Registered number: 06811566

BOWLAND RESOURCES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

BOWLAND RESOURCES LIMITED

COMPANY INFORMATION

Directors	GM Harrison DG Jones NJ MacLeod
Company secretary	NJ MacLeod
Registered number	06811566
Registered office	1st Floor 20 Kingston Road Staines-Upon-Thames United Kingdom TW18 4LG
Independent auditor	Deloitte LLP Union Plaza 1 Union Wynd Aberdeen AB10 1SL

BOWLAND RESOURCES LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their Strategic Report for Bowland Resources Limited (the 'Company') for the year ended 31 December 2020.

Principal activities

The principal activities of the Company is the production of oil and gas from the Chiswick field in the United Kingdom.

Business review

During the year the Company exercised its option to transfer its interests in onshore Petroleum and Exploration Development Licenses in Preston New Road, to its partners in those licences or their affiliates.

During the year the Company recognised an impairment charge of £4,099,000 (2019: £6,248,000) in respect of the Chiswick asset due to changes in price estimates.

Financial position

The financial position of the Company is presented in the Balance Sheet on page 12. Total deficit at 31 December 2020 was £4,288,000 (2019: £52,000).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties, including COVID-19, are integrated with those of 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 15 of the Group's Annual Report and financial statements for the year ended 31 December 2020, which does not form part of this report and are available at the address detailed in note 20 of these financial statements.

Exit from the European Union

The UK left the EU on 31 January 2020. Under the transition period until 11pm on 31 December 2020 the UK continued to adhere to EU law, and therefore, existing arrangements largely continued to apply for the Company throughout the financial year. A trade and cooperation agreement was reached by the UK and the EU on 30 December 2020, with effect from 1 January 2021. The impact on the Company has so far been immaterial, with the provisions relating to movement of goods resulting in little disruption to Spirit Energy's supply chain. Withdrawing from the European Union treaties is nevertheless a task of immense complexity with implications beyond agreement on zero quotas and additional tariffs, and the Company is keeping the possible impacts on the business stemming from the new regime under review across areas ranging from impact on the workforce, GDPR and data protection law to new customs practices and carbon emissions trading.

Corporate taxation is not affected by Brexit scenarios, although it is recognised that work is required with Shareholders to define the impacts on shareholder distributions and controlled foreign corporation (CFC) restrictions. Where appropriate we will continue to seek external advice to assist in the understanding and potential mitigation of negative impacts on the business.

Climate change

The Company's impact on climate change is considered with that of the Group as a whole and is not managed separately. Consideration of the Group's impact on climate change are included on pages 16 to 17 of the Group's Annual Report and financial statements for the year ended 31 December 2020, which does not form part of this report and are available at the address detailed in note 20 of these financial statements.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Streamline energy and carbon reporting ('SECR')

The Company is exempt from the requirements to disclose its energy consumption in accordance with the Companies Act (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as they are disclosed on pages 16 and 17 of the Group's Annual Report and financial statements for the year ended 31 December 2020, which does not form part of this report and are available at the address detailed in note 20 of these financial statements.

Key performance indicators ('KPI's')

The performance of the Company is included in the consolidated results of the Spirit Energy Limited (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 12 of the Group's Annual Report and financial statements for the year ended 31 December 2020, which does not form part of this report and are available at the address detailed in note 20 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 13 of the Group's Annual Report and financial statements for the year ended 31 December 2020, which does not form part of this report.

It is expected that the Company will continue with its principal activity of the production of oil and gas from the Chiswick field in the United Kingdom.

The Company has exercised its option to transfer, subject to Oil and Gas Authority approval, its interests in onshore Petroleum and Exploration Development Licenses in Preston New Road, to its partners in those licenses or their affiliates.

This report was approved by the board on 20 August 2021 and signed on its behalf.

DocuSigned by:
Nicola Macleod
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NJ MacLeod
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

Results and dividends

The results of the Company are set out on page 10. The loss for the financial year ended 31 December 2020 is £4,884,000 (2019: £40,310,000).

No dividends were paid during the year (2019: £nil). The Directors do not recommend the payment of a final dividend (2019: £nil).

Directors

The Directors who served during the year and up to the date of signing were:

GM Harrison
DG Jones
NJ MacLeod

Future developments

Future developments are discussed in the Strategic Report on page 2.

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 73 to 76 of the Group's Annual Report and financial statements for the year ended 31 December 2020, which does not form part of this report.

Going concern

The financial statements have been prepared on a going concern basis as Spirit Energy Limited, the immediate parent company, intends to support the Company to ensure it can meet its obligations as they fall due, provided the Company remains a member of the Group. The Directors have received confirmation that Spirit Energy Limited intends to support the Company for at least one year after the financial statements have been authorised for issue until 24 October 2022.

The Group's principal risks and uncertainties are detailed in the Group's Strategic Report on page 15 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 Section 234 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.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be 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.

Events after the balance sheet date

Significant events since the balance sheet date are contained in note 21 to the Financial Statements on page 32.

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

This report was approved by the board on 20 August 2021 and signed on its behalf.

DocuSigned by:
Nicola Macleod
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NJ MacLeod
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the audited 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 audited 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;
- 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BOWLAND RESOURCES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bowland Resources Limited (the 'Company'):
• give a true and fair view of the state of the Company's affairs as at 31 December 2020 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 statement of comprehensive income;
• the balance sheet;
• the statement of changes in equity; and
• the related notes 1 to 21.

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.

Other information (continued)

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.

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 Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and in-house legal counsel about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks 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, Companies Act 2006 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. These included terms of the field licenses monitored by the Industry Regulator and local health and safety and environmental laws and regulations.

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

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

As a result of performing the above, we identified the greatest potential for fraud in respect of estimating the cost of decommissioning oil & gas fields at the end of producing lives, and our specific procedures performed to address it are described below:
• inquired regarding management's decommissioning process, including the oversight and governance of the processes related to decommissioning;
• engaged specialists to test the mechanical accuracy of the decommissioning model, together with producing analytics to direct our areas of audit focus;
• performed tests over inputs to the decommissioning model; and
• assessed the discount rate applied.

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.

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, internal audit and in-house legal counsel 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, reviewing internal audit reports and reviewing correspondence with HMRC.

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 the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BOWLAND RESOURCES LIMITED (CONTINUED)

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.

DocuSigned by:

Graham Hollis

Graham Hollis ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Union Plaza
1 Union Wynd
AB10 1SL
20 August 2021

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019* *£000*
Revenue	4	**3,643**	*3,711*
Cost of sales	5	**(5,999)**	*(4,279)*
Gross loss		**(2,356)**	*(568)*
Operating costs	5	**(443)**	*(2,022)*
Exceptional items	7	**(4,099)**	*(63,813)*
Operating loss		**(6,898)**	*(66,403)*
Finance cost	8	**(817)**	*(2,036)*
Loss before tax		**(7,715)**	*(68,439)*
Tax credit	10	**2,831**	*28,129*
Loss for the year		**(4,884)**	*(40,310)*

The results in the above Income Statement relate to continuing operations.

The notes on pages 15 to 32 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	*2019* *£000*
Loss for the year	**(4,884)**	*(40,310)*
Items that will be or have been reclassified to the Income Statement:		
Exchange differences on translating foreign operations	**648**	*(953)*
Total comprehensive loss for the year	**(4,236)**	*(41,263)*

The notes on pages 15 to 32 form part of these financial statements.

BOWLAND RESOURCES LIMITED
REGISTERED NUMBER:06811566

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £000		2019 £000
Non-current assets					
Property, plant and equipment	11		**11,462**		*14,436*
			11,462		*14,436*
Current assets					
Inventories	13	**74**		*166*	
Trade and other receivables	12	**8,377**		*19,273*	
Cash at bank and in hand	14	**79**		-	
		8,530		*19,439*	
Current liabilities					
Trade and other payables	15	**(17,934)**		*(25,987)*	
Borrowings	17	-		*(306)*	
Net current liabilities			**(9,404)**		*(6,854)*
Total assets less current liabilities			**2,058**		*7,582*
Non-current liabilities					
Deferred tax liabilities	10	**(2,147)**		*(3,825)*	
Provisions for other liabilities and charges	16	**(4,199)**		*(3,809)*	
			(6,346)		*(7,634)*
Net liabilities			**(4,288)**		*(52)*
Equity					
Called up share capital	18		**30,148**		*30,148*
Share premium account	19		**9,852**		*9,852*
Foreign exchange reserve	19		**1,098**		*450*
Retained losses	19		**(45,386)**		*(40,502)*
Total deficit			**(4,288)**		*(52)*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 August 2021.

DocuSigned by:
Nicola Macleod
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NJ MacLeod
Director

The notes on pages 15 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Foreign exchange reserve	Retained losses	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	-	-	1,403	(192)	1,211
Loss for the year	-	-	-	(40,310)	(40,310)
Currency translation differences	-	-	(953)	-	(953)
Shares issued during the year	30,148	9,852	-	-	40,000
At 1 January 2020	30,148	9,852	450	(40,502)	(52)
Loss for the year	-	-	-	(4,884)	(4,884)
Currency translation differences	-	-	648	-	648
At 31 December 2020	30,148	9,852	1,098	(45,386)	(4,288)

The notes on pages 15 to 32 form part of these financial statements.

1. General information

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

The address of its registered office and 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 pages 1 to 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 adopted by the EU ('Adopted IFRS's), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

2.2 Changes in accounting policies

From 1 January 2020, the following amendments are effective in the Company's financial statements. Their first-time adoption did not have a material impact on the financial statements:

- Amendment to IFRS 3: 'Business Combinations';
- Amendment to IAS 1: 'Presentation of financial statements' and IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors'; and
- Conceptual framework for Financial Reporting 2018.

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 exemptions 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 Measurement';
- 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.

2. Accounting policies (continued)

2.3 Measurement convention

The financial statements have been prepared on the historical cost.

2.4 Going concern

The financial statements have been prepared on a going concern basis as Spirit Energy Limited, the immediate parent company, intends to support the Company to ensure it can meet its obligations as they fall due, provided the Company remains a member of the Group. The Directors have received confirmation that Spirit Energy Limited intends to support the Company for at least one year after the financial statements have been authorised for issue until 24 October 2022.

The Group's principal risks and uncertainties are detailed in the Group's Strategic Report on page 15 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.

2.5 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.

2.6 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue associated with exploration and production sales (of natural gas and condensates) is recognised when the customer obtains control of the goods. For natural gas, this generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism. Revenue from the production of natural gas and condensates in which the Company has an interest with other producers is recognised based on the Company's working interest and the terms of the relevant production sharing arrangements (the entitlement method).

Where differences arise between production sold and the Company's share of production, this is accounted for as an overlift or underlift (see separate accounting policy). Purchases and sales entered into to optimise the performance of production facilities are presented net within revenue.

Revenue is shown net of sales/value added tax, returns, rebates and discounts.

2.7 Finance income

Finance income is recognised in the Income Statement in the period in which the income is earned.

2.8 Finance costs

Finance costs are recognised in the Income Statement in the period in which they are incurred.

2. Accounting policies (continued)

2.9 Cost of sales

Cost of sales relating to gas production includes depreciation of assets used in production of gas and oil, royalty costs and direct labour costs.

2.10 Foreign currencies

These financial statements are presented in pound sterling (with all values rounded to the nearest thousand pounds (£000) except when otherwise indicated), which is also the functional currency of the Company (some of the Company's assets form a division, which is considered to have Euro functional currency).

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency of the Company at the rates prevailing at the balance sheet date, and associated gains and losses are recognised in the Income Statement for the year, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income' or 'finance cost'. All other foreign exchange gains and losses are presented in the Income Statement in the respective financial line item to which they relate.

Non-monetary items that are measured at historical cost in a currency other than the functional currency of the Company are translated using the exchange rate prevailing at the dates of the initial transaction and are not retranslated. Non-monetary items measured at fair value in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured.

Exchange adjustments arising from the retranslation of the opening net assets and results of non-sterling functional currency operations are transferred to the Company's foreign currency translation reserve included in the foreign exchange reserve.

2.11 Taxation

Current tax, including UK corporation tax, UK petroleum revenue tax and foreign 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.

2. Accounting policies (continued)

2.11 Taxation (continued)

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.

2.12 Exploration and evaluation ('E&E') assets and development and production assets

The Company uses the successful efforts method of accounting for E&E expenditure. E&E expenditure associated with an exploration well, including acquisition costs related to E&E activities are capitalised initially as intangible assets. Certain expenditures such as geological and geophysical exploration costs are expensed. If the prospects are subsequently determined to be successful on completion of evaluation, the relevant expenditure including licence acquisition costs is transferred to property, plant and equipment ('PP&E'). If the prospects are subsequently determined to be unsuccessful on completion of evaluation, the associated costs are expensed in the period in which that determination is made.

All field development costs are capitalised as PP&E. Such costs relate to the acquisition and installation of production facilities and include development drilling costs, project-related engineering and other technical services costs. PP&E, including rights and concessions related to production activities, are depreciated from the commencement of production in the fields concerned, using the unit of production method ('UOP'), based on all of the proven and probable ('2P') reserves of those fields. Changes in these estimates are dealt with prospectively.

The net carrying value of fields in production and development is compared on a field-by-field basis with the likely discounted future net revenues to be derived from the remaining commercial reserves. An impairment loss is recognised where it is considered that recorded amounts are unlikely to be fully recovered from the net present value of future net revenues. Exploration assets are reviewed annually for indicators of impairment and production and development assets are tested annually for impairment.

2.13 Depreciation of PP&E

Depreciation is charged on development and production assets using a UOP method, based on 2P reserves.

The carrying values of PP&E are tested annually for impairment and are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Residual values and useful lives are reassessed annually and, if necessary, changes are accounted for prospectively.

Assets held under lease are depreciated over their expected useful economic lives on the same basis as for owned assets, or where shorter, the lease term.

2. Accounting policies (continued)

2.14 Interests in joint arrangements and associates

Under IFRS 11, joint arrangements are those that convey joint control which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Associates are investments over which the Company has significant influence but not control or joint control, and generally holds between 20% and 50% of the voting rights. The Company's joint ventures and associates are accounted for at cost in accordance with IAS 27, less any provision for impairment as necessary.

The Company's interests in joint operations (oil and gas exploration and production licence arrangements) are accounted for by recognising its assets (including its share of assets held jointly), its liabilities (including its share of liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Where the Company has an equity stake or a participating interest in operations governed by a joint arrangement for which it is acting as operator, an assessment is carried out to confirm whether the Company is acting as agent or principal. As the terms and conditions negotiated between business partners usually provide joint control to the parties over the relevant activities of the oil and gas fields and/or wind farms that are governed by joint arrangements, the Company is usually deemed to be an agent when it is appointed as operator and not a principal (as the contracts entered into do not convey control to the parties). Accordingly, the Company recognises its equity share of assets, liabilities, revenue and expenses of these arrangements as outlined above except that it presents gross liabilities and gross receivables of the joint venture (including amounts due to or from non-operating partners) in accordance with netting requirements under IAS 32 'Financial instruments: presentation'.

2.15 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.

2. Accounting policies (continued)

2.16 Impairment

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed for indications of impairment at each balance sheet date or earlier if events or changes in circumstances indicate an impairment may exist. If any such indication exists, then the asset's recoverable amount is estimated.

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 cashflows of financial assets.

The recoverable amount of an asset or cash-generating unit ('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.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. In accordance with IFRS 9: 'Financial instruments', the Group has applied the ECL model to the financial assets at the balance sheet date as opposed to only incurred credit losses, and therefore it is not necessary for a credit event to have occurred before credit losses are recognised. Either the lifetime expected credit loss or a twelve-month expected credit loss is provided for, depending on the Company's assessment of whether the credit risk associated with the specific asset has increased significantly since initial recognition.

2.17 Inventories

Commodity inventories (oil and gas) are valued at market value. Other inventories are valued on a weighted-average cost basis, at the lower of cost or estimated net realisable value after allowance for redundant and slow-moving items.

The cost of inventories includes the purchase price plus costs of conversion incurred in bringing the inventories to their present location and condition.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.19 *Decommissioning costs*

Provision is made for the net present value of the estimated cost of decommissioning gas and oil production facilities at the end of the producing lives of fields, based on price levels and technology at the balance sheet date.

When this provision relates to an asset with sufficient future economic benefits, a decommissioning asset is recognised and included as part of the associated PP&E and depreciated accordingly. Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset included within PP&E. The unwinding of the discount on the provision is included in the Income Statement within finance cost.

2.20 Financial instruments

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Company no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

2.21 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and related-party payables are initially recognised at fair value, which for trade payables is usually the original invoice amount and are subsequently held at amortised cost using the effective interest method (although, in practice, the discounting is often immaterial). If payment is due within one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

2.22 Trade and other receivables

Trade receivables are amounts due from customers for hydrocarbons sold in the ordinary course of business.

Trade and related-party receivables are initially recognised at fair value, which for trade receivables is usually the original invoice amount and are subsequently held at amortised cost using the effective interest method (although, in practice, the discounting is often immaterial) less an impairment provision calculated under the expected credit loss model. Balances are written off when recoverability is assessed as being remote. If collection is due in one year or less, receivables are classified as current assets. If not, they are presented as non-current assets.

2.23 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.

2. Accounting policies (continued)

2.24 Loans and other borrowings

All interest-bearing and interest-free loans and other borrowings are initially recognised at fair value net of directly attributable transaction costs. After initial recognition, these financial instruments are measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, discount or premium, when applicable.

3. Judgements in applying accounting policies and key sources of estimation 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.

(a) Critical judgements in applying the Company's accounting policies

Such key judgements include the presentation of elected items as exceptional (see note 7). No other key judgements have been made by the Directors in applying the Company's accounting policies.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Decommissioning costs (note 16)

The estimated cost of decommissioning at the end of the producing lives of fields is reviewed annually or earlier if events or changes in circumstance indicate an impairment may exist and is based on reserves, price levels and technology at the balance sheet date. Provision is made for the estimated cost of decommissioning at the reporting date. The payment dates of total expected future decommissioning costs are uncertain and dependent on the lives of the facilities but are currently anticipated to be incurred until 2034 (2019: 2038).

The level of provision held is also sensitive to the discount rate used to discount the estimated decommissioning costs. The real discount rate used to discount the decommissioning liabilities at 31 December 2020 is 0% (2019: 1.2%). A 1% variation in this discount rate would change the decommissioning liabilities by approximately £537,000 (2019: £101,000).

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

(b) Key sources of estimation uncertainty (continued)

Impairment of long-lived assets

The Company has several material long-lived assets that are assessed for impairment at each reporting date. The Company makes judgements and estimates in considering whether the carrying amounts of these assets or CGUs are recoverable. The key assets that are subjected to impairment tests are development and production assets the carrying value of which is £11,462,000 (2019: £14,436,000) as at 31 December 2020 (See note 11).

Upstream gas and oil assets

The recoverable amount of the Company's gas and oil assets is determined by discounting the post-tax cash flows expected to be generated by the assets over their lives taking into account those assumptions that market participants would take into account when assessing fair value. The cash flows are derived from projected production profiles of each field, based predominantly on expected 2P reserves and take into account forward prices for gas and liquids over the relevant period. Where forward market prices are not available, prices are determined based on internal model inputs which requires professional judgement and assumptions to be used.

The valuation of exploration and production assets are particularly sensitive to the price assumptions made in the impairment calculations and the price assumptions for gas and oil have been varied by +/- 10%. A 10% increase in the price assumption results in a reversal of £1,409,000. A decrease of 10% causes an increase in impairment of £1,409,000. Changes in the price generate different production profiles and, in some cases, the date that an asset ceases production.

4. Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2020	*2019*
	£000	*£000*
Sale of gas and liquids from production	**3,643**	*3,711*

All revenue arose from activities in the Netherlands.

5. Analysis of costs/(income) by nature

Year ended 31 December	2020 Cost of sales £000	2020 Operating costs/ (income) £000	2020 Total costs/ (income) £000	*2019 Cost of sales £000*	*2019 Operating costs/ (income) £000*	*2019 Total costs/ (income) £000*
Transportation, distribution and metering costs	**2,906**	**-**	**2,906**	*1,772*	-	*1,772*
Depreciation (note 11)	**2,259**	**-**	**2,259**	*1,847*	-	*1,847*
Foreign exchange gains	**-**	**(19)**	**(19)**	-	*(4)*	*(4)*
Other operating costs	**834**	**462**	**1,296**	*660*	*2,026*	*2,686*
Total operating costs by nature	**5,999**	**443**	**6,442**	*4,279*	*2,022*	*6,301*

The Company did not have any employees in the current or prior year.

6. Directors' remuneration

The Directors' remuneration for the year was as follows:

	2020 £000	*2019 £000*
Directors' emoluments	**111**	*118*

Remuneration of the highest paid Director:

	2020 £000	*2019 £000*
Director emoluments	**46**	*38*

During the current and prior year, the highest paid Director did not exercise share options and did not receive shares under a long-term incentive scheme.

The number of Directors who received post-employment benefits and share incentives was nil (2019: nil).

7. Exceptional items

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

	2020	*2019*
	£000	*£000*
Impairment charge (note 11)	**4,099**	*63,813*

During the year, the Company recognised a pre-tax exceptional impairment charge of £4,099,000 with respect to development and production assets due to falling gas prices based on future expected cashflows discounted at a rate of 10.0% (2019: 9.0%).

In the prior year an impairment charge of £57,565,000 was recognised with respect to exploration and evaluation assets due to the government's moratorium on fracking which resulted in the intangibles being assessed as having £nil carrying value and £6,248,000 with respect to development and production assets due to falling gas prices.

The cashflows are based on a base gas price of 42 pence per therm, an inflation rate of 2% and exchange rate of £1 to €1.16. A reduction in the base gas price of 10% would result in a further impairment of £1,409,000 post-tax (2019: £2,582,000). An increase in the base gas price of 10% would result in a reversal of impairment of £1,409,000 (2019: £2,582,000).

8. Finance cost

	2020	*2019*
	£000	*£000*
Interest on amounts owed to Group undertakings	**(778)**	*(1,980)*
Unwind of discount on provisions (note 16)	**(39)**	*(56)*
	(817)	*(2,036)*

9. Auditor's remuneration

	2020	*2019*
	£000	*£000*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**10**	*10*

10. Tax

Tax credited in the Income Statement

	2020 £000	2019 £000
Current tax		
Current tax on losses for the year	**(1,244)**	*(4,019)*
UK corporation tax adjustment to prior years	**91**	*-*
Total current tax	**(1,153)**	*(4,019)*
Deferred tax		
Origination and reversal of temporary differences - UK	**(1,678)**	*(24,110)*
Total deferred tax	**(1,678)**	*(24,110)*
Tax on loss	**(2,831)**	*(28,129)*

The main rate of corporation tax for the year to 31 December 2020 was 19% (2019: 19%). The deferred tax assets and liabilities included in these financial statements are based on the rate of 19%.

Upstream gas and oil production activities are taxed at a corporation tax rate of 30% (2019: 30%) plus a supplementary charge of 10% (2019: 10%) to give an overall rate of 40% (2019: 40%). Upstream deferred tax assets and liabilities included in these financial statements are based on the 40% overall effective tax rate having regard for their reversal profiles.

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. If enacted this will impact the value of our deferred tax balances outside of upstream oil and gas activities, and the tax charged on UK profits from outside of upstream oil and gas activities generated in 2023 and subsequently. Spirit Energy have yet to determine the impact of these proposed changes.

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:

	2020 £000	2019 £000
Loss before tax	**(7,715)**	*(68,439)*
Tax on loss at standard UK corporation tax rate of 40% (2019: 40%)	**(3,086)**	*(27,376)*
Effects of:		
Adjustments in respect of prior years	**91**	*-*
Increase from effect of different UK tax rates on some earnings	**164**	*416*
Net expenses not deductible for tax purposes	**-**	*(1,169)*
Total tax credit	**(2,831)**	*(28,129)*

10. Taxation (continued)

The movements in respect of the deferred income tax assets and liabilities that occurred during the financial year are as follows:

	Accelerated tax depreciation (corporation tax) £000	Other timing differences including losses carried forward £000	Total £000
1 January 2019	(28,744)	809	(27,935)
Charged to the Income Statement	24,087	23	24,110
31 December 2019	(4,657)	832	(3,825)
Charged to the Income Statement	1,452	226	1,678
31 December 2020	(3,205)	1,058	(2,147)

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

11. Property, plant and equipment

	Development & production assets £000
Cost	
At 1 January 2020	35,166
Additions	2,239
Disposals	(741)
Revision to decommissioning assets (note 16)	140
Retranslation of foreign currency balances	2,107
At 31 December 2020	38,911
Accumulated depreciation and impairment	
At 1 January 2020	20,730
Charge for the year (note 5)	2,259
Disposals	(741)
Impairment charge (note 7)	4,099
Exchange adjustments	1,102
At 31 December 2020	27,449
Net book value	
At 31 December 2020	11,462
At 31 December 2019	14,436

Impairment
During the current year, the Company recognised an exceptional impairment charge of £4,099,000 (2019: £6,248,000) on the Chiswick field because of a reassessment of changes in price estimates. Further details on the impairment charge are included in note 7.

The recoverable amounts of the assets are categorised in Level 3 of the fair value hierarchy and have been calculated on a fair value less costs of disposal basis.

The future post-tax cash flows are discounted using a post-tax nominal discount rate of 10.0% (2019: 9.0%) to determine fair value less costs of disposal.

There were no impairment indicators identified as at 31 December 2020 or 31 December 2019 in relation to the remaining property, plant and equipment assets. Similarly, there were no other 'triggering events' justifying a reversal of impairment losses previously recognised.

12. Trade and other receivables

	2020 £000	2019 £000
Amounts owed by Group undertakings	**8,195**	*18,914*
Other receivables	**182**	*359*
	8,377	*19,273*

The amounts owed by Group undertakings have been presented on a net basis as there is a right of offset against certain amounts. The amounts owed by Group undertakings are unsecured and repayable on demand.

The expected credit loss (ECL) on amounts due to fellow Spirit Energy Group undertakings has been calculated on the basis of a twelve-month ECL as there has been no significant increase in credit risk since the inception of the loans. The level of the ECL is considered to be immaterial as the undertakings have the financial support of Spirit Energy Limited, an intermediate parent company.

13. Inventories

	2020 £000	2019 £000
Raw materials and consumables	**74**	*166*

There is no significant difference between the replacement cost of inventories and their carrying amounts.

14. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	**79**	-
Less: bank overdrafts (note 17)	**-**	*(306)*
	79	*(306)*

15. Trade and other payables

	2020	*2019*
	£000	*£000*
Amounts owed to Group undertakings	**16,772**	*23,771*
Other payables	**1,057**	*2,109*
Accrued expenses	**105**	*107*
	17,934	*25,987*

The amounts owed to Group undertakings have been presented on a net basis as there is a right of offset against certain amounts. Included within the net amounts owed by Group undertakings disclosed above is a £16,772,000 payable (2019: £22,965,000) that bears interest at a monthly rate between 3.04% and 3.70% (2019: ranged between 0.25% and 3.70%) respectively. The other net amounts owed to Group undertakings are interest-free. All amounts owed to Group undertakings are unsecured and repayable on demand.

16. Provisions for other liabilities and charges

	Decommissioning
	£000
At 1 January 2020	3,809
Charge to the Income Statement	36
Revision to provision on existing assets (note 11)	140
Retranslation of foreign currency balance	175
Increase due to discount unwinding (note 8)	39
At 31 December 2020	4,199
Non-current liabilities	4,199

Decommissioning
The Company has recognised provisions for its obligations to decommission its oil and gas fields at the end of their operating lives. The provisions recognised represent the best estimate at the reporting date of the expenditures required to settle the present obligation based on existing technology and current legislation requirements. Such cost estimates, expressed at current price levels at the date of the estimate, are discounted using a long-term pre-tax real rate of 0% (2019: 1.2%).

The timing of the decommissioning payments is dependent on the life of the field but are anticipated to occur between 2026 and 2034 (2019: 2022 and 2038).

17. Borrowing

	2020 £000	*2019* *£000*
Bank overdrafts (note 14)	-	*(306)*

Bank overdrafts are repayable on demand are interest free.

18. Share capital

	2020 £000	*2019* *£000*
Allotted, called up and fully paid		
4,000,100 *(2019: 4,000,100)* Ordinary shares of $1.00 each	**30,148**	*30,148*

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

19. Reserves

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs. Share premium is non-distributable.

Foreign exchange reserve

The foreign exchange reserve is mainly made of translation differences that arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the reporting date, which differs from the rate in effect at the last measurement date of the respective item. The foreign exchange reserve is non-distributable.

Retained losses

The balance classified as retained losses includes the profits and losses realised by the Company in previous periods that were not distributed to the shareholders of the Company at the reporting date.

20. Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is Spirit North Sea Gas Limited a company registered in Scotland.

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 accounts are prepared is Centrica plc. Centrica plc has its registered office at Millstream, Maidenhead Road, Windsor, England, SL4 5GD and is registered in England and Wales. Centrica plc's financial statements can be obtained at www.centrica.com.

21. Non-adjusting events after the balance sheet date

There are no material events to disclose subsequent to the year ended 31 December 2020.