway Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

7. Investments in subsidiary

Cost	NOK 000
At 1 January 2021 and 31 December 2021	9,324,876
Impairment	NOK 000
At 1 January 2021	1,224,020
Charge for year	4,937
At 31 December 2021	1,228,957
Net book value	
At 31 December 2021	8,095,919
At 31 December 2020 (unaudited)	8,100,856

The Company subscribed for 100% of the ordinary shares, which is the entire share capital, of Spirit Energy Norway AS. The principal activity of Spirit Energy Norway AS is the production of natural gas and oil and it is incorporated and registered in Norway. Its registered address in Norway is Veritasveien 29, 4007 Stavanger.

The trading assets of the subsidiary were sold subsequent to the year end, please refer to note 11 of these financial statements for further details.

8. Share capital

	31 December 2021	31 December 2020
	NOK 000	(unaudited) NOK 000
Allotted, authorised and fully paid		
One (2020: 9,445,000,000) ordinary share of NOK 1 each	-	9,445,000

Ordinary shares have attached to them full voting, dividend and capital, including on winding up rights. They do not confer any rights of redemption.

On 3 December 2021, by special resolution of the Board of Directors and pursuant to Companies Act 2006 sections 291 and 288, the Company reduced its share capital account by NOK 9,444,999,999 and transferred the resulting distributable reserves to retained losses.

The final dividend of NOK 3,300,000,000, for the year ended 31 December 2021 was submitted for approval by the Board on 14 June 2022 and the dividends are to be paid in June 2022.

Spirit Norway Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

9. Other reserves

The other reserve arose on 30 November 2018 when the trade and assets of the Company were sold to Spirit Norway AS. This reserve largely represents the difference between the consideration received for the transfer of NOK 9,324,876,000, which was the fair value of the assets transferred, and the carrying value of the assets at the time of transfer. This reserve is non-distributable.

10. Parent and ultimate parent undertaking

The Company's immediate parent undertaking is Spirit Energy Limited, a company registered in England and Wales.

Spirit Energy Limited is the parent undertaking of the smallest group of companies for which group financial statements are drawn up and of which the Company is a member. Spirit Energy Limited, which has its registered office at 1st Floor, 20 Kingston Road, Staines-upon-Thames, England, TW18 4LG, is registered in England and Wales. Copies of Spirit Energy Limited's financial statements can be obtained from the Register of Companies for England and Wales, Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company's ultimate parent undertaking and controlling entity and the largest group of which the Company is a member and for which Group financial statements are prepared is Centrica plc. Centrica plc has its registered office at Millstream, Maidenhead Road, Windsor, United Kingdom, SL4 5GD and is registered in England and Wales. Centrica plc's financial statements can be obtained at www.centrica.com.

11. Non-adjusting events after the balance sheet date

Following the balance sheet date, Russia's invasion of Ukraine and the related sanctions caused disturbance in energy markets, which has tightened oil and gas markets further. Spirit Energy are actively monitoring the impact the conflict, although currently there is no immediate direct exposure.

On 26th May 2022, the UK government announced the introduction of the Energy Profits Levy, an additional 25% tax on UK oil and gas profits, increasing the combined rate of tax on profits to 65%. Given the timing of the announcement, the Group has not yet been able to determine the full financial impact of this change in tax laws.

On 31st May 2022, a sale of the trade and assets of Spirit Energy Norway AS was completed and a new shareholder agreement was signed to reflect updates to the Spirit Energy Group strategy and shareholder arrangements.